

# Global Equity Fund



## ► Real Return Investing

February 2026 Commentary | ISIN for Class C USD: IE00BKXGF987

MARKETING COMMUNICATION

### Our investment approach

- Focus on real returns with lower volatility and downside protection.
- High conviction portfolio of quality companies based on thematic idea generation.
- Strict valuation discipline to only invest when attractive real returns are achievable.

### Portfolio Management Team



**Ian Clarke**

21 years in the industry



**Andy Headley**

30 years in the industry



**Mike Moore**

21 years in the industry

### Performance and markets

Global markets delivered positive but uneven returns in February, with a clear rotation away from US mega-cap technology towards value, cyclical and non-US regions. US equities lagged amid concerns over the sustainability of AI-related spending and renewed trade uncertainty following a Supreme Court ruling on tariffs, while Europe, the UK and Japan outperformed on improving macro data, resilient earnings and more supportive policy expectations. The MSCI World Index rose 0.73%, while emerging markets extended their outperformance, led by North Asia (notably Korea and Taiwan) as demand for semiconductor and AI infrastructure remained strong. The Nedgroup Investments Global Equity Fund returned -1.6%. At the sector level, industrials (+1,82%) and Consumer Staples were positive contributors to performance, but were offset by the Information Technology (-1,34%) and Consumer Discretionary (-1,01%) sectors. At the stock level, Safran (+12,2%) reported strong 2025 results and significantly raised its 2028 recurring operating income target to between €7.0 billion and €7.5 billion, up from the previous forecast of €6.0 billion to €6.5 billion. The company benefited from high demand for services on civil engines, particularly as airlines continue to fly older jets due to shortages in new aircraft deliveries. Amazon fell 12,2% and detracted from performance. The primary driver for the decline was investor concern over the company's aggressive \$200 billion capital expenditure plan for 2026 – around \$50 billion above expectations – which is focused heavily on AI infrastructure, chips, and robotics. While investor caution is understandable, this mirrors earlier periods such as the launch of Amazon Web Services (AWS) and Prime, when heavy investment was initially criticised but ultimately proved transformative. Amazon argues that substantial AI spend is essential to meet accelerating demand within AWS.

### Stock Spotlight: Vinci

Vinci (+15,3%) rose significantly in February 2026 primarily due to the company reporting record-breaking free cash flow and a strong outlook in its 2025 annual results. Vinci achieved an all-time high free cash flow of €7.01 billion in 2025, significantly exceeding analyst expectations. The company proposed a dividend of €5.00 per share for 2025, a 5.3% increase from the previous year's €4.75. Growth was supported by high-margin concessions, especially Vinci Airports with an EBITDA margin of 67% and strong momentum in Energy Solutions. Traffic was dynamic at most airports in the network: 334 million passengers used the airports managed by the Group in 2025, which was 5.0% more than in 2024. There were large increases at recently acquired airports (Budapest, Edinburgh, Mexico and Cabo Verde), and in Japan.

**Our view:** Vinci's Energy Solutions business operates in very buoyant markets: shift towards electrification, rapid growth for AI and data centres, digitalisation of industrial processes and building management, and defence and sovereignty challenges. Order intake in its Cobra IS (energy infrastructure and engineering) totalled €8.6 billion and exceeded Cobra IS's revenue in 2025. The order book at 31 December 2025 amounted to €18.1 billion, up 3% year on year, and represents more than two years of Cobra IS's average business activity. Vinci remains exposed to the key trends in decarbonisation, digitalisation and electrification. We maintain the position.

## Key return drivers

### Stock contribution : Month to date

Winners	Contribution (%)	Losers	Contribution (%)
Vinci	0.82%	Thermo Fisher Scientific	-0.38%
Canadian Pacific Kansas City	0.80%	Microsoft	-0.48%
Safran	0.63%	Dassault Systemes SE	-0.55%
Waters Corporation	0.61%	Becton Dickinson	-0.61%
Unilever PLC	0.43%	Amazon.com	-0.84%

Sector contribution	Month to date (%)
Industrials	1.82%
Consumer Staples	0.27%
Communication Services	0.00%
Cash and equivalents	0.00%
Financials	-0.12%
Health Care	-0.38%
Consumer Discretionary	-1.01%
Information Technology	-1.34%

## Portfolio positioning

Top 10 holdings	Portfolio weight
Vinci	6,16%
Amazon.com Inc	5,89%
Safran	5,41%
Microsoft Corporation	5,14%
Canadian Pacific Kansas City	5,12%
London Stock Exchange Group	4,70%
Unilever PLC	4,55%
Airbus Group	4,32%
Aon PLC	4,25%
Mastercard Inc	4,06%
<b>Total</b>	<b>49.6%</b>

Sector breakdown	Portfolio weight
Industrials	23,17%
Health Care	18,81%
Financials	15,87%
Information Technology	15,32%
Consumer Discretionary	13,85%
Consumer Staples	8,54%
Communication Services	2,36%
Cash	2,09%
<b>Total</b>	<b>100.0%</b>

Attribution analysis and positioning information as at 28 February 2026. Source: Nedgroup Investments, Veritas Asset Management.

Fund returns are in US\$ based on Class C. MSCI index returns are with net dividends reinvested. Source: Morningstar

## Notable News

- Avram Glazer, the co-owner of Manchester United, is making a bid for Indian Premier League team Royal Challengers Bengaluru, according to people familiar with the matter. Glazer has submitted a bid for about \$1.8 billion for the cricket team, and other potential buyers include Blackstone Inc., Carlyle Group Inc. and Indian tycoons. The current owner of Royal Challengers, **Diageo**, has been seeking to sell part or all the team at a valuation of as much as \$2 billion.
- **Unilever** announced that it embarked on a transformative five-year partnership with Alphabet's Google Cloud. The deal aims to revolutionise consumer goods through advanced AI and data technologies. This collaboration intends to enhance Unilever's brand portfolio, by leveraging Google Cloud's AI capabilities to create a new model for consumer engagement. This strategic alliance will migrate Unilever's data and cloud platforms to Google Cloud, establishing an AI-first digital infrastructure. This move is set to enhance Unilever's ability to generate demand, gain insights, and swiftly adapt to market changes. The partnership will also focus on developing intelligent systems that can execute complex tasks, thus redefining how value is created within the company.
- **Amadeus IT** Despite a miss on Q4 earnings, Amadeus shares rose following the results announcement, having fallen during the month. The positive market reaction suggests investors focused on the company's successful delivery of full-year guidance, strong momentum exiting 2025, and confident outlook for 2026 and beyond. New customer implementations and increased transaction volumes drove growth throughout the year, with key wins including Radisson Hotel Group, Alibtrip, Gant Travel, HotelEngine, and SmartRyde.

## Contact us

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Risks and fees are outlined in the relevant Sub-Fund supplement.

Prices are published on the Investment Manager's website.

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