

# Global Equity Fund



## ► Real Return Investing

January 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 started 2026 on a constructive footing, with equities broadly higher despite elevated geopolitical risk and mixed macro signals. A weaker US dollar, resilient economic data and easing inflation pressures supported risk assets, while commodities delivered strong gains amid geopolitical tensions. The MSCI World Index rose 2.2%, with emerging markets outperforming developed market peers. In developed markets, European equities gained as eurozone growth surprised modestly to the upside and inflation stabilised. The UK market also rose, supported by better-than-expected growth, although inflation remained sticky. US equities finished higher but lagged global peers, weighed down by political uncertainty, tariff threats and renewed debate around Federal Reserve independence. Sector performance was more uneven. Cyclical areas such as financials, industrials and materials generally outperformed as investors positioned for resilient growth and easing monetary policy later in the year. The Nedgroup Investments Global Equity Fund returned -1.6%. While holdings in ASML (+33%), Alphabet (+8%) and Diageo (+6%) were supportive of fund returns, the decline was primarily driven by a "contagion of caution" across the software sector following negative AI monetization news from peers, growing investor scepticism regarding the pace of returns on AI investments, and a broader risk-off sentiment in the cloud software industry. Salesforce (-19%), Microsoft (-11%) and SAP (-13%) detracted from returns.

### Stock Spotlight: Amadeus IT

The company formally ended its share repurchase program on January 30, 2026, having reached the maximum authorised amount of 1,641,000 shares. The removal of this consistent buying support often leads to short-term price softening. Broader travel tech sector sentiment has cooled due to persistent concerns about global travel demand and geopolitical instability, which analysts suggest may derail growth projections. Management previously noted that revenue for 2025 was likely to hit the lower end of the guided range due to these factors. The main negative is the 'contagion of caution' impact referred to above. The latest set of results from Amadeus show it is performing well across all three of its businesses but it has been caught up in the AI disruption/ monetisation concern when it is not some simple consumer app but mission critical plumbing for the global travel industry.

**Our view:** Amadeus's airline IT segment has been a consistent driver of growth, compounding sales at 19% per year leading up to the pandemic. Half of airline passengers in the world (excluding China) interact with Amadeus's passenger service systems (PSS) software when buying tickets and checking in for their flights. PSS systems are sold to airlines, and play a critical role in streamlining their day-to-day operations while enhancing the overall passenger experience. The technical superiority of Amadeus's solutions has allowed it to gain significant market share at the expense of competitors, and the company continues to win major contracts with airlines. Meanwhile, the hospitality IT division is emerging as another strong growth engine, contributing 16% of sales and 10% of profits. The company is applying the same strategy that made it a leader in airline IT to the hospitality sector. Amadeus's central reservations system is used by major hotel chains, and enables hotels to manage bookings more efficiently and provide customised pricing options. A distinguishing feature of Amadeus is its long-standing commitment to research and development (R&D). The company spends around €1bn (£868mn) a year in R&D, the equivalent of around 20% of sales. Amadeus has a history of anticipating the future needs of its customers and delivering innovative solutions. The company can grow sales at a healthy high-single-digit rate for the foreseeable future, with profit growing at a faster rate as the company completes its transition to the cloud.

## Key return drivers

### Stock contribution : Month to date

Winners	Contribution (%)	Losers	Contribution (%)
ASML Holding N.V.	0.55%	London Stock Exchange	-0.31%
Alphabet	0.25%	SAP	-0.36%
Diageo	0.23%	UnitedHealth	-0.56%
Amazon.com	0.21%	Microsoft	-0.67%
Becton Dickinson	0.20%	Salesforce	-0.88%

Sector contribution	Month to date (%)
Consumer Staples	0.44%
Industrials	0.36%
Communication Services	0.23%
Cash and equivalents	0.00%
Consumer Discretionary	-0.23%
Financials	0.29%
Health Care	-0.44%
Information Technology	-1.40%

## Portfolio positioning

Top 10 holdings	Portfolio weight
Amazon.com Inc	6,73%
Microsoft Corporation	5,54%
Vinci	5,20%
Safran SA	4,93%
Unilever Plc	4,78%
Canadian Pacific Kansas City	4,43%
Becton Dickinson and Co	4,43%
Aon PLC	4,30%
Airbus Group	4,08%
London Stock Exchange Group	4,02%
<b>Total</b>	<b>48.5%</b>

Sector breakdown	Portfolio weight
Industrials	20,95%
Health Care	18,96%
Information Technology	15,83%
Consumer Discretionary	14,60%
Financials	13,86%
Consumer Staples	8,88%
Communication Services	5,60%
Cash	1,32%
<b>Total</b>	<b>100.0%</b>

Attribution analysis and positioning information as at 31 January 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

- **Amazon** CEO Andy Jassy said AI-powered shopping could significantly boost the company's retail business, as Amazon looks to improve its own shopping chatbot and explore partnerships that would allow third-party AI agents to operate on its platform. Speaking at the World Economic Forum in Davos, Jassy said current AI shopping experiences are still flawed but should improve over time, with any partnerships requiring a clear value exchange. He also addressed growing competition from OpenAI and Google in chatbot-driven shopping and advertising, arguing Amazon's strength lies in delivering highly relevant ads based on shopper behaviour. Jassy said Amazon has strong mutual respect with OpenAI following a recent cloud agreement and hopes to deepen the relationship, though he declined to comment on reports of a large potential investment. Finally, he noted that despite heavy near-term spending on data centres and power, industry capacity remains tight, with Amazon pursuing multiple strategies to secure energy for its expanding infrastructure.
- **Salesforce** - The launch of Salesforce's "Slackbot personal agent" was met with market scepticism, as investors viewed it as an incremental update rather than a revolutionary growth engine. Concerns persist that Salesforce may remain stuck in a single-digit revenue growth band (currently around 8-9%) despite its AI initiatives. Persistent inflation data released in mid-January raised fears that the Federal Reserve would keep interest rates higher for longer, and high rates increase the discount rate on future cash flows, impacting tech stocks. Salesforce is pivoting from human-focused software to autonomous AI agents (Agentforce), redefining enterprise AI adoption and creating new revenue streams. As a leader in CRM with a 22% market share, Salesforce benefits from high customer stickiness and strong pricing power, and best placed to provide a 'smart bridge' to more AI enhanced offerings. The integration of Data Cloud and potential acquisitions (like Informatica) aims to unify disparate data sources, strengthening its AI capability.
- **Mastercard** Visa estimates US holiday spending grew 4.2% year-on-year, while Mastercard's SpendingPulse puts growth at 3.9% for the period from 1 November to 21 December. In-store purchases accounted for 73% of transactions, though online spending was a key driver, rising 7.8% according to Visa and 7.4% per Mastercard. The two reports diverged on apparel, with Visa estimating clothing and accessories sales up 5.3%, compared with a 7.8% increase reported by Mastercard.

## Contact us

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#### **NEDGROUP INVESTMENTS CONTACT DETAILS**

Tel: toll free from South Africa only 0800 999 160

Email: [info@nedgroupinvestments.co.za](mailto:info@nedgroupinvestments.co.za)

For further information on the fund please visit: [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com)

#### **OUR OFFICES ARE LOCATED AT**

First Floor, St Mary's Court

20 Hill Street, Douglas

Isle of Man

IM1 1EU