

# Global Equity Fund



## ► Real Return Investing

March 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 deteriorated sharply in March as the conflict in the Middle East escalated and disrupted global energy supply routes, triggering a severe oil price shock and a broad risk-off move across asset classes. Equities declined across most regions, with energy the clear outperforming sector. Europe experienced some of the sharpest losses given its reliance on imported energy, while the UK recorded its worst monthly equity decline since the pandemic. Cyclical and rate-sensitive sectors such as consumer discretionary, real estate and industrials were hit hardest. The Nedgroup Investments Global Equity Fund returned -8,8% in March. At the sector level, industrials (-3,18%) and Consumer Staples (-1,81%) were the largest detractors to performance, as well as no exposure to the Energy sector on a relative basis. At the stock level, Safran (-19,8%) shares experienced a period of underperformance and decline following an earlier all-time high reached after reporting strong financial results in early 2026. While still attractive, we sold down the position in favour of Airbus. Mastercard shares performed relatively well in March 2026, recovering from a sharp February 2026 fall despite no major deterioration in business fundamentals and leaving the stock trading at decade-low free cash flow multiples. Value Added Services (VAS) revenue—including cybersecurity, data analytics, and fraud prevention—is growing strongly, expanding 26% in Q4 2025 and 23% for the full year 2025. By March 2026, VAS grew to represent nearly 40% of total revenue, which helped decouple earnings from solely relying on transaction volumes. Diageo (-17,8%) shares fell in March 2026, continuing a downward trend from 2025, driven by a combination of downgraded earnings forecasts, a severe dividend cut, and what is perceived to be persistent weakness in key markets. The new CEO has essentially initiated a "kitchen sinking" approach—announcing all bad news at once to clear the path for a future recovery, which caused short-term share price volatility. As of early 2026, Diageo shares are trading at a forward price-to-earnings (P/E) ratio around 12–14 times, significantly below its 10-year average of roughly 21. The sharp pull back in the shares suggests that many of the company's problems are already "baked into" the low share price.

### Stock Spotlight: LSEG

Following its full-year results, LSEG reported organic revenue growth of 7.1% and a 14.3% rise in underlying operating profit, demonstrating solid momentum across all divisions. The company provided positive guidance for 2026, including expected organic revenue growth of 6.5–7.5% and free cash flow exceeding £2.7 billion. Management is using this as an opportunity to buy back stock. It has already purchased £415mn in the year to date and announced a significant £3 billion share buyback programme by February 2027. It has also increased its final dividend, reflecting high free cash flow generation and confidence in future cash flow growth. LSEG is turning more than a quarter of its revenue into free cash and, in the medium term, management is guiding for cash flow to grow at a double-digit rate. The issue for LSEG, which provided the buying opportunity, has been market fears of AI disruption. LSEG is solidifying its position as an "AI winner" by signing deals with major AI firms, including Microsoft, OpenAI, Anthropic, Databricks, and Snowflake. The AI disruption story could apply to its Workspace data analytics platform, as banks might conceivably be tempted to try to replace it with in-house versions.

**Our view:** LSEG owns a lot of proprietary data which is customers will still need to purchase. These partnerships allow for the licensing of LSEG's proprietary data, turning AI from a threat into a revenue driver. A large portion of LSEG's revenue is also subscription-based, offering stability and resilience in volatile markets. The position had been added to on weakness.

## Key return drivers

### Stock contribution : Month to date

Winners	Contribution (%)	Losers	Contribution (%)
London Stock Exchange	-0.05%	Vinci	-0.63%
Amazon.com	-0.04%	Diageo	-0.67%
Mastercard	-0.14%	Airbus	-0.69%
Aon PLC	-0.15%	Safran	-1.08%
Salesforce	-0.17%	Unilever PLC	-1.11%

Sector contribution	Month to date (%)
Cash and equivalents	0.00%
Communication Services	-0.19%
Financials	-0.47%
Consumer Discretionary	-0.87%
Information Technology	-1.31%
Health Care	-1.46%
Consumer Staples	-1.81%
Industrials	-3.15%

## Portfolio positioning

Top 10 holdings	Portfolio weight
Vinci SA	5,87%
London Stock Exchange Group	5,45%
Amazon.com Inc	5,13%
Safran SA	4,93%
Canadian Pacific Kansas City Ltd	4,81%
Mastercard Inc	4,79%
Airbus Group	4,68%
UnitedHealth Group Inc	4,52%
Microsoft Corp	4,50%
Aon PLC	4,49%
<b>Total</b>	<b>49.2%</b>

Sector breakdown	Portfolio weight
Industrials	21,9%
Health Care	19,8%
Financials	17,1%
Information Technology	14,8%
Consumer Discretionary	13,4%
Consumer Staples	7,6%
Communication Services	2,3%
Cash	2,9%
<b>Total</b>	<b>100.0%</b>

Attribution analysis and positioning information as at 31 March 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

- **Microsoft** said it rolled out a new feature called "Critique" under its Copilot Researcher AI agent that will use a combination of AI models simultaneously, using one to generate a response and the other to review and refine the output. The models that can be used include Anthropic and OpenAI, and the new feature scored 13.8% higher on the deep research industry standard Deep Research Accuracy, Completeness, and Objectivity, or DRACO benchmark. Microsoft said it also launched early access for Copilot Cowork, which automates multi-step workflows such as calendar management and daily briefings across apps, allowing it autonomous AI agent functionality.
- **SAP** Chief Executive Officer Christian Klein said the defence industry has become the company's fastest growing business line as military budgets soar around the world. "There's high demand for better software, better AI to scale the businesses,". The company gets about 10% of its revenue from the industry. The war in Iran is the latest major conflict to drive a sharp increase in military spending after European defence budgets boomed in the wake of Russia's invasion of Ukraine in 2022. With hundreds of billions of dollars flowing into the industry to increase weapons stocks and readiness, militaries globally have also expressed interest in projects to update their software. SAP is migrating the German armed forces systems to newer SAP programs that will run logistics, personnel management, and administration programs. While parts of the project have been delayed because of software errors, Klein said the company overcame them and showed that SAP could pull off complex plans for the military.
- **Thermo Fisher Scientific** has completed its \$8.88 billion acquisition of Clario, a clinical trial technology and data company, with additional potential payments of up to \$525 million tied to future milestones. Clario will be integrated into Thermo Fisher's Laboratory Products and Biopharma Services division. Originally announced in October, the deal is expected to add \$0.45 to adjusted EPS in its first year. Management highlighted the acquisition as a strong strategic fit, enhancing Thermo Fisher's capabilities in data-driven drug development and clinical trial services. TMO has been making additive acquisitions to further bind its customers onto its end-to-end platform.

Headlines surfaced during the month around helium price shocks amid the escalating conflict in the Middle East, where 20% of the globe's helium supply is sourced, and argues that rising helium prices could create a selective tools headwind, with Bruker (BRKR) most exposed given that it is a critical operating input for customers running NMRs and some MRIs. Thermo Fisher (TMO) face more limited risk as their helium exposure is primarily relegated to gas chromatography workflows.

- **United Health** introduced Avery, a generative AI companion that creates a simpler, more coordinated health care experience for members while empowering customer advocates to more efficiently respond to members. Available to eligible members through the UnitedHealthcare app or myuhc.com, Avery learns from people's interactions with it and provides powerful self-serve capabilities. Avery adapts to the user, offering a more personalised experience based on the individual's specific benefits and demographics. Avery offers clear, actionable next steps for members and advocates in real-time. UNH is undoubtedly a beneficiary of AI, with its Optum business that has utilised machine learning for well over a decade and underappreciated in the current AI winner/loser narrative.

## Contact us

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