

Global Flexible Fund

► Contrarian. Flexible. Patient.



December 2025 update | ISIN for Class C USD:IE00BKXGFM15

MARKETING COMMUNICATION

Our investment approach

- We target equity-like returns with less risk than the market over a full market cycle.
- Portfolio construction is driven by bottom-up fundamental research and valuations, agnostic of market indices.
- We patiently seek undervalued, out-of-favour opportunities across asset class and capital structure.
- We hold cash when prudent to protect against downside risks.

In this monthly note, we share the Fund's return drivers over recent periods, current portfolio positioning and put the spotlight on a stock bought/sold.

Performance and markets

Despite ongoing concerns around the sustainability of AI related spending, global equities delivered strong returns in 2025, with the MSCI World up 21.1%. The Nedgroup Investments Global Flexible Fund returned 16.4%, while global bonds (Bloomberg Global Agg US\$ hedged) returned 4.9% in US\$ terms.

Returns were primarily driven by stock selection across Consumer Staples, Industrials, IT and Financials, while Communication Services was the main detractor.

In Consumer Staples, Keurig's announced acquisition of JDE Peet's rewarded our long held position in the pure play coffee business, which rose more than 120% over the year.

Within Industrials, our defence holdings Safran and Howmet delivered stellar performance, and Korean market dynamics — including enthusiasm around AI linked infrastructure — supported Samsung C&T, which gained over 115%.

In IT, not owning Nvidia and trimming Broadcom as valuations increased was a headwind, but our focus on “picks and shovels” names such as TE Connectivity and Analog Devices added value. Avoiding Apple and Microsoft also helped, as both lagged the broader market.

In Financials, our post GFC bank positions, Citigroup and Wells Fargo, rallied as structural and cyclical tailwinds aligned, supporting improved net interest margins.

The key detractors for the year were Charter Communications and CarMax. As Charter acquired Liberty Broadband over the month, we adjusted our position to access the shares at a discount. CarMax, the largest used car retailer in the US, has been more challenging. We entered 2025 expecting an improved omnichannel offering and a recovering used vehicle market to support volumes and profitability. Instead, a series of operational missteps has held back performance. Despite this, the valuation remains undemanding at roughly 12x forward earnings and 1.1x tangible book value. While two independent directors buying shares in October and an expanded buyback programme signal confidence, we would have preferred management to delay repurchases until after the recent disappointing updates. We continue to believe CarMax has built a differentiated model with meaningful long term potential, but operational execution must improve.

Portfolio Management Team



Brian A. Selmo

24 years in the industry



Steve Romick

39 years in the industry



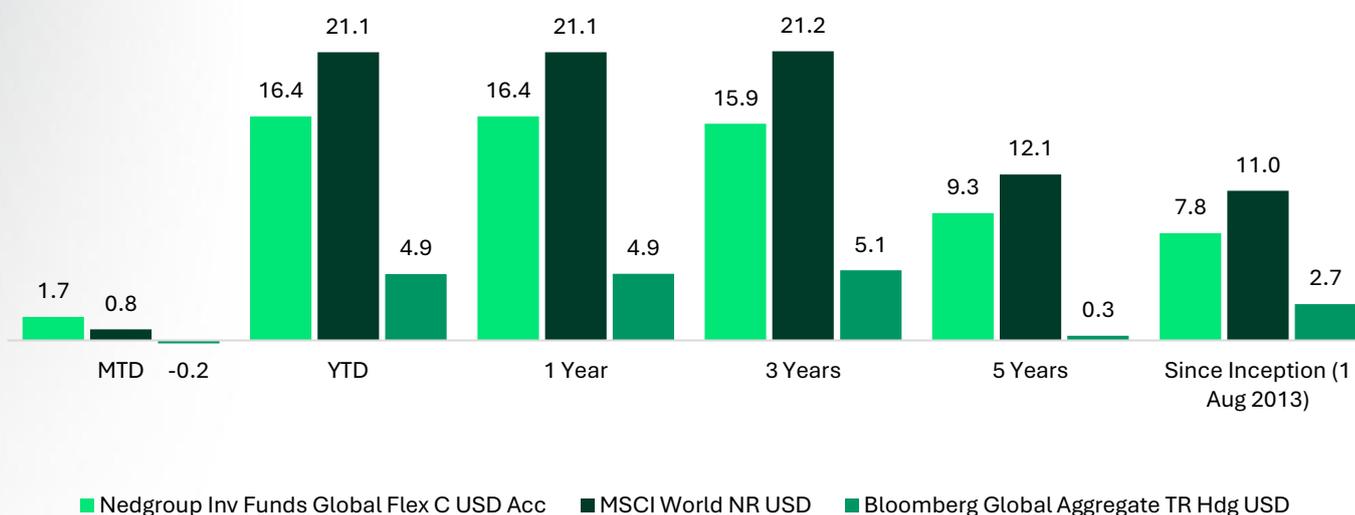
Mark Landecker

23 years in the industry

As uncertainty persists across the corporate landscape, our discipline remains unchanged: focusing on quality businesses with durable characteristics that are misunderstood, mispriced, and capable of delivering equity-like returns for our long-term investors.

Fund performance

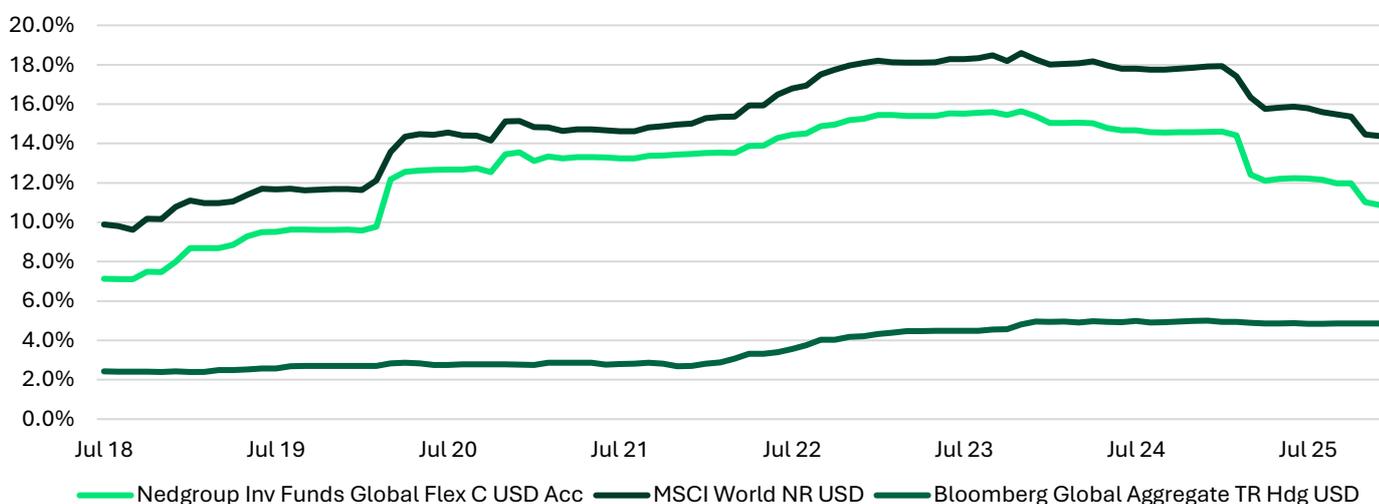
Past performance is not indicative of future performance and does not predict future returns



Inception date 01/08/2013 Source: Morningstar, data to 31 December 2025.

Rolling 5-year volatility (% net in US\$)

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Source: Morningstar, data to 31 December 2025.

Fund returns are in US\$ based on Class C since 1 August 2013. MSCI index returns are with net dividends reinvested. Rolling volatility based on rolling 5-year US\$ returns. Source: Morningstar, Nedgroup Investments.

Key return drivers

Month to date

Contributors		Detractors	
Echostar Corporation 3.875%	0.27%	Ferguson Enterprises	-0.14%
Citigroup	0.24%	Alphabet	-0.12%
Comcast Corporation	0.18%	Nintendo	-0.07%
Glencore	0.16%	Intl Flavors & Fragrances	-0.05%
NXP Semiconductors	0.10%	Bio-Rad Laboratories	-0.04%

Year to date

Contributors		Detractors	
Alphabet	2.87%	CarMax	-0.62%
TE Connectivity	1.43%	Comcast Corporation	-0.47%
Citigroup	1.42%	Charter Communications	-0.44%
JDE Peet's	1.25%	Jefferies Financial Group	-0.40%
Safran	0.90%	Intl Flavors & Fragrances	-0.38%

Sector contribution	Month to date	Year to date
<i>Equities</i>	0.98%	14.34%
Communication Services	0.13%	3.90%
Consumer Discretionary	-0.02%	0.34%
Consumer Staples	0.11%	1.69%
Energy	0.00%	0.22%
Financials	0.38%	1.56%
Health Care	0.04%	0.87%
Industrials	0.01%	2.52%
Information Technology	0.15%	2.18%
Materials	0.27%	1.44%
Real Estate	-0.08%	-0.38%
<i>Fixed Income</i>	0.42%	2.73%

Contribution data as of reporting month end. Source: FPA, Factset.



Portfolio positioning

Portfolio structure	Portfolio weight
Fixed income	2.67%
Corporate Bonds	0.54%
Convertible Bonds	2.13%
Equities	59.03%
Communication Services	10.90%
Consumer Discretionary	6.20%
Consumer Staples	5.56%
Energy	1.69%
Financials	6.89%
Health Care	5.82%
Industrials	8.42%
Information Technology	6.74%
Materials	5.87%
Real Estate	0.86%
Utilities	0.09%
Cash & equivalents*	38.30%
Total	100.00%

* Includes money market securities.

Regional breakdown	Equity weight	Fixed income weight
North America	33.77%	1.22%
Europe ex UK	21.01%	1.45%
Asia ex. Japan	0.14%	0.0%
Japan	1.75%	0.0%
Emerging Markets	2.36%	0.0%
Total	59.03%	2.67%

Top 5 equity holdings		Portfolio weight
Alphabet	Communication Services	5.55%
Analog Devices	Information Technology	2.82%
Meta Platforms	Communication Services	2.49%
TE Connectivity	Information Technology	2.17%
Citigroup	Financials	2.10%

Stock spotlight: Magnum

Following its spin-out from Unilever, Magnum is now the world's largest standalone ice-cream company, bringing together iconic brands such as Magnum, Ben & Jerry's, Wall's and Cornetto. The business commands a uniquely defensible moat through its global network of roughly three million branded freezers — a proprietary distribution asset that effectively secures point-of-sale presence and is expensive for competitors to replicate. This physical infrastructure, combined with specialised cold-chain manufacturing and logistics, gives Magnum a structural advantage that mirrors the classic consumer-staples models of decades past.

- **Current Dynamics:** As part of Unilever, the division had been under-invested, particularly in emerging markets where freezer density directly drives penetration. The spin-out unlocks focused capital allocation, enabling management to accelerate expansion in markets where consumption is growing fastest and the return on incremental freezers is high. Although Magnum's margins currently trail peers, this gap presents a substantial self-help opportunity as standalone governance allows for more disciplined manufacturing optimisation, better route-to-market execution and more agile reinvestment. The valuation remains undemanding relative to its brand strength, category leadership and cash-generation potential, offering a favourable entry point into a resilient consumer franchise.
- **Strategic Positioning:** What differentiates Magnum is its blend of scale and physical defensibility. Freezer cabinets secure exclusive real estate in retail outlets, protecting share and ensuring consistent throughput even in slower-growing markets. Meanwhile, the category's specialised production footprint creates natural barriers that keep competition rational. As an independent company, management is sharpening innovation cycles — not through radical breakthroughs, but through steady improvements in flavour, format and on-trend premium offerings that refresh the portfolio and drive pricing power. Premiumisation, especially in Europe and North America, and penetration gains in emerging markets together provide a balanced multi-year growth engine.
- **Investment Thesis:** Magnum offers a durable, cash-generative profile supported by three drivers: (1) Margin uplift as standalone governance tightens manufacturing and logistics; (2) Steady growth, led by emerging-market expansion and premiumisation; and (3) Potential re-rating, as the market recognises the value of its physical moat and the benefits of renewed strategic focus. While not a hyper-growth story, Magnum is a resilient compounder with limited downside and the prospect of stable, equity-like returns.

This is a new position that we initiated in the Fund and is currently 0.7% of the portfolio as at month-end.

Positioning information as of reporting month end. Some differences may exist due to rounding. Source: FPA, Nedgroup Investments.

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This is a marketing communication. Please refer to the prospectus, the key investor information documents (the **KIIDs/PRIIPS KIDs**) and the financial statements of Nedgroup Investments Funds plc (the **Fund**) before making any final investment decisions.

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The sub-funds of the Fund (the **Sub-Funds**) are generally medium to long-term investments and the Investment Manager does not guarantee the performance of an investor's investment and even if forecasts about the expected future performance are included the investor will carry the investment and market risk, which includes the possibility of losing capital.

The price of shares may go down or up depending on fluctuations in financial markets outside of the control of the Investment Manager meaning an investor may not get back the amount invested.

Past performance is not indicative of future performance and does not predict future returns.

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

Prices are published on the Investment Manager's website.

Distribution: The prospectus, the supplements, the KIIDs/PRIIPS KIDs, constitution, country specific appendix as well as the annual and semi-annual reports may be obtained free of charge in English for the prospectus and in English together with the relevant local languages for the KIIDs/KIDs from the country representative, the Investment Manager, or at www.nedgroupinvestments.com. The Investment Manager may decide to terminate the arrangements made for the marketing of its collective investment undertakings in accordance with Art 93a of Directive 2009/65/EC and Art 32a of Directive 2011/61/EU.

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Germany: The Fund's Facilities agent in Germany is Acolin Europe AG, with the registered office at Line-Eid-Strasse 6, 78467 Konstanz. The Prospectus (in English) and the PRIIPS KID (in German), may be obtained free of charge at the registered office of the Facilities agent, or electronically by Email via facilityagent@acolin.com, or by using the contact form at <https://acolin.com/services/facilities-agency-services>.

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