

Global Flexible Fund

► Contrarian. Flexible. Patient.



February 2026 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.

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

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

Heightened geopolitical tensions increased market uncertainty and drove shifts in equity leadership. A rotation away from US megacap technology stocks, amid concerns around AI-related capex and free cash flow, briefly supported non-US equities. However, early March saw a reversal as a flight to quality pushed investors back toward US large caps. Against this backdrop, the Nedgroup Investments Global Flexible Fund returned 0.2% versus 1.3% for MSCI ACWI and 1.4% for global bonds (Bloomberg Global Aggregate (US\$ hedged)). Year to date, the fund is up 2.6% compared with 4.3% for MSCI ACWI and 1.7% for global bonds, while maintaining a more conservative risk posture with cash acting as a stabiliser.

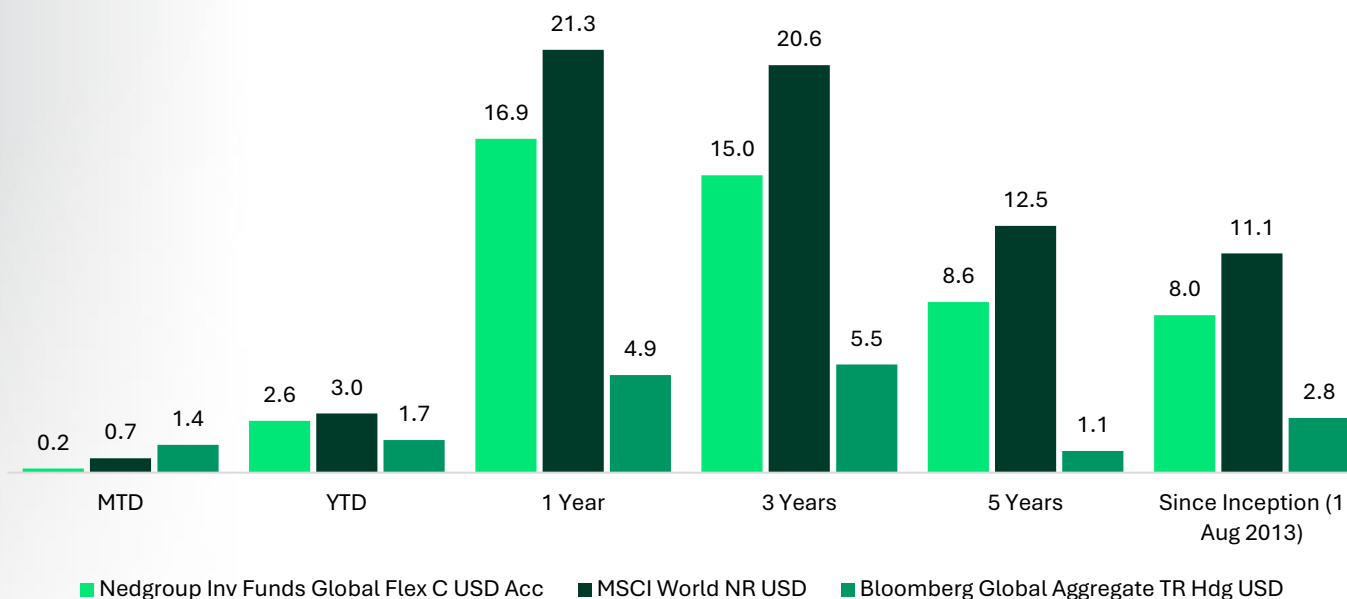
At a sector level, Materials and Industrials were the main contributors for both the month and year to date, while AI-exposed holdings such as Alphabet, Meta and Amazon detracted from February performance as sentiment rotated away from these names.

Within Materials, the top contributors delivered high double-digit returns so far in 2026. Amrize continued to re-rate on above-industry margins, IFF benefited from improved investor confidence following restructuring progress, and Glencore delivered strong results supported by rising prices in copper, coal and cobalt. In Industrials, demand for AI-related infrastructure supported Samsung C&T and LG Corp, with Korean corporate governance reforms also contributing positively. Safran benefited from sector tailwinds, strong engine servicing demand and an improving growth outlook.

Market volatility provided opportunities to reinforce conviction in mispriced businesses. The portfolio added to Baxter and Avantor, initiated a position in Waters Corp, increased exposure to Nintendo on weakness, and trimmed Citi and Wells Fargo following strong performance. Overall, the portfolio remains positioned to deliver equity-like returns over the cycle with disciplined risk management and flexibility through the use of cash.

Fund performance

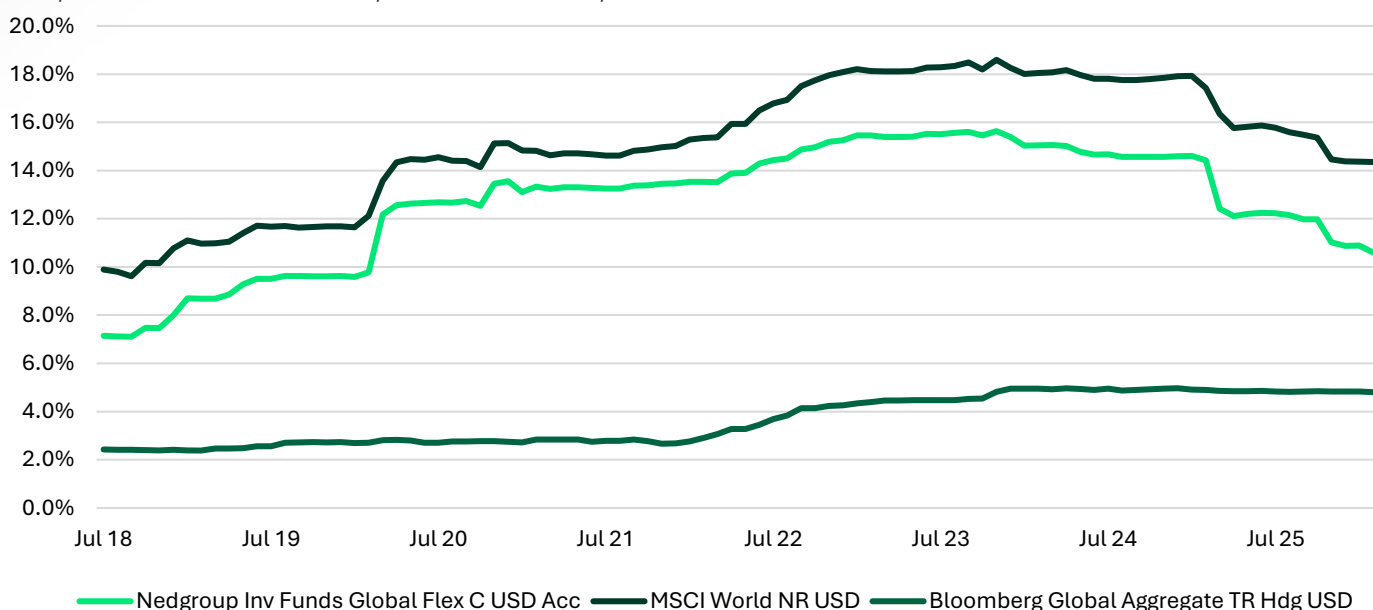
Past performance is not indicative of future performance and does not predict future returns



Inception date 01/08/2013 Source: Morningstar, data to 28 February 2026.

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

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Source: Morningstar, data to 28 February 2026.

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	
Analog Devices	0.44%	Alphabet	-0.45%
International Flavors & Fragrances	0.31%	ICON	-0.33%
Heineken Holding	0.31%	Jefferies Financial Group	-0.30%
Amrize	0.25%	Meta Platforms	-0.24%
Safran SA	0.20%	Amazon.com	-0.20%

Year to date

Contributors		Detractors	
Analog Devices	0.85%	ICON	-0.34%
Samsung C&T	0.40%	Jefferies Financial Group	-0.32%
Glencore	0.38%	Naspers & Prosus	-0.24%
International Flavors & Fragrances	0.38%	Amazon.com	-0.14%
Heineken Holding	0.32%	Azelis Group	-0.13%

Sector contribution	Month to date	Year to date
<i>Equities</i>	0.72%	3.20%
Communication Services	-0.55%	0.19%
Consumer Discretionary	-0.24%	-0.26%
Consumer Staples	0.31%	0.48%
Energy	0.12%	0.30%
Financials	-0.53%	-0.58%
Health Care	-0.28%	-0.06%
Industrials	0.66%	1.15%
Information Technology	0.60%	0.98%
Materials	0.71%	1.13%
Real Estate	-0.08%	-0.12%
<i>Fixed Income</i>	0.12%	0.28%

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



Portfolio positioning

Portfolio structure	Portfolio weight	Regional breakdown	Equity weight	Fixed income weight
Fixed income	2.67%	North America	33.29%	1.23%
Corporate Bonds	0.53%	Europe ex UK	21.44%	1.44%
Convertible Bonds	2.14%	Asia ex. Japan	0.16%	0.0%
Equities	60.13%	Japan	2.27%	0.0%
Information Technology	7.77%	Emerging Markets	2.97%	0.0%
Communication Services	10.59%	Total	60.13%	2.67%
Financials	5.43%	Top 5 equity holdings		Portfolio weight
Health Care	6.03%	Alphabet	Communication Services	5.23%
Consumer Discretionary	5.82%	Analog Devices	Information Technology	3.42%
Consumer Staples	5.93%	Meta Platforms	Communication Services	2.29%
Industrials	9.20%	Heineken Holding	Consumer Staples	2.14%
Energy	1.61%	Intl Flavors & Fragrances	Materials	2.08%
Utilities	0.10%			
Materials	6.78%			
Real Estate	0.87%			
Cash & equivalents*	37.20%			
Total	100.00%			

Stock spotlight: Baxter International

Baxter is a global medical devices company supplying essential products used daily in hospitals, including IV fluids, infusion systems, tubing, and hospital beds. Across its core categories, the company is a leading supplier, with products that are integral to hospital care delivery. This supports a resilient demand profile given the mission-critical nature of its offering.

- Current Dynamics:** Baxter's valuation reflects legacy challenges rather than a deterioration in the core franchise. The Hillrom acquisition added complexity and balance sheet pressure, while execution missteps in 2022–23 disrupted product delivery and weighed on sentiment. These issues ultimately led to a management change, with Andrew Hider appointed CEO in mid-2025, formally commencing his role in late Q3 / early Q4. Prior to joining Baxter, Hider was CEO of ATS, where the business delivered strong revenue growth, margin improvement and shareholder value creation, reflecting a disciplined focus on execution and portfolio optimisation. Baxter has since progressed a balance sheet repair plan, including the separation of its Kidney Care / acute therapies business, which is expected to generate approximately USD 3 billion in proceeds, to be used to support debt reduction. Despite these steps, the market continues to value the company at a depressed ~8–9x earnings.
- Strategic Positioning:** Baxter remains a critical supplier within global healthcare systems. Hospitals are typically reluctant to switch providers for core consumables and equipment due to regulatory requirements, logistical complexity, and patient safety considerations. Under new leadership, with a simplified portfolio and renewed focus on execution, the company is positioned to stabilise operations and gradually restore credibility.
- Investment Thesis:** The position in Baxter reflects a valuation disconnect driven by balance sheet stress and past execution issues, rather than a permanent impairment of the underlying business. The thesis rests on three pillars: (1) balance sheet repair through asset sales and disciplined capital allocation; (2) operational stabilisation under new management, supporting a return to modest growth; and (3) the potential for a meaningful re-rating as leverage normalises toward peer levels. Global medtech peers such as Medline, Stryker and Becton Dickinson typically trade in the mid-teens to ~20x earnings. Even a partial re-rating toward the lower end of this range would imply substantial upside from current levels, before dividends or buybacks. While leverage remains elevated, it is part of the opportunity rather than the thesis, and the essential nature of Baxter's products helps limit downside risk.

This position was 0.51% 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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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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