

# Global Flexible Fund

► Contrarian. Flexible. Patient.



June 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.

## 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

Global equity markets continued their upward trajectory in June, despite uncertainty around trade policy and ongoing geopolitical tensions. Against this backdrop, the Nedgroup Investments Global Flexible Fund delivered a strong return of 4.0%, versus 4.3% global equities (MSCI World) and 1.0% in global bond returns (Bloomberg Global Agg US\$ hedged).

Communication Services was the standout sector. Meta Platforms led gains, buoyed by renewed investor enthusiasm for AI and a surge in AI-related capital expenditure. We continued to trim our position, consistent with our valuation-driven sell discipline. Nintendo also contributed meaningfully, with record-breaking sales of the Switch 2, now the fastest-selling console in the company's history. In line with our valuation discipline, we reduced our position in Nexon following a rally driven by its share buyback programme.

Information Technology also added to performance. Analog Devices (ADI) was the top contributor in the sector, as earnings exceeded expectations and accelerating bookings signalled a potential cyclical upturn in analogue semiconductors. We continued to trim our position in Broadcom, following strong performance.

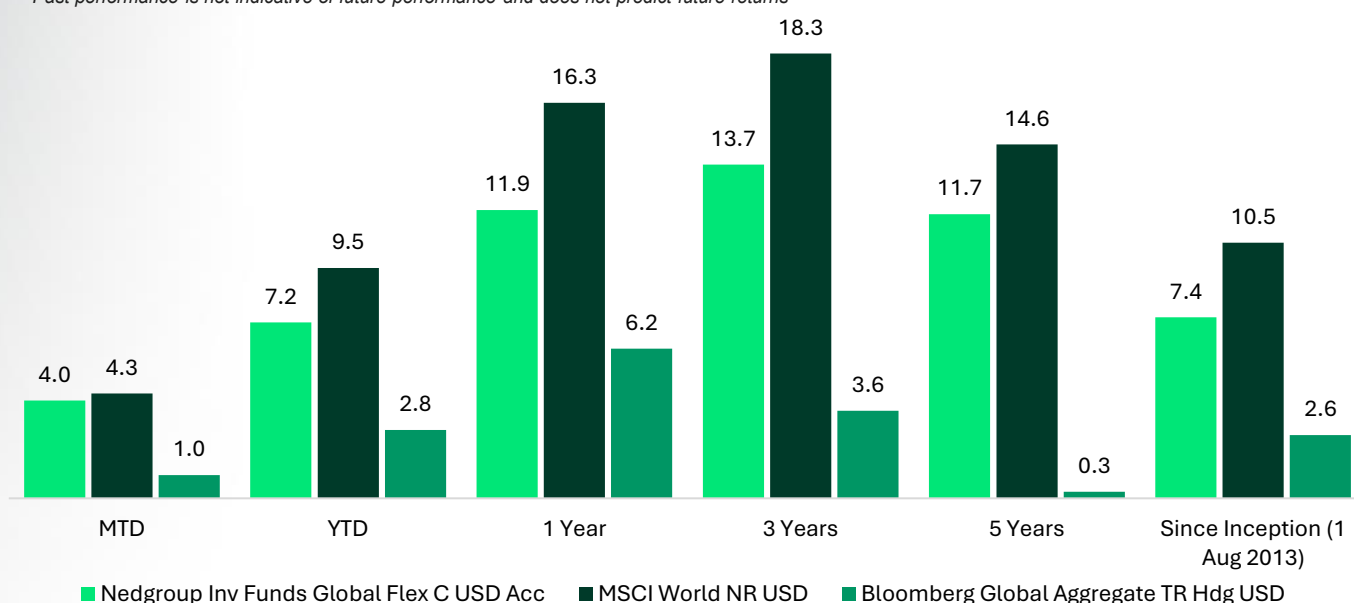
Industrials saw robust gains. Ferguson Enterprises rose nearly 20% after delivering blowout earnings and raising its outlook. Strength in non-residential sales, disciplined margin management, and easing deflation supported the results. A buyback extension and 5% dividend hike further reinforced its shareholder-friendly profile—attributes we value highly in management teams given our focus on durability. We added to our position in Fortune Brands, a complementary name to Ferguson.

In Aerospace & Defence, Safran boosted investor confidence with a series of positive developments: a deal with HAL India, a joint venture to develop next-gen military helicopter engines, and a ramp-up in engine orders as Boeing's 737 MAX production accelerated. We trimmed our position in Howmet Aerospace, which has performed strongly since our initial investment during the pandemic.

Over the course of the month, we have been reducing exposure to areas that have performed well, including banks, to make room for new opportunities like Amrize, the US spin-off of Holcim and Hoshizaki, a Japanese domiciled global distributor of commercial refrigeration and ice machines—a name we've tracked for several years and now see as attractively valued.

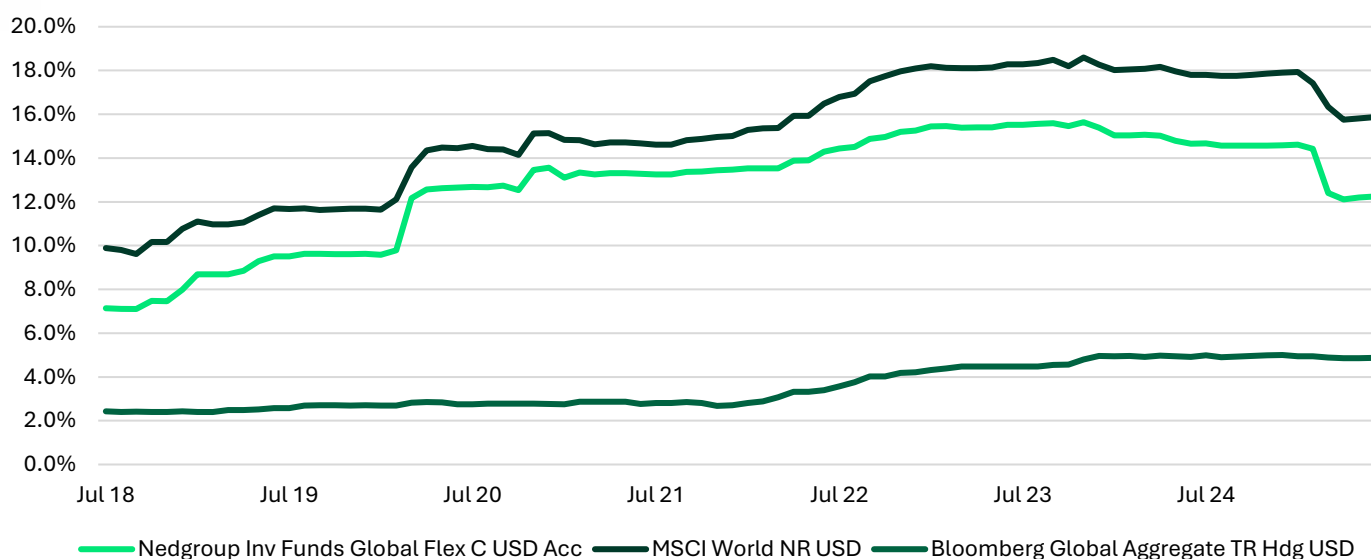
## Fund performance

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



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

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



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	
Meta Platforms	0.42%	Heineken Holding	-0.09%
Citigroup	0.33%	Aon Plc	-0.07%
Analog Devices	0.31%	Intl Flavors & Fragrances	-0.06%
Holcim	0.30%	LPL Financial Holdings	-0.05%
Ferguson Enterprises	0.27%	Pernod Ricard	-0.03%

### Year to date

Contributors		Detractors	
Holcim	0.84%	Jefferies Financial Group	-0.53%
Meta Platforms	0.81%	Alphabet	-0.36%
Safran	0.70%	Intl Flavors & Fragrances	-0.26%
JDE Peet's	0.69%	CarMax	-0.23%
Citigroup	0.63%	ICON	-0.20%

Sector contribution	Month to date	Year to date
<i>Equities</i>	<b>3.67%</b>	<b>6.55%</b>
Communication Services	1.00%	1.39%
Consumer Discretionary	0.29%	0.32%
Consumer Staples	-0.04%	1.12%
Energy	0.07%	0.09%
Financials	0.47%	0.41%
Health Care	0.18%	0.06%
Industrials	0.73%	1.95%
Information Technology	0.63%	0.82%
Materials	0.29%	0.56%
Real Estate	0.04%	-0.18%
<i>Fixed Income</i>	<b>0.25%</b>	<b>1.11%</b>

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



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## Portfolio positioning

Portfolio structure	Portfolio weight
Fixed income	<b>2.19%</b>
Corporate Bonds	0.50%
Convertible Bonds	1.59%
Asset Backed Bonds	0.10%
Equities	<b>58.22%</b>
Communication Services	13.51%
Consumer Discretionary	6.68%
Consumer Staples	4.59%
Energy	1.68%
Financials	8.03%
Health Care	2.51%
Industrials	7.70%
Information Technology	7.23%
Materials	5.19%
Real Estate	1.01%
Utilities	0.09%
Cash & equivalents*	<b>39.59%</b>
<b>Total</b>	<b>100.00%</b>

\* Includes money market securities.

Regional breakdown	Equity weight	Fixed income weight
North America	34.77%	0.73%
Europe ex UK	18.69%	1.46%
Asia ex. Japan	0.17%	0.0%
Japan	2.50%	0.0%
Emerging Markets	2.09%	0.0%
<b>Total</b>	<b>58.22%</b>	<b>2.19%</b>

Top 5 equity holdings		Portfolio weight
Alphabet	Communication Services	4.33%
Meta	Communication Services	3.30%
Analog Devices	Information Technology	2.88%
TE Connectivity	Information Technology	2.60%
Citigroup	Financials	2.53%

## Stock spotlight: Richemont

Over the past 15 years, the **luxury goods sector** has consistently outpaced global GDP, driven by enduring demand for products that blend craftsmanship, heritage, and status. Among its many segments, **jewellery** has emerged as the most resilient and profitable—less vulnerable to seasonal trends and creative turnover than fashion, and more deeply rooted in timeless design and emotional value.

At the forefront of this sector is **Richemont**, the Swiss luxury powerhouse behind iconic maisons like **Cartier** and **Van Cleef & Arpels (VCA)**. Cartier, with its century-old Panther motif, and VCA's Alhambra collection—launched nearly 60 years ago—are not just accessories; they are cultural symbols. These brands have built reputations over decades, allowing them to command premium pricing and maintain strong margins even during economic downturns.

Jewellery's durability is reflected in Richemont's performance: its top brands consistently generate higher revenues than all other major jewellery houses combined. This resilience and profitability make Richemont a compelling long-term investment.

Richemont is a key holding in the Nedgroup Investments Global Flexible Fund. The company aligns with the Fund's strategy of investing in high-quality compounders—companies with enduring value, strong fundamentals, and the ability to thrive even when market sentiment is weak.

This position was 0.87% 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 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.

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