Global Flexible Fund

▶ Contrarian. Flexible. Patient.

NEDGROUP INVESTMENTS

June 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

By the end of June, hopes of de-escalation in the Middle East shifted investor attention back to technology stocks. The MSCI World returned 9.7% in USD terms year to date and 13.8% over the quarter. Technology continued to dominate, delivering 22% year to date and 34% in Q2. Outside of IT, only Energy and Industrials generated double-digit returns. Communication Services and Consumer Discretionary were negative, while the remaining sectors delivered modest single-digit gains. This level of dispersion creates fertile ground for long-term fundamental stock pickers.

Against this narrow market backdrop, the Fund returned 4.6% year to date and 7.6% in Q2. A significant portion of market returns this year came from a handful of mega-cap AI beneficiaries and semiconductor "picks and shovels" businesses, including Micron Technology, the newest entrant to the ACWI top 10 – stocks we do not hold in the Global Flexible portfolio.

In contrast, the Fund's largest contributions, year to date, came from positions held across a broad range of sectors. Financials were led by Citigroup, Industrials by Samsung C&T, LG Corp and WABTEC, and Materials by Glencore, IFF, Amrize and Grupo Mexico. CarMax was the leading contributor within Consumer Discretionary, while Kinder Morgan and NOV added value within Energy.

Performance was impacted by our exposure to cable operators, the lessons from which we have discussed in previous commentaries. Notably, our Charter Communications position has been exchanged for Liberty Broadband as a means of accessing the same underlying business at a more attractive valuation, while we have continued to reduce our exposure to Comcast.

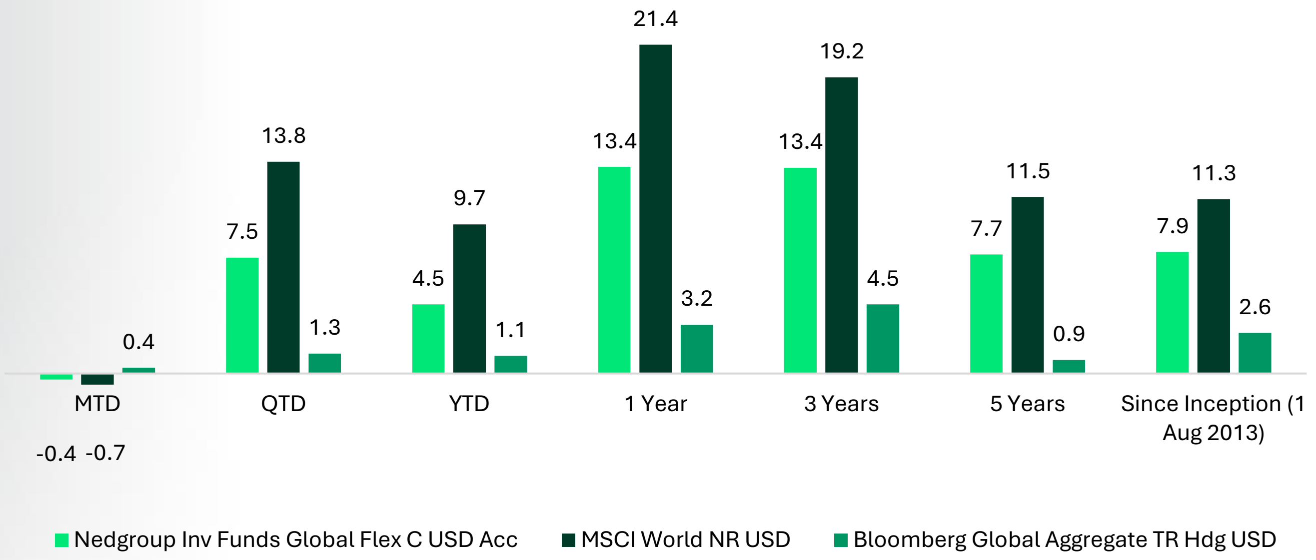
We remain focused on identifying undervalued businesses away from the centre of the AI trade that can benefit from an increasingly AI-enabled world while offering the potential for equity-like long-term returns from today's starting valuations. At the same time, we continue to trim long-held compounders where valuations have moved closer to, or above, our base case. Year to date, we have exited Kinder Morgan, JDE Peet's following its acquisition, and Marriott, while reducing positions in Alphabet, Analog Devices, Samsung C&T, LG Corp and Richemont.

In parallel, we continued building conviction in several of this year's new investments, including CNH Industrial, Arthur J. Gallagher, Baxter, Bureau Veritas, GE HealthCare and PayPal, while adding to existing holdings such as Magnum, ICON, Nintendo and Fortune Brands. These businesses are generally trading on undemanding valuations despite possessing durable balance sheets and resilient franchises that we believe are worth considerably more than current valuations imply.

As capital continues to crowd into an increasingly narrow set of winners, we are finding a growing number of opportunities where market expectations appear disconnected from business fundamentals and valuations remain compelling.

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 30 June 2026.
Performance figures are based on the 15:00 (3pm) Irish-domiciled fund valuation point.

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

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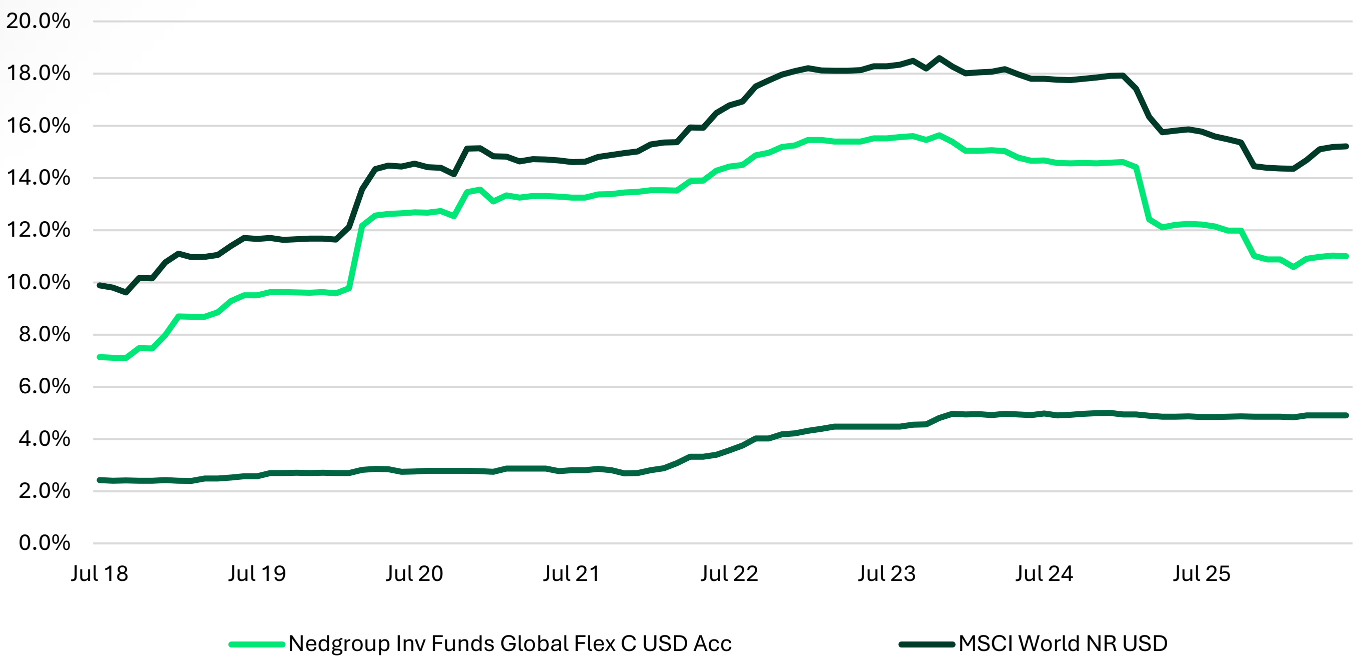

Source: Morningstar, data to 30 June 2026.
Performance figures are based on the 15:00 (3pm) Irish-domiciled fund valuation point.

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	
Fortune Brands Innovations	0.30%	Alphabet	-0.33%
Citigroup Inc	0.20%	LG Corp	-0.30%
Arthur J. Gallagher & Co	0.18%	Meta Platforms	-0.24%
Safran SA	0.16%	Amazon.com	-0.21%
ICON Plc	0.16%	Glencore Plc	-0.16%

Year to date

Contributors		Detractors	
Analog Devices	1.25%	Naspers & Prosus	-0.44%
Alphabet	0.71%	Meta Platforms	-0.35%
Samsung C&T	0.67%	Jefferies Financial Group	-0.21%
Citigroup Inc	0.38%	Nintendo Co	-0.20%
Glencore Plc	0.36%	TE Connectivity	-0.19%

Sector contribution	Month to date	Year to date
Equities	***-0.03%***	***4.68%***
Communication Services	-0.63%	-0.28%
Consumer Discretionary	-0.05%	0.16%
Consumer Staples	0.25%	0.35%
Energy	-0.04%	0.24%
Financials	0.42%	0.07%
Health Care	0.47%	0.33%
Industrials	0.18%	1.52%
Information Technology	-0.50%	1.44%
Materials	-0.20%	0.70%
Real Estate	0.08%	0.14%
Fixed Income	***0.05%***	***0.67%***

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

Portfolio positioning

Portfolio structure	Portfolio weight
Fixed income	**0.63%**
Corporate Bonds	0.35%
Convertible Bonds	0.29%
Equities	**60.79%**
Communication Services	9.25%
Consumer Discretionary	5.82%
Consumer Staples	5.19%
Energy	0.97%
Financials	7.23%
Health Care	7.34%
Industrials	10.01%
Information Technology	7.83%
Materials	5.95%
Real Estate	1.11%
Utilities	0.09%
Cash & equivalents*	**38.57%**
Total	**100.00%**

** Includes money market securities.*

Regional breakdown	Equity weight	Fixed income weight
North America	33.86%	0.32%
Europe ex UK	21.39%	0.31%
Japan	2.44%	0.0%
Emerging Markets	2.69%	0.0%
United Kingdom	0.41%	0.0%
Total	**60.79%**	**0.63%**

Top 5 equity holdings		Portfolio weight
Alphabet	Communication Services	4.92%
Analog Devices	Information Technology	3.44%
Citigroup Inc	Financials	2.05%
Meta Platforms	Communication Services	1.93%
International Flavours & Fragrances	Materials	1.92%

Stock spotlight: Azelis

Azelis is a leading global distributor of specialty chemicals and ingredients, operating in approximately 90 countries through a network of more than 80 facilities. The company acts as an intermediary between chemical manufacturers and customers across end markets such as life sciences, food, personal care, agriculture and coatings. Its global scale, technical expertise and long-standing supplier relationships have helped establish a strong competitive position within a highly fragmented industry.

- **Current Dynamics:** Like many participants in the specialty chemicals industry, Azelis benefited from unusually strong demand during the pandemic as supply chain disruptions and inventory shortages led customers to build stock. The subsequent destocking cycle has weighed on growth and investor sentiment across the sector, creating a challenging operating environment over the past few years. Despite these headwinds, the underlying business has remained resilient, and current market concerns appear more cyclical than structural.

- **Strategic Positioning:** Azelis creates value for both manufacturers and customers. It helps manufacturers reach thousands of customers around the world that would be difficult and costly to serve directly, allowing them to better utilise their production facilities while benefiting from Azelis' global reach and often exclusive distribution relationships. For customers, Azelis provides technical expertise, product development support and access to a broad range of specialised ingredients through its network of innovation laboratories. These capabilities help differentiate the business and support attractive economics. Historically, demand for specialty ingredients has grown faster than GDP, while Azelis' asset-light model requires relatively little capital and generates strong cash flow.

- **Investment Thesis:** Azelis represents a high-quality, asset-light business operating in an attractive niche of the chemicals industry. The investment case is supported by a return to long-term growth as industry conditions normalise, strong cash generation driven by modest capital requirements, and opportunities to further strengthen the business through selective acquisitions. While near-term growth remains impacted by the recent destocking cycle, we believe the market is underappreciating the durability of the franchise and its ability to compound value over time.

This position was 1.73% 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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Risks and fees are outlined in the relevant Sub-Fund supplement.
Prices are published on the Investment Manager's website.

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