

Global Flexible Fund

► Contrarian. Flexible. Patient.



October 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

October saw a continuation of strong earnings across global equities, buoyed further by renewed announcements of AI-related capital expenditure. Markets responded positively, with the MSCI World returning 2.0% in US\$ terms, laying the ground for selective profit-taking. However, stocks which delivered disappointing earnings were punished. The Nedgroup Investments Global Flexible Fund returned 0.7% over the month, while global bonds (Bloomberg Global Agg US\$ hedged) returned 0.8%. Stocks within Real estate, Financials and Communication Services detracted from performance, while Industrials, Materials contributed positively.

In Real Estate, ongoing headwinds in Douglas Emmett's office portfolio weighed on performance, despite continued strength in its multi-family assets. The company's strategic pivot toward residential is aimed at enhancing income resilience, but the capital intensity of this transition continues to pressure the stock. In Financials, the collapse of First Brands and Tricolor Holdings raised concerns around lending standards and counterparty exposure, contributing to a sharp decline in Jefferies' share price. However, through our ongoing research and engagement, we believe the actual exposure is materially lower than market perception and modest relative to Jefferies' total equity base. As a mid-market investment bank with diversified revenues across capital markets and asset management, Jefferies maintains a strong balance sheet and has consistently returned capital to shareholders through buybacks and dividends.

Within Communication Services, holdings in Charter Communications and Comcast were impacted by ongoing investor scepticism around their growth strategies. Both companies continue to face broadband and video subscriber attrition, alongside intensifying competition from fibre and fixed wireless providers. Our initial investment was made during a period of heightened market concern around cord-cutting and 5G disruption, which we viewed as an opportunity to acquire fundamentally mispriced businesses. While video continues to decline, broadband remains a resilient and essential utility. We maintain conviction in both names, supported by their strategic positioning and potential to deliver mid- to high-single digit revenue growth and stronger free cash flow per share. As always, we reassess downside risks relative to base and high-case scenarios, consistent with our philosophy of investing in undervalued businesses with resilient fundamentals and misunderstood long-term potential.

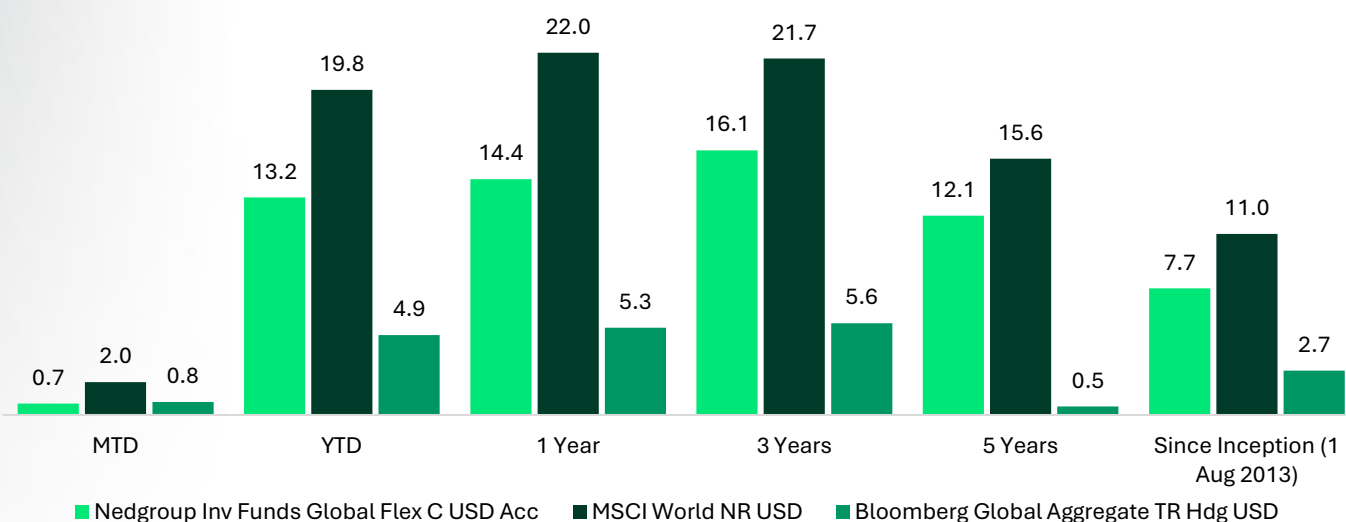
Elsewhere, the easing of US-China trade tensions provided a tailwind for Korea's export-oriented equity market. Our Korean industrial holdings, Samsung C&T and LG Corp, benefited from this environment, with both companies delivering earnings ahead of expectations.

In Materials, our recent addition Amrize Ltd, a spin-off from Holcim's North American operations, reported strong results across its core business segments and gained investor support for its M&A-led growth strategy.

We continued trimming several long-standing technology related holdings, including Alphabet, Meta, TE Connectivity, Analog Devices, and NXP Semiconductors, where valuations had become extended. Conversely, we increased our positions in IFF, Fortune Brands, and Becton Dickinson, reflecting our contrarian philosophy: seeking resilient businesses where market sentiment has yet to catch up with fundamentals.

Fund performance

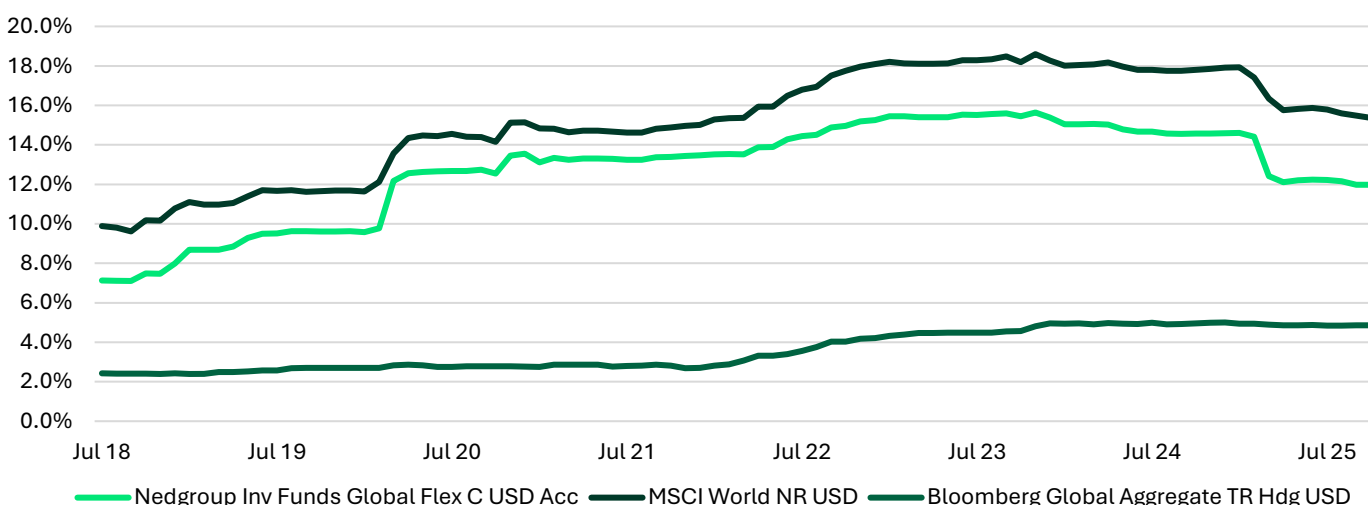
Past performance is not indicative of future performance and does not predict future returns



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

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

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



Source: Morningstar, data to 31 October 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 | |
|------------------------|-------|---------------------------|--------|
| Alphabet | 0.86% | Meta Platforms | -0.33% |
| TE Connectivity | 0.33% | Jefferies Financial Group | -0.25% |
| Amazon.com | 0.19% | Comcast Corporation | -0.19% |
| Samsung C&T | 0.15% | Charter Communications | -0.13% |
| LPL Financial Holdings | 0.15% | Analog Devices | -0.13% |

Year to date

| Contributors | | Detractors | |
|-----------------|-------|---------------------------|--------|
| Alphabet | 2.09% | Jefferies Financial Group | -0.57% |
| TE Connectivity | 1.59% | CarMax | -0.57% |
| JDE Peet's | 1.16% | Comcast Corporation | -0.56% |
| Citigroup | 1.10% | Intl Flavors & Fragrances | -0.50% |
| Safran | 0.90% | Charter Communications | -0.35% |

| Sector contribution | Month to date | Year to date |
|------------------------|---------------|---------------|
| <i>Equities</i> | 0.61% | 11.91% |
| Communication Services | 0.17% | 3.04% |
| Consumer Discretionary | 0.14% | 0.51% |
| Consumer Staples | -0.06% | 1.45% |
| Energy | 0.02% | 0.10% |
| Financials | -0.18% | 1.01% |
| Health Care | 0.07% | 0.57% |
| Industrials | 0.28% | 2.56% |
| Information Technology | 0.15% | 2.00% |
| Materials | 0.15% | 0.93% |
| Real Estate | -0.12% | -0.26% |
| <i>Fixed Income</i> | 0.08% | 2.15% |

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



**NEDGROUP
INVESTMENTS**

Portfolio positioning

| Portfolio structure | Portfolio weight |
|------------------------|------------------|
| Fixed income | 2.45% |
| Corporate Bonds | 0.55% |
| Convertible Bonds | 1.89% |
| Equities | 58.35% |
| Communication Services | 11.86% |
| Consumer Discretionary | 6.45% |
| Consumer Staples | 4.85% |
| Energy | 1.71% |
| Financials | 6.94% |
| Health Care | 5.38% |
| Industrials | 7.21% |
| Information Technology | 7.36% |
| Materials | 5.62% |
| Real Estate | 0.88% |
| Utilities | 0.09% |
| Cash & equivalents* | 39.20% |
| Total | 100.00% |

| Regional breakdown | Equity weight | Fixed income weight |
|--------------------|---------------|---------------------|
| North America | 34.88% | 0.98% |
| Europe ex UK | 18.88% | 1.47% |
| Asia ex. Japan | 0.14% | 0.0% |
| Japan | 2.03% | 0.0% |
| Emerging Markets | 2.29% | 0.0% |
| Total | 58.35% | 2.45% |

| Top 5 equity holdings | | Portfolio weight |
|-----------------------|------------------------|------------------|
| Alphabet | Communication Services | 6.30% |
| TE Connectivity | Information Technology | 2.91% |
| Analog Devices | Information Technology | 2.63% |
| Meta | Communication Services | 2.55% |
| Citigroup | Financials | 2.01% |

* Includes money market securities.

Stock spotlight: International Flavors & Fragrances

International Flavors & Fragrances (IFF) is a global leader in specialty ingredients for food, beverage, personal care, health, and household products. Its reach is extraordinary - enzymes in half of cold-water laundry detergents, cultures in one-third of yogurts, and brewing solutions in one-fifth of the global beer market. This is a business embedded in everyday life, with a moat built on innovation and scale.

- **Current Challenges:** IFF's previous management pursued aggressive acquisitions and failed to integrate its diverse global operations effectively. This shifted the company from a high-margin, low-leverage business to one with compressed margins and elevated debt levels. Investor confidence has been shaken, leading to a cautious market stance.
- **Strategic Turnaround:** Under new leadership, IFF is refocusing on operational excellence and a streamlined product portfolio. The company has divested non-core assets and is expected to continue doing so, reducing leverage and improving profitability. This disciplined approach aims to restore margins and unlock shareholder value.
- **Financial Outlook:** IFF currently generates approximately \$4 per share in free cash flow, but management's turnaround plan could lift this to \$5 - \$6 per share over the next few years. At the current price, the stock offers an attractive entry point with limited downside. If the company executes on margin recovery and deleveraging, we see a clear path for cash flow growth and P/E multiple expansion, which together could support a potential doubling of the share price over the medium term.
- **Investment Thesis:** With limited downside at current levels and a credible path to margin recovery and deleveraging, IFF offers an attractive turnaround story. Execution risk remains, but successful delivery could significantly re-rate the stock. Coupled with a clear turnaround plan and strong underlying demand for its products, the risk/reward skews attractively in favour of patient investors.

This position was 1.7% 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.

Contact us

Email: Clientsolutions@nedgroupinvestments.com

London: 7th Floor, 12 Arthur Street, EC4R 9AB, +44 (0) 7960 901396

Disclaimer

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.

These documents are available from Nedgroup Investments (IOM) Ltd (the **Investment Manager**) or via the website: www.nedgroupinvestments.com, where the prospectus is available in English and the KIIDs/KIDs in English and the official languages of each country of registration.

This document is of a general nature and for information purposes only, it is not intended for distribution to any person or entity who is a citizen or resident of any country or other jurisdiction where such distribution, publication or use would be contrary to law or regulation. Whilst the Investment Manager has taken all reasonable steps to ensure that this document is accurate and current at the time of publication, we shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this document.

The Fund is authorised and regulated in Ireland by the Central Bank of Ireland. The Fund is authorised as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended and as may be amended, supplemented, or consolidated from time to time and any rules, guidance or notices made by the Central Bank which are applicable to the Fund. The Fund is domiciled in Ireland. Nedgroup Investment (IOM) Limited (reg no 57917C), the Investment Manager and Distributor of the Fund, is licensed by the Isle of Man Financial Services Authority. The Depositary of the Fund is Citi Depositary Services Ireland DAC, 1 North Wall Quay, Dublin 1, Ireland. The Administrator of the Fund is Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland.

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.

Switzerland: The Representative is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, 8050 Zurich, Switzerland, whilst the Paying agent is Banque Heritage SA, Route de Chêne 61, CH-1211 Geneva 6. Nedgroup Investments (IOM) Limited is affiliated to the Swiss ombudsman: Verein Ombudsstelle Finanzdienstleister (OFD), Bleicherweg 10, CH-8002 Zurich.

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>.

U.K: Nedgroup Investments (UK) Limited (reg no 2627187), authorised and regulated by the Financial Conduct Authority, is the facilities agent. The Fund and certain of its sub-funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000.

Isle of Man: The Fund has been recognised under para 1 sch 4 of the Collective Investments Schemes Act 2008 of the Isle of Man. Isle of Man investors are not protected by statutory compensation arrangements in respect of the Fund.