

# Global Flexible Fund

► Contrarian. Flexible. Patient.



September 2024 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.
- Our bottom-up research drives asset allocation, agnostic of market indices.
- We patiently seek undervalued and out-of-favour opportunities across asset class and capital structure.
- We are willing to hold cash until opportunities present themselves.

## Portfolio Management Team



**Brian A. Selmo**

24 years in the industry



**Steve Romick**

39 years in the industry



**Mark Landecker**

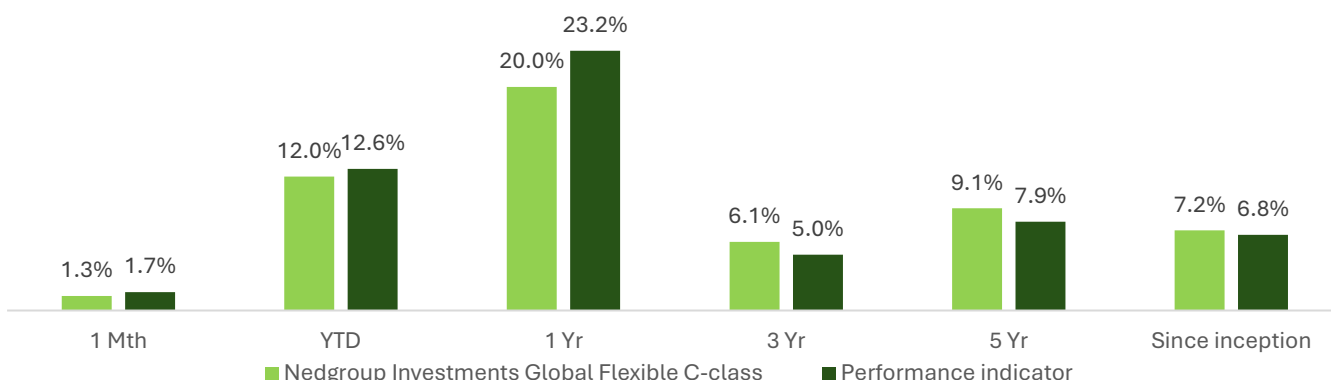
23 years in the industry

*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

Stocks dropped in the first week of the month but gained momentum and ultimately closed higher. US equity markets posted positive returns as the S&P 500 hit record highs, driven by hopes that the Federal Reserve's (Fed) 50bps rate cut would support the economy. Consumer discretionary and utilities sectors led, while energy and healthcare lagged. European equity markets declined amid slowing economic data, with eurozone inflation dipping to 1.8%. The US Federal Reserve's 50 basis point rate cut boosted bond markets, while Asian equities rallied, particularly in China, following new stimulus measures. Emerging markets saw strong performance, led by gains in Chinese stocks.

Meta was a top contributor in September for the Nedgroup Investments Global Flexible Fund. Other notable contributors for the month were Naspers/Prosus, Comcast, Delivery Hero and Safran.



Fund returns are in US\$ based on Class C since 1 August 2013. MSCI index returns are with net dividends reinvested. Performance indicator: 60% MSCI World NR USD, 30% Bloomberg Global Aggregate bond, 10% US Cash.

Source: Morningstar, Nedgroup Investments. Past performance is not indicative of future performance and does not predict future returns

## Key return drivers

### Month to date

Contributors		Detractors	
Meta Platforms Inc Class A	0.30%	CarMax, Inc.	-0.10%
Naspers & Prosus	0.17%	JDE Peet's NV	-0.09%
Comcast Corporation Class A	0.14%	Charter Communications, Inc. Class A	-0.09%
Delivery Hero (multiple securities)	0.12%	ICON Plc	-0.08%
Safran SA	0.11%	NXP Semiconductors NV	-0.08%

### Year to date

Contributors		Detractors	
Meta Platforms Inc Class A	1.59%	Charter Comms, Inc. Class A	-0.32%
Alphabet	1.01%	JDE Peet's NV	-0.24%
Jefferies Financial Group Inc.	0.99%	Heineken Holding N.V.	-0.17%
Holcim Ltd	0.84%	Comcast Corporation Class A	-0.17%
Intl. Flavors & Fragrances Inc.	0.62%	Herbalife Ltd.	-0.14%

Sector contribution	Month to date	Year to date
<i>Equities</i>	<i>1.09%</i>	<i>10.49%</i>
Communication Services	0.48%	2.54%
Consumer Discretionary	0.24%	1.04%
Consumer Staples	-0.02%	-0.48%
Energy	0.04%	0.40%
Financials	0.02%	2.38%
Health Care	-0.05%	0.09%
Industrials	0.17%	1.49%
Information Technology	-0.13%	1.30%
Materials	0.19%	1.44%
Real Estate	0.15%	0.30%

Contribution data as of 30 September 2024. Source: FPA, Factset.

## Portfolio positioning

Portfolio structure	Portfolio weight
Fixed income	<b>3.22%</b>
Corporate Bonds	0.96%
Convertible Bonds	2.15%
Asset Backed Bonds	0.11%
Equities	<b>57.44%</b>
Communication Services	13.49%
Consumer Discretionary	6.46%
Consumer Staples	3.77%
Energy	1.65%
Financials	9.25%
Health Care	0.87%
Industrials	6.51%
Information Technology	7.56%
Materials	6.50%
Real Estate	1.23%
Utilities	0.13%
Cash & equivalents*	<b>39.37%</b>
<b>Total</b>	<b>100%</b>

\* Includes money market securities.

Regional breakdown	Equity weight	Fixed income weight
North America	36.56%	1.79%
Europe ex UK	17.21%	1.41%
UK	0.01%	0.00%
Japan	1.62%	0.00%
EM	1.96%	0.00%
<b>Total</b>	<b>57.35%</b>	<b>3.21%</b>

Top 5 equity holdings		Portfolio weight
Alphabet Inc	Communication Services	4.73%
Meta Platforms Inc	Communication Services	3.15%
Analog Devices Inc	Information Technology	2.95%
Holcim Ltd	Materials	2.81%
Comcast Corp	Communication Services	2.63%

## Stock spotlight: Shiseido

- We initiated a small position in Shiseido, a Japanese skincare/beauty and cosmetic company during September. Leading market share in Japan, strong in China, and meaningful in the US and Europe. The position was 0.11% as at month-end.
- Valuation:** Their margins, however, are not strong. Some issues are company specific (i.e. less efficient), and in other markets it's hard for them because they don't have a big profit pool to overcome markets where they are smaller. Profitability has suffered and the stock trades at about half of what Estee Lauder or L'oreal (peers) are trading.
- Long-term:** Growth, however, has been decent and isn't a business position that appears to be falling apart. There are commercial and scientific efforts in place to improve and a new management team in place with a plan to improve margins. We are more interested in doing these types of investments in Japan due to some successful activism and a change in corporate culture in Japan.

Positioning information as of 30 September 2024. Some differences may exist due to rounding.  
 Source: FPA, Nedgroup Investments.

## Contact us

**Email:** [Clientsolutions@nedgroupinvestments.com](mailto: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](http://www.nedgroupinvestments.com).

This document is of a general nature and intended 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 views expressed herein are those of the Investment Manager/Sub-Investment Manager at the time and are subject to change. The price of shares may go down as well as up and the price will depend on fluctuations in financial markets outside of the control of the Investment Manager. Costs may increase or decrease as a result of currency and exchange rate fluctuations. If the currency of a Sub-Fund is different to the currency of the country in which the investor is resident, the return may increase or decrease as a result of currency fluctuations. Income may fluctuate in accordance with market conditions and taxation arrangements. As a result an investor may not get back the amount invested. Past performance is not indicative of future performance and does not predict future returns. The performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

Fees are outlined in the relevant Sub-Fund supplement available from the Investment Manager's website.

The Sub-Funds are valued using the prices of underlying securities prevailing at 11pm Irish time the business day before the dealing date. Prices are published on the Investment Manager's website. A summary of investor rights can be obtained, free of charge at [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com).

**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 from the country representative and the Investment Manager. 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.

**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](mailto:facilityagent@acolin.com), or by using the contact form at <https://acolin.com/services/facilities-agent-services>.

**Switzerland:** the Representative is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, CH-8050 Zurich, 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.

**U.K:** Nedgroup Investment (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.