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Nedgroup Investments Global Flexible Fund

Quarter Four, 2023

Marketing Communication

Nedgroup Investments Global Flexible Fund

The following commentary was produced by the sub-investment manager, First Pacific Advisors, LP ("FPA").

USD performance to 31 December 2023	Nedgroup Investments Global Flexible[1]	MSCI World	S&P 500
3 months	7.2%	11.4%	11.7%
1 year (p.a.)	18.5%	23.8%	26.3%
5 years (p.a.)	9.5%	12.8%	15.7%

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

Overview

The Nedgroup Investments Global Flexible Fund ("the Fund") gained 7.2% for the quarter and 18.5% for the trailing twelve months. The Fund captured 77.7% of the MSCI World's gain in the trailing twelve months, outperforming its own 66.7% average net risk exposure.[2]

Below you can see the Fund's performance along with various relevant indices.

Exhibit A: **Net Performance versus Illustrative Indices[3]**

	Q4 2023	Trailing 12 months
Nedgroup Global Flexible Fund	7.2%	18.5%
MSCI World	11.4%	23.8%
MSCI ACWI	11.0%	22.2%
S&P 500	11.7%	26.3%
60% MSCI ACWI NR USD/ 40% Bloomberg US Agg	9.4%	15.4%
60% S&P 500 / 40% Bloomberg US Agg	9.7%	17.7%

Portfolio discussion

The Fund's net risk exposure declined from 68.7% to 63.5% in 2023, largely due to securities having less favourable risk/reward profiles. We exited six positions in their entirety and sold part of an additional five. We did initiate ten new equity positions and added to two existing positions.

The Global Flexible Fund's top five performers contributed 8.9% to its return the previous twelve months, while its bottom five detracted 0.9%, as can be seen in Exhibit B.

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[1] Source: Morningstar (monthly data series). Reflects the net USD return for the Nedgroup Investments Global Flexible Fund, C class. Source for MSCI and S&P 500: Morningstar.

[2] Risk assets are any assets that are not risk free and generally refers to any financial security or instrument, such as equities, commodities, high-yield bonds, and other financial products that are likely to fluctuate in price. Risk exposure refers to the Fund's exposure to risk assets as a percent of total assets. The Fund's net risk exposure as of 31 December 2023 was 63.5%.

[3] Comparison to the indices is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index.

Past performance is no guarantee, nor is it indicative, of future results.

Exhibit B: **Trailing Twelve-Month Contributors and Detractors as of 31 December 2023**[4]

Winners	Performance contribution	Ave. weight	Losers	Performance contribution	Ave. weight
Meta Platforms	2.6%	2.4%	Int'l Flavours & Fragrances	-0.4%	2.0%
Alphabet	2.4%	5.0%	McDermott Int'l (multiple)	-0.2%	0.5%
Holcim	1.6%	3.2%	Signature Bank	-0.1%	0.0%
Broadcom	1.2%	1.5%	FirstEnergy	-0.1%	0.9%
Amazon	1.1%	1.6%	Nexon	-0.1%	0.4%

We have not recently discussed the following investments meaningful to the Fund's trailing twelve-month return.[5]

Meta saw a welcome recovery in engagement and revenue year-to-date following a tough 2022. The company has continued to offer new solutions that allow advertisers to target customers effectively and efficiently via one of the world's leading digital platforms. Moreover, operating profits are rising due to an organization-wide focus on improving productivity and accelerating the time to market for new products. However, overall profitability continues to be weighed down by losses in the Reality Labs segment. But there is positive optionality that Meta will emerge from the AI arms race as one of the leading players in the industry.

Alphabet continued going from strength to strength during 2023 despite concerns that competition may infringe on the company's dominant position in Search. Thus far, Alphabet has continued to hold its own, and we look forward to seeing how the company incorporates further AI developments across the Alphabet ecosystem. Lastly, we are hopeful that the impending arrival of a new CFO will bring a renewed focus on efficiency – an area where we believe Alphabet has ample room for improvement.

FirstEnergy is an Ohio-based public utility holding company that we purchased in 2020 in the face of a bribery scandal. The company paid fines, and senior management changed as a result; since then, the company has performed well operationally, which has translated into good stock performance. While increasing interest rates in 2023 caused its stock to drop from its highs (along with the Interest Rate Caps), it continues to trade at a substantial discount to its peers and offers a 4.5% dividend yield.

Markets[6]

A small number of mega-cap companies drove stock prices last year. The "Magnificent Seven" stocks (Apple, Alphabet, Microsoft, Amazon.com, Meta Platforms, Tesla, and Nvidia) ended the year with an aggregate market cap of almost $12 trillion, more than the U.K., Canadian, and Japanese stock markets combined.[7] Their 111% return in 2023 accounted for approximately 75% of the 26.3% total return in the S&P 500. The average stock delivered a much lower return, with the equal-weighted S&P 500 gaining just 10.4%.

Today's less attractive valuations (relative to last year), particularly in the U.S., help explain the Fund's slightly lower risk exposure. We are grateful to be able to invest broadly, as other parts of the globe currently offer better value.

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[4] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the trailing twelve months through 31 December 2023. Contribution is presented net of investment management fees, transactions costs, and Fund operating expenses using the fees and expenses of the Fund's Class C shares. The information provided does not reflect all positions purchased, sold or recommended by FPA during the period. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed.

[5] The company data and statistics referenced in this section are sourced from company press releases and financial disclosures unless otherwise noted.

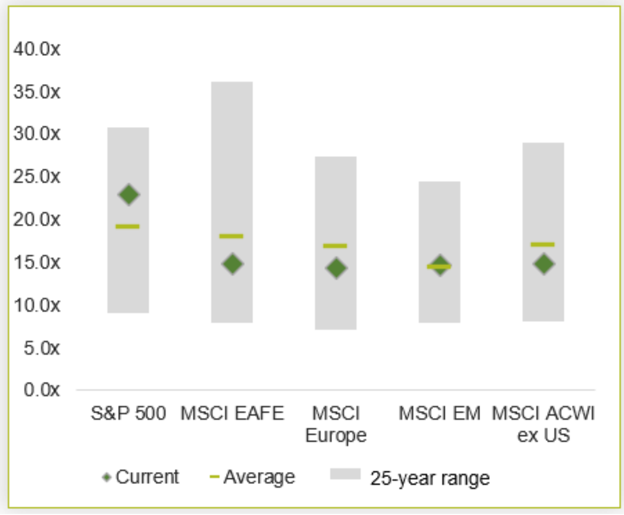
[6] Market data in this section, including the charts, is as of December 31, 2023, and is sourced from Bloomberg and/or Factset unless otherwise noted.

[7] What I Learned This Week. 13D Research and Strategy. January 11, 2024.

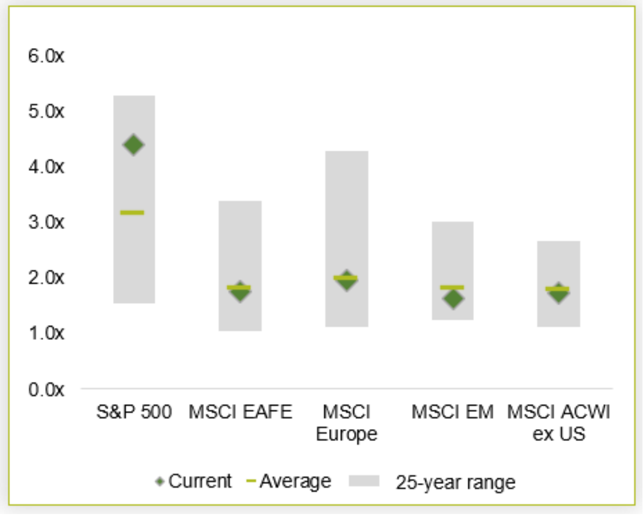
Past performance is no guarantee, nor is it indicative, of future results.

Global Stock Market Valuations
as of 31 December 2023

Price to Earnings Ratio
Trailing 12-Month



Price to Book Ratio



While the Fund's equity investments understandably trade more richly compared to year-end 2022, they trade at lower valuations than the Magnificent Seven, MSCI ACWI, and S&P 500, as reflected in the lower Price/Book and Price/Earnings ratios in the following table. But price without quality is like a crewless boat without an anchor, adrift without direction. Instead, we also focus on quality -- attractive earnings growth, solid returns on capital, and sound balance sheets -- at fair prices. Through that lens, you can see that the Fund's equities appear, on average, more attractive.

Nedgroup Global Flexible Fund_ Equity Characteristics vs MSCI ACWI, S&P 500, Magnificent Seven[8]

As of December 31, 2023	Price/Earnings 1-Year Forward	Price/Book	3-Year Trailing EPS Growth	3-Year Forward Estimated EPS Growth	Return on Equity	Net Debt/Total Capital
Global Flexible Fund - Equity Portfolio	**14.2x**	**1.9x**	**28%**	**22%**	**26%**	**27%**
vs. MSCI ACWI	*-14%*	*-34%*	*57%*	*84%*	*82%*	*-6%*
vs. S&P 500	*-27%*	*-58%*	*53%*	*49%*	*40%*	*-18%*
vs. Magnificent 7	*-55%*	*-51%*	*-24%*	*6%*	*-45%*	
MSCI ACWI	**16.5x**	**2.8x**	**18%**	**12%**	**14%**	**29%**
S&P 500	**19.5x**	**4.4x**	**18%**	**15%**	**19%**	**33%**
Magnificent 7	**31.8x**	**3.8x**	**37%**	**21%**	**47%**	**-17%**

[8] 3-Year Forward Estimated EPS Growth is based on FPA calculations using consensus data from Factset and Bloomberg. Forward Price/Earnings and 3-Year Forward Estimated EPS Growth are estimates and subject to change. Comparison to the S&P 500 and MSCI ACWI Indices is being used as a representation of the "market" and is for illustrative purposes only. The Fund's long equity statistics shown herein are for illustrative purposes only and may not reflect the impact of material economic or market factors. No representation is being made that any account, product or strategy will or is likely to achieve results similar to those shown. Long equity statistics noted herein do not represent the results that the Fund or an investor can or should expect to receive. Fund shareholders can only purchase and redeem shares at net asset value. Portfolio composition will change due to ongoing management of the Fund.

Past performance is no guarantee, nor is it indicative, of future results.

Cheaper and better should translate into good performance versus the market over time. We believe our time is best spent deliberating about whether the companies in the portfolio and those in consideration will meet our expectations over time rather than trying to ascertain what inflation or interest rates might do, who might win the next election, etc.— focusing on bottom-up, rather than top-down analyses.

The Fund's corporate debt exposure remains relatively low (3.2%). Though bond yields have risen, high-yield spreads are not particularly wide, and covenants remain more in favour of the borrower than the lender.

Closing

We have been around long enough not to get so excited about a good year, knowing that a bad year might be just a flip of the calendar away. After one has strung together the good, the bad, and the ugly years, we hope to have delivered good risk-adjusted returns by investing globally in various asset classes. But, as Clint Eastwood's Blondie character from *The Good, the Bad, and the Ugly* aptly said, "We're gonna have to earn it."

Respectfully submitted,

FPA Contrarian Value Portfolio Management Team

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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.

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Value style investing presents the risk that the holdings or securities may never reach their full market value because the market fails to recognize what the portfolio management team considers the true business value or because the portfolio management team has misjudged those values. In addition, value style investing may fall out of favor and underperform growth or other styles of investing during given periods.

Portfolio composition will change due to ongoing management of the Fund. References to individual securities or sectors should not be construed as a recommendation by the Fund, the portfolio managers, or the investment manager or sub-investment manager to purchase or sell such securities or invest in such sectors, and any information provided is not a sufficient basis upon which to make an investment decision. It should not be assumed that future investments will be profitable or will equal the performance of the security or sector examples discussed.

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