



see money differently



## Quarterly review

Nedgroup Investments Core Global Fund  
Marketing communication

As at 30 September 2024



## Plenty of drama, but the Story is still the same

The third quarter of 2024 was marked by significant volatility across global markets, driven by a mix of disappointing earnings, weakening economic data, and shifting central bank policies, before concluding with a notable recovery in risk assets. Over the quarter, the Nedgroup Investments Core Global Fund increased by 6.4%.

The table below compares an investment in the Nedgroup Investments Core Global Fund to US bank deposits (cash) and its growth target over various time periods. For every \$10 000 invested in the Nedgroup Investments Core Global Fund at inception (16 November 2015), you would have \$19 087 at the 30<sup>th</sup> of September 2024. This is better than the \$11 921 you would have achieved had you invested your money in US bank deposits (cash) over the same period. The green circle in the chart below, highlights the recent market recovery, which helps to contextualise the returns experienced in the past few years.

(Past Performance is not indicative of future performance and does not predict future returns)

	Value of \$10,000 investment in Nedgroup Investments Core Global Fund versus US Cash <sup>1</sup>					
	3 Months	1 Year	3 Years	5 Years	7 years	Inception 16 November 2015
Growth of fund (after fees) (Growth in %)	\$10 642 6.4%	\$12 560 25.6%	\$11 480 4.7% p.a.	\$14 728 8.0% p.a.	\$16 217 7.1% p.a.	\$19 087 7.6% p.a.
Growth of US Cash (Growth in %)	\$10 132 1.3%	\$10 543 5.4%	\$11 130 3.6% p.a.	\$11 272 2.4% p.a.	\$11 760 2.3% p.a.	\$11 921 2.0% p.a.
Growth target (EAA Fund USD Aggressive Allocation) (Growth in %)	\$10 459 4.6%	\$12 003 20.0%	\$11 050 3.4% p.a.	\$13 843 6.7% p.a.	\$14 659 5.6% p.a.	\$16 701 6.0% p.a.

Source: Morningstar

(Past Performance is not indicative of future performance and does not predict future returns)



Source: Morningstar

Since the inception of the Nedgroup Investments Core Global Fund, it has delivered returns in excess of US cash. However, it is to be expected that occasionally there will be periods where the Fund does not beat US cash over 5 years. Over the long term<sup>2</sup>, a portfolio such as Nedgroup Investments Core Global Fund would have delivered a higher return than US cash approximately 64% of the time over any 5-year period.

1. We used the ICE Bank of America 3-month deposit rate for US cash returns
2. Based on Global market returns from 1997 to 2018 (source Morningstar) using the same long-term equity allocation and fees.



## Economic and market review

For more than a year, the global economic narrative has been dominated by two main macro trends: slowdown and disinflation. As these trends took hold, the next chapter was expected to involve broad and substantial rate cuts. This was seen as a careful calibration of policy rates in response to improving inflation dynamics, rather than a panic-driven rush to stave off recession.

Global equity and bond markets ended the third quarter on a positive note, buoyed by policy makers setting a favourable tone for risk assets. While markets anticipated the first interest rate cut from the US Federal Reserve (US Fed) in September, incoming data led to adjustments in the expected size of the cut. Meanwhile, China delivered significant monetary policy stimulus and committed to further fiscal support. Equity markets firmed in response, and bond markets broadly benefited from lower yields.

Earlier this year, the US seemed to diverge from the global trend of disinflation and rate cuts. However, as noted in our June update, “US inflationary pressures are increasingly narrow and, given a normalizing labour market and anchored inflation expectations, the disinflation process is set to resume.” For the second consecutive quarter, global forecasts remained largely unchanged. This stability might seem at odds with the considerable market volatility experienced, particularly during an acute episode in early August. However, this volatility reflects uncertainty about timing rather than direction. Notably, the steady retreat in oil prices has helped offset concerns about rising shipping costs and weak demand from China.

In August, US headline inflation declined to 2.5% year-over-year, slightly below expectations, while core inflation remained steady at 3.2%. Producer prices also fell, coming in below expectations. The US Fed cut the policy rate by 50 basis points, a more significant move than many had anticipated. The median forecast for the interest rate trajectory over the forecast period also declined, indicating more cuts are expected. Federal Reserve Chair Jerome Powell described the decision as a “recalibration” of policy.

Elections remain a key source of uncertainty. With the US heading to the polls in early November, the next update should provide a clearer sense of policy direction. Kamala Harris’s takeover of the Democratic nomination has shifted the probabilities of the election outcome but does not appear to materially affect policy risks as long as congressional chambers remain split. A Democratic or Republican sweep, however, would have significant consequences across most asset classes, with opposite implications for the USD and mixed results for equities. The presidential race remains a coin toss, but a split Congress is likely.

The fiscal-monetary policy mix will largely determine the slope of the yield curve. Assuming a soft landing and no near-term recession, we foresee the yield curve driven by macro fundamentals in most election scenarios. A Democratic sweep could be negative for equities due to more expansive regulation and potential tax increases for corporations and higher income earners.

In the eurozone, growth forecasts have fluctuated within a tight range since last December. The region is slowly emerging from the shock of the Ukraine war, but progress is hampered by poor performance in its largest economy. Easing inflation has allowed the European Central Bank (ECB) to cut interest rates by 25 basis points each in June and September. It remains to be seen whether the ECB will move again in October or wait until December. Inflation has notably decreased to 2.2% year-over-year in August but may tick up again due to base effects.



## 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.

**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.

### NEDGROUP INVESTMENTS CONTACT DETAILS

Tel: toll free from South Africa only 0800 999 160

Email: [helpdesk@nedgroupinvestments.com](mailto:helpdesk@nedgroupinvestments.com)

For further information on the fund please visit: [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com)

### OUR OFFICES ARE LOCATED AT

First Floor, St Mary's Court

20 Hill Street, Douglas

Isle of Man

IM1 1EU