

Nedgroup Investments Global Equity Fund

Andy Headley

Portfolio Manager of the Nedgroup Investments Global Equity Fund

see money differently

Marketing
Communication

Performance

Real Return Investing



Periods to 31 December 2023	Nedgroup Investments Global Equity Fund C	MSCI World Index	OECD G7 CPI +6% p.a. ¹
3 months	9.09%	11.42%	1.51%
1 year	21.05%	23.79%	9.07%
3 years (p.a.)	3.18%	7.27%	11.49%
5 years (p.a.)	9.64%	12.80%	9.74%
Since Inception (p.a.) 30 September 2010	9.12%	9.79%	8.41%

Attribution by sector

3 months to 31 December 2023 in USD

Sector	Portfolio			Index			Relative Attribution Analysis		
	Average Weight	Total Return	Absolute Contribution	Average Weight	Total Return	Absolute Contribution	Allocation Effect	Selection Effect	Total Effect
Communication Services	9.7	-1.1	-0.2	7.3	10.8	0.8	0.0	-1.2	-1.2
Charter Communications	3.8	-11.7	-0.6	0.1	-11.6	-0.0			-0.9
Consumer Discretionary	5.5	19.5	1.1	10.8	11.2	1.2	0.0	0.4	0.4
Consumer Staples	8.0	-1.8	-0.2	7.0	5.3	0.4	-0.1	-0.6	-0.7
Unilever PLC	3.7	-1.5	-0.1	—	—	—			-0.5
Diageo	4.3	-2.0	-0.1	0.1	-1.7	-0.0			-0.6
Energy	—	—	—	4.8	-4.1	-0.3	0.8	—	0.8
Financials	17.8	15.6	2.8	14.9	13.2	2.0	0.1	0.4	0.5
Moody's Corp	3.7	23.9	0.9	0.1	23.7	0.0			0.4
Health Care	24.3	5.1	1.2	12.4	5.9	0.7	-0.6	-0.2	-0.8
The Cooper Companies	3.7	19.0	0.7	0.0	19.0	0.0			0.3
Bio-Rad Laboratories	2.2	-9.9	-0.3	0.0	-9.9	-0.0			-0.5
Becton Dickinson	2.7	-5.5	-0.2	0.1	-5.4	-0.0			-0.5
Industrials	29.4	14.0	4.2	10.8	13.8	1.5	0.5	0.0	0.5
Equifax Inc	2.1	35.3	0.7	0.0	35.2	0.0			0.5
Automatic Data Processing	1.9	-2.8	-0.1	0.2	-2.8	-0.0			-0.3
Aena SME	4.2	20.1	0.8	0.0	20.1	0.0			0.3
Information Technology	3.2	19.2	0.6	22.7	17.5	4.0	-1.1	0.1	-1.1
Materials	—	—	—	4.0	12.7	0.5	-0.0	—	-0.0
Real Estate	—	—	—	2.4	17.2	0.4	-0.1	—	-0.1
Utilities	—	—	—	2.6	10.5	0.3	0.0	—	0.0
Cash and equivalents	2.0	n/a	-0.4	—	—	—	-0.6	—	-0.6
Total	100.0	9.1	9.1	100.0	11.4	11.4	-1.2	-1.1	-2.3

Attribution by sector

12 months to 31 December 2023 in USD

Sector	Portfolio			Index			Relative Attribution Analysis		
	Average Weight	Total Return	Absolute Contribution	Average Weight	Total Return	Absolute Contribution	Allocation Effect	Selection Effect	Total Effect
Communication Services	11.8	50.3	5.3	7.0	45.5	3.0	1.2	0.8	2.0
Alphabet	6.5	56.4	3.0	2.4	58.3	1.2			1.3
Consumer Discretionary	4.8	80.9	3.1	10.7	36.3	3.7	-0.7	1.6	0.9
Amazon.com	4.8	80.9	3.1	2.0	80.9	1.3			1.2
Consumer Staples	6.5	-5.9	-0.7	7.5	1.8	0.2	0.2	-0.8	-0.7
Diageo	2.5	-18.9	-0.7	0.2	-15.1	-0.0			-1.4
Unilever PLC	4.0	0.4	0.0	—	—	—			-1.0
Energy	—	—	—	5.0	2.5	0.0	1.2	—	1.2
Financials	16.2	31.9	4.9	15.2	17.1	2.5	0.3	2.1	2.4
Health Care	25.0	-3.4	-0.9	13.1	3.7	0.4	-2.5	-2.3	-4.8
Becton Dickinson	2.9	-3.1	-0.1	0.1	-3.1	-0.0			-0.8
Bio-Rad Laboratories	2.6	-23.2	-0.7	0.0	-23.2	-0.0			-1.5
CVS Health	0.9	-27.7	-0.7	0.2	-13.4	-0.0			-1.0
Illumina	1.5	-31.1	-0.6	0.1	-31.1	-0.0			-1.1
Industrials	28.2	32.7	8.7	10.9	22.6	2.4	-0.2	2.6	2.4
Aena SME	4.0	48.5	1.8	0.0	48.6	0.0			0.9
Canadian Pacific Kansas City	5.1	6.7	0.4	—	—	—			-0.9
Information Technology	4.4	63.1	2.4	21.1	57.8	10.8	-4.8	0.2	-4.7
Materials	—	—	—	4.2	15.0	0.7	0.4	—	0.4
Real Estate	—	—	—	2.5	10.3	0.3	0.4	—	0.4
Utilities	—	—	—	2.8	0.3	0.0	0.8	—	0.8
Cash and equivalents	3.0	n/a	-1.7	—	—	—	-3.0	—	-3.0
Total	100.0	21.1	21.1	100.0	23.8	23.8	-6.9	4.2	-2.7

Portfolio breakdown

As at 31 December 2023

Top 10 holdings	%	Region	%	Sector	%
Airbus	5.8	North America	67.3	Industrials	29.8
Amazon.com	5.7	Europe ex UK	18.7	Health Care	25.4
Alphabet	5.7	United Kingdom	10.9	Financials	17.7
Mastercard	5.5	Asia Pacific ex Japan	2.3	Communication Services	9.0
Vinci	5.2			Consumer Staples	8.5
Diageo	5.0			Consumer Discretionary	5.7
Intercontinental Exchange	4.9			Information Technology	3.1
Canadian Pacific Kansas City	4.9				
Aena SME	4.4				
Fiserv	4.3				
Total	51.3	Total	99.2	Total	99.2
Other equity holdings	47.9				
Cash	0.8	Cash	0.8	Cash	0.8
Total	100.0	Total	100.0	Total	100.0

Activity

3 months to 31 December 2023



New purchases

No purchases

Complete sales

No sales

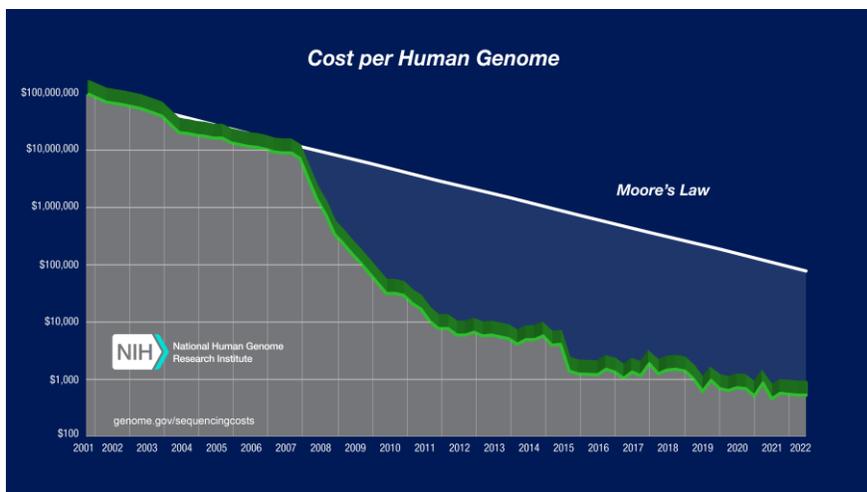
Healthcare and positioning

Long term enduring trends

Post COVID escalation in development of Biologics (drugs from living tissue) and gene-therapy.

- Mapping the genome is becoming cheaper and will lead to more drug development and diagnostic testing to run alongside
- AI applications will facilitate drug discovery
- Cost and time to market pressures in drug discovery and development → outsourcing / partnerships
- Expanding pipeline of new therapeutic and quality control challenges
- Typically, healthy funding environment drives the need for better translational research tools
- Global threats (food, water)

Companies in the fund – Illumina (genetic testing), Bio-Rad (PCR tests and machines for bio-processing, Thermo Fisher Scientific (Bio-processing); Catalent (Contract manufacturer – most drug companies outsource the manufacturing. Leader in gene therapy).



Cost per genome data



Source: Evaluate Pharma Estimates

Artificial Intelligence set to drive faster drug discovery and development



How artificial intelligence cracked biology's biggest problem

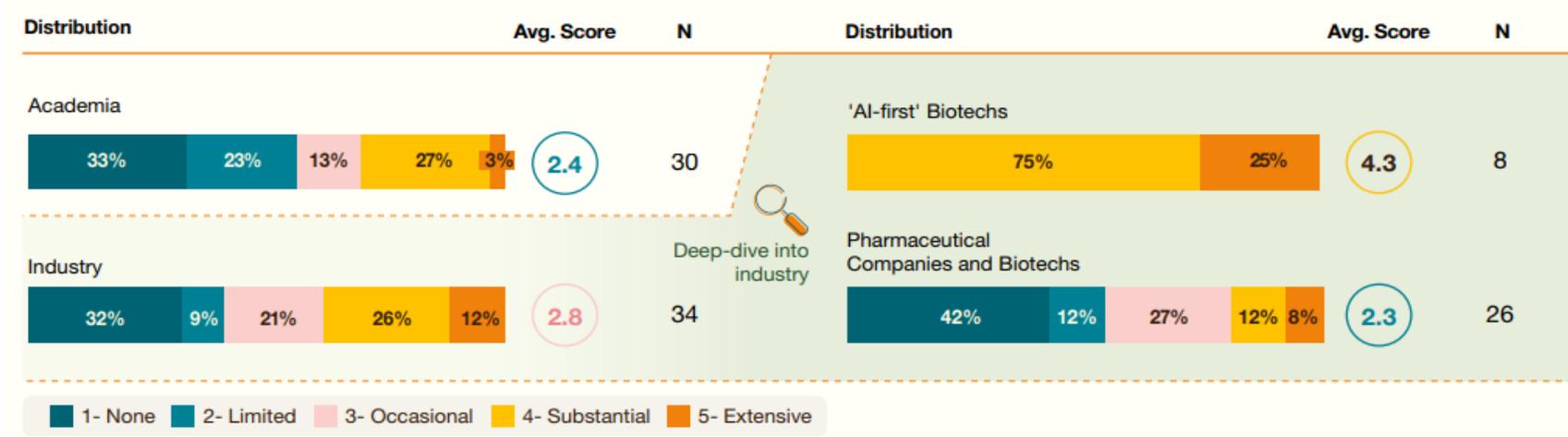
AlphaFold by



“
Amongst the big players, everyone is trying to jump on board quickly one way or another. We are using external partnerships to extend our capabilities.

Scientist, Vaccines, Pharmaceutical company

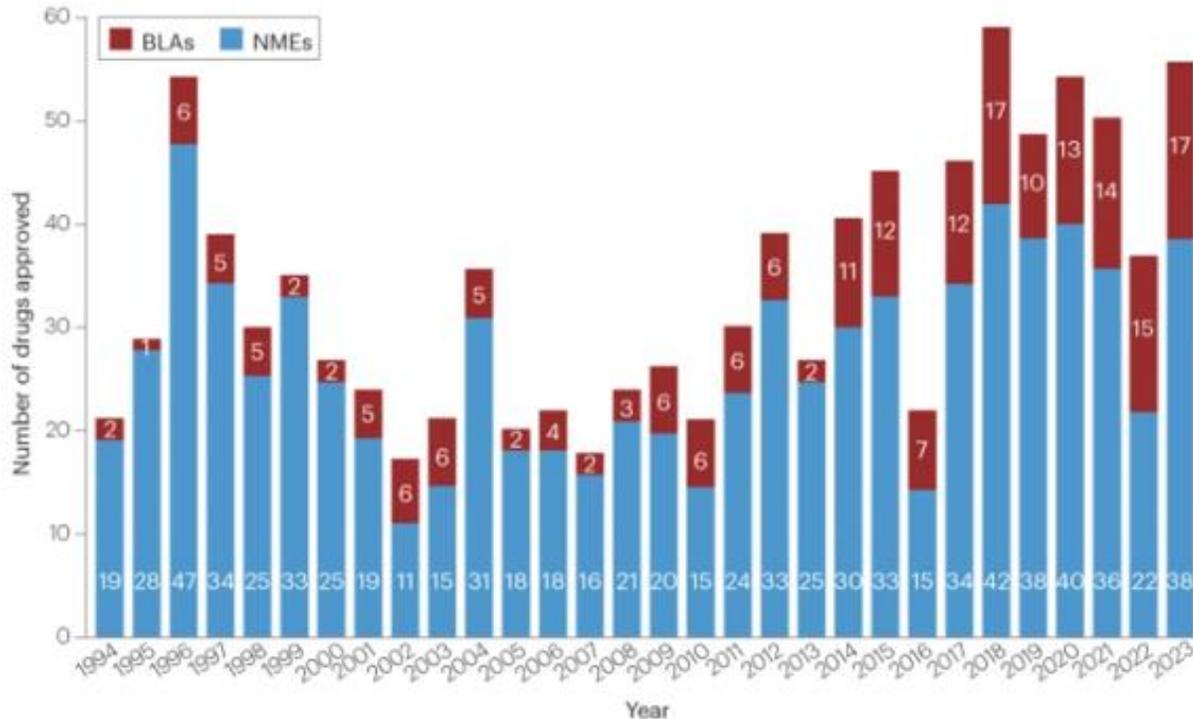
Adoption of AI in drug discovery, by type of organisation



From Wellcome Trust/BCG: Unlocking the potential of AI in Drug Discovery 2023.
https://cms.wellcome.org/sites/default/files/2023-06/unlocking-the-potential-of-ai-in-drug-discovery_report.pdf

More new drugs will be Biologics or Gene Therapy treatments

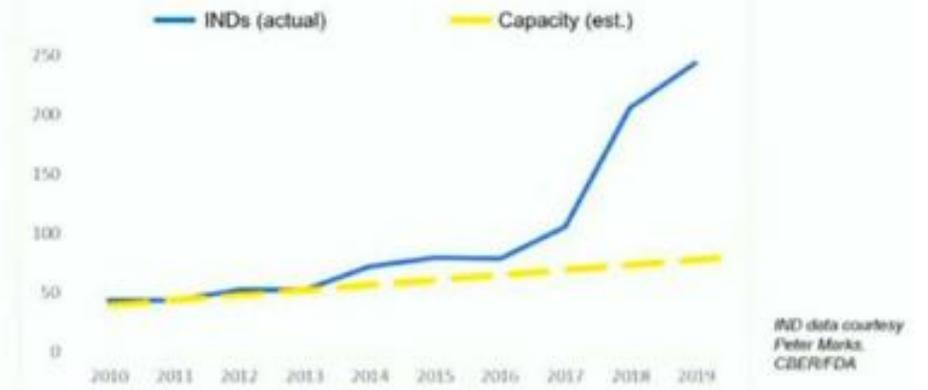
30 years of novel FDA approvals



Annual numbers of new molecular entities (NMEs) and biologics license applications (BLAs) by the FDA's Center for Drug Evaluation and Research (CDER). Does not include vaccines and gene therapies. Source: FDA

In 2023, 7 new cell and gene therapies were approved by the FDA.

Gene Therapy IND applications to FDA are increasing far more rapidly than is vector manufacturing capacity



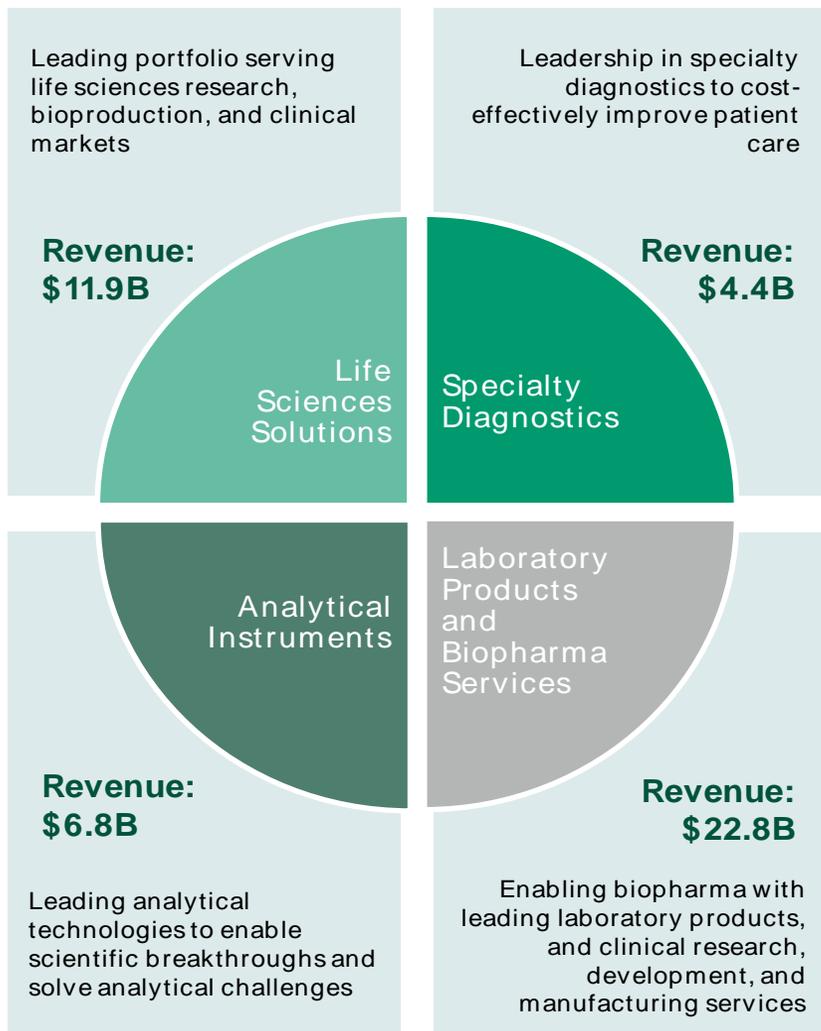
New, more efficient (>10-fold) manufacturing technologies are needed to meet demand and decrease cost of goods

Source: Meeting held January 28-29 at the National Institute of Health (NIH) and co-hosted by the FDA and NCATS

Growth in Investigational New Drug (IND) Applications to FDA

Thermo Fisher Scientific

The leading provider scientific instruments and consumables to laboratories and services to the BioPharmaceutical industry



Thermo Fisher SCIENTIFIC

Source of Opportunity:

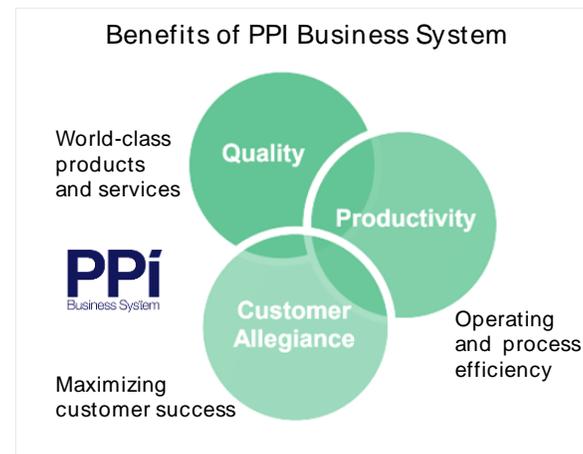
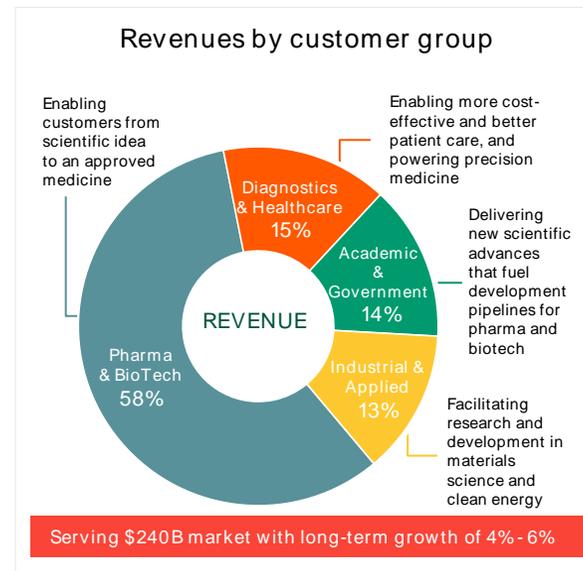
- Trusted partner: unique customer access and business breadth to drive share gain in tougher macro environments.
- Biologic therapeutic research, development and manufacture drivers converging.
- Developing synergies from Patheon (CDMO) and PPD clinical research acquisitions. The only integrated company at scale.

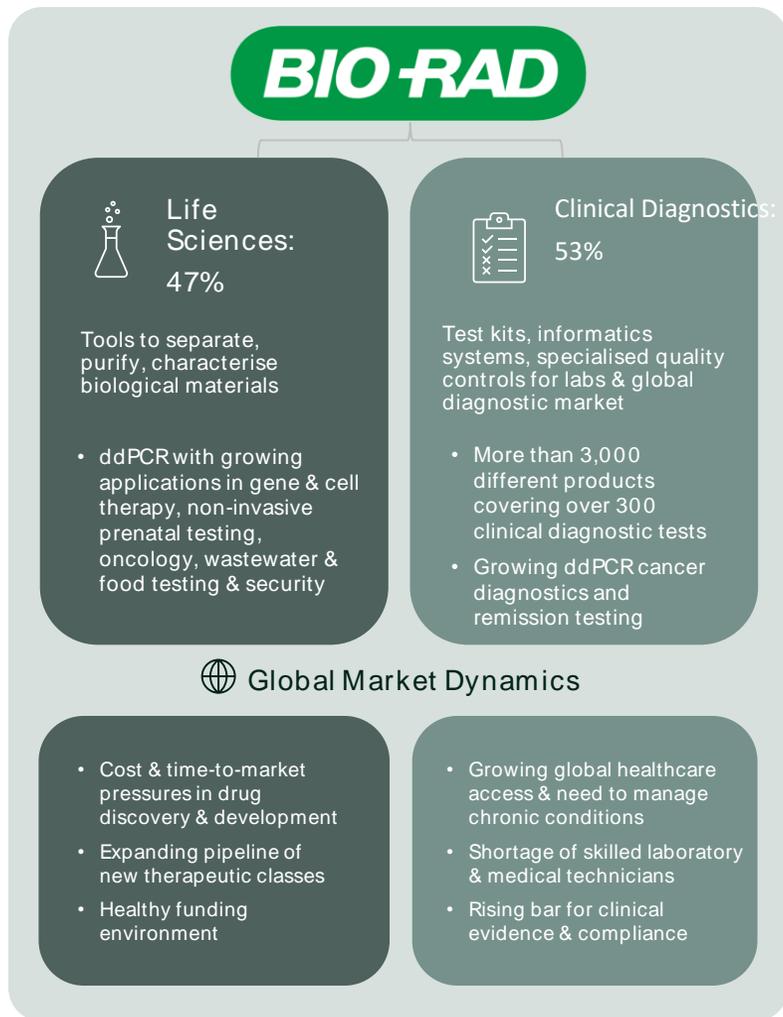
Long-term Drivers:

- Favourable demographics driving increased healthcare demand
- Ongoing scientific advances in life sciences research, driving BioPharmaceutical industry growth
- Breakthroughs in material sciences enabling rapid growth in semiconductors, advanced materials and clean energy transition
- Thermo Fisher Scientific invest \$1.5bn pa in R&D. Owns and develops premier brands in critical research markets.

Sustainability:

- Long-tenured CEO (since 2009) and CFO. Diverse Board.
- Commitment to Net-Zero GHG Emissions by 2050.
- Reduced Scope 1 & 2 GHG Emissions by 25% since 2018.
- Industry leading transparency in disclosures.
- Executive compensation linked to environmental objectives.





Source of Opportunity:

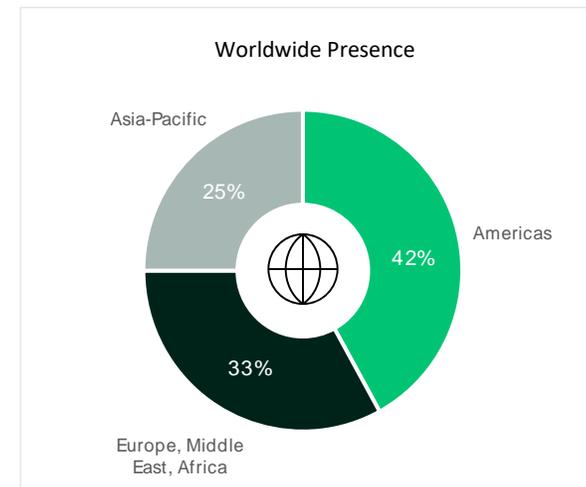
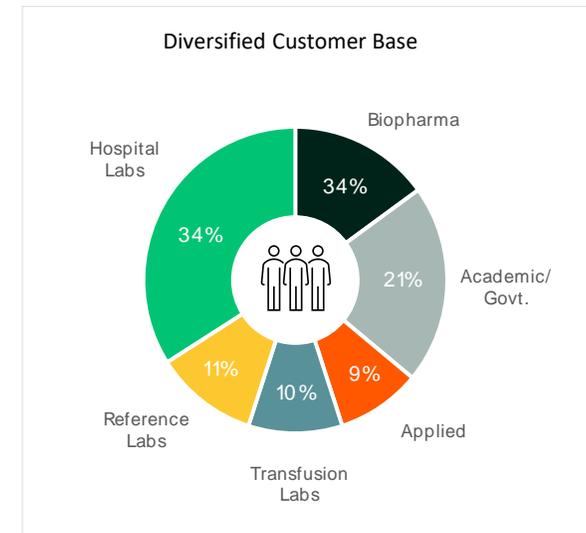
- Share price weakness in Tools/previous Covid beneficiary
- Strategic investment in Sartorius
- Poorly covered by sell side – underappreciated growth potential in ddPCR. Resilient revenue streams with pricing power and c.70% recurring revenue
- Undergoing phased corporate transformation - new executive leaders – early positive signs
- Strong balance sheet - net cash c. \$1bn giving optionality

Long-term Drivers:

- Ageing population - demand for improved therapeutics & early diagnosis
- Demand for cheaper, more efficient, versatile analytical instruments
- Emerging market growth in life sciences & environmental markets
- Global threats (to food and water purity)

Sustainability:

- Committed to Paris Agreement to limit global warming to 1.5 degree Celsius
- Independent validation on GHG goals
- ddPCR technology was critical to pandemic response & ongoing surveillance of pathogen evolution - social good
- Recyclable packing for new products, 25% reduction in non-recyclable packaging 2022-2030, 50% increase in percentage of recycled material





NEDGROUP
INVESTMENTS

Thank you.

see money differently

Disclaimer



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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.

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.

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