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Nedgroup Investments Contrarian Value Equity Fund

Quarter Two, 2024

Marketing Communication

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

USD performance to 30 June 2024	Nedgroup Investments Contrarian Value Equity[1]	MSCI ACWI
3 months	3.0%	2.9%
1 year	20.9%	19.3%
3 years (p.a.)	5.6%	5.4%
Since inception (p.a.)	9.7%	9.7%

Source: Morningstar

Overview

The Nedgroup Investments Contrarian Value Equity Fund ("the Fund", "NCVE") gained 3.0% for the quarter and gained 20.9% for the trailing twelve months. The Fund captured 107.7% of the MSCI ACWI's gain in the trailing twelve months.

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

Net Performance versus Illustrative Indices[2]

	Q2 2024	Trailing 12 months
Nedgroup Contrarian Value Equity Fund	3.0%	20.9%
MSCI ACWI	2.9%	19.4%
MSCI World	2.6%	20.2%
S&P 500	4.3%	24.6%

Source: Morningstar

Portfolio & Market Discussion

The stock market has been a tale of the haves and have-nots with returns lifted by just four contributors (Nvidia, Microsoft, Alphabet, and Amazon.com) that represented 43% and 53% of the MSCI ACWI and S&P 500 YTD returns, respectively.[3]

Though Value outperformed Growth in 2022's market rout, Growth is again leading the charge. In the last year, the S&P 500 Growth battered Value by more than seventeen percentage points while the MSCI ACWI Growth beat the Value component by almost eleven percentage points.

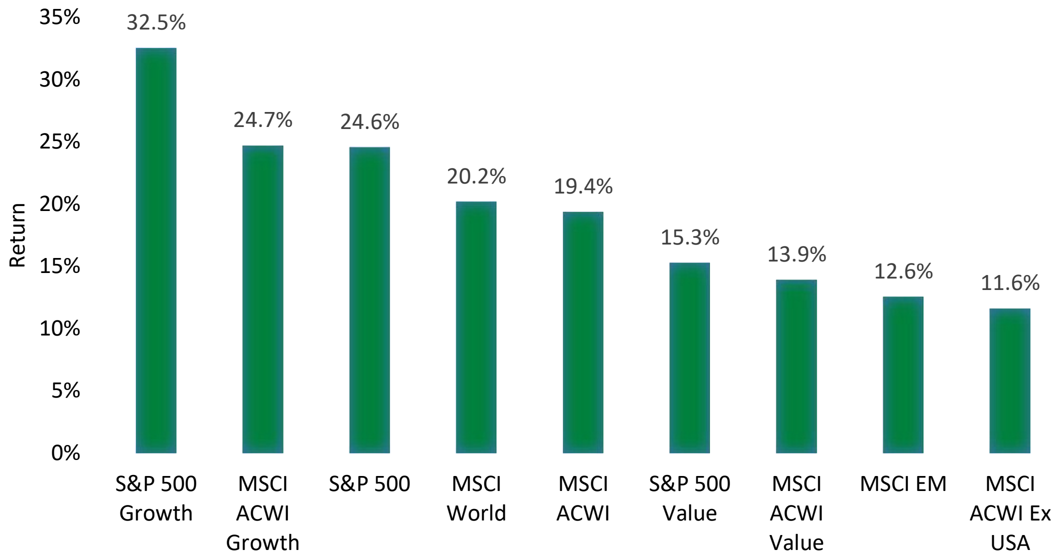
[1] **For illustrative purposes only**. Reflects the net USD return for the Nedgroup Investments Contrarian Value Equity Fund, D class.

[2] 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.

[3] Source: Factset. As of June 30, 2024. "YTD" stands for year-to-date.

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

Trailing Twelve-Month Index Performance[4]



Value managers have not had an easy time of it. In the past decade, Value has underperformed Growth by such a significant margin that it threatens its existence as an investment philosophy.[5] Many investors have capitulated and fired their Value managers, pushing some Value managers into early retirement. Others have converted to the Temple of Growth.

Active Large Growth mutual fund assets are ~90% larger than their Large Value brethren, up from 24% larger a decade ago, reflecting that investors have capitulated on Value.[6] The last time these numbers approached similar levels before 2020 was around the growth bubble peak in 2000. We offer neither complaint nor excuse as we look to a future that hopefully has more opportunity with less direct competition.

With respect to the recent performance of the Fund, in the previous twelve months, NCVE's top five performers contributed 12.4% to its return while its bottom five detracted 2.5%.

Trailing Twelve-Month Contributors and Detractors as of 30 June 2024 [7]

Winners	Performance contribution	Average weight	Losers	Performance contribution	Average weight
Alphabet	4.1%	9.0%	JDE Peet's	-0.7%	1.9%
Meta Platforms	3.2%	5.0%	Charter Communications	-0.6%	2.4%
Holcim	1.9%	5.3%	Aon	-0.5%	3.0%
Citigroup	1.7%	3.8%	CarMax	-0.4%	2.0%
Broadcom	1.5%	2.1%	Entain	-0.2%	0.3%

Source: FPA

[4] Source: Morningstar. As of June 30, 2024.

[5] Source: Morningstar. Over the past ten years through June 30, 2024, the cumulative return of the S&P 500 Value Index was 157% vs 303% for the S&P 500 Growth Index, and the cumulative return of the MSCI ACWI Value Index was 69% vs 188% of the MSCI ACWI Growth Index.

[6] Source: Morningstar. As of June 30, 2024. Large refers to large capitalization. Large Value and Large Growth refer to Morningstar categories.

[7] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the trailing twelve months through 30 June 2024. Contribution is presented net of investment management fees, transactions costs, and Fund operating expenses using the fees and expenses of the Fund's D class, which are 0.75%. 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.

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The following investments meaningful to the Fund's trailing twelve-month return and have not been recently discussed.[8]

Building materials (largely concrete, cement, and aggregates) company **Holcim** has performed well over the past year. In addition to strong operating performance, management has taken several steps to return value to shareholders and improve awareness of the company's underlying business strength, including repurchasing shares, increasing the dividend, and announcing plans to separate the company's North American business.

Citigroup's shares have appreciated (along with other bank stocks) from a profoundly depressed level of less than 50% of tangible book value to a modestly depressed level of 70%. We expect the company to deliver significantly improved results and sizable capital returns over the next few years.

Charter has faced challenging operating conditions that have led to its share price weakness. Competitors have been over-building with fiber assets and fixed wireless has proven to be meaningful. There has been concern regarding the sustainability of business derived from subsidized customers. And, the company's near-term capital spending budget has exceeded expectations. Compounding matters, its relatively high leverage ratio adds volatility to its stock price. We look forward to the company demonstrating the competitive strength of its converged (fixed and wireless) connectivity offering, ramping down capital spending, and re-accelerating share repurchases.

CarMax is the largest independent used vehicle dealer in the US. With 245 locations and 30 years of operating experience, CarMax has built a strong brand focused on providing the best user experience for buying a used car. Consumers can shop online and in-store (quickly transitioning from one to the other at any point in the process) and don't have to haggle with salespeople. Purchasers can pre-qualify for vehicle financing on its website and then shop/compare vehicles by monthly payment with complete confidence that the price displayed will ultimately be what they pay. Vehicles all meet a 125-point inspection to the CarMax Quality Certified standard, and if something goes wrong, vehicle buyers have an industry-leading 10-day money-back guarantee. CarMax uses the data from its millions of vehicles purchased and sold to understand the right price to buy, recondition, and sell used vehicles, and as a result, has consistently generated an industry-leading gross profit per unit (GPU) for decades. We believe each part of CarMax's sales proposition would be difficult for smaller independent peers to replicate, let alone the entire customer value proposition. Even Carvana, CarMax's best-known peer, lacks:

1. The option to shop in-store or test-drive the vehicle for 24 hours before purchase.
2. CarMax's range of finance providers.
3. CarMax's 10-day money back guarantee (Carvana has a shorter 7-day money-back guarantee).

While a recent downturn in used vehicle sales (due to the impact of higher inflation and interest rates on monthly vehicle payments) has hurt CarMax's recent volumes and market share, we believe it continues to improve the customer experience, which we think will result in increased vehicle sales volumes and market share gains within its existing store base, that should drive higher profits per vehicle and improve the company's returns on invested capital. As of year-end 2023, CarMax had ~4% of the fragmented used vehicle market, and while we don't know exactly how big the company can ultimately grow, a good long-term yardstick is CarMax's oldest stores, which have 10%+ market share (which is still growing).

[8] The company data and statistics referenced in this section, including competitor data, are sourced from company press releases, investor presentations, financial disclosures, SEC filings, or company websites, unless otherwise noted.

It would be difficult to argue that the market has stocks on sale. While the stock market continues to migrate higher, earnings haven't kept pace at the same rate, making the market more expensive.

S&P 500 and MSCI ACWI Earnings Growth and Index Return since Year-End 2022[9]

	S&P 500		MSCI ACWI	
	Cumulative Earnings Growth	Cumulative Return	Cumulative Earnings Growth	Cumulative Return
12/31/2022 - 6/30/2024	1.8%	42.2%	0.4%	32.5%

Exposure is nuanced. It's not just a number. It is also a function of many squishy considerations that define business quality. Investing in higher quality businesses- e.g., those with a protective moat, good returns on capital, opportunities to attractively reinvest that capital, and an exemplary management team at its helm, should serve investors well over time. There was a time when it was easier to make money from lower quality businesses, but that is less the case today, thanks to the many disruptive businesses and new technologies that challenge them. The Fund, therefore, has focused on businesses of higher quality. What used to be price first and quality second has now reversed, with a business's quality being the first line of defense.

The equities held in the Fund have largely risen in price in concert with the stock market, as measured by both Price/Earnings and Price/Book, as exhibited below. While look-through valuations are higher, the Fund's holdings continue to trade less expensively and, according to consensus estimates, have better expected growth than both the MSCI ACWI and S&P 500.

NCVE Equity Characteristics vs MSCI ACWI and S&P 500[10]

	Price/Earnings 1 Year Forward		Price/Book		3-Year Forward Estimated EPS Growth	
	30/06/2023	30/06/2024	30/06/2023	30/06/2024	30/06/2023	30/06/2024
Nedgroup Contrarian Value Equity Fund						
Equity Portfolio	14.6x	16.4x	1.8x	2.2x	25%	18%
vs. MSCI ACWI	*-10%*	*-7%*	*-35%*	*-30%*	*170%*	*42%*
vs. S&P 500	*-24%*	*-22%*	*-56%*	*-55%*	*112%*	*28%*
MSCI ACWI	16.3x	17.6x	2.8x	3.1x	9%	13%
S&P 500	19.1x	21.0x	4.2x	4.8x	12%	14%

While we think owning too many stocks will likely ensure poor to middling performance, having too many eggs in one basket can lead to debilitating losses when all doesn't go as planned. The Fund generally owns 30 to 50 stocks in different industries (vs an average of 204 for Large Blend Funds that own both Value and Growth stocks), and we consider the exposure to any one business or industry.[11] However, the Fund will run with some concentration, — its top 10 holdings account for 51.6% of Fund exposure. Investors can expect to find a large "active share" in the Fund's portfolio. Active share reflects how a fund differs from an index, and the Fund embodies that as it will frequently have more or less exposure to an industry group compared to the stock market as a function of its benchmark agnostic, absolute value investment philosophy.

[9] Source: Factset. As of June 30, 2024.

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

[10] 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 does not include outperformance of any index or benchmark in its investment objectives. References to Nedgroup Contrarian Value Equity Fund's ("Fund") " equity holdings valuations" refers to the valuations of the Fund's equity holdings only. The equity holdings average weight in the Fund was 94.9% and 94.6% for Q2 2024 and TTM through 30 June 2024, respectively. The 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. Equity statistics noted herein do not represent the results that the Fund or an investor can or should expect to receive. Portfolio composition will change due to ongoing management of the Fund.

[11] Source: Morningstar. As of June 30, 2024. Reflects the Morningstar Large Blend Category. Past performance is no guarantee, nor is it indicative, of future results.

Portfolio Activity[12]

The Fund added one investment during the quarter – Rentokil Initial. The Fund did not make any material increases or decreases in positions during the quarter, nor did it exit any positions.

Portfolio Profile

There were 43 equity positions in the Fund with the top five holdings comprising 31.4% and the top 10 comprising 51.6% of the portfolio (based on total assets) as of 30 June 2024. The top three sector exposures in the Fund, based on the Global Industry Classification Standard (GICS) sector classification, are Communication Services, Information Technology, and Materials which comprise 51.8% of the total assets of the Fund. As a percentage of equity, the Fund has 40.7% non-US exposure and 59.3% exposure in the US.[13]

Closing

We sincerely appreciate our investors' continued support. We commit to working as hard as ever, and hopefully more intelligently than before, as we incorporate the many new lessons gleaned from our constant reading (and listening to podcasts), our peers, the markets, and our successes and failures. We hope to guide the successful extension of our long track record by keeping front of mind the British Army's P's maxim (which we have taken the liberty of paraphrasing!): '*Proper Planning and Preparation Prevents Poor Performance'*.

Respectfully submitted,

FPA Contrarian Value Portfolio Management Team

[12] The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. It should not be assumed that an investment in the securities listed was or will be profitable. Increases and decreases represent securities whose position size changed by at least 33% over the period and represent greater than 0.75% of the portfolio. Any exited position mentioned was fully removed, regardless of its representative portfolio size. Portfolio composition will change due to ongoing management of the Fund.

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

[13] '*As a Percentage of Equity'* excludes cash & cash equivalents. Portfolio composition will change due to ongoing management of the Fund.

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

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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.

Comparison to any index is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Fund may be less diversified than the indices noted herein, and may hold non-index securities or securities that are not comparable to those contained in an index. Indices will hold positions that are not within the Fund's investment strategy. Indices are unmanaged and do not reflect any commissions, transaction costs, or fees and expenses which would be incurred by an investor purchasing the underlying securities and which would reduce the performance in an actual account. You cannot invest directly in an index. The Fund does not include outperformance of any index in its investment objectives.

Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. The performance data herein represents past performance and investors should understand that investment returns and principal values fluctuate, so that when you redeem your investment it may be worth more or less than its original cost.