



see money differently



# Nedgroup Investments Global Flexible Fund

Quarter Three, 2024



**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 30 September 2024	Nedgroup Investments Global Flexible <sup>1</sup>	Performance Indicator*	MSCI World
3 months	3.6%	6.0%	6.4%
1 year	20.0%	23.3%	32.4%
5 years (p.a.)	9.1%	7.9%	13.0%

\* 60% MSCI World, 30% Bloomberg Global Aggregate Bond, 10% US\$ cash.  
Source: Morningstar

### Overview

The Nedgroup Investments Global Flexible Fund (“the Fund”) gained 3.6% for the quarter and 20.0% for the trailing twelve months. The Fund captured 61.7% of the MSCI World’s gain in the trailing twelve months, just below its own 63.4% average net risk exposure.<sup>2</sup>

### Net Performance versus Illustrative Indices<sup>3</sup>

	Q3 2024	Trailing 12 months
Nedgroup Global Flexible Fund	3.6%	20.0%
MSCI World	6.4%	32.4%
MSCI ACWI	6.6%	31.8%
S&P 500	5.9%	36.4%
60% MSCI ACWI / 40% Bloomberg US Agg	6.1%	23.4%
60% S&P 500 / 40% Bloomberg US Agg	5.6%	26.0%

Source: Morningstar

### Portfolio & Market Discussion

The Nedgroup Investments Global Flexible Fund’s (the Fund) net risk exposure is 60.6% as of quarter end, down approximately five percentage points year-over-year. The Fund’s exposure has not been this low since February of 2020.<sup>4</sup> As always, risk-on versus risk-off remains a function of finding investments that offer good upside yet afford reasonable downside protection. If those parameters are unmet, cash will build until such opportunities present themselves. Nevertheless, there’s generally something useful to do that helps explain the five new equity positions added during the quarter, though we exited six.

With respect to the recent performance of the Fund, in the previous twelve months, the top five performers contributed 7.5% to its return while its bottom five detracted 1.3%.

<sup>1</sup> Reflects the net USD return for the Nedgroup Investments Global Flexible Fund, C class. Source for MSCI and S&P 500 Morningstar

<sup>2</sup> 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 30 September 2023 was 65.7%, and as of 30 September 2024 was 60.6%.

<sup>3</sup> 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.

<sup>4</sup> The Fund’s net risk exposure, as of 29 February 2020, was 59.8%.

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



## Trailing Twelve-Month Contributors and Detractors as of 30 September 2024<sup>5</sup>

Winners	Performance contribution	Ave. weight	Losers	Performance contribution	Ave. weight
Meta Platforms	2.1%	3.0%	Charter Comms.	-0.6%	1.3%
Holcim	1.6%	3.2%	JDE Peet's	-0.3%	1.0%
Alphabet	1.4%	5.2%	Comcast	-0.2%	2.9%
Jefferies	1.2%	2.0%	Herbalife	-0.1%	0.2%
Citigroup	1.2%	2.4%	NCR Voyix	-0.1%	0.3%

Source: FPA.

Below are two companies that have impacted portfolio performance but have not recently been discussed.<sup>6</sup>

**Jefferies** shares have appreciated due to strong operating performance, wise capital allocation from the company's owner-operator CEO, and building excitement for a strong investment banking and capital markets environment expected to be facilitated by lower interest rates and clarity on the US Election.

**JDE Peet's** stock has declined over the past twelve months, but earnings have been largely stable. While earnings have stable, a change in management, record-high coffee bean prices, and headwinds from the company's Russia business have led investors to view the glass as half-empty. We are hopeful that new management will prove up to the task of making entrepreneurial and cost-efficient investments to re-invigorate growth and put JDE Peets in a position to benefit from its position as the world's second-largest consumer coffee company.

### Closing

The world might seem tilted on its axis today amidst natural disasters, Middle East conflict, and insecurity around next month's US election, on top of other fears unique to each of us. Without too much digging, one can easily fall into a vortex of negativity. We prefer to look more optimistically at what the future might hold. Uncertainty can breed confusion and insecurity, fostering a fertile environment for the calm and logical to take advantage of economic opportunities. We hope to continue exhibiting clear thinking when others might be losing their heads to benefit our investors.

Respectfully submitted,

FPA Contrarian Value Portfolio Management Team

<sup>5</sup> Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the trailing twelve months through 30 September 2024. 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.

<sup>6</sup> 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.



## 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.

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

**Germany**: The Fund's Facilities agent in Germany is Acolin Europe AG, with the registered office at Reichenaustraße 11a-c, 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-agency-services>.

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

Issue Date: 30 October 2024





## FPA DISCLAIMERS

This Commentary is for informational and discussion purposes only and does not constitute, and should not be construed as, an offer or solicitation for the purchase or sale with respect to any securities, products, or services discussed, and neither does it provide investment advice. Any such offer or solicitation shall only be made pursuant to the Fund's prospectus, which supersedes the information contained herein in its entirety. This presentation does not constitute an investment management agreement or offering circular. You should not construe the contents of this document as legal, tax, investment or other advice or recommendations.

The statements contained herein reflect the opinions and views of the FPA portfolio management team as of the date written, are subject to change without notice, and may be forward-looking and/or based on current expectations, projections, and/or information currently available. Such information may not be accurate over the long-term. These views may differ from other portfolio managers and analysts of the sub-investment manager as a whole and are not intended to be a forecast of future events, a guarantee of future results or investment advice.

**You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest.** Investments, including investments in the Fund, carry risks and investors may lose principal value. Capital markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The Fund may purchase foreign securities, including American Depository Receipts (ADRs) and other depository receipts, which are subject to interest rate, currency exchange rate, economic and political risks; this may be enhanced when investing in emerging markets. Non-U.S. investing presents additional risks such as the potential for adverse political, currency, economic, social or regulatory developments in a country including lack of liquidity, excessive taxation, and differing legal and accounting standards. These risks are magnified in frontier and emerging markets. In addition, while we believe investing in companies with less liquidity has the potential to add alpha on the upside, such names are also more subject to price volatility on the downside. Small and mid-cap stocks involve greater risks and they can fluctuate in price more than larger company stocks. You risk paying more for a security than you received from its sale.

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.**

©2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted by Morningstar to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

