NEDGROUP INVESTMENTS

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Nedgroup Investments Global Flexible Fund

Quarter One, 2021

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The following commentary was produced by the sub-investment manager, First Pacific Advisors, LP ("FPA"). Please refer to the end of the commentary for Important Disclaimers.

USD performance to 31 March 2021	Nedgroup Investments Global Flexible[1]	S&P 500	MSCI World
3 months	8.30%	6.17%	4.92%
12 months	49.33%	56.35%	54.03%

Overview

The Nedgroup Investments Global Flexible Fund ("the Fund") gained 8.3% for the quarter and 49.3% for the trailing one-year.

The Fund's positive performance in late 2020 has endured thus far into 2021. The stock prices of many underappreciated, good businesses that had been left behind in the market's rally since the pandemic lows of last year continued to capture investor interest. The Fund generated 89.3% of the average of the S&P 500 and MSCI World return in the trailing twelve months, outperforming its own 71.5% average net risk exposure.[2]

Portfolio discussion

Reflecting on the past year, the investment team submits that investors will be much more comfortable with the position they are in now, relative to March last year. However, they also don't believe they are as smart as they may now appear. This is one of the reasons they continue to encourage unitholders to think in terms of market cycles and rolling five-year periods and to block out the inevitable noise, however unsettling, in between.

Although the Fund's showing in the first quarter was not unexpected, the FPA portfolio management team had no idea that the strong performance of the Fund's underlying securities would occur when it did. After having increased the Fund's allocation to risk securities during the Q1 2020 selloff, by the time Fall rolled around the Fund found itself holding a collection of companies that the team considered to be some combination of relatively and absolutely cheap. Although the broader market seems to have recognized in recent months that a segment of the market was mispriced, these shares could have remained unappreciated for longer.

The top contributors and detractors to the Fund's trailing 12-month returns **to** 31 March 2021 are listed below: [3]

Winners	Performance contribution	Avg. weight	Losers	Performance contribution	Avg. weight
Alphabet	3.90%	5.3%	Jardine Strategic	-0.06%	0.2%
Jefferies	2.59%	2.4%	O-I Glass	-0.05%	0.0%
Broadcom	2.53%	2.8%	NatWest Group	-0.02%	0.1%
AIG	2.47%	2.9%	Just Eat Takeaway	-0.02%	0.0%
TE Connectivity	2.40%	2.5%	Alteryx	-0.01%	0.0%

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

[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 March 31, 2021 was 73.0%.

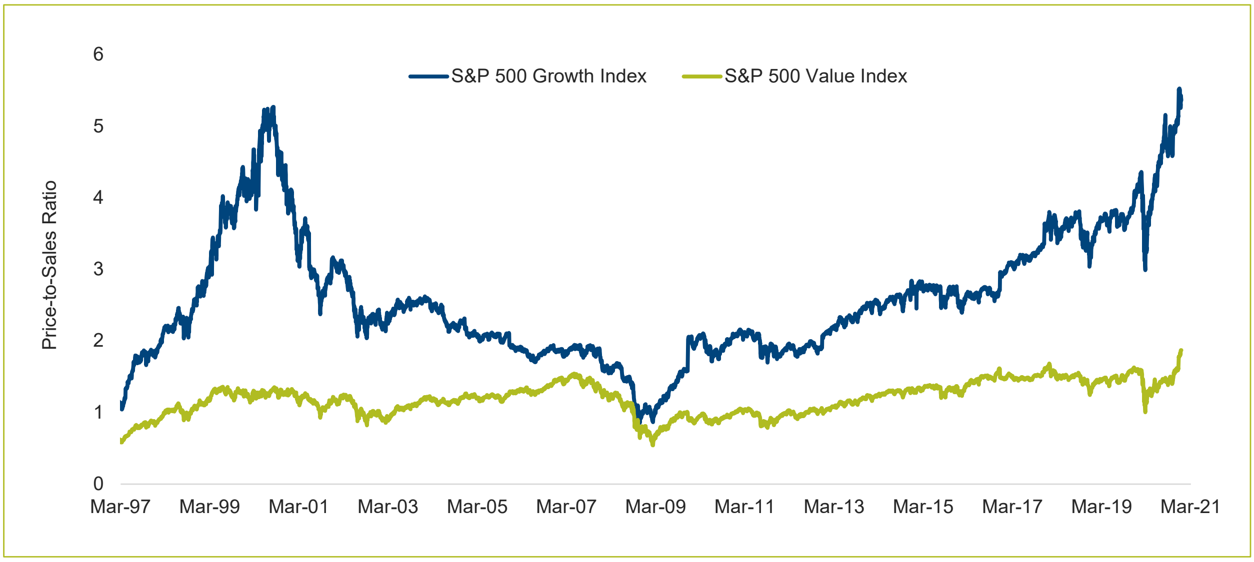
Past performance is no guarantee, nor is it indicative, of future results.

[3] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the trailing twelve months ("TTM") through March 31, 2021. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The information provided does not reflect all positions purchased, sold or recommended by FPA during the TTM. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed.

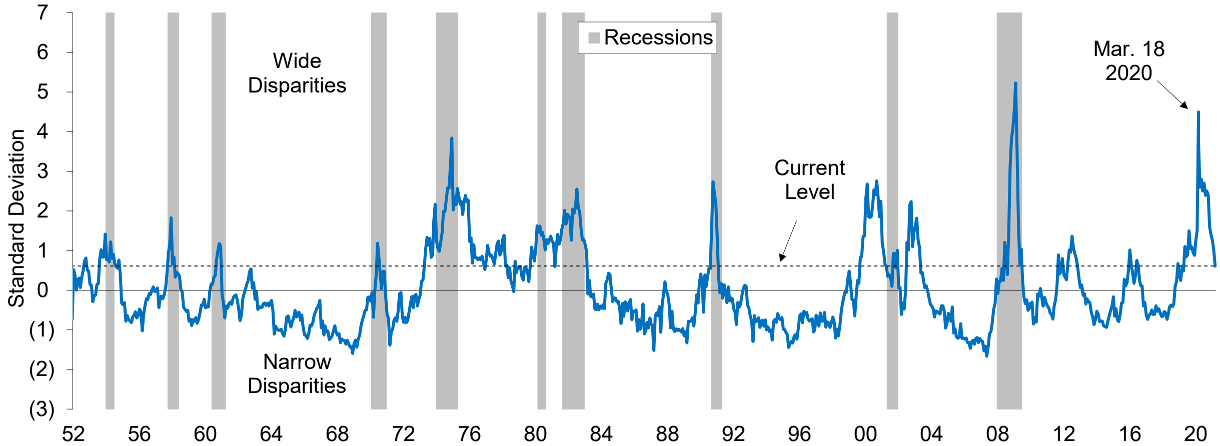
There were no substantive changes in the business prospects in any of the major contributors and detractors. AIG and Jeffries, two of the better contributors for the trailing twelve months, were amongst the largest detractors for the year ago Q1 2020 trailing twelve-month period. The subsequent rebound in their share prices speaks to what the Fund has previously maintained: that the businesses of these two companies have not changed enough to warrant their stock price declines. This has been demonstrated true for much of the portfolio.

The team is pleased with the improvement in the overall quality of businesses that the Fund holds, but the team cannot ignore the rally in both the market and in many of the equity portfolio's companies. As seen in the charts below, the rising tide has lifted most stocks – both growth and value, but a significant valuation gap remains. Despite a strong recent run for many out of favour companies, some of the "growthier" names have risen even more.

Price/Sales: S&P 500 Growth Index vs S&P 500 Value Index[4]



Valuation Spreads – The Cheapest Quintile Compared to the Market Average
January 1, 1952 – March 31, 2021[5]



[4] Source: Bloomberg. As of March 31, 2021.

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

[5] Source: Empirical Research Analysis, National Bureau of Economic Research. As of March 31, 2021. Cheapest quintile refers to the most undervalued 20% of stocks in an analysis of large-capitalization US stocks. Standard Deviation is a measure of dispersion of a data set from its mean. *Current Level* refers to the valuation spread as of March 31, 2021 which is 0.6 standard deviations above the mean. *Large-capitalization U.S. stocks* are those companies with market capitalization of $10 billion or more.

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While the Fund doesn't "own the market", many of the Fund's companies aren't as cheap as they were. This leaves less "gas in the tank" over the near-term. However, we have sought to avoid owning names in the more speculative pockets of the market, not necessarily because the team doesn't think the business models are interesting, but rather because in the majority of instances it strikes us that valuations already incorporate optimistic expectations. While these names may not look attractively valued today, the team is nonetheless actively studying and researching tomorrow's leaders so that the team will be able to act opportunistically whenever the next market swoon arrives.

This brings us full circle to the portfolio management team's actions over the last twelve months. During this period, they have strategically used market weakness to upgrade the portfolio and to own what they believe are those better-quality global businesses, where investors are not willing to look past temporary challenges. They also own those companies that they think are reasonably priced but should "grow and throw" (earnings and cash flow) for years to come. As such they now find themselves with a portfolio whose underlying quality is higher than at any point they can recall, and for this reason, the team feels comfortable being more invested than has been their average over the past three to five years.

Markets will do what they will over the short-term, but the team's focus will continue to be on the long-term, for which they believe they are well-positioned, with a focus on quality, growing businesses at fair to good prices.

Closing

"We don't know."

That is generally the portfolio management team's answer to the regular questions that are posed to them about their macroeconomic view or the future performance of stocks. The only confident response they can offer is that they will continue to seek those reasonably priced businesses in the hopes that those businesses will provide a reasonable real rate of return over time and offer some respite from the spendthrift policies of the U.S. and other sovereign nations.

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Nedgroup Investments Funds PLC (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 (S.I. No. 352 of 2011) as amended from time-to-time.

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The Fund and certain of its sub-funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000.

UK investors should read the Appendix for UK investors in conjunction with the Fund's Prospectus which are available from the Manager www.nedgroupinvestments.com

The Fund has been recognised under paragraph 1 of Schedule 4 to the Collective Investment 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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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. Small and mid-cap stocks involve greater risks and they can fluctuate in price more than larger company stocks.

The return of principal in a bond investment is not guaranteed. Bonds have issuer, interest rate, inflation and credit risks. Interest rate risk is the risk that when interest rates go up, the value of fixed income securities, such as bonds, typically go down and investors may lose principal value. Credit risk is the risk of loss of principal due to the issuer's failure to repay a loan. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults the security may lose some or all of its value. Lower rated bonds, callable bonds and other types of debt obligations involve greater risks. Mortgage-backed securities and asset-backed securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. Derivatives may increase volatility.

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.

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.

Index Definitions
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 investment strategy. Indices are unmanaged and do not reflect any commissions or fees which would be incurred by an investor purchasing the underlying securities. The Fund does not include outperformance of any index in its investment objectives. An investor cannot invest directly in an index.

S&P 500 Index includes a representative sample of 500 hundred companies in leading industries of the U.S. economy. The Index focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, but is also considered a proxy for the total market.

S&P 500 Value Index is a subset of the S&P 500 index. Companies within the index are ranked based on growth and value factors including three-year change in earnings price/share, three-year sales/share growth rate, momentum, book value/price ratio, earnings/price ratio, sales/price ratio. The companies at the bottom of this list, which have a higher Value Rank, comprising 33% of the total index market capitalization are designated as the Value basket.

S&P 500 Growth Index is a subset of the S&P 500 index. Companies within the index are ranked based on growth and value factors including three-year change in earnings price/share, three-year sales/share growth rate, momentum, book value/price ratio, earnings/price ratio, sales/price ratio. The companies at the top of this list, which have a higher Growth Rank, comprising 33% of the total index market capitalization are designated as the Growth basket.

MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets.

Other Definitions

Market Cycles, also known as stock market cycles, is a wide term referring to trends or patterns that emerge during different markets or business environments.

Net Risk Exposure is a measure of the extent to which a fund's trading book is exposed to market fluctuations. In regards to the Fund, it is the percent of the portfolio exposed to Risk Assets.

Price to Earnings is the ratio for valuing a company that measures its current share price relative to its EPS. The price-toearnings ratio is also sometimes known as the price multiple or the earnings multiple.

Price to Sales is a valuation ratio that compares a company's stock price to its revenues. It is an indicator of the value that financial markets have placed on each dollar of a company's sales or revenues.

Risk Assets is any asset that carries a degree of risk. Risk asset generally refers to assets that have a significant degree of price volatility, such as equities, commodities, high-yield bonds, real estate and currencies, but does not include cash and cash equivalents.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security. Volatility is often measured as either the standard deviation or variance between returns from that same security or market index.