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Nedgroup Investments Contrarian Value Equity Fund

Quarter One, 2023

Marketing Communication

Nedgroup Investments Contrarian Value Equity Fund

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

USD performance to 31 March 2023	Nedgroup Investments Contrarian Value Equity ¹	MSCI ACWI
3 months	8.1%	7.3%
1-year	-5.6%	-7.4%
3-years (p.a.)	17.4%	15.4%
Since inception (p.a.)	6.2%	6.9%

Past performance is not indicative of future performance and does not predict future returns.

Source: Morningstar

Overview

The Nedgroup Investments Contrarian Value Equity Fund ("the Fund") gained 8.1% for the quarter but declined 5.6% for the trailing twelve months. The Fund captured 75.7% of the MSCI ACWI's decline in the trailing twelve months.

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

Exhibit A: Net Performance versus Illustrative Indices²

	Q1 2023	Trailing 12 months
Nedgroup Contrarian Value Equity Fund	8.1%	-5.6%
MSCI ACWI NR USD	7.3%	-7.4%
MSCI World NR USD	7.7%	-7.0%
S&P 500	7.5%	-7.7%

Source: Morningstar

¹ Source: Morningstar (monthly data series). **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.

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

Portfolio discussion

Exhibit B: Trailing Twelve-Month Contributors and Detractors as of 31 March 2023³

Winners	Performance contribution	Average weight	Losers	Performance contribution	Average weight
Holcim	1.8%	4.9%	Alphabet	-2.7%	7.9%
Analog Devices	1.0%	4.7%	Charter Communications	-1.3%	2.9%
Safran	0.9%	1.8%	Amazon.com	-1.3%	2.7%
Naspers & Prosus	0.5%	2.2%	Comcast	-0.9%	4.8%
Compagnie Financiere Richemont	0.4%	1.4%	AIG	-0.7%	4.4%

Source: FPA

In the last twelve months, the Fund's top five performers contributed 4.6%, net, to its return, while its bottom five detracted 7.0%, net.

We've discussed all of the detractors listed above in the last year with you, but there are two contributors that we have not mentioned – Holcim and Analog Devices.

Holcim, a global building materials company with a concentration in cement, concrete, and aggregates, continued its business transformation over the past year. Successful exits from India and Brazil, combined with its strong operating performance, have allowed Holcim to fund acquisitions in North America⁴ and Europe, initiate a share buyback, increase its dividend, and continue to improve its rock-solid balance sheet.⁴ We remain impressed by management's operating performance and strategic actions, and the company continues to trade at what we believe is an undemanding multiple of normal cash earnings.

Analog Devices' (ADI) stock price declined in the first half of 2022, along with its semiconductor peers. That sector has since rebounded, lifting ADI with it. We believe ADI is a well-run company and a secular grower, which should augur well for its future. However, given that it operates in a cyclical industry, we will not be surprised when its shares periodically trade down.

³ Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the trailing twelve months through 31 March 2023. 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 0.78%. 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.

⁴ Source: Holcim. <https://www.holcim.com/media/media-releases/india-divestment-closing>; <https://www.holcim.com/media/media-releases/brazil-divestment-closing>; <https://www.holcim.com/media/media-releases/holcim-acquires-us-aggregates-business>; <https://www.holcim.com/media/media-releases/holcim-acquires-indar-mexico>; <https://www.holcim.com/media/media-releases/share-buyback-program>; <https://www.holcim.com/investors/shareholder-information/dividend-history>.

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Portfolio Activity⁵

The Fund made one new investment during the quarter. The Fund's newly added position was Heineken Holding – one of the largest beer companies in the world.⁶ The Fund did not have any exits or resizing of positions during the quarter.

Portfolio Profile

There were 44 equity positions in the Fund with the top five holdings comprising 27.5% and the top 10 comprising 44.3% of the portfolio (based on total assets) as of 31 March 2023. The top three sector exposures in the Fund, based on the Global Industry Classification Standard (GICS) sector classification, are Communication Services, Financials, and Information Technology, which comprise 53.0% of the total assets of the Fund. As a percentage of equity, the Fund has 41.9% non-US exposure and 58.1% exposure in the US.⁷

Closing

The world does not change each quarter as much as stock price movements might otherwise suggest, often reacting more to media headlines than to a realistic assessment of future probabilities. Therefore, we reserve our more extended commentaries to twice annually, for the second quarter and at year-end.

Respectfully submitted,

FPA Contrarian Value Portfolio Management Team

⁵ 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.

⁶ As of 31 March 2023, the securities mentioned, and their corresponding position sizes were as follows: Heineken Holding NV (1.27%).

⁷ 'As a Percentage of Equity' excludes cash & cash equivalents. Portfolio composition will change due to ongoing management of the Fund.

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

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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.

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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.

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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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