

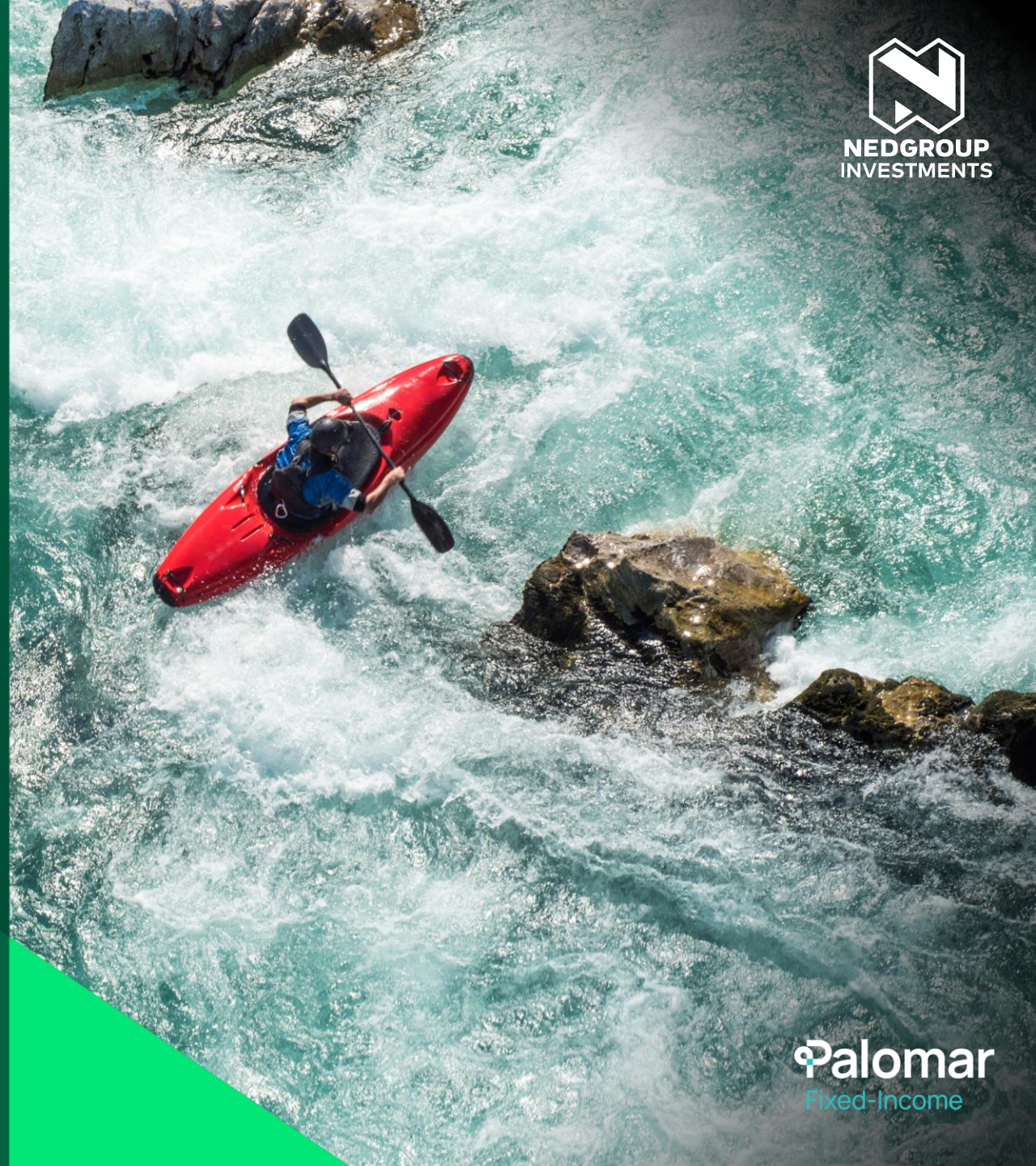
Nedgroup Investments

Core Global bonds:

- ▶ **Generating yield and returns against volatility**

Marketing Communication
June 2025

see money differently



The Nedgroup Investments Advantage



Everyone should benefit from the difference that the best boutiques bring.

We do this by:

1. Championing boutiques

We create the right conditions for fund managers to flourish and deliver consistently strong outcomes.

2. Selecting the exceptional






We are dedicated to finding exceptional fund managers - our deep experience as multi-asset investors, gives us a distinct advantage.

3. Partnering for decades

We foster multi-decade relationships to provide clients more choice, better access and alignment with their investments.

Harnessing the power of boutiques

Access to investment excellence through boutiques

Asset class	Equities		Multi-asset	Fixed income	Property
Fund name	Nedgroup Investments Global Emerging Markets Equity Fund	Nedgroup Investments Contrarian Value Equity Fund	Nedgroup Investments Global Flexible Fund	Nedgroup Investments Global Strategic Bond Fund	Nedgroup Investments Global Property Fund
Launch date of fund	Nov 2020	Jun 2018	Nov 2008	Jan 2024	Aug 2016
Investment partner					
Start of partnership with fund manager	2019	2013		2023	2016
SFDR status of fund	Article 6	Article 6	Article 6	Article 8	Article 8

Why partner with us?



Core global bonds

- ▶ Unlevered core global bond portfolio that emphasises liquidity.
- ▶ Focus on interest rate and credit risk, avoids currency risk.
- ▶ Stays away from bonds that are:
 - illiquid
 - lower quality
 - exposed to material ESG risk



Nimble portfolio management

- ▶ Demonstrable allocation skills in co-portfolio management set-up.
- ▶ Disciplined framework for nimble decision-making and ESG considerations.
- ▶ Strategic approach to alpha generation through relative value, duration and security selection.



Proven track record

- ▶ Consistent rolling 3-year excess returns.
- ▶ Superior rolling 3-year risk-adjusted returns.
- ▶ 20+ years' experience as multi-sector bond investors.

Global Strategic Bond Fund
An active core global bond solution

Nedgroup Investments Global Strategic Bond Fund



A portfolio constructed through a valuation-driven approach, benefitting from two seasoned managers who combine top-down macroeconomic perspectives and bottom-up credit selection.

Portfolio Managers



David Roberts
35 years in the industry
26 years managing
multi-sector bonds



Alex Ralph
22 years in the industry
20 years managing
multi-sector bonds

- ▶ Seasoned multi-sector bond investors across markets
- ▶ An average of 29 years' experience in the industry

Key Fund Facts

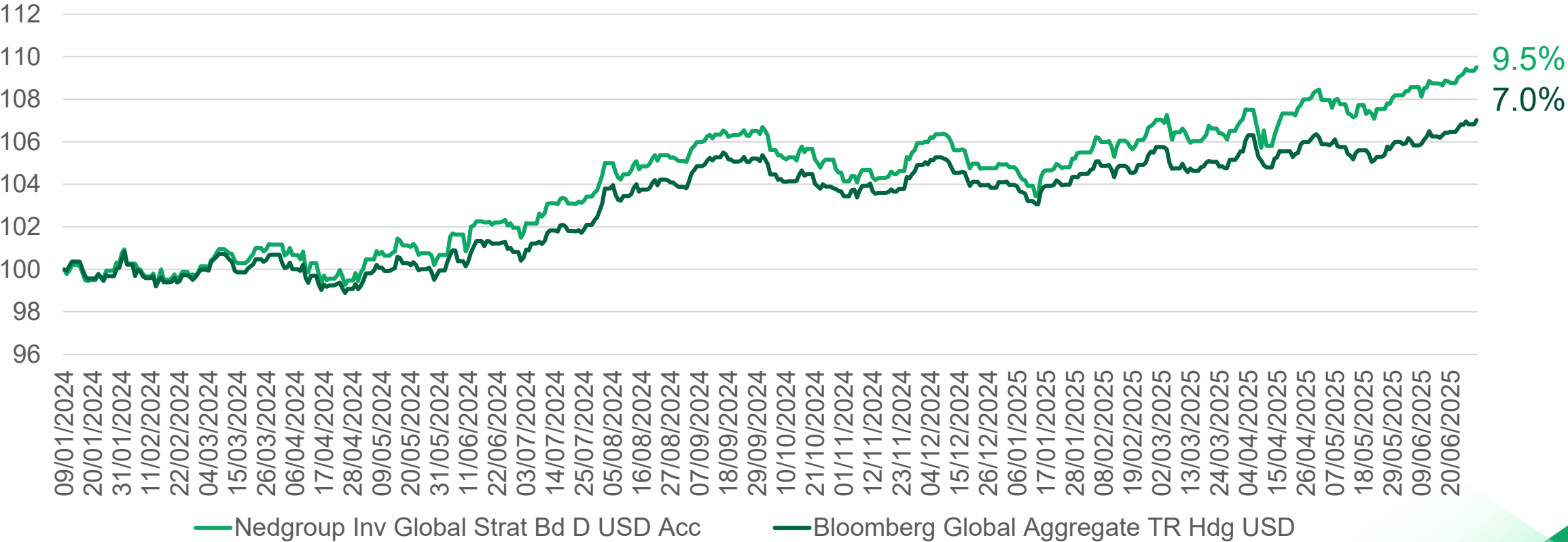
Objective	To provide a combination of capital growth and income over the long term by investing in global bonds
Inception Date	9 th January 2024
Performance Indicator	Bloomberg Global Aggregate Index (US\$ hedged)
Fund size	US\$132m (30 June 2025)
Base currency	US\$ (hedged GBP and EUR share classes available)
SFDR status	Article 8

Do you want your bond fund to behave like bonds?



Cumulative returns since inception (net of fees, % US\$)

Past performance is not indicative of future performance and does not predict future returns. The share classes being offered in Germany do not have their own historical performance data. The performance information presented relates to the nearest comparable share class, provided solely for indicative purposes. Differences in fees, and other factors may affect future performance.

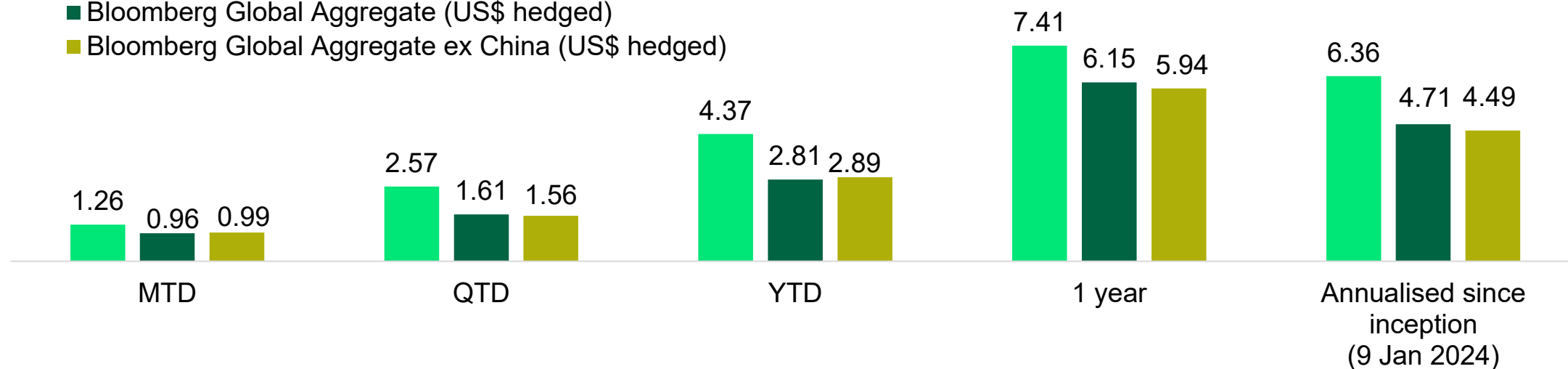


Results to date

Net of fees returns to 30 June 2025 (US\$,%)

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- Nedgroup Investments Global Strategic Bond D Acc
- Bloomberg Global Aggregate (US\$ hedged)
- Bloomberg Global Aggregate ex China (US\$ hedged)



A strategy set up to generate yield without taking on excess risk




Bloomberg Global Aggregate Index (Dec 24)

- 52% developed market sovereign
- 18% investment grade corporates
- 0% high yield
- 16% emerging market debt
- 14% securitised debt

Mix of hard and local currency

Our investment universe for core global bonds

- 30-40% developed market sovereign
- 20-60% investment grade corporates
- 20-30% high yield
- 0-10% emerging market debt
- 100% hard currency

-  *Reject bonds that are illiquid, lower quality and have material ESG risk*
-  *Minimise shocks by avoiding currency risk and equity*
-  *No excessive interest rate risk. Duration range: 3-8 years*

Target outcomes

- ▶ Excess return 1.5% p.a. relative to Bloomberg Global Aggregate (hedged, US\$)
- ▶ Portfolio yield of 4-6%** p.a. (in US\$ terms)
- ▶ Maintaining a positive portfolio ESG rating

Our agile investment framework

Investment objective

To provide a combination of capital growth and income over the long term by investing in global bonds



Bottom-up idea generation and research responsibilities:

- Credit quality
- Credit geography
- Industry selection
- Security selection
- Issuer-level ESG research



Portfolio construction in practice

Key inputs into portfolio construction

Set portfolio strategy
Strategic asset allocation
Sector rotation
Geographical rotation

Leverage external research to empower decision making

On-the-desk communication and collaboration



Top-down idea generation and research responsibilities:

- Relative value
- Duration by geography
- Yield curve management
- Portfolio-level ESG research

A value-driven investment philosophy enables consistency

Bond markets are inefficient and often deviate away from their “fair value”. Our active approach is therefore driven by a combination of:



Valuations

This three-way view highlights:

- ▶ Volatility
- ▶ Uncertainty and
- ▶ Opportunities

Beta strategies exploit absolute valuations of the general market. Alpha strategies exploit relative valuations, between different parts of the bond markets



Fundamentals

Consensus economic forecasts need to be adjusted to reflect the path of incoming data and our perspectives on the impact to bond prices.



Technical

Both quantitative and qualitative factors can offer information about the likely direction of flows to and from the bond markets. This includes supply and demand, investor positioning, investor surveys and trading book levels.

Volatility brings value

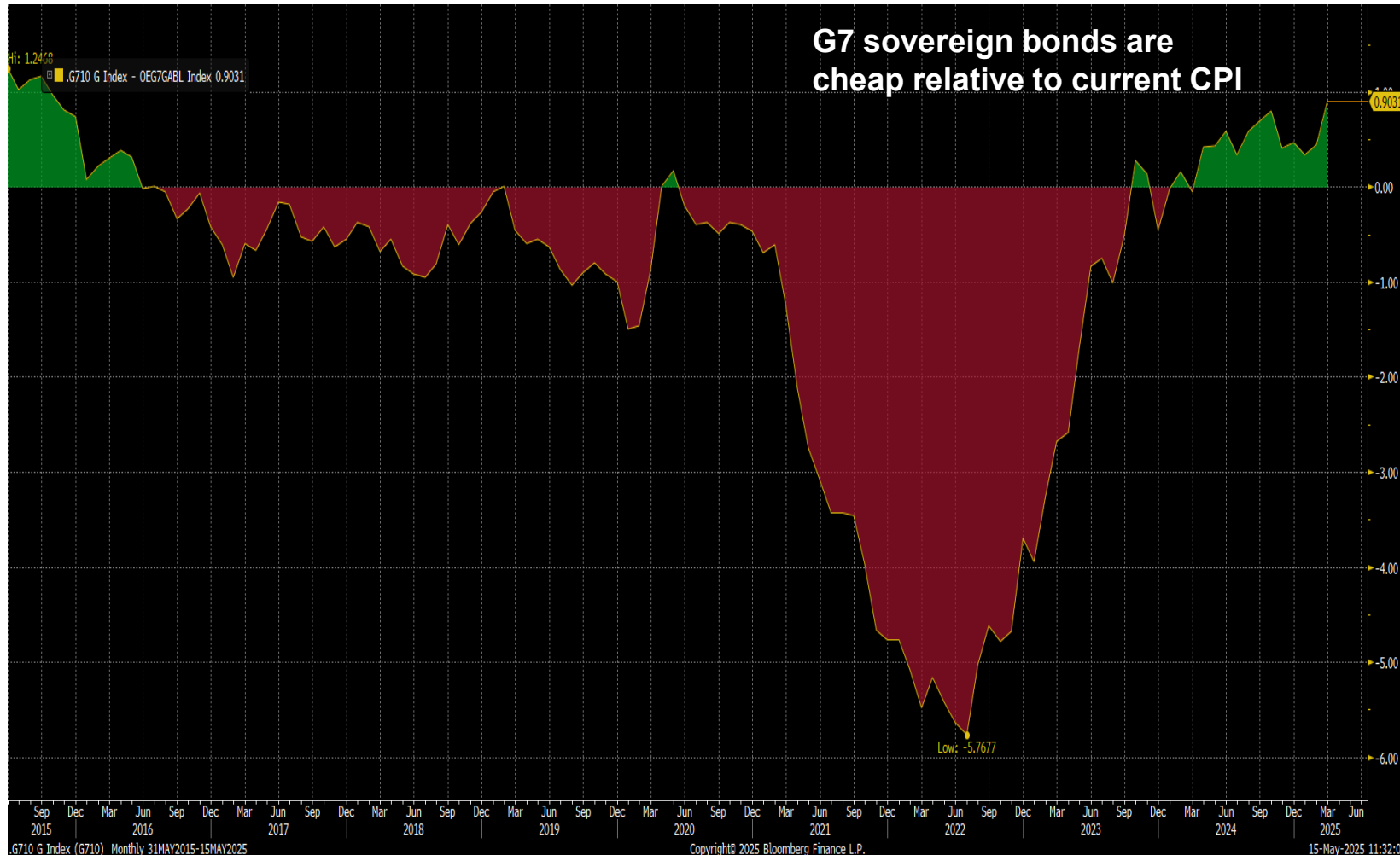
US 10-year Treasury yield (%)



- Bond volatility has been a recurring theme
- Volatility creates opportunity
- Active management is key to finding value
- Volatility is likely to be with us for longer

Core global bonds: an opportunity for positive real returns

G7 government bond yields less inflation



- Accounting for tariff effects, consensus CPI is forecasted to be falling over the next 2 years:
 - 2025: 2.3%
 - 2026: 2.06%
- The outlook for real return generation is positive.
- However, ongoing tariff uncertainty and diverging fiscal outlooks will drive short-term volatility
- Navigating opportunities and risks, require deep experience and nimble active management.

G7 divergence means cross-market patterns get disrupted

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

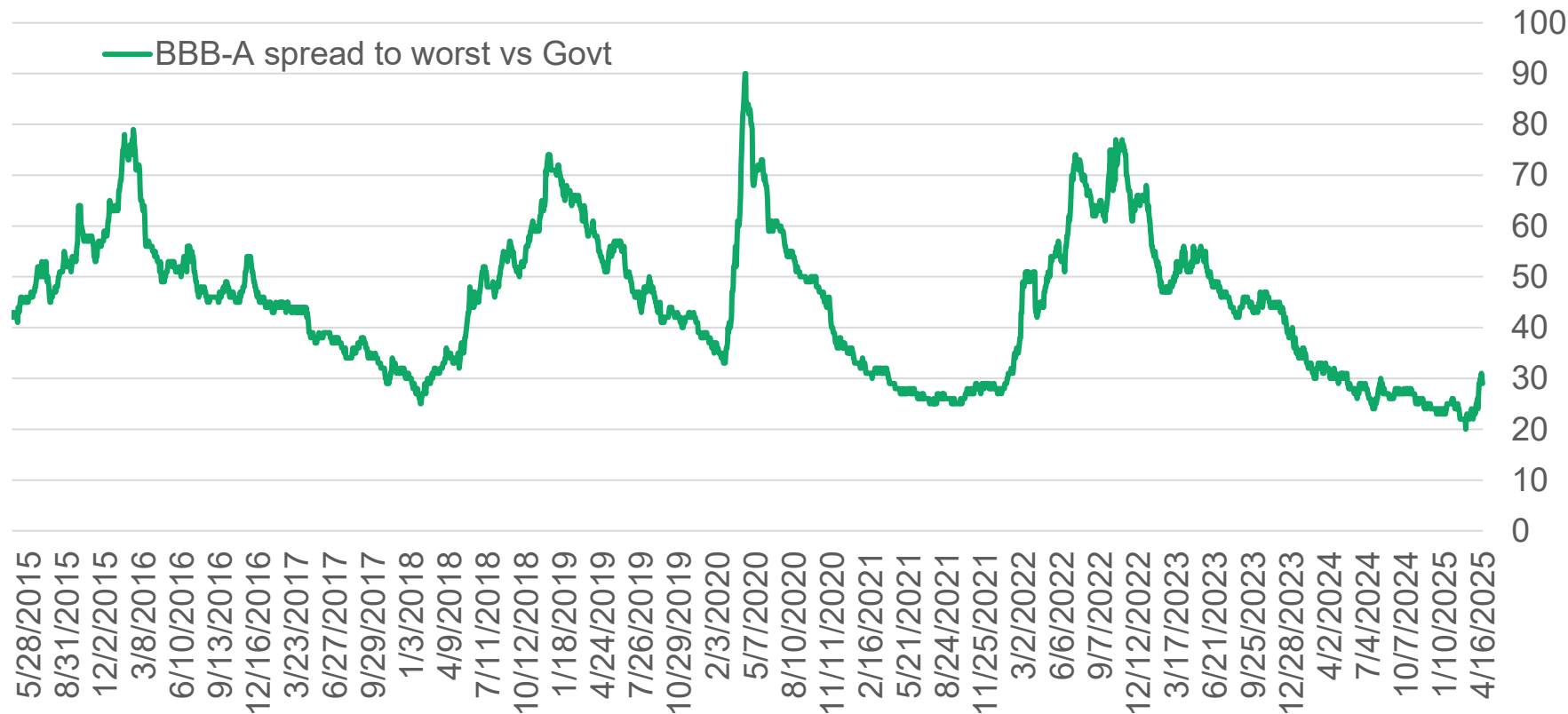
Example: Australia 3-year vs New Zealand 10-year government bond yield spreads (bps)



- Politics and economics collide
- Short maturity Australian government bonds rally as Trump imposes tariffs
- Long New Zealand government bonds sell-off as data remains firm
- As a result, spreads blow out creating a short-term opportunity

Market dislocations create value opportunities amid narrow credit spreads

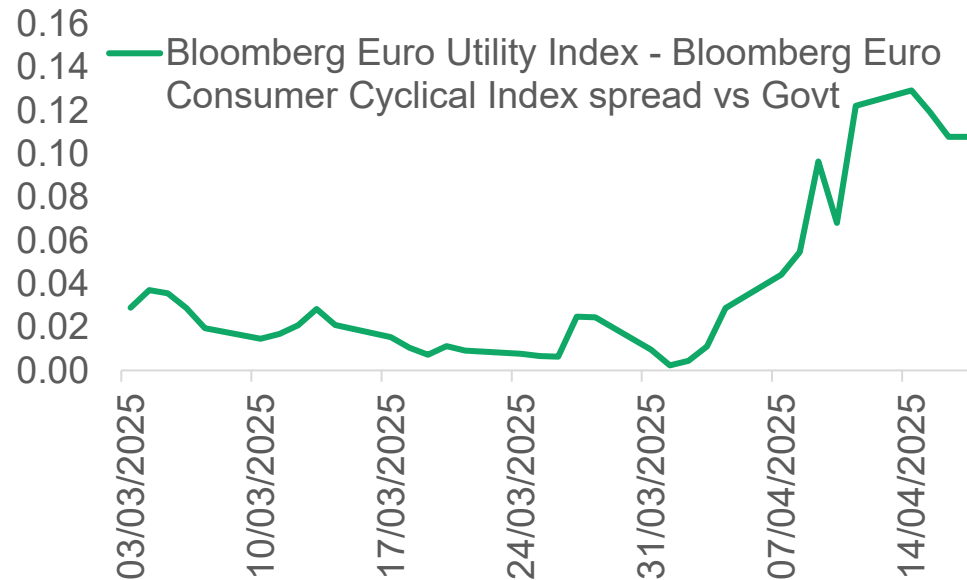
EUR BBB vs A spread difference



- BBB-A spreads have been cyclical over time. Since interest rates increased in 2022, BBB-A spreads have been narrowing however, this has started to reverse from this year.
- On aggregate, we have moved higher up in credit quality, with a higher weighting to single A vs BBBs than previously.

Tariffs drive defensive sector positioning and a focus on quality within cyclicals

EUR Utilities - consumer cyclical spread difference



Example of issuer selection within autos

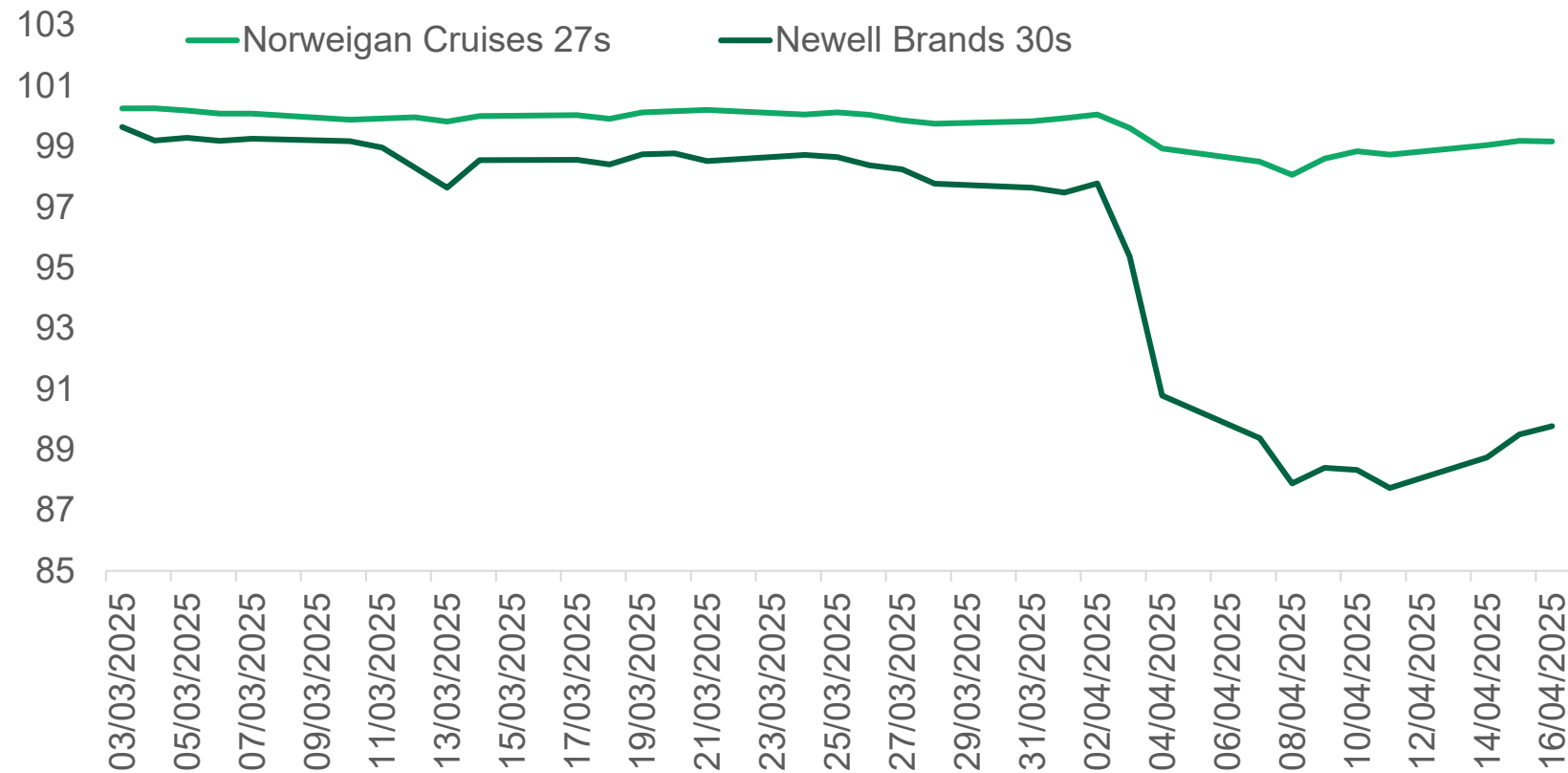


- Defensive sectors like utilities have outperformed in this period of volatility.
- However, there will always be individual opportunities in more exposed sectors.
- With utilities offering protection against volatility, we continue to have meaningful exposure.
- In more exposed sectors like autos, we are focused on higher quality issuers with supportive fundamentals.

Avoiding disasters is critical for returns

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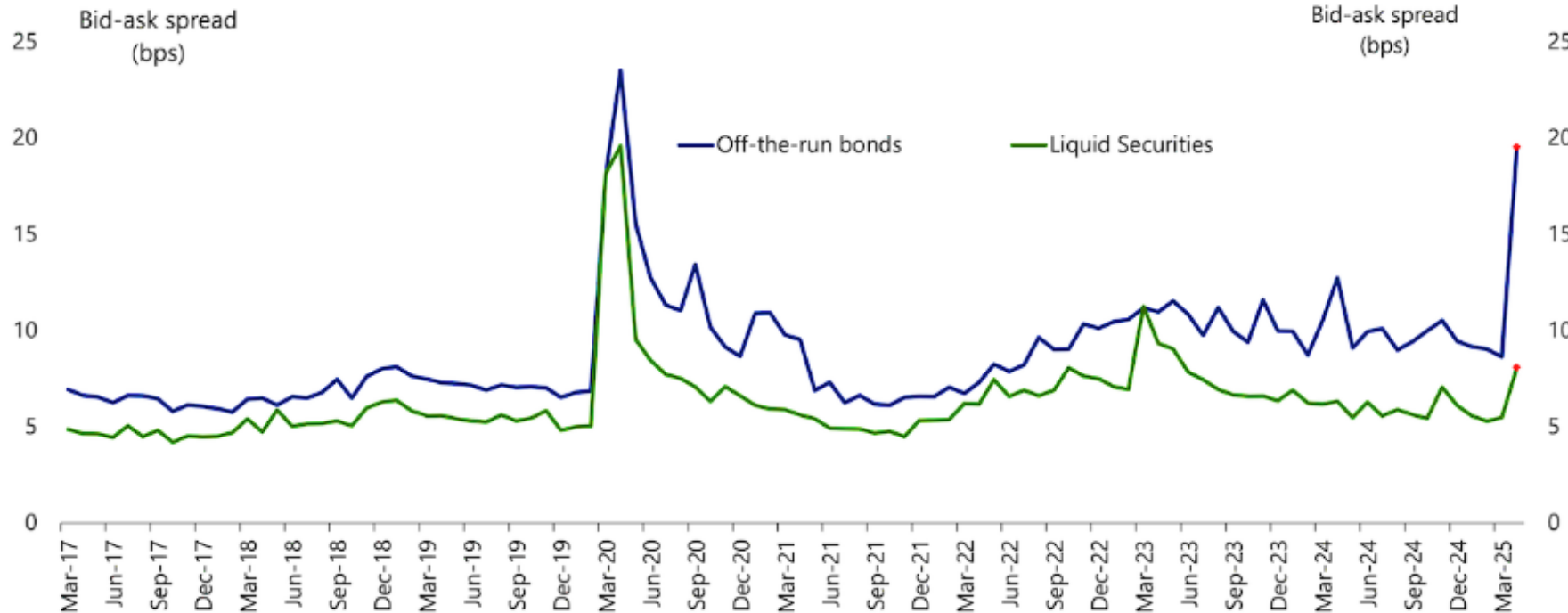
Example of why credit selection matters



- Increased recessionary signals has driven a reduction to consumer-related exposure in the portfolio.

Tail risk to credit? Liquidity

Bid-ask spreads for IG credit (bps)



- 2024 credit returns were largely driven by technicals given relentless demand; however, flows have reversed in recent weeks.
- Meanwhile, the bid-offer spread in smaller issues has begun to widen.
- Over the course of the year, the inflow/outflow picture is key to understanding the direction of credit.
- Building a portfolio with liquidity in mind remains key as volatility continues.

Summary



Market volatility offers opportunity for active bond managers.

Deep experience is key to navigating risks and opportunities, effectively.



No need to take big bets.

Small incremental wins and agility can be additive for returns, without taking on excess risk.



In rates, significant cross-border and curve opportunities will drive excess returns.

Meanwhile in credit, market dislocations mean issuer selection will differentiate returns.

Global Strategic Bond Fund
An active core global bond solution

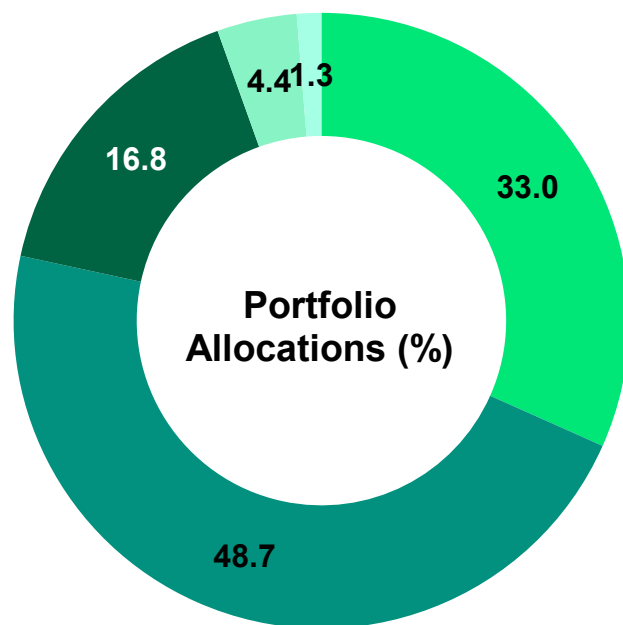
Appendix



Portfolio summary

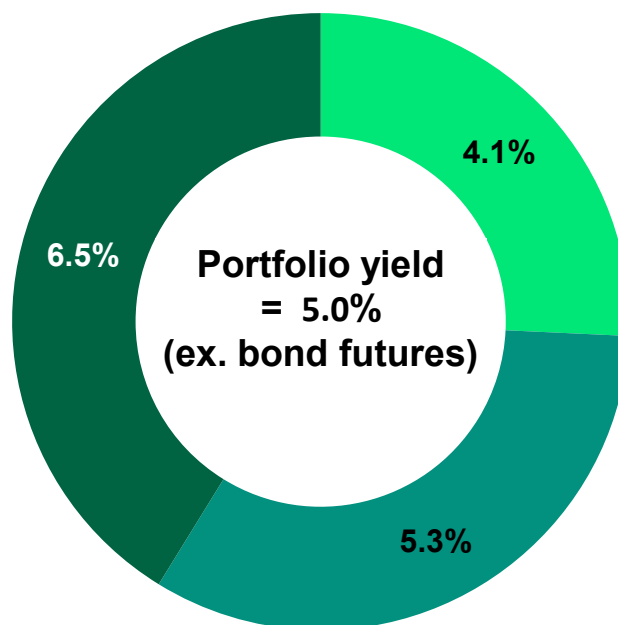
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Asset allocation



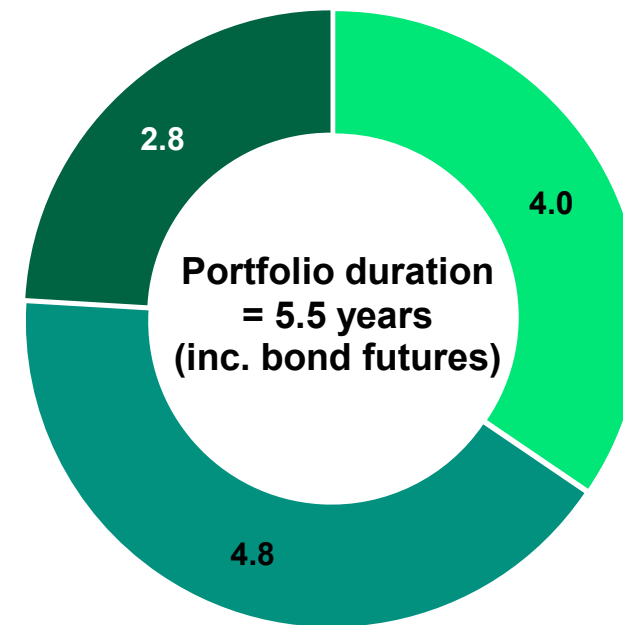
■ Sovereign bonds ■ IG corporate bonds
■ High yield ■ Bond futures
■ Cash

Yield breakdown



■ Sovereign bonds ■ IG corporate bonds
■ High yield

Duration breakdown

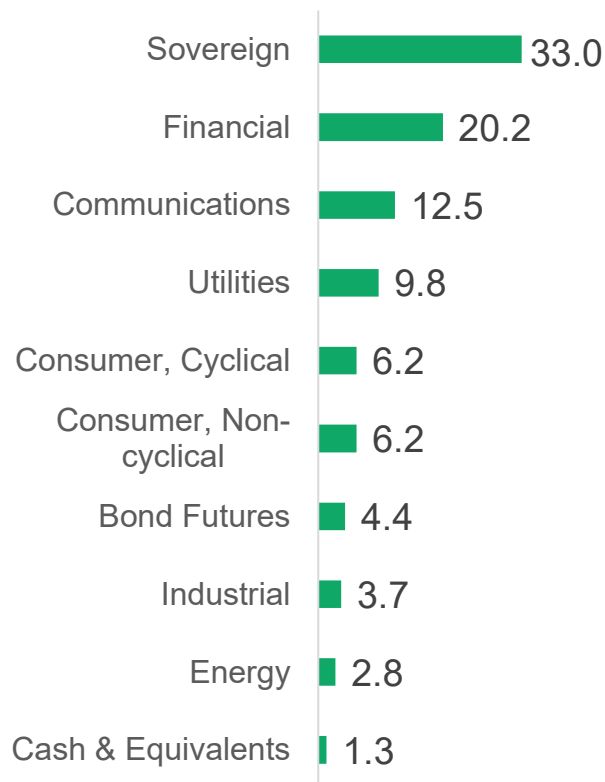


■ Sovereign bonds ■ IG corporate bonds
■ High yield

Portfolio by sector, credit quality and duration

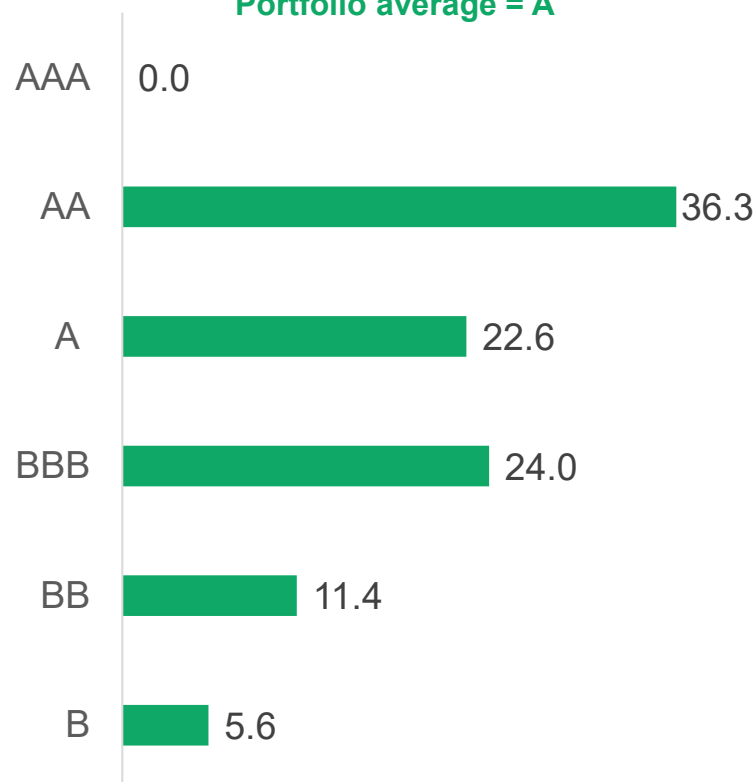
Nedgroup Investments Global Strategic Bond Fund

Sector breakdown



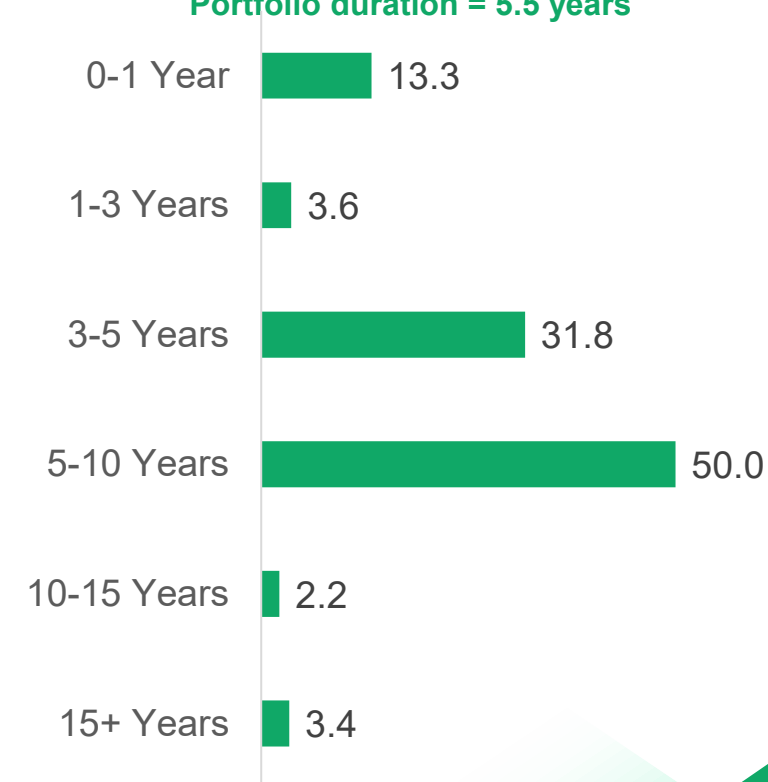
Credit breakdown

Portfolio average = A



Duration breakdown

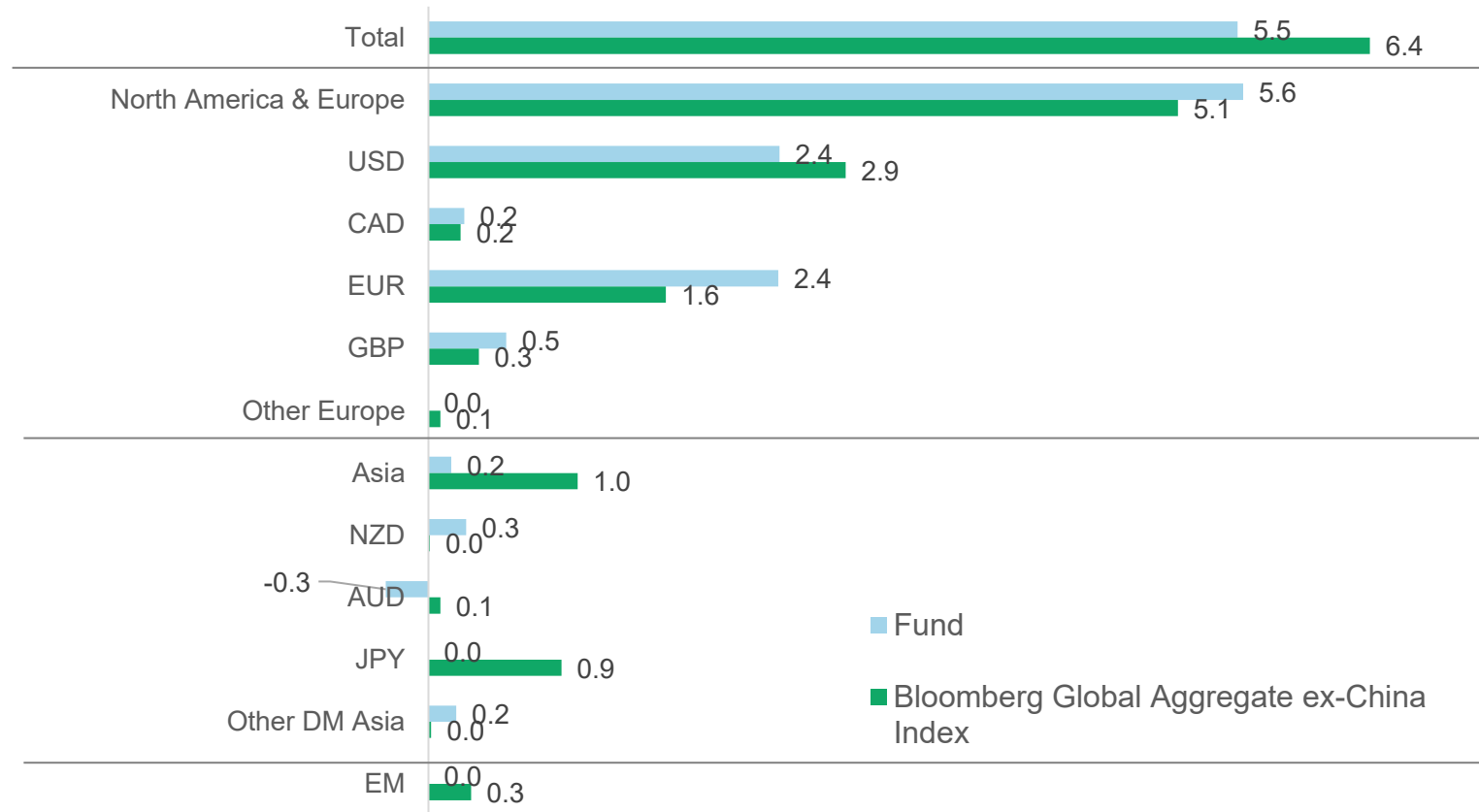
Portfolio duration = 5.5 years



Portfolio by duration and currency

Nedgroup Investments Global Strategic Bond Fund

Positioning for cyclical dispersion



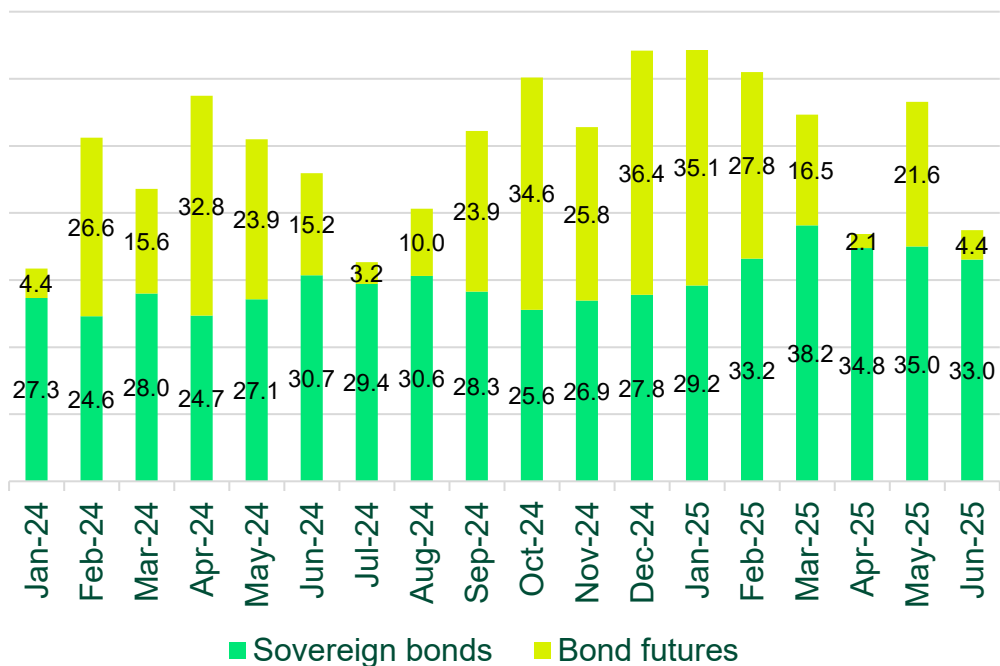
- ▶ Headline duration underweight index
- ▶ USD and EUR duration overweight index
- ▶ Japan will raise rates.
- ▶ Chinese yields are at record lows.

Asset allocation since inception

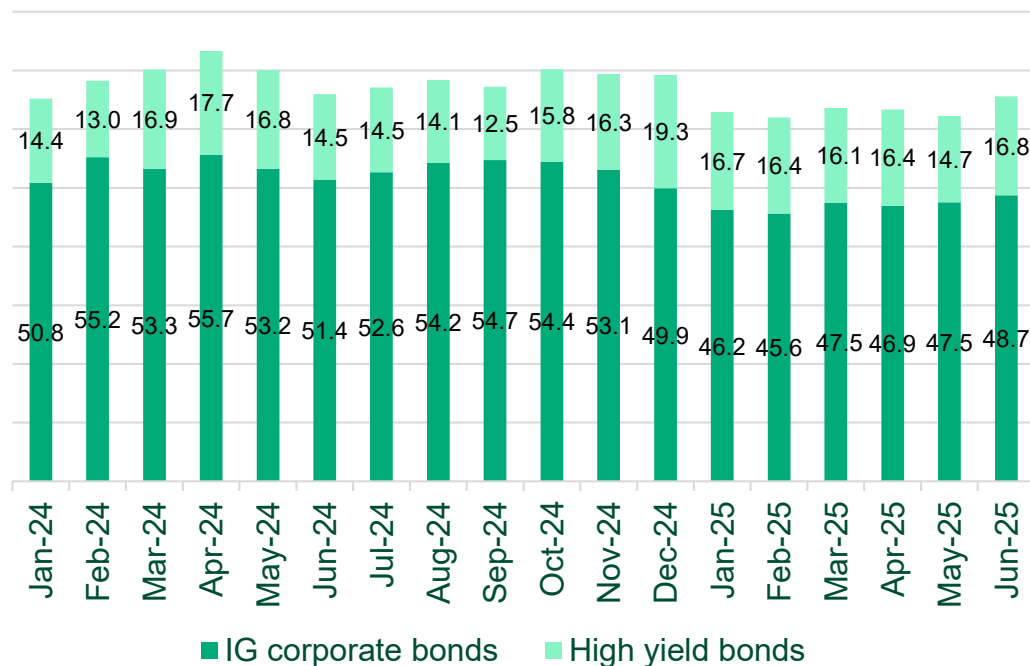
Nedgroup Investments Global Strategic Bond Fund



Rates exposure (%)



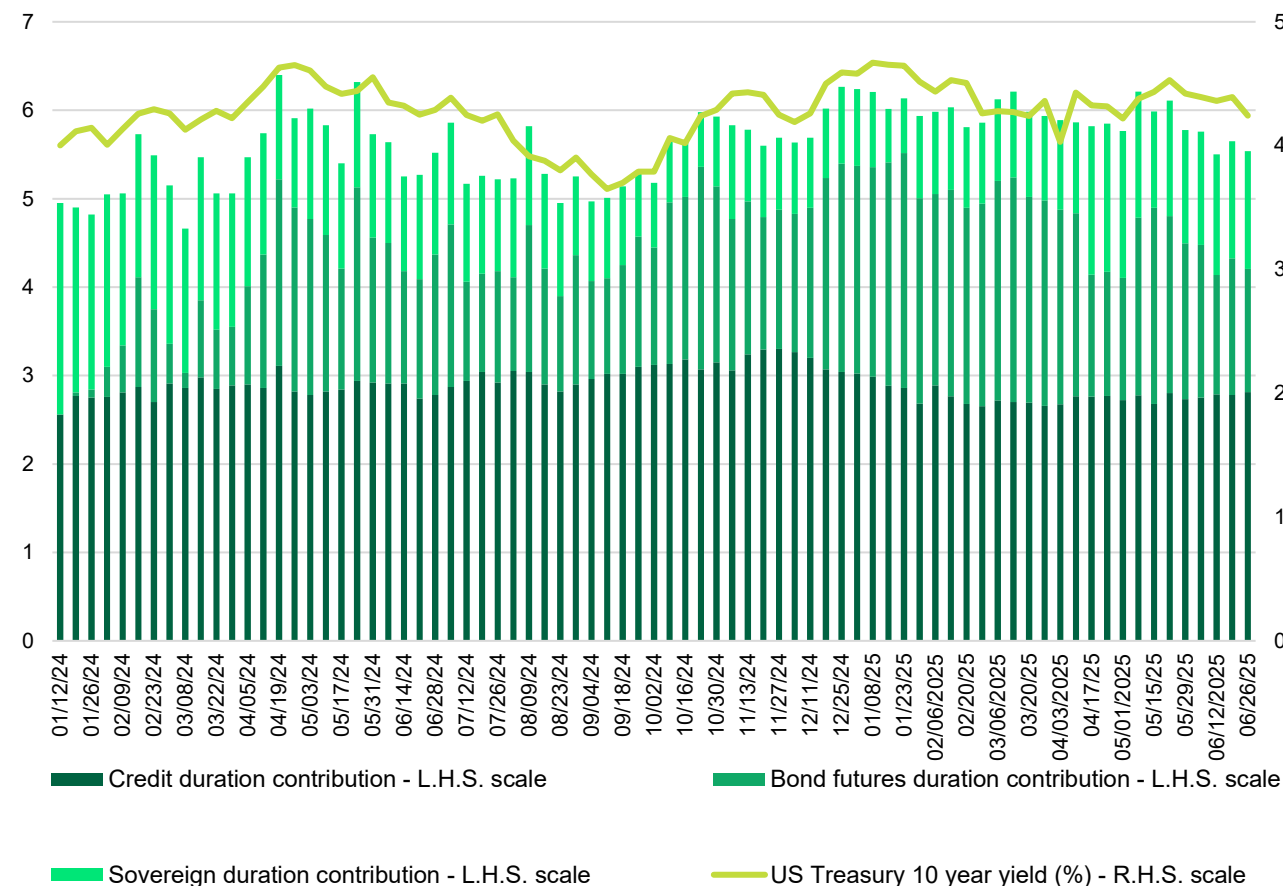
Credit exposure (%)



Duration decisions since inception

Nedgroup Investments Global Strategic Bond Fund

Portfolio duration by sector

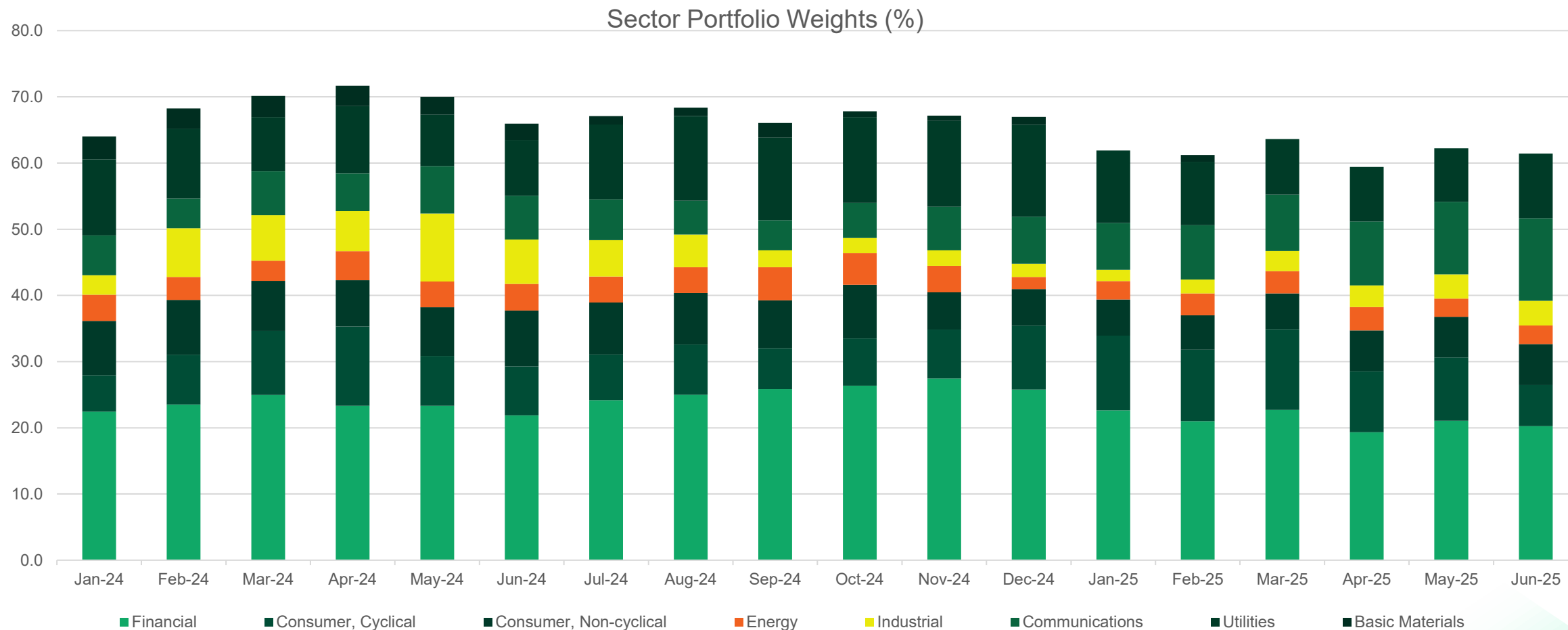


Portfolio duration breakdown

Duration contribution (years)	Jan-24	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Rates	1.7	2.1	2.7	2.2	3.2	3.1	2.7
US	2.4	2.7	2.4	2.8	2.7	2.1	1.7
UK	-0.5	-0.6	0.0	0.0	0.4	0.4	0.3
Germany	0.4	0.3	0.4	-0.1	-0.2	0.0	0.5
France	0.4	0.4	0.3	0.0	0.0	0.0	0.0
Canada	-0.7	-0.5	-0.4	-0.5	0.0	0.0	0.2
Japan	-0.3	-0.2	0.0	0.0	0.0	0.0	0.0
Australia	0.0	0.0	0.0	0.0	0.4	0.5	-0.3
IG bonds	2.3	2.4	2.4	2.8	2.5	2.3	2.4
High yield bonds	0.4	0.5	0.4	0.3	0.6	0.4	0.5
Total portfolio	4.4	5.0	5.5	5.2	6.4	5.8	5.5

Sector rotation since inception

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Top convictions

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Top sovereign holdings

Holding	Bond type	Weight in portfolio (%)	Yield in US\$ terms (%)	Duration (years)	Credit rating
US Treasury	Cash	17.2	3.9	4.5	AA
US Treasury	Futures	7.6	n/a	11.7	AA
US Treasury Bills	Cash	7.6	4.2	0.1	AA
New Zealand government	Cash	3.2	4.5	8.0	AA
UK Gilts	Futures	2.4	n/a	9.6	AA

Top credit holdings

Holding	Industry	Weight in portfolio (%)	Yield in US\$ terms (%)	Duration (years)	Credit rating
HSBC	Banks	2.0	5.4	4.6	BBB, A
BT	Telco	1.8	6.0	5.1	BB, BBB
Telefonica	Telco	1.3	6.8	4.9	BB
Ford Motor Credit	Autos	1.3	5.4	1.7	BB
Nordea	Banks	1.3	4.6	2.4	A

Long-term track record of consistency

Track record	Period	3- year rolling average		
		Excess returns (net)	Excess returns (gross)	Returns (net)
Aegon <i>(managed by David Roberts)</i>	Apr 04 – Dec 17	1.0%	1.6%	5.9%
Liontrust <i>(managed by David Roberts)</i>	Apr 18 – Feb 22	1.0%	1.3%	4.3%
Artemis <i>(managed by Alex Ralph)</i>	Jun 05 – Aug 21	1.5%	2.5%	5.7%

Track record results in GBP. Net results after fees and expenses. Index shown is Bloomberg Global Aggregate Total Return Index (hedged to GBP). Aegon track record is for Aegon Strategic Bond Fund Class B from 30 April 2004 to 31 December 2017. Liontrust track record is for Liontrust Strategic Bond Fund Class C8 from 30 April 2018 to 28 February 2022. Artemis track record is for Artemis Strategic Bond Fund Class R from 30 June 2005 to 31 August 2021. Source: Morningstar, Nedgroup Investments

How we embed ESG considerations

We believe

- ▶ A holistic approach to issuer research and balance sheet analysis is essential
- ▶ Participation towards decarbonisation is more impactful over exclusion alone
- ▶ Governance can be decisive for credit investing

Our goal

- Maintain a positive ESG rating for the overall portfolio that,
- ▶ exceeds the Bloomberg Global Aggregate Total Return Index and
 - ▶ is greater than 'BBB', based on the MSCI scale

How we will achieve this:

Exclusion screens

We exclude violators of the UNGC principles and OECD guidelines, companies involved in controversial weapons, tobacco production and utilities with coal exposure where the issuer has no mandated transition plan.

Restrictions

- ▶ Minimum ESG rating for sovereign issuer: BB.
- ▶ Maximum exposure to issuers with an ESG rating lower than BB limited to 10%.

Positive focus

Alongside fundamental research, monitoring of improvements and deterioration to ESG ratings over time helps identify issuers transitioning their business model.

Engagement

Engagement can be particularly effective with issuers who are less advanced in their sustainability practices, such as unlisted corporate high yield issuers.

BHP

Screens

Copper mining has a large environmental impact given its high consumption of energy and water

Data-led ESG analysis

- ▶ Copper is a vital commodity in the transition towards a low carbon economy
- ▶ BHP also mines Nickel, a metal used in the production of modern EV batteries

Positive focus

- ▶ New risk management protocol for JV's following the 2015 dam failure in Brazil in relation to a 50/50 JV for an iron ore mine
- ▶ Sustainability targets implemented to reduce freshwater usage – a material challenge for mining
- ▶ Introduced target to maintain total operational GHG emissions below 2017 levels despite high business growth

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.

The documents applicable to the Fund are available from Nedgroup Investments (IOM) Ltd (the **Investment Manager**) or via the website: www.nedgroupinvestments.com.

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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 price of shares may go down or up depending on fluctuations in financial markets outside of the control of the Investment Manager meaning an investor may not get back the amount invested. Past performance is not indicative of future performance and does not predict future returns.

Risks and fees are outlined in the relevant Sub-Fund supplement.

Prices are published on the Investment Manager's website.

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