

NEI Global Growth Fund

Q3 2025 Commentary



Performance

The Fund (Series I) underperformed the benchmark for the quarter.

Global equities rose in Q3 2025, with major indices reaching record highs. Gains were supported by resilient earnings, the U.S. Federal Reserve's first rate cut of the year, and continued strength in technology. Despite ongoing geopolitical tensions and tariff uncertainty, investors largely expected companies to manage a more complex backdrop.

Leadership remained narrow. AI-linked businesses dominated flows and attention, pushing some valuations to multi-decade extremes amid an intense capex cycle in data centres, semiconductors, and energy. These dynamics are shaping near-term performance, even as questions persist about demand durability and the rapid obsolescence of cutting-edge assets.

Returns

Fund	3 months	6 months	YTD	1 year	3 years	5 years	10 years	Since inception ¹
NEI Global Growth Fund Series I	3.43	10.60	3.79	6.56	15.88	2.68	6.08	N/A
NEI Global Growth Fund Series A	2.87	9.40	2.11	4.27	13.39	0.40	3.57	N/A
NEI Global Growth Fund Series F	3.15	10.01	2.96	5.43	14.65	1.50	4.73	N/A
<i>Benchmark: MSCI ACWI NR CAD</i>	9.74	16.04	14.58	20.78	23.64	14.47	12.28	N/A

¹Source: Morningstar. As of September 30, 2025. Since inception is only provided for Funds with less than 10 years of performance.

On November 15, 2021, NEI Global Growth Fund (formerly NEI Global Equity Fund) changed its sub-advisor and its fundamental investment objectives. The purpose of the change is to enhance the environmental, social, and governance characteristics of the Fund, with a focus on growth-style equity opportunities. The performance of this Fund for the period prior to this date may have been different had the current investment objectives and strategies been in place during that period.

Portfolio commentary

The portfolio delivered a positive absolute return but lagged the MSCI ACWI benchmark. Relative results reflected a deliberate underweight to the most crowded AI leaders and several stock-specific setbacks. Concentrated markets reinforce the case for focusing on durable franchises and valuation discipline across cycles.

Alphabet was the strongest contributor this quarter, as it demonstrated the resilience of its core advertising model. Recent performance highlights the scale of Alphabet's cash-generating engine, which funds ambitious long-term projects. While regulation and competition remain risks, its unparalleled data assets, talent base and culture of innovation support the case for sustained growth.

Shopify also contributed after reporting merchandise and revenue growth above 30% year-on-year. Rising enterprise adoption, international expansion, and AI-enabled tools that simplify store creation and search supported results. Shopify's ability to serve merchants of all sizes, lower barriers to entrepreneurship and expand into new segments such as B2B commerce embodies the type of structural growth the sub-advisor seeks.

Industrial machine vision specialist Cognex was another strong performer. It continues to harness deep learning to extend machine vision into increasingly complex applications, from defect detection in pharmaceuticals to automation in logistics. Its focus on innovation, coupled with a strong balance sheet and culture, underpins the sub-advisor's long-term conviction.

The Trade Desk detracted after lowering guidance and announcing a senior leadership change. While near-term growth slowed, the sub-advisor retains conviction in its role within open-internet advertising, supported by connected-TV partnerships and privacy-centric identity solutions.

MercadoLibre reported robust sales but faced headwinds from currency losses and higher costs in Latin America. The sub-advisor views these pressures as transitory, given the company's scale advantages across e-commerce and fintech.

DSV fell as DB Schenker integration coincided with soft freight demand. Nevertheless, management reiterated confidence in capturing synergies by 2027, highlighting the scope for efficiency gains and margin expansion. The sub-advisor believes its disciplined culture, scalable model and climate-focused logistics services should allow it to take share and influence the decarbonisation of global supply chains over time.

New positions were initiated in Novo Nordisk and Snibe (Shenzhen New Industries Bio-Engineering) after valuation resets. Novo Nordisk remains a leader in diabetes and obesity care with a promising pipeline. Snibe continues to build a global diagnostics footprint despite weak domestic conditions. Both companies exemplify the kind of opportunity the sub-advisor seeks where short-term challenges mask enduring growth potential.

Outlook

The near-term backdrop has been challenging. However, the companies that compound wealth over decades are rarely the most obvious choices in any given quarter. Rather, they are the businesses building quietly while others chase headlines. The sub-advisor believes it has found them across every stage of development, and its conviction in this approach has never been stronger.

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Series I have high minimum investment requirements and are typically aimed at institutional investors (such as pension plans) or investors making large investments in the fund. Funds in these series generally have lower management fees than the retail series of the same fund.

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