



**INTERNATIONAL RANGE**

**RISK RATING**



Equity and property investments are volatile by nature and subject to potential loss. For credit and income instruments, while unlikely, capital loss may also occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.

**GENERAL INFORMATION**

**BENCHMARK:** 3 month LIBID over 3 to 5 years

**PEER GROUP:** Morningstar Global Bonds

**FUND LEGAL STRUCTURE:** Irish OEIC UCITS 4

**INVESTMENT MANAGER:**

Nedgroup Investments (IOM) Limited, licensed by the Isle of Man Financial Services Authority.

**APPROPRIATE TERM:** Minimum 3 - 5 years

**MARKET VALUE:** £45.7m

**CURRENCIES AVAILABLE AND PRICES:**

**GBP Class C:** £9.4320

**USD Class C:** \$10.0000

Value and prices as at 30 August 2019

**INCEPTION DATES:**

**Fund:** 19 August 2011

**Sub-fund:** 26 January 2012

**GBP Class:** 19 November 2013

**USD Class:** n/a

**MINIMUM INVESTMENTS:**

**Class C:** £1,000 / \$1,500

**FEES AND CHARGES (VAT incl)**

Management fee Class C: 0.40% p.a

**ON-GOING CHARGES (as at 30 August 2019)<sup>2</sup>**

Class C: 1.15%

**DIVIDEND DATES:**

End March, June, September and December

**DISTRIBUTION YIELD:** GBP Class C: 4.32%

Based on last four quarterly distributions as a percentage of current share price. Last dividend 28 June 2019

**DEALING:** Daily

**NOTICE PERIODS:**

Subscriptions: Noon T-1

Redemptions: Noon T-1

**SETTLEMENT PERIODS:**

Subscriptions: T+2

Redemptions: T+3

**ISIN / SEDOL:**

**Class C Dist GBP:** IE00B9CLX269 / B9CLX26

**Class C Dist USD:** IE00B9CS1S96 / B9CS1S9

**FUND OBJECTIVE**

The Income MultiFund aims to provide a low risk, low volatility investment option over the medium to longer-term.

It is anticipated that the Income MultiFund will achieve a return in excess of 3-month LIBID in the currency of the relevant share class over a rolling 3 to 5 year period.

To achieve the investment objective, the portfolio invests across a range of asset classes within a strategic and tactical asset allocation framework designed to maximise diversification benefits. An absolute and relative valuation-based approach underpins this framework, resulting in a multi-layered process to facilitate disciplined decision-making and risk management.

The Income MultiFund is suitable for clients with an investment time horizon of 3 to 5 years. Investing in the fund involves a risk to capital in order to achieve the desired return.

**FUND PERFORMANCE <sup>1</sup>**

PERIOD	GBP	GBP PEER GROUP	3 MONTH GBP LIBID	USD	USD PEER GROUP	3 MONTH USD LIBID
	%	%	%	%	%	%
3 Months	2.0%	3.4%	0.2%	n/a	n/a	n/a
6 Months	3.7%	5.7%	0.3%	n/a	n/a	n/a
1 Year	5.3%	6.5%	0.7%	n/a	n/a	n/a
3 Years	3.0%	1.5%	0.5%	n/a	n/a	n/a
5 Years	2.8%	2.4%	0.5%	n/a	n/a	n/a
YTD	6.3%	6.8%	0.5%	n/a	n/a	n/a
2018	-0.9%	-1.9%	0.6%	n/a	n/a	n/a
2017	3.0%	1.6%	0.2%	n/a	n/a	n/a
2016	5.8%	4.8%	0.4%	n/a	n/a	n/a
2015	-0.1%	-0.2%	0.5%	n/a	n/a	n/a
2014	3.0%	5.6%	0.4%	n/a	n/a	n/a
Lowest 1 yr return	-3.0%					
Highest 1 yr return	8.0%					
Since inception *	3.0%	2.7%	0.4%			

Class C performance is presented, net of fees and assuming reinvestment of dividends.

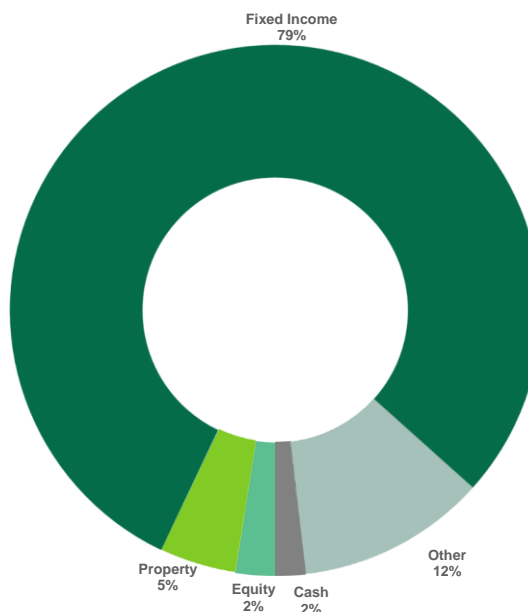
GBP Peer Group is Morningstar Global Bonds – GBP Hedged. USD Peer Group is Morningstar Global Bonds – USD Hedged. \* Since inception annualised.

**RISK MEASURE**

Since fund inception	Fund GBP	Fund USD
Annualised Volatility	2.4%	n/a
Sharpe Ratio (annualised)	1.05	n/a
Lowest Monthly Return	-1.3%	n/a

Risk measures based on the simulated Class C performance net of fees and assuming reinvestment of dividends since 26 January 2012 to date.

**PORTFOLIO STRUCTURE**



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**MINIMUM DISCLOSURE DOCUMENT**

Please note: Differences may exist due to rounding

<sup>1</sup> The annualised total return is the average return earned by an investment each year over a given time period. Performance is calculated for the portfolio and individual investment performance may differ as a result of initial fees, the actual investment, the actual investment date, the date of any reinvestment and dividend withholding tax. Data source Nedgroup Investments (IOM) Limited.

<sup>2</sup> The on-going fee is a measure of the actual expenses incurred in the management of the Classes of the Sub-Fund. The on-going fee shown is expressed as a percentage of the monthly average value of the portfolio calculated over a 12-month period as at the date shown. The current on-going fee cannot be used as an indication of future on-going fees. A higher on-going fee does not necessarily imply a poor return, nor does a low on-going fee imply a good return.

# NEDGROUP INVESTMENTS INCOME MULTIFUND - DISTRIBUTING

August 2019

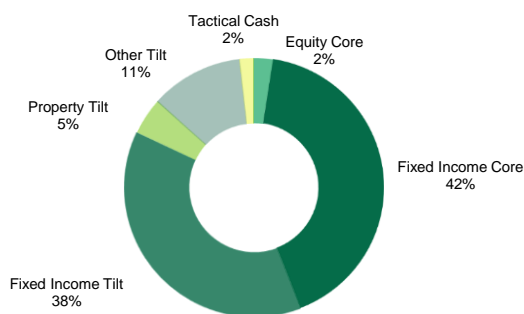


## TOTAL PORTFOLIO ANALYSIS

### FULL PORTFOLIO LISTING

EQUITY INCOME			2.5%
iShares UK Dividend UCITS ETF	Core		2.5%
EQUITY PROPERTY			4.6%
Target Healthcare REIT	Tilt		1.9%
BMO Commercial Property Trust	Tilt		1.8%
Impact Healthcare REIT	Tilt		1.0%
FIXED INCOME			79.6%
Vanguard US Government Bond Index Fund	Core		18.9%
Muzinich Short Duration High Yield	Tilt		16.0%
AXA US Short Duration High Yield	Tilt		14.6%
PIMCO Global IG Credit	Core		11.5%
Wellington Global Credit Plus	Core		11.2%
Franklin Templeton Global Total Return	Tilt		7.4%
OTHER			11.6%
John Laing Environmental Assets Group	Tilt		2.4%
Greencoat UK Wind	Tilt		1.9%
SQN Asset Finance Income Fund C Shares	Tilt		1.9%
GCP Asset Backed Income Fund	Tilt		1.7%
Greencoat Renewables	Tilt		1.5%
The Renewables Infrastructure Group	Tilt		1.1%
3i Infrastructure Plc	Tilt		1.0%
CASH			1.8%
Cash	Tilt/Tactical		1.8%
<b>TOTAL</b>			<b>100.0%</b>

### CHANGES IN ASSET ALLOCATION BY STRATEGY

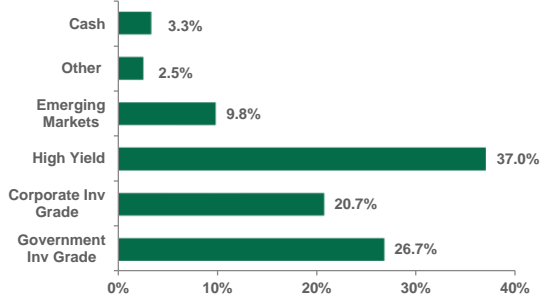


### FIXED INCOME COMPONENT <sup>3</sup>

CREDIT RATING	
AAA	31.4%
AA	3.0%
A	9.9%
BBB	15.2%
< BBB	40.5%
<b>TOTAL</b>	<b>100.0%</b>

MATURITY	
< 3 year	38.1%
3-5 years	32.9%
5-10 years	19.9%
> 10 years	9.0%
<b>TOTAL</b>	<b>100.0%</b>

### SECTOR ALLOCATION



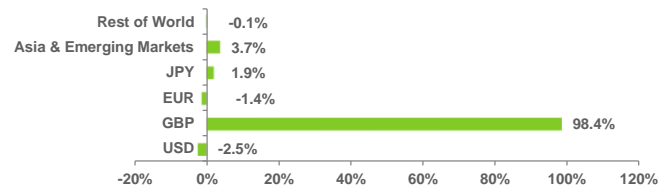
PORTFOLIO YIELD	
Effective Yield	3.9%
Average Weighted Maturity (in years)	5.0
Average Modified Duration (in years)	3.6

### REGIONAL ALLOCATION <sup>3</sup>

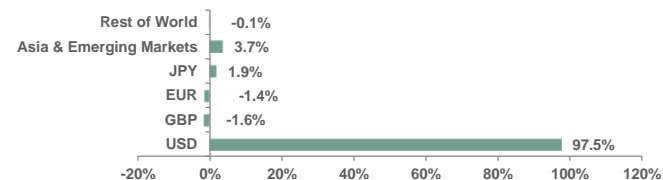
USA	60.9%
UK	22.8%
Europe ex UK	7.0%
Emerging Markets	7.3%
Rest of the World	1.5%
Asia Pacific ex Japan	0.2%
Japan	0.4%
<b>TOTAL</b>	<b>100.0%</b>

### CURRENCY EXPOSURE <sup>3</sup>

#### GBP SHARE CLASS



#### USD SHARE CLASS



<sup>3</sup> Source: Underlying managers. Data point 31 July 2019 (including portfolio cash)  
Data point for underlying fund information on a look-through basis is one month in arrears.

## INVESTMENT MANAGER COMMENTARY

## MARKET COMMENTARY

Nedgroup Investments (IOM) Ltd  
Investment Manager and Distributor

Volatility rose over August as investors became increasingly concerned about global economic slowdown and an escalation of the US-China trade war. Other factors weighing on sentiment included the anti-China / pro-democracy street protests in Hong Kong and the growing risk of a hard Brexit. At the highest level, safe haven investments outperformed riskier assets, with high quality bonds and precious metals topping performance tables, whilst equities, credit and some commodities did relatively poorly. The increase in risk aversion was most pronounced early in the month, when financial markets were particularly skittish. Conditions became easier in the second half of August, as lower interest rates sparked a modest recovery in risk appetite.

One constant over August was the strong performance of government bonds. Weak German and Chinese economic data, as well as worries US growth may also start to slow, led to further downward adjustments to interest rate expectations. As yields fell, the world's stock of negatively yielding debt touched an all-time high of US\$17tn. The US yield curve also became more inverted, which is notable as this pattern has often foreshadowed recessions.

With falling interest rates providing a supportive tailwind for fixed income, the best returns were seen in longer duration, higher quality bonds. Over the month, the JP Morgan Global Government Bond Index posted a return of +2.9%, whilst the ICE Merrill Lynch Global Corporate Investment Grade Index gained +2.2% and the JP Morgan Global Emerging Market Bond Index delivered +0.9%. Only junk bonds lost ground, with the ICE Merrill Lynch Global High Yield Bond Index marginally down at -0.1% over the month (all hedged to sterling).

Equities fell by -2.0% according to the MSCI AC World Index in sterling terms. Japan (-0.6%) was the most resilient major market, helped in part by a stronger yen. In contrast, Emerging Markets (-4.5%), Asia ex Japan (-4.0%) and the UK (-4.3%) were weak reflecting investor concerns about the Chinese economy, Hong Kong protests and Brexit. At the sector level, the best performers were the defensives and interest rate sensitives, which included Utilities (+3.0%), Consumer Staples (+1.8%), Real Estate (+1.8%) and Healthcare (+0.4%). Economically sensitive cyclicals did poorly, with Materials (-4.0%), Energy (-6.8%) and Financials (-5.1%) all underperforming.

In the foreign exchange markets, the main themes were the strength of safe haven currencies (the yen and the Swiss franc) and the weakness of most emerging market currencies. Against the pound, the Japanese yen and Swiss franc rose by +2.2% and +0.4% respectively, whilst the troubled Argentinian peso was particularly weak as it collapsed -35.8% on worries over political change and the potential for another sovereign default. Other big losers included the Chinese yuan (-4.0%), the Turkish Lira (-4.6%), the South African rand (-5.9%), the Brazilian real (-8.9%) and the Mexican peso (-4.9%).

(Notes: All monthly data is quoted in sterling terms unless otherwise stated).

## PORTFOLIO COMMENTARY

The Nedgroup Investments Income MultiFund increased by +0.7% during August.

Within fixed income, the flight to safety during August resulted in a sharp rally in government bond prices and high quality corporate bonds. As such Vanguard US Government Bond Index Fund (+3.2%), Wellington Global Credit Plus (+2.4%), and PIMCO Global Investment Grade (+1.9%), were our best performing fixed income funds. AXA US Short Duration High Yield (+0.3%) and Muzinich Short Duration High Yield (0.0%), but did not benefit as much from the fall in government bond yields given their exposure to lower quality short dated corporate bonds. Finally, Franklin Templeton (-7.0%) lagged the most due to its holdings in emerging market local currency bonds which fell sharply over the month.

In other asset classes, the decline in UK equity markets meant the small exposure to high dividend paying stocks through the iShares UK Dividend Fund (-2.7%) detracted value. However, portfolio exposure to UK commercial property was more mixed. BMO Commercial Property (-5.2%) remained under pressure due to Brexit uncertainty and concerns about the weakness of the UK retail sector, whilst the more defensive UK care homes, Target Healthcare (+5.4%) and Impact Healthcare (+2.3%) both generated positive returns for the period. Infrastructure holdings held up really well in what was a tough month for markets, with Greencoat Renewables (+7.4%), 3i Infrastructure (+4.9%), The Renewables Infrastructure Group (+3.7%), Greencoat UK Wind (+2.0%), and John Laing Environmental Assets (+1.9%) all generating good returns during August. Finally, asset-backed lending was more mixed, whilst GCP Asset Backed Income (+1.0%) rose over the period, SQN Asset Finance Income Fund C-Shares (-6.2%) declined despite no new fundamental news. We remain confident in the underlying investment case for SQN notwithstanding its recent weakness.

Over the month we did not make any material strategy changes.

Note: All returns are quoted on a hedged to sterling basis.

### Investment Manager and Distributor

Nedgroup Investments (IOM) Limited (reg no 57917C) the Investment Manager and Distributor of the Fund is licensed by the Isle of Man Financial Services Authority.

Nedgroup Investment Advisors (UK) Limited (reg no 2627187) is authorised and regulated by the Financial Conduct Authority

### The Depository

Citi Depository Services Ireland DAC  
1 North Wall Quay, Dublin 1, Ireland.

### Performance

Funds are generally medium to long-term investments. The value of your investment may go down as well as up. International investments may be subject to currency fluctuations due to exchange rate movements. Past performance is not necessarily a guide to future performance. Nedgroup Investments does not guarantee the performance of your investment and even if forecasts about the expected future performance are included you will carry the investment and market risk, which includes the possibility of losing capital.

### Pricing

The Sub-Funds of Nedgroup Investments MultiFunds are valued using the prices of underlying funds prevailing at 11pm Irish time the business day before the price date. Prices are published on the Nedgroup Investments website.

### Fees

Fees are outlined in the relevant Sub-Fund Supplement available from the Nedgroup Investments website.

### Nedgroup Investments MultiFunds Plc (the Fund) – disclaimer

Nedgroup Investments MultiFunds 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 Investment Manager or facilities agent. [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com)

Singapore investors should read the Appendix for Singapore Investors in conjunction with the Fund's Prospectus and Key Investor Information Document (KIID) which are available from the Investment Manager. [www.nedgroupinvestments.com](http://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.

The Prospectus of the Fund, the Supplements of its Sub-Funds and the KIIDs are available from the Investment Manager and Distributor or from its website [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com). The value of shares can fall as well as rise. Investors may not get back the value of their original investment.

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