

NEDGROUP INVESTMENTS INCOME MULTIFUND - ACCUMULATING

June 2019

Class C



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.

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: £44.1m

CURRENCIES AVAILABLE AND PRICES:

GBP Class C: £11.9684

USD Class C: \$11.5893

Value and prices as at 28 June 2019

INCEPTION DATES:

Fund: 19 August 2011

Sub-fund: 26 January 2012

GBP Class: 8 April 2013

USD Class: 16 October 2015

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 28 June 2019)²

Class C: 1.15%

DEALING: Daily

NOTICE PERIODS:

Subscriptions: Noon T-1

Redemptions: Noon T-1

SETTLEMENT PERIODS:

Subscriptions: T+2

Redemptions: T+3

DISTRIBUTION YIELD OF DISTRIBUTING CLASS:

GBP Class C Dist: 4.36%

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

ISIN / SEDOL:

Class C Acc GBP: IE00B9BBC647 / B9BBC64

Class C Acc USD: IE00B9CNVR36 / B9CNVR3

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MINIMUM DISCLOSURE DOCUMENT

Please note: Differences may exist due to rounding

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.

In order 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 ¹

PERIOD	GBP	GBP PEER GROUP	3 MONTH GBP LIBID	USD	USD PEER GROUP	3 MONTH USD LIBID
	%	%	%	%	%	%
3 Months	2.1%	2.1%	0.2%	2.5%	2.4%	0.6%
6 Months	5.4%	4.4%	0.4%	6.2%	5.1%	1.2%
1 Year	5.1%	4.2%	0.7%	6.7%	6.0%	2.4%
3 Years Ann	3.6%	1.4%	0.4%	4.7%	2.6%	1.7%
5 Years Ann	2.7%	2.2%	0.4%	n/a	n/a	n/a
YTD	5.4%	4.4%	0.4%	6.2%	5.1%	1.2%
2018	-0.9%	-1.9%	0.6%	0.4%	0.2%	2.2%
2017	3.0%	1.6%	0.2%	3.9%	3.5%	1.2%
2016	5.8%	4.8%	0.4%	5.9%	2.2%	0.6%
2015	-0.1%	-0.2%	0.5%	-1.2%	-0.7%	0.1%
2014	3.0%	5.6%	0.4%	n/a	n/a	n/a
Lowest 1 yr return	-3.0%			0.4%		
Highest 1 yr return	8.0%			8.2%		
Since inception *	2.9%	1.7%	0.4%	4.0%	2.8%	1.4%

Class C performance net of fees. * Since inception annualised.

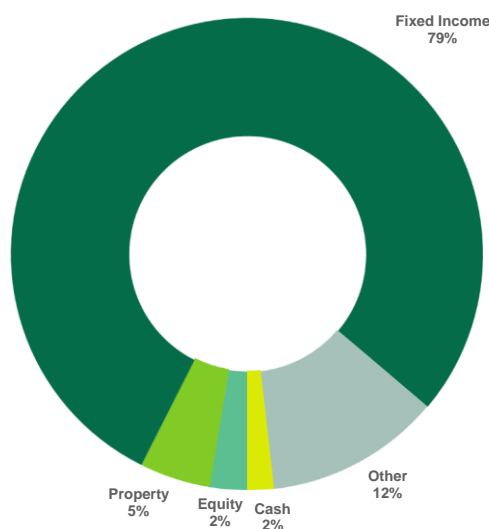
GBP Peer Group is Morningstar Global Bonds – GBP Hedged. USD Peer Group is Morningstar Global Bonds – USD Hedged. * Since inception annualised.

RISK MEASURE

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised Volatility	2.5%	2.4%
Sharpe Ratio (annualised)	1.0	1.4
Lowest Monthly Return	-1.7%	-1.0%

Risk measure based on the simulated Class C performance net of fees since 26 January 2012 for GBP and 12 April 2012 for USD share class to date.

PORTFOLIO STRUCTURE



1) 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.

2) 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.

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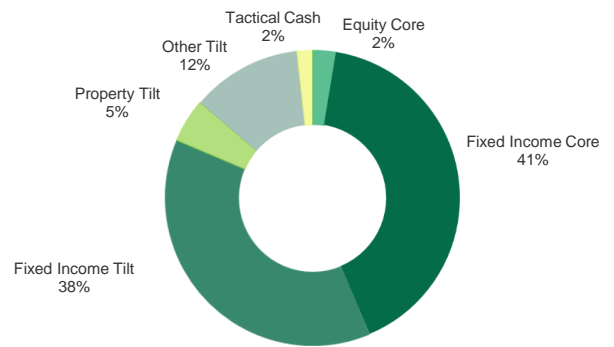


TOTAL PORTFOLIO ANALYSIS

FULL PORTFOLIO LISTING

EQUITY INCOME			2.6%
iShares UK Dividend UCITS ETF	Core		2.6%
EQUITY PROPERTY			4.8%
BMO Commercial Property Trust	Tilt		1.9%
Target Healthcare REIT	Tilt		1.9%
Impact Healthcare REIT	Tilt		1.0%
FIXED INCOME			78.8%
Vanguard US Government Bond Index Fund	Core		18.8%
Muzinich Short Duration High Yield	Tilt		15.6%
AXA US Short Duration High Yield	Tilt		14.4%
PIMCO Global IG Credit	Core		11.4%
Wellington Global Credit Plus	Core		10.9%
Franklin Templeton Global Total Return	Tilt		7.7%
OTHER			12.1%
John Laing Environmental Assets Group	Tilt		2.5%
SQN Asset Finance Income Fund C Shares	Tilt		2.1%
Greencoat UK Wind	Tilt		2.0%
GCP Asset Backed Income Fund	Tilt		1.8%
Greencoat Renewables	Tilt		1.5%
The Renewables Infrastructure Group	Tilt		1.1%
3i Infrastructure Plc	Tilt		1.1%
CASH			1.8%
Cash	Tilt/Tactical		1.8%
TOTAL			100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY

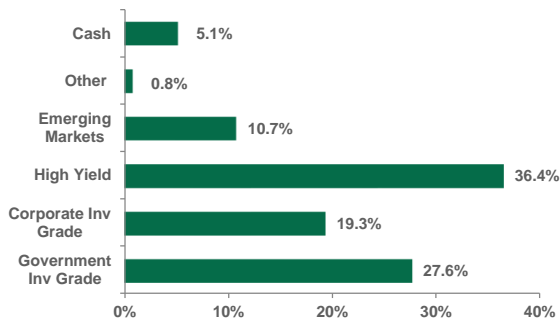


FIXED INCOME COMPONENT ³

CREDIT RATING	
AAA	33.5%
AA	3.5%
A	9.3%
BBB	13.8%
< BBB	39.9%
TOTAL	100.0%

MATURITY	
< 3 year	37.1%
3-5 years	31.8%
5-10 years	20.4%
> 10 years	10.7%
TOTAL	100.0%

SECTOR ALLOCATION



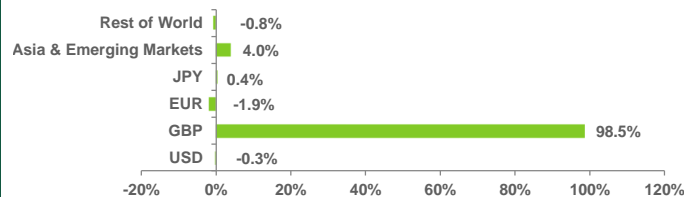
PORTFOLIO YIELD	
Effective Yield	4.3%
Average Weighted Maturity (in years)	5.6
Average Modified Duration (in years)	4.0

REGIONAL ALLOCATION ³

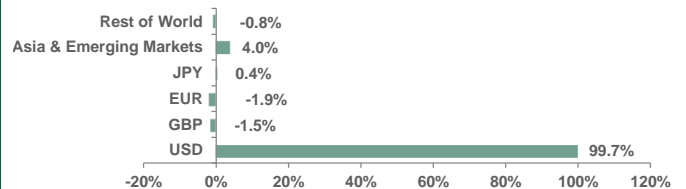
USA	60.7%
UK	23.8%
Europe ex UK	5.8%
Emerging Markets	8.0%
Rest of the World	1.4%
Asia Pacific ex Japan	0.2%
Japan	0.0%
TOTAL	100.0%

CURRENCY EXPOSURE ³

GBP SHARE CLASS



USD SHARE CLASS



³ Source: Underlying managers. Data point 31 May 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

After an awful May, markets bounced back powerfully in June as the Federal Reserve signalled a shift towards a much more dovish stance. Whilst economic data was uninspiring, the sharp lowering of interest rate expectations powered all asset classes higher. Towards the end of the month, investor hopes were also raised ahead of Trump's meeting with Xi at the G20 summit, with suggestions that the two leaders might be able to reinvigorate the stalled US–China trade talks. In Europe, UK politics saw arch-Brexitteer Boris Johnson take an almost unassailable lead in the race to become the next Prime Minister. Finally, in the Middle East, tensions were stoked by the sabotaging of two oil tankers in the Gulf of Oman, an act that the US accused Iran of committing. The tanker attack, along with a sharp fall in US oil inventories and suggestions that OPEC would cut production saw the price of oil rise sharply over the month.

Fixed income markets were strong, with most sectors delivering positive returns. Whilst the biggest profits were seen in the riskier and more esoteric areas, even government bonds managed to deliver outsized gains, which is unusual in periods when risk assets do so well. This can be partly explained by the fact that falling interest rate expectations were an important factor driving all asset classes. Over the month, the JP Morgan Global Government Bond Index posted a return of +1.2%, whilst the ICE Merrill Lynch Global Corporate Investment Grade Index gained +1.9%, the ICE Merrill Lynch Global High Yield Index rose +2.3% and the JP Morgan Global Emerging Market Bond Index advanced +2.5% (all hedged to sterling).

Equities also rebounded strongly with the MSCI AC World Index rising +6.0% in UK pounds. Dispersion was relatively low, with returns for most major markets lying between +4 to +6%. The area of greatest strength was Europe ex UK (+6.8%), whilst Japan (+3.2%) was the biggest laggard. At the sector level, cyclicals performed the best, whilst defensives and interest rate sensitives trailed. Materials (+9.3%), Information Technology (+8.0%) and Consumer Discretionary (+7.5%) led the way, whilst Real Estate (+2.1%), Utilities (+3.5%) and Consumer Staples (+3.7%) brought up the rear. In terms of style, Growth (+6.4%) continued to outpace Value (+5.6%), whilst Larger Companies (+6.0%) had the edge on Smaller Companies (+5.1%).

With central banks in the advanced economies turning significantly more dovish over June, the main theme for foreign exchange markets was the relative strength of emerging market and commodity relative currencies. Against the pound, the Canadian dollar rose by +2.6%, the South African rand by +2.9%, the Argentine peso by +4.7% and Mexican peso by +1.5%.

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

PORTFOLIO COMMENTARY

The Nedgroup Investments Income MultiFund increased by +1.1% during June.

Within fixed income, the portfolio's tilts towards corporate credit and emerging market debt were a tailwind as the risk on environment meant that these areas outperformed government bonds. Falling government bond yields and tighter spreads meant our longer maturity investment grade credit fund; PIMCO Global Investment Grade (+1.8%) was the best performing holding. The tightening in credit spreads also meant the two sub-investment grade funds, Muzinich Short Duration High Yield (+0.9%) and AXA US Short Duration High Yield (+0.8%) posted solid returns, although less positive than conventional (longer maturity) high yield. Elsewhere, Franklin Templeton Global Total Return (+1.8%) benefited from its exposure to emerging market local currency bonds which rallied strongly over the period.

In other asset classes, the jump in UK equity markets meant the small exposure to high dividend paying stocks through the iShares UK Dividend Fund (+3.7%) added value. Our exposure to UK commercial property was mixed. BMO Commercial Property (-7.3%) continued to be weighed down by Brexit uncertainty and concern surrounding the health of the UK retail sector, whilst the less cyclical UK Care homes, Impact Healthcare (+1.9%) and Target Healthcare (-0.7%) diverged in June. Infrastructure holdings were extremely supportive, with John Laing Environmental Assets (+5.4%), 3i Infrastructure (+4.5%), Greencoat UK Wind (+4.4%), The Renewables Infrastructure Group (+1.9%) and Greencoat Renewables (+0.9%) all increasing over the month. The asset-backed finance investments, SQN Asset Finance Income Fund C-Shares (-2.8%) and GCP Asset Backed Income (+0.9%) were more mixed during the month.

In terms of changes to the portfolio, we decided to participate in a capital raise by GCP Asset Backed Income. We are pleased with the investment in GCP Asset Backed Income and believe that it will continue to provide investors with a high level of reliable income, some degree of inflation protection and a low risk of any permanent or material loss of capital.

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.

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.

This document is not intended for distribution to any person or entity who is a citizen or resident of any country or other jurisdiction where such distribution, publication, or use would be contrary to law or regulation.

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

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

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

The value of shares can fall as well as rise. Investors may not get back the value of their original investment.

This document is of a general nature and intended for information purposes only. Whilst we have taken all reasonable steps to ensure that the information in this document is accurate and current on an ongoing basis, Nedgroup Investments shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this document.

Income may fluctuate in accordance with market conditions and taxation arrangements.

Changes in exchange rates may have an adverse effect on the value price or income of the product.

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