



**INTERNATIONAL RANGE**

**RISK RATING**



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

**GENERAL INFORMATION**

**BENCHMARK:**

3 month LIBID +1% to 3% over 3 to 5 years

**PEER GROUP:**

50/50 average of the Morningstar Moderate Allocation USD and Morningstar Cautious Allocation USD

**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:**

£179.7m

**CURRENCIES AVAILABLE AND PRICES:**

**GBP Class C:** £13.4248

**USD Class C:** \$11.4645

Value and prices as at 28 June 2019

**INCEPTION DATE:**

**Fund:** 19 August 2011

**GBP Class:** 6 March 2013

**USD Class:** 8 November 2013

**MINIMUM INVESTMENTS:**

**Class C:** £1,000 /\$1,500

**FEES AND CHARGES (VAT incl):**

Management fee Class C: 0.50% p.a.

**ON-GOING CHARGES (as at 28 June 2019)<sup>2</sup>**

USD Class C: 1.27%

GBP Class C: 1.36%

**DEALING:**

Daily

**NOTICE PERIODS:**

Subscriptions: Noon T-1

Redemptions: Noon T-1

**SETTLEMENT PERIODS:**

Subscriptions: T+2

Redemptions: T+3

**ISIN / SEDOL:**

**Class C GBP:** IE00B83TLZ10 / B83TLZ1

**Class C USD:** IE00B9CBCV86 / B9CBCV8

**CONTACT US**

Tel +44 (0) 1624 645150

Fax +44 (0) 1624 670630

Website [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com)

Email [helpdesk@nedgroupinvestments.com](mailto:helpdesk@nedgroupinvestments.com)

**MINIMUM DISCLOSURE DOCUMENT**

Please note: Differences may exist due to rounding

**FUND OBJECTIVE**

The Balanced MultiFund aims to provide moderate levels of growth with moderate levels of risk and volatility over the medium to longer-term.

It is anticipated that the Balanced MultiFund will achieve a return of 3-month LIBID + 1% to 3% 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 multilayered process to facilitate disciplined decision-making and risk management.

The Balanced 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	GBP LIBID 3 MONTH		USD	USD PEER GROUP	USD LIBID 3 MONTH	
	%	%	+1%	+3%	%	%	+1%	+3%
3 Months	3.0%	2.7%	0.4%	0.9%	2.5%	2.3%	0.8%	1.3%
6 Months	9.0%	7.2%	0.8%	1.8%	9.7%	7.8%	1.7%	2.7%
1 Year	5.9%	3.4%	1.7%	3.7%	5.9%	3.3%	3.4%	5.5%
3 Years Ann	5.8%	3.9%	1.4%	3.5%	6.2%	4.3%	2.7%	4.7%
5 Years Ann	4.9%	3.6%	1.4%	3.4%	n/a	n/a	n/a	n/a
YTD	9.0%	7.2%	0.8%	1.8%	9.7%	7.8%	1.7%	2.7%
2018	-2.8%	-4.5%	1.6%	3.6%	-3.7%	-5.4%	3.3%	5.3%
2017	5.9%	5.3%	1.2%	3.2%	10.3%	9.5%	2.2%	4.2%
2016	10.0%	8.5%	1.4%	3.4%	3.9%	2.3%	1.6%	3.7%
2015	0.0%	-0.2%	1.5%	3.5%	6.2%	13.6%	2.7%	4.7%
2014	6.2%	4.4%	1.4%	3.4%	n/a	n/a	n/a	n/a
Lowest 1 yr return	-3.7%				-3.7%			
Highest 1 yr return	13.8%				11.1%			
Since inception *	4.8%	3.3%	1.4%	3.4%	3.5%	2.3%	2.3%	4.3%

The performance presented is Class C performance net of fees. \* Since inception annualised.

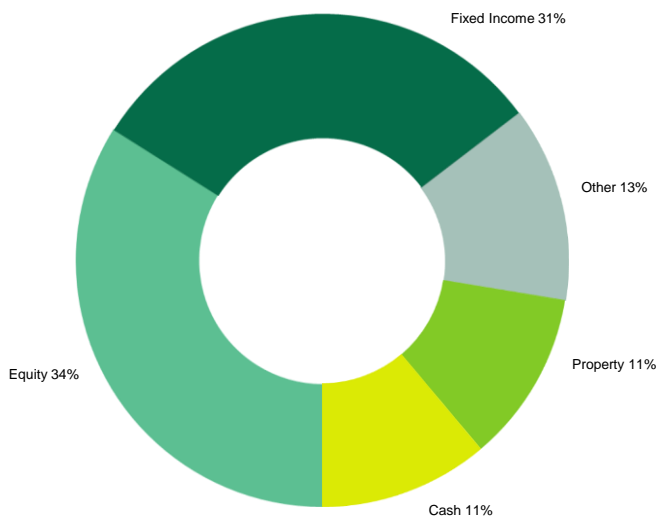
USD peer group is a 50/50 average of the Morningstar Moderate Allocation USD and Morningstar Cautious Allocation USD. For the GBP peer group data, the same universe and returns are used as for the USD data, although a 65% hedge to sterling is applied, as per the fund's GBP share class.

**RISK MEASURE**

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised volatility	5.1%	6.1%
Sharpe ratio (annualised)	0.85	0.37
Lowest monthly return	-3.4%	-3.3%

Risk measures presented based on the simulated Class C performance net of fees since 19 August 2011 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 in investment performance may differ as a result of initial fees, the actual investment, the actual investment date, the date of any reinvestment and dividend withhold 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.

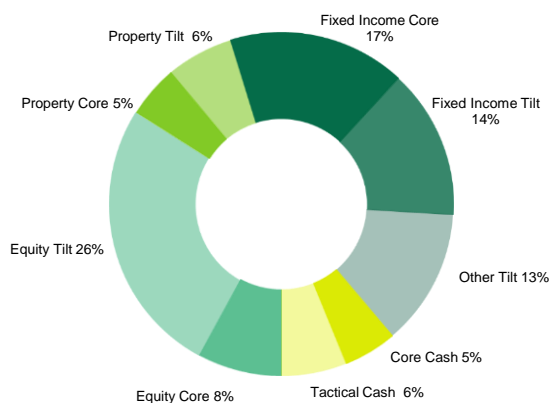
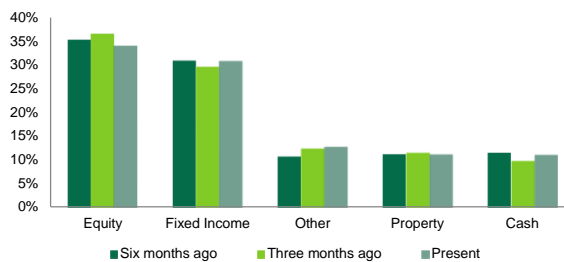


**TOTAL PORTFOLIO ANALYSIS**

FULL PORTFOLIO LISTING

EQUITY		33.9%
Vanguard Global Stock Index	Core	7.9%
Dodge & Cox Global Stock Fund	Tilt	6.6%
Nedgroup Global Equity Fund	Tilt	5.7%
TT Emerging Markets Equity Fund	Tilt	5.7%
Morgan Stanley Global Brands	Tilt	3.0%
Fundsmith Equity Fund	Tilt	3.0%
Allianz Global Small Cap Equity	Tilt	2.0%
PROPERTY		11.3%
Nedgroup Global Property Fund	Core	4.9%
Target Healthcare REIT	Tilt	2.6%
BMO Commercial Property Trust	Tilt	2.0%
Impact Healthcare REIT	Tilt	1.8%
FIXED INCOME		30.8%
Vanguard US Government Bond Index Fund	Core	9.4%
PIMCO Global IG Credit	Core	7.3%
AXA US Short Duration High Yield	Tilt	4.9%
Franklin Templeton Global Total Return	Tilt	4.8%
Muzinich Short Duration High Yield	Tilt	4.4%
OTHER		12.9%
Greencoat UK Wind	Tilt	3.3%
Greencoat Renewables	Tilt	2.0%
SQN Asset Finance Income Fund C Shares	Tilt	1.9%
GCP Asset Backed Income Fund	Tilt	1.7%
John Laing Environmental Assets Group	Tilt	1.7%
3i Infrastructure Plc	Tilt	1.1%
The Renewables Infrastructure Group	Tilt	1.1%
CASH		11.2%
BlackRock Institutional USD Liquidity Fund / Cash	Core	5.0%
	Tilt/Tactical	6.2%
<b>TOTAL</b>		<b>100.0%</b>

CHANGES IN ASSET ALLOCATION BY STRATEGY



**EQUITY COMPONENT <sup>3</sup>**

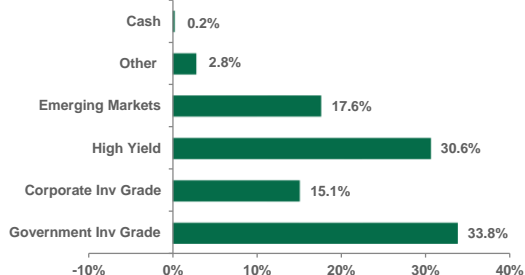
TOP TEN UNDERLYING HOLDINGS	
Microsoft	2.6%
Charter Communications	1.9%
Unilever	1.8%
Alphabet	1.7%
Reckitt Benckiser	1.7%
Philip Morris	1.5%
Facebook	1.3%
Naspers	1.3%
Comcast	1.0%
Baxter	0.9%
<b>TOTAL</b>	<b>15.7%</b>

COUNTRY ALLOCATION	
USA	48.1%
Europe ex-UK	15.7%
UK	9.1%
Emerging Markets	18.1%
Pacific ex-Japan	2.1%
Japan	3.1%
Canada	1.4%
Cash	2.4%
<b>TOTAL</b>	<b>100.0%</b>

SECTOR ALLOCATION	
Financials	16.3%
Health Care	15.6%
Information Technology	13.9%
Consumer Staples	11.2%
Industrials	11.2%
Communication Services	9.5%
Consumer Discretionary	8.1%
Energy	4.0%
Materials	4.0%
Real Estate	2.4%
Utilities	1.3%
Cash	2.4%
<b>TOTAL</b>	<b>100.0%</b>

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

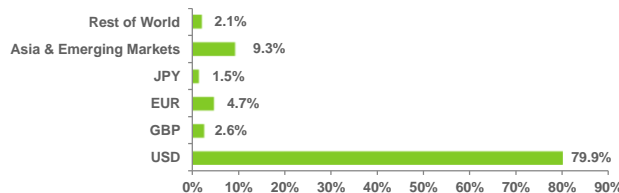
CATEGORY ALLOCATION



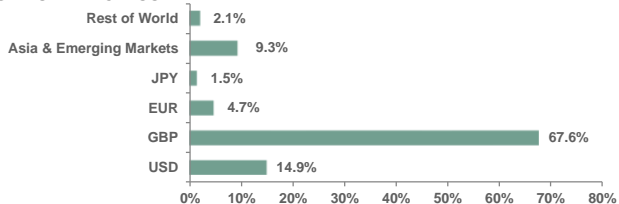
YIELD	
Yield To Maturity	4.7%
Average Weighted Maturity (in years)	5.6
Average Modified Duration (in years)	3.6

**CURRENCY EXPOSURE <sup>3</sup>**

USD SHARE CLASS



GBP SHARE CLASS <sup>4</sup>



3) Source: Underlying managers. Data point 31 May 2019  
 Data point for underlying fund information on a look-through basis is one month in arrears.  
 4) For the sterling Hedged share class a 65% hedge to sterling is applied

**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-Brexititeer 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.

Equities 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%).

Fixed income markets also rewarded investors, with most areas delivering strong 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).

Commodities were also on a much firmer footing, with the Bloomberg Commodities Index gaining +2.1%. Again, the pattern was unconventional, as safe haven Gold (+7.4%) vied with Crude Oil (+8.2%) for leadership across the asset class. In other areas, Industrial Metals (+1.5%) rose modestly and Agriculture (0.0%) was flat.

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 Balanced MultiFund rose by 2.0% during June.

Within equities, the best performing active funds were TT Emerging Markets Equity (+7.0%) and Dodge and Cox Global Stock (+5.5%), helped by their emerging market exposure. At the other end of the spectrum, were the more defensively positioned funds – Nedgroup Global Equity (+4.7%), Morgan Stanley Global Brands (+4.7%), and Fundsmith Equity (+4.2%). Whilst Allianz Global Small Cap (+4.0%) lagged, as small cap stocks in general underperformed larger stocks 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, Nedgroup Global Property (+0.6%) underperformed broader equity markets, as REITs in general could not keep up with the more cyclical exposed areas. 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.

# NEDGROUP INVESTMENTS BALANCED MULTIFUND

June 2019

International Range



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. We also made a modest reduction in our equity exposure, after the strong rally seen in June we decided to rebalance back to target levels. We implemented this move in equities through reductions in Allianz Global Small Cap and Fundsmith Equity into cash.

Note: All returns are quoted on a partially hedged or hedged to GBP 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](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.

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

#### Nedgroup Investments International contact details

Tel: +44 (0)1624 645150

Tel: 0800 999 160 (toll free from South Africa only)

Fax: +44(0) 1624 670630

Email: [helpdesk@nedgroupinvestments.com](mailto:helpdesk@nedgroupinvestments.com)

Website: [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com)

Address: First Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man IM1 1EU, British Isles