



## INTERNATIONAL RANGE

## FUND OBJECTIVE

### 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 IV

#### INVESTMENT MANAGER:

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

#### APPROPRIATE TERM:

Minimum 3-5 years

#### MARKET VALUE:

£177.6m

#### CURRENCIES AVAILABLE AND PRICES:

**GBP Class C:** £12.9240

**USD Class C:** \$11.0254

Value and prices as at 28 September 2018

#### INCEPTION DATE:

**Fund:** 19 August 2011

**GBP Class:** 6 March 2013

**USD Class:** 8 November 2013

#### MINIMUM INVESTMENTS:

**Class C:** £1,000 /\$1,500

#### FEEES AND CHARGES (VAT incl):

Management fee Class C: 0.50% p.a.

#### ON-GOING CHARGES (as at 28 Sept 2018)<sup>2</sup>

USD Class C: 1.25%

GBP Class C: 1.33%

#### 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

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.

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 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	2.0%	1.3%	0.4%	0.9%	1.8%	1.1%	0.8%	1.3%
6 Months	4.7%	2.8%	0.8%	1.8%	2.6%	0.8%	1.6%	2.6%
1 Year	3.4%	1.9%	1.5%	3.5%	3.4%	2.0%	2.9%	5.0%
3 Years Ann	7.1%	5.6%	1.4%	3.4%	6.0%	4.4%	2.2%	4.2%
5 Years Ann	5.2%	4.0%	1.4%	3.4%	n/a	n/a	n/a	n/a
YTD	2.0%	0.3%	1.2%	2.7%	1.5%	-0.1%	2.3%	3.9%
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%	6.0%	13.9%	2.2%	4.2%
2014	6.2%	4.4%	1.4%	3.4%	n/a	n/a	n/a	n/a
Lowest 1 yr return	-3.7%				-3.2%			
Highest 1 yr return	13.8%				11.1%			
Since inception *	4.7%	3.4%	1.4%	3.4%	3.1%	2.1%	2.0%	4.1%

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

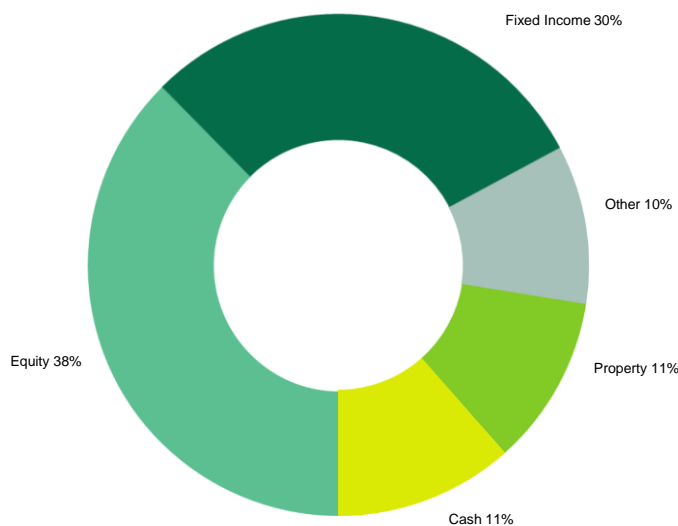
USD peer group is a 50/50 average of the Morningstar Moderate Allocation USD and Morningstar Cautious Allocation USD. For the GBP peer group data, the same universe and returns are used as for the USD data, although a 65% hedge to sterling is applied, as per the fund's GBP share class.

### RISK MEASURE

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised volatility	4.7%	5.3%
Sharpe ratio (annualised)	0.92	0.40
Lowest monthly return	-2.7%	-3.3%

Risk measures presented based on the simulated Class C performance net of fees since 19 August 2011 to date.

### PORTFOLIO STRUCTURE



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

### 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 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.

<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.

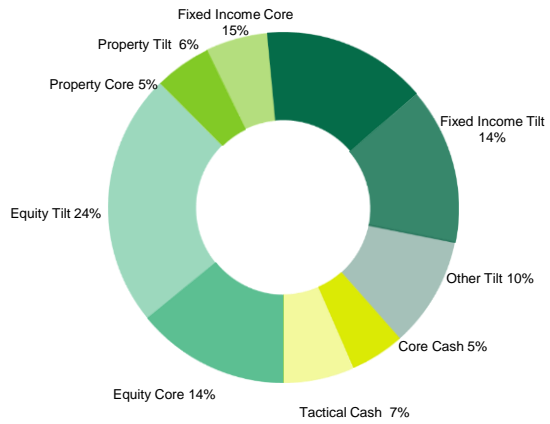


**TOTAL PORTFOLIO ANALYSIS**

FULL PORTFOLIO LISTING

EQUITY		37.6%
Vanguard Global Stock Index	Core	10.8%
Vanguard Emerging Markets Stock	Core	3.3%
Dodge & Cox Global Stock Fund	Tilt	6.8%
Nedgroup Global Equity Fund	Tilt	6.1%
TOBAM Anti-Benchmark World Equity	Tilt	3.1%
Morgan Stanley Global Brands	Tilt	2.7%
Allianz Global Small Cap Equity	Tilt	2.7%
TT Emerging Markets Equity Fund	Tilt	2.0%
PROPERTY		11.0%
Nedgroup Global Property Fund	Core	5.2%
F&C Commercial Property Trust	Tilt	2.1%
Impact Healthcare REIT	Tilt	1.8%
Target Healthcare REIT	Tilt	1.0%
Standard Life Investment Property Income	Tilt	0.9%
FIXED INCOME		29.7%
Wellington Global Credit Plus	Core	6.1%
PIMCO Global IG Credit	Core	5.0%
Vanguard US Government Bond Index Fund	Core	4.1%
AXA US Short Duration High Yield	Tilt	5.8%
Franklin Templeton Global Total Return	Tilt	4.5%
Muzinich Short Duration High Yield	Tilt	4.2%
OTHER		10.3%
Greencoat UK Wind	Tilt	3.1%
SQN Asset Finance Income Fund C Shares	Tilt	2.0%
GCP Asset Backed Income Fund	Tilt	1.5%
Greencoat Renewables	Tilt	1.4%
3i Infrastructure Plc	Tilt	1.2%
John Laing Environmental Assets Group	Tilt	1.1%
CASH		11.5%
BlackRock Institutional USD Liquidity Fund / Cash	Core	5.0%
	Tilt/Tactical	6.5%
TOTAL		100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY



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

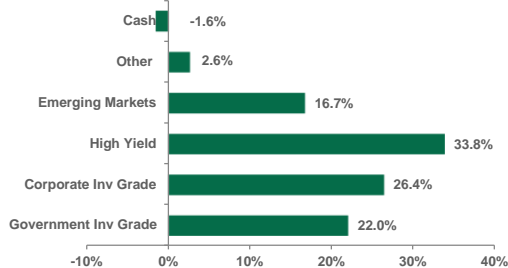
TOP TEN UNDERLYING HOLDINGS		
Microsoft	2.1%	
Alphabet	1.6%	
Charter Communications	1.6%	
Reckitt Benckiser	1.2%	
Comcast	1.1%	
UnitedHealth Group	1.0%	
Cigna	0.9%	
Qualcomm	0.8%	
American Express	0.8%	
Baidu	0.8%	
TOTAL		12.0%

COUNTRY ALLOCATION		
USA	49.9%	
Europe ex-UK	13.9%	
UK	7.2%	
Emerging Markets	17.1%	
Pacific ex-Japan	2.2%	
Japan	4.6%	
Canada	2.1%	
Cash	3.0%	
TOTAL		100.0%

SECTOR ALLOCATION		
Information Technology	18.6%	
Financials	15.5%	
Health Care	15.4%	
Consumer Discretionary	13.2%	
Industrials	9.8%	
Consumer Staples	8.6%	
Energy	4.8%	
Materials	4.7%	
Real Estate	2.3%	
Utilities	2.1%	
Telecommunication Services	2.0%	
Cash	3.0%	
TOTAL		100.0%

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

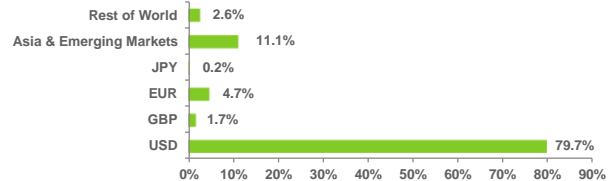
CATEGORY ALLOCATION



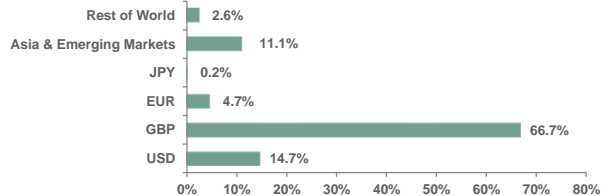
YIELD	
Yield To Maturity	5.3%
Average Weighted Maturity (in years)	5.9
Average Modified Duration (in years)	3.9

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

USD SHARE CLASS



GBP SHARE CLASS <sup>4</sup>



3) Source: Underlying managers. Data point 31 August 2018  
 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

For the most part, September was a relatively calm affair across financial markets. Volatility measures remained subdued, whilst concerns regarding Emerging Markets appeared to abate as the month progressed. A couple of days before the end of September, Italian worries came to the fore as the new populist coalition government announced a draft budget that would increase the country's debt burden. If enacted, this plan would break previous Italian commitments to the EU, and put both of them on a collision course. Given the already high levels of Italian debt (132% of GDP), investors are worried that if the EU constraints are not honoured, Italian government finances could deteriorate and undermine the country's credit-worthiness. In reaction, Italian financial assets fell sharply as investors withdrew capital, with contagion spreading across Europe, especially to other overly-indebted Mediterranean countries.

The US-China trade war continued to escalate, with Trump announcing that tariffs would be applied to a further US\$200bn of Chinese goods. In response, the Chinese pledged to retaliate with their own measures. Elsewhere, the Brexit shambles rumbled on, with the prospect of a hard Brexit increasing following the disastrous falling out between May and the other EU leaders at the Salzburg Summit.

Fixed income markets faced the headwind of steadily rising yields throughout the month. This meant that conventional longer dated investment grade issues generally lost ground, although shorter dated bonds, along with higher yielding and lower quality debt fared better. As such, the JP Morgan Global Government Bond Index lost -0.7%, whilst the Merrill Lynch Global Investment Grade Corporate Bond Index slipped -0.4%. In contrast, the Merrill Lynch Global High Yield Index gained +0.7% and the JP Morgan Emerging Market Bond Index delivered +1.1% (all returns in hedged to sterling terms).

Global equities delivered a small loss of -0.2% according to the MSCI AC World Index expressed in sterling terms. Japan (+2.4%) and the UK (+1.1%) led the way, whilst the Emerging Markets (-1.2%) and Asia ex Japan (-2.0%) were the most significant laggards. At the sector level, Energy (+2.9%) and Telecoms (+1.4%) topped the performance tables, whilst some of the more interest rate sensitive sectors, such as Real Estate (-3.2%), Utilities (-1.0%) and Financials (-1.0%) were quite weak.

On the foreign exchange markets, the pound rose by +0.5% versus the euro, +2.9% versus the yen and +0.5% against the US dollar. Emerging market currencies were mixed, but generally recovered a little from the levels they fell to in August. Those leading the partial recovery included the Turkish Lira (+7.0% Vs the £), the South African rand (+3.2%) and the Mexican peso (+1.5%). On the negative side, the Argentinian peso (-12.5%) remained under pressure as the government looked to solidify and accelerate a loan from the IMF.

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

## PORTFOLIO COMMENTARY

The Nedgroup Investments Balanced MultiFund decreased in value by -0.2% during September.

Within equities, the best performing active funds were Morgan Stanley Global Brands (+1.5%) and Nedgroup Global Equity (+1.0%). Morgan Stanley Global Brands was aided by strong stock selection in consumer staples and information technology sectors, whilst Nedgroup Global Equity was helped by its sector tilt to healthcare, which significantly outperformed. At the other end of the spectrum, TT Emerging Markets Equity (-1.1%) and Allianz Global Small Cap (-2.0%) lost value as both small cap and emerging market equities struggled.

Within fixed income, the portfolio's bias towards short-dated corporate credit, especially sub investment grade, was beneficial in what was a difficult environment for fixed income. The short duration high yields funds, AXA US Short Duration High Yield (+0.2%) and Muzinich Short Duration High Yield (+0.3%), outperformed the higher quality investment grade credit funds, PIMCO Global Investment Grade Credit (-0.4%) and Wellington Global Credit Plus (-0.4%). Exposure to US government bonds via the Vanguard US Government Bond Index (-1.0%) contributed negatively due to the increase in US government bond yields during the month. Finally, Franklin Templeton Global Total Return (+1.2%) was positively impacted by its exposure to emerging markets bonds and currencies, which were supported by a weaker US dollar, some more encouraging country specific news, and reduced trade war concerns following the signing of a trade agreement between the US and Mexico.

In other asset classes, Nedgroup Global Property Fund (-2.4%) declined (but outperformed the index), in what was a tough month for property securities due to rising government bond yields. UK commercial property exposure was also negatively impacted by higher bond yields and Brexit concerns with Standard Life Property Income Trust (-4.8%) and F&C Commercial Property Trust (-5.6%) both down, although our two UK care home holdings, Impact Healthcare (+1.5%) and Target Healthcare (+0.0%), managed to buck the negative trend. Infrastructure performance was mixed, with Greencoat UK Wind (+3.1%), Greencoat Renewables (+0.5%) both rising, but 3i Infrastructure (-1.6%) and John Laing Environmental Assets (-0.2%) declining. Finally, the allocation to the two asset-backed finance investments were both positive, with GCP Asset Backed Income (+5.1%) and SQN Asset Finance Income Fund C-Shares (+4.4%) both up strongly over the month.

# NEDGROUP INVESTMENTS BALANCED MULTIFUND

September 2018

International Range



In terms of portfolio activity, 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 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.

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

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