

NEDGROUP INVESTMENTS INCOME MULTIFUND - ACCUMULATING

September 2018

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 IV

INVESTMENT MANAGER:

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

APPROPRIATE TERM: Minimum 3 - 5 years

MARKET VALUE: £46.1m

CURRENCIES AVAILABLE AND PRICES:

GBP Class C: £11.4603

USD Class C: \$10.9664

Value and prices as at 28 September 2018

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

FEEES AND CHARGES (VAT incl)

Management fee Class C: 0.40% p.a

ON-GOING CHARGES (as at 28 Sept 2018)²

Class C: 1.16%

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: 4.31%

Based on last four quarterly distributions as a percentage of current share price. Last dividend 1 Oct 2018

ISIN / SEDOL:

Class C Acc GBP: IE00B9BBC647 / B9BBC64

Class C Acc USD: IE00B9CNVR36 / B9CNVR3

CONTACT US

Tel +44 (0) 1624 645150

Fax +44 (0) 1624 670630

Website www.nedgroupinvestments.com

Email helpdesk@nedgroupinvestments.com

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	0.6%	-0.3%	0.2%	0.9%	0.1%	0.5%
6 Months	1.0%	-1.0%	0.3%	1.6%	-0.3%	1.1%
1 Year	-0.1%	-1.5%	0.5%	1.2%	-0.2%	1.9%
3 Years Ann	3.0%	1.4%	0.4%	3.1%	1.5%	1.1%
YTD	0.0%	-2.0%	0.4%	0.9%	-0.5%	1.6%
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%			0.0%		
Highest 1 yr return	8.0%			8.2%		
Since inception *	2.5%	1.2%	0.4%	3.2%	1.5%	1.2%

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

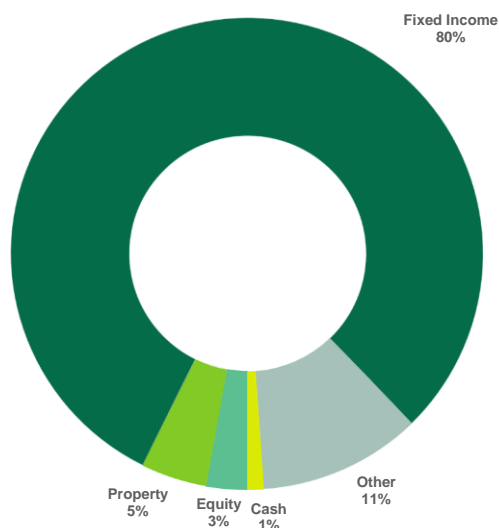
GBP Peer Group is Morningstar Global Bonds – GBP Hedged. USD Peer Group is Morningstar Global Bonds – USD Hedged. * Since inception annualised.

RISK MEASURE

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised Volatility	2.5%	2.3%
Sharpe Ratio (annualised)	0.9	1.2
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.

NEDGROUP INVESTMENTS INCOME MULTIFUND - ACCUMULATING

September 2018

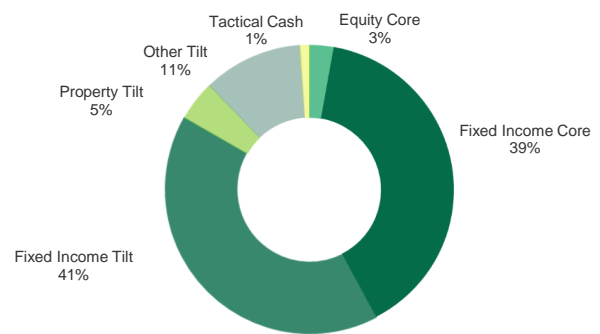
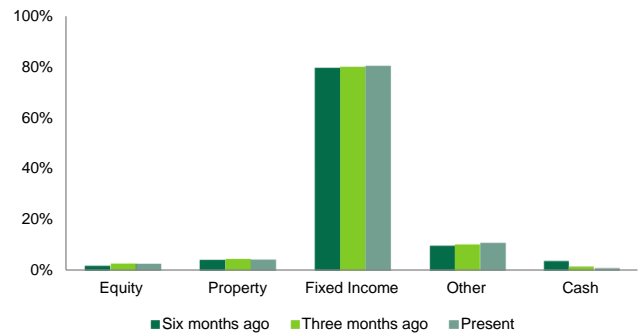


TOTAL PORTFOLIO ANALYSIS

FULL PORTFOLIO LISTING

EQUITY INCOME			2.8%
iShares UK FTSE Dividend Plus Fund	Core		2.8%
EQUITY PROPERTY			4.5%
F&C Commercial Property Trust	Tilt		2.0%
Target Healthcare REIT	Tilt		1.0%
Impact Healthcare REIT	Tilt		0.9%
Standard Life Investment Property Income	Tilt		0.6%
FIXED INCOME			80.5%
PIMCO Global IG Credit	Core		17.0%
Wellington Global Credit Plus	Core		12.9%
Vanguard US Government Bond Index Fund	Core		9.5%
Muzinich Short Duration High Yield	Tilt		13.6%
AXA US Short Duration High Yield	Tilt		12.2%
Franklin Templeton Global Total Return	Tilt		8.0%
Kames Short Dated High Yield Global Bond	Tilt		7.2%
OTHER			11.2%
Greencoat UK Wind	Tilt		3.0%
SQN Asset Finance Income Fund C Shares	Tilt		2.0%
John Laing Environmental Assets Group	Tilt		2.0%
GCP Asset Backed Income Fund	Tilt		1.5%
Greencoat Renewables	Tilt		1.3%
3i Infrastructure Plc	Tilt		1.2%
CASH			1.1%
Cash	Tilt/Tactical		1.1%
TOTAL			100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY

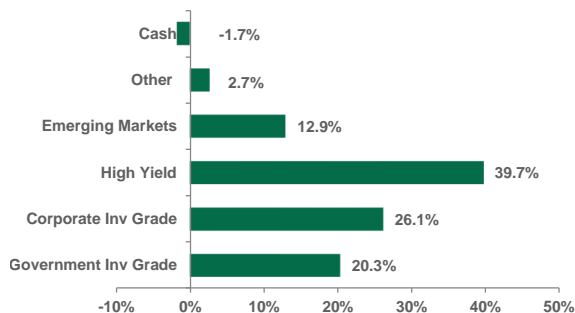


FIXED INCOME COMPONENT ³

CREDIT RATING			
AAA		21.7%	
AA		4.2%	
A		12.1%	
BBB		17.9%	
< BBB		44.1%	
TOTAL			100.0%

MATURITY			
< 3 year		28.3%	
3-5 years		36.2%	
5-10 years		25.3%	
> 10 years		10.3%	
TOTAL			100.0%

SECTOR ALLOCATION



PORTFOLIO YIELD

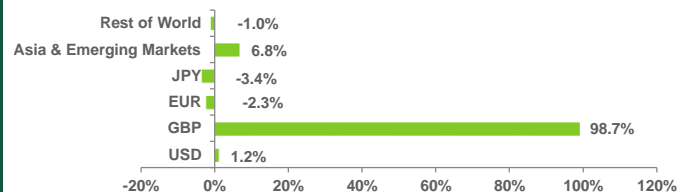
Effective Yield	4.9%
Average Weighted Maturity (in years)	5.7
Average Modified Duration (in years)	3.9

REGIONAL ALLOCATION ³

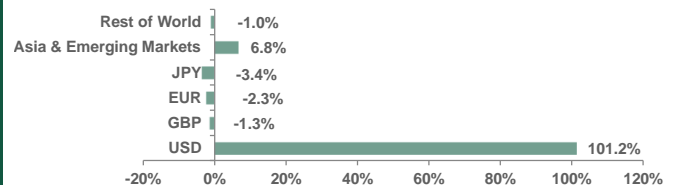
USA	56.9%	
UK	23.7%	
Europe ex UK	6.4%	
Emerging Markets	10.3%	
Rest of the World	2.1%	
Asia Pacific ex Japan	0.6%	
Japan	0.0%	
TOTAL		100.0%

CURRENCY EXPOSURE ³

GBP SHARE CLASS



USD SHARE CLASS



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

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 Income MultiFund was flat (+0.0%) during September.

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, falling UK equity markets meant the small exposure to high dividend paying stocks through the iShares UK Dividend Fund (-1.8%) was a drag. UK commercial property exposure was negatively impacted by rising 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%), both 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 INCOME MULTIFUND

August 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 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.

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

Website: www.nedgroupinvestments.com

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