

NEDGROUP INVESTMENTS INCOME MULTIFUND - DISTRIBUTING CLASS A

February 2020 Factsheet



INTERNATIONAL RANGE

SYNTHETIC RISK REWARD INDICATOR



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

PERFORMANCE INDICATOR:
3 month LIBID over a minimum 3 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 years

MARKET VALUE: GBP 46.3m

CURRENCIES AVAILABLE AND PRICES:
GBP Class A: GBP 8.9133
USD Class A: USD 10.1865
Value and prices as at 28 February 2020

INCEPTION DATE: 23 August 2012

MINIMUM INVESTMENTS:
Class A: GBP 1,000 / USD 1,500

FEES AND CHARGES (VAT incl)*
Management fee Class A: 1.25% p.a

ON-GOING CHARGES (as at 28 February 2020)²
Class A: 1.99%

DIVIDEND DATES:
End March, June, September and December

DISTRIBUTION YIELD:
GBP Class A: 4.27%
Based on last four quarterly distributions as a percentage of current share price. Last dividend 28 February 2020

DEALING: Daily

NOTICE PERIODS:
Subscriptions: Noon T-1
Redemptions: Noon T-1

SETTLEMENT PERIODS:
Subscriptions: T+2
Redemptions: T+3

ISIN / SEDOL:
Class A Dist GBP: IE00B5NHP748 / B5NHP74
Class A Dist USD: IE00B4TCZL03 / B4TCZL0

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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.

The Sub-Fund is actively managed and is not managed in reference to any benchmark. It is managed by reference to a performance target which is to outperform USD 3 month LIBID over a minimum three years.

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 a minimum 3 years. Investing in the fund involves a risk to capital in order to achieve the desired return.

DISCRETE YEAR PERFORMANCE % CHANGE NET OF FEES¹

PERIOD	FUND GBP	GBP PEER GROUP	3 MONTH GBP LIBID	FUND USD	USD PEER GROUP	3 MONTH USD LIBID
	%	%	%	%	%	%
2019	6.2%	5.4%	0.7%	n/a	n/a	n/a
2018	-1.8%	-1.9%	0.6%	n/a	n/a	n/a
2017	2.2%	1.6%	0.2%	n/a	n/a	n/a
2016	4.9%	4.8%	0.4%	n/a	n/a	n/a
2015	-0.7%	-0.2%	0.5%	n/a	n/a	n/a

CUMULATIVE AND ANNUALISED PERFORMANCE % CHANGE NET OF FEES¹

PERIOD	FUND GBP	GBP PEER GROUP	3 MONTH GBP LIBID	FUND USD	USD PEER GROUP	3 MONTH USD LIBID
	%	%	%	%	%	%
3 Months	0.3%	1.7%	0.2%	n/a	n/a	n/a
6 Months	0.3%	0.6%	0.3%	n/a	n/a	n/a
1 Year	3.5%	6.4%	0.7%	n/a	n/a	n/a
3 Year Ann	1.7%	2.1%	0.5%	n/a	n/a	n/a
5 Year Ann	1.7%	2.1%	0.5%	n/a	n/a	n/a
YTD	-0.2%	1.8%	0.1%	n/a	n/a	n/a
Since inception *	2.4%	1.4%	0.5%	n/a	n/a	n/a
Lowest 1 yr return	-3.6%			n/a	n/a	n/a
Highest 1 yr return	7.0%			n/a	n/a	n/a

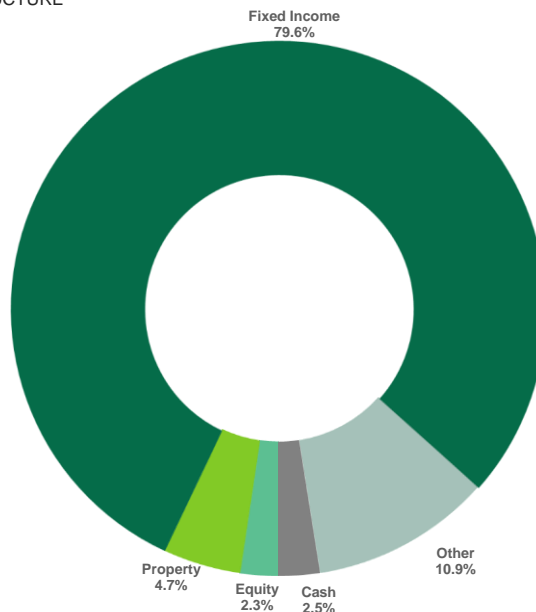
Class A performance net of fees as of 28 February 2020. * Since inception annualised.

GBP Peer Group is Morningstar Global Bonds – GBP Hedged. USD Peer Group is Morningstar Global Bonds – USD Hedged. Both are net of fees. Past performance is not a guide to future returns.

RISK MEASURE³

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised Volatility	2.4%	n/a
Sharpe Ratio (annualised)	0.82	n/a
Lowest Monthly Return	-1.7%	n/a

PORTFOLIO STRUCTURE³



* Class A includes a trail fee of 0.60%
Class B includes a trail fee of 0.40%

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.

3) Source: Underlying managers, Nedgroup Investments (IOM) Limited. Data point 28 February 2020

NEDGROUP INVESTMENTS INCOME MULTIFUND - DISTRIBUTING

February 2020

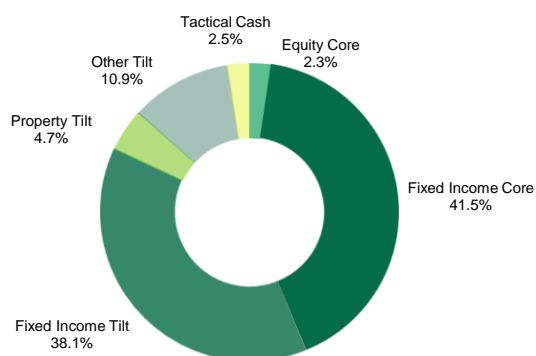
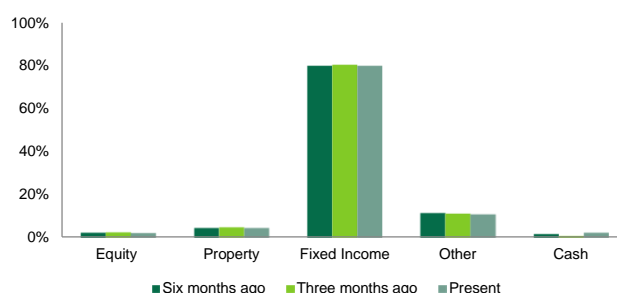


PORTFOLIO ANALYSIS

FULL PORTFOLIO LISTING

EQUITY INCOME		2.3%
iShares UK Dividend UCITS ETF	Core	2.3%
EQUITY PROPERTY		4.7%
Target Healthcare REIT	Tilt	2.0%
BMO Commercial Property Trust	Tilt	1.8%
Impact Healthcare REIT	Tilt	0.9%
FIXED INCOME		79.6%
Vanguard US Government Bond Index Fund	Core	19.5%
Muzinich Short Duration High Yield	Tilt	14.6%
AXA US Short Duration High Yield	Tilt	13.7%
Wellington Global Credit Plus	Core	11.0%
PIMCO Global IG Credit	Core	10.9%
Colchester Local Emerging Markets Debt	Tilt	5.8%
iShares \$ Treasury Bond 1-3YR UCITS ETF	Tilt	4.0%
OTHER		10.9%
Greencoat UK Wind	Tilt	1.8%
SQN Asset Finance Income Fund C Shares	Tilt	1.6%
GCP Asset Backed Income Fund	Tilt	1.6%
Greencoat Renewables	Tilt	1.6%
John Laing Environmental Assets Group	Tilt	1.4%
The Renewables Infrastructure Group	Tilt	1.4%
3i Infrastructure Plc	Tilt	1.0%
Hipgnosis Songs Fund	Tilt	0.5%
CASH		2.5%
Cash	Tilt/Tactical	2.5%
TOTAL		100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY

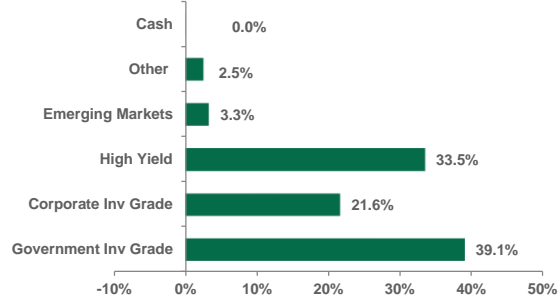


FIXED INCOME COMPONENT ⁴

CREDIT RATING		
AAA	36.5%	
AA	1.8%	
A	10.3%	
BBB	16.4%	
< BBB	35.0%	
TOTAL		100.0%

MATURITY		
< 3 year	32.6%	
3-5 years	28.1%	
5-10 years	24.7%	
> 10 years	14.6%	
TOTAL		100.0%

SECTOR ALLOCATION



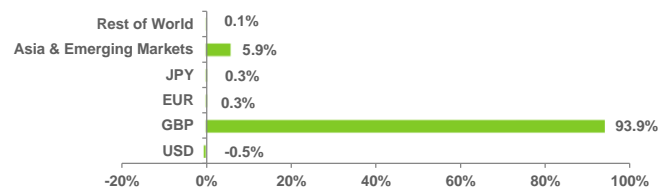
PORTFOLIO YIELD	
Effective Yield	3.4%
Average Weighted Maturity (in years)	6.4
Average Modified Duration (in years)	4.9

REGIONAL ALLOCATION ⁴

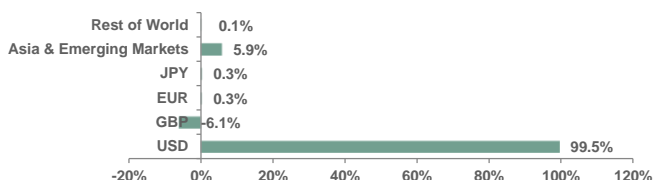
USA	63.0%	
UK	23.2%	
Europe ex UK	3.9%	
Emerging Markets	7.9%	
Rest of the World	1.6%	
Asia Pacific ex Japan	0.2%	
Japan	0.2%	
TOTAL		100.0%

CURRENCY EXPOSURE ⁴

GBP SHARE CLASS



USD SHARE CLASS



⁴ Source: Underlying managers, Nedgroup Investments (IOM) Limited. Data point 31 January 2020 (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

Up until the last week of February, investment markets had been shaping up quite nicely over the month. Investors were of course monitoring the Coronavirus story, but the prevailing view was that it would be contained and it would not have a material economic impact across advanced economies. However, that assumption was rapidly abandoned when it became clear that significant outbreaks had occurred in Italy, Iran and Korea, and that the virus was now spreading globally. What also became clear was that near term economic growth and corporate profit forecasts would not be met and were likely to see drastic downward revisions. As this dawned on investors over the last few days of the month, risk assets sold off aggressively and safe haven government bonds rose sharply.

Over the month, economic data releases (which are mainly backward looking) were largely either in-line with, or better than, expected. However, towards the end of the month some forward looking data began to deteriorate and a number of corporates warned of worries regarding supply chains and falling demand.

Looking for positives, we also saw a number of policy responses from the authorities. The Federal Reserve grabbed the headlines when it announced a surprise 0.5% cut in the Fed Funds rate, which was followed up by a number of other central banks. It was also apparent that many governments were looking at fiscal initiatives to ease economic pressures, with China, Hong Kong South Korea and Italy all in the vanguard.

Increased risk aversion and a reappraisal of the outlook for interest rates saw bond yields move sharply lower. Safe haven government bonds were particularly strong, whilst credit spread widening meant corporate and emerging market bond markets could not keep up with high quality sovereign bonds. Over the month, the JP Morgan Global Government Bond Index managed +1.7%, the ICE Merrill Lynch Global Corporate Investment Grade Bond Index delivered +0.7%, the ICE Merrill Lynch Global High Yield Bond Index lost -1.5%, and the JP Morgan Global Emerging Market Bond Index declined -0.9% (all hedged to sterling).

Equity returns were very disappointing, with the late month weakness causing the MSCI AC World Index to a decline -4.9% in sterling terms. Asia ex Japan (+0.4%) and the Emerging Markets (-2.0%) were the most resilient regions, whilst the UK (-8.9%) and Japan (-6.0%) were weaker. Although selling pressure seemed to be fairly indiscriminate, defensives marginally outperformed cyclicals. The most resilient sector was Communications Services (-2.5%) followed by Real Estate (-3.3%), whilst Energy (-10.7%) and Materials (-6.7%) were the weakest.

Finally, in foreign exchange markets, the Japanese yen and US dollar were amongst the strongest currencies, whilst the pound was relatively weak, falling -2.9% against the US dollar, -3.2% versus the yen and -2.4% relative to the euro. Emerging Market currencies were also under pressure, with the South African rand (-5.1% versus the US dollar), the Mexican peso (-4.7%) and the Brazilian real (-4.8%) amongst the more significant fallers.

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

PORTFOLIO COMMENTARY

The Nedgroup Investments Income MultiFund A class fell by -0.2% during February.

Within fixed income, the risk-off environment meant we saw a significant “flight to safety” during the month. As a result our exposure to US government bonds via Vanguard (+2.6%), iShares 1-3yr Treasury Bond (+0.8%), and investment grade credit via Wellington Global Credit Plus (+1.0%) and PIMCO Global Investment Grade Credit (+0.4%) outperformed our short duration high yield managers - AXA US Short Duration High Yield (-0.5%) and Muzinich Short Duration High Yield (-0.8%) - and our emerging market local currency debt manager, Colchester Local Emerging Markets Debt (-0.8%).

In other asset classes, the fall in UK equities meant that the small exposure to high dividend paying UK stocks via iShares UK Dividend ETF (-10.0%) detracted value. However, portfolio exposure to UK commercial property was more mixed. Whilst BMO Commercial Property (-11.4%) got caught up with the general risk-off environment, the more defensive UK care homes, Target Healthcare (-2.4%) and Impact Healthcare (-1.4%) provided some downside protection. Infrastructure holdings were also mixed, whilst The Renewables Infrastructure Group (+2.9%) was able to buck the negative trend after releasing positive annual results, the other holdings all fell by varying degrees. 3i Infrastructure (-4.5%), JLEN Environmental Assets (-1.2%), Greencoat UK Wind (-0.2%), and Greencoat Renewables (-0.2%) were all negatively impacted by the somewhat indiscriminate selling in February. The two asset-backed lending exposures, GCP Asset Backed Income (-3.8%) and SQN Asset Finance Income Fund C-Shares (+1.8%) diverged over the period. Finally, even Hipgnosis Songs Fund (-2.8%), our investment in songs and associated musical intellectual property rights was also caught up in the broad market sell-off.

NEDGROUP INVESTMENTS INCOME MULTIFUND

February 2019



In terms of portfolio activity, we participated in a capital raise by JLEN Environmental Assets. We believe that JLEN will continue to provide investors with a high level of reliable income, a degree of inflation protection, and a low risk of any permanent or material loss of capital. We also decided to top-up our exposure to BMO Commercial Property after recent falls in the share price meant it was trading at a substantial discount to net asset value (NAV), which despite the negative headlines surrounding UK commercial property, we felt this was unjustified from a long-term fundamental basis.

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 Depositary

Citi Depositary 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.

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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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