

NEDGROUP INVESTMENTS INCOME MULTIFUND - ACCUMULATING

April 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 IV

INVESTMENT MANAGER:

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

APPROPRIATE TERM: Minimum 3 - 5 years

MARKET VALUE: £43.2m

CURRENCIES AVAILABLE AND PRICES:

GBP Class C: £11.8242

USD Class C: \$11.4191

Value and prices as at 30 April 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 29 Mar 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: 4.26%

Based on last four quarterly distributions as a percentage of current share price. Last dividend 29 Mar 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	2.0%	1.2%	0.2%	2.4%	1.7%	0.6%
6 Months	3.7%	2.5%	0.4%	4.6%	4.0%	1.3%
1 Year	3.5%	1.6%	0.7%	5.1%	3.6%	2.4%
3 Years Ann	3.2%	1.3%	0.4%	4.2%	2.1%	1.6%
5 Years Ann	2.7%	1.9%	0.4%	n/a	n/a	n/a
YTD	4.1%	2.2%	0.2%	4.7%	2.9%	0.8%
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 *	2.8%	1.4%	0.4%	3.8%	2.3%	1.4%

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

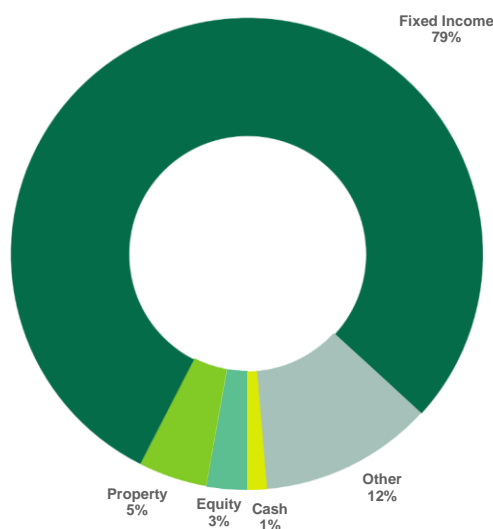
GBP Peer Group is Morningstar Global Bonds – GBP Hedged. USD Peer Group is Morningstar Global Bonds – USD Hedged. * Since inception annualised.

RISK MEASURE

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised Volatility	2.6%	2.4%
Sharpe Ratio (annualised)	1.0	1.3
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.

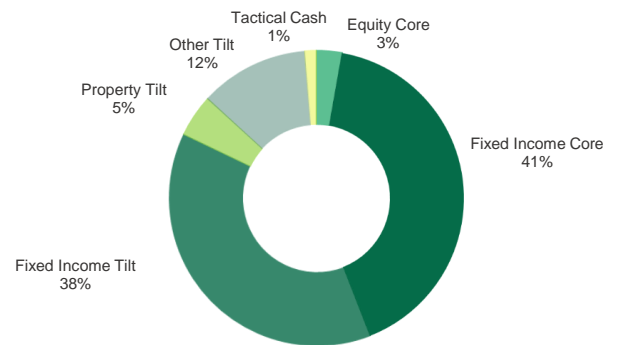
2) The on-going fee is a measure of the actual expenses incurred in the management of the Classes of the Sub-Fund. The on-going fee shown is expressed as a percentage of the monthly average value of the portfolio calculated over a 12-month period as at the date shown. The current on-going fee cannot 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.

TOTAL PORTFOLIO ANALYSIS

FULL PORTFOLIO LISTING

EQUITY INCOME		2.8%
iShares UK Dividend UCITS ETF	Core	2.8%
EQUITY PROPERTY		4.7%
Target Healthcare REIT	Tilt	2.0%
F&C Commercial Property Trust	Tilt	1.8%
Impact Healthcare REIT	Tilt	1.0%
FIXED INCOME		79.3%
Vanguard US Government Bond Index Fund	Core	18.9%
Muzinich Short Duration High Yield	Tilt	15.8%
AXA US Short Duration High Yield	Tilt	14.4%
PIMCO Global IG Credit	Core	11.5%
Wellington Global Credit Plus	Core	10.9%
Franklin Templeton Global Total Return	Tilt	7.8%
OTHER		11.9%
John Laing Environmental Assets Group	Tilt	2.5%
SQN Asset Finance Income Fund C Shares	Tilt	2.2%
Greencoat UK Wind	Tilt	2.0%
GCP Asset Backed Income Fund	Tilt	1.6%
Greencoat Renewables	Tilt	1.5%
The Renewables Infrastructure Group	Tilt	1.1%
3i Infrastructure Plc	Tilt	1.1%
CASH		1.3%
Cash	Tilt/Tactical	1.3%
TOTAL		100.0%

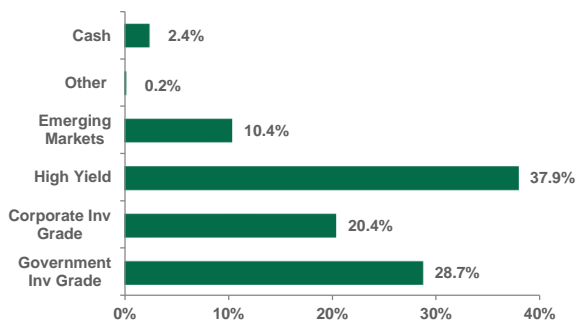
CHANGES IN ASSET ALLOCATION BY STRATEGY



FIXED INCOME COMPONENT ³

CREDIT RATING	
AAA	30.6%
AA	3.0%
A	10.1%
BBB	14.6%
< BBB	41.6%
TOTAL	100.0%
MATURITY	
< 3 year	36.4%
3-5 years	33.3%
5-10 years	21.2%
> 10 years	9.1%
TOTAL	100.0%

SECTOR ALLOCATION



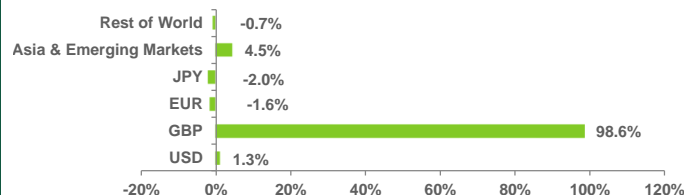
PORTFOLIO YIELD	
Effective Yield	4.4%
Average Weighted Maturity (in years)	5.5
Average Modified Duration (in years)	3.8

REGIONAL ALLOCATION ³

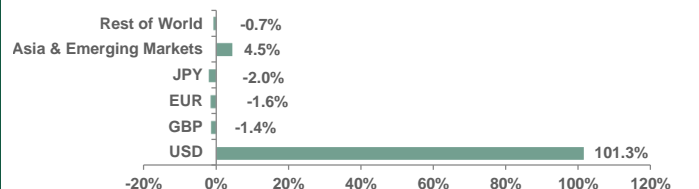
USA	61.9%
UK	22.9%
Europe ex UK	5.2%
Emerging Markets	8.1%
Rest of the World	1.5%
Asia Pacific ex Japan	0.4%
Japan	0.0%
TOTAL	100.0%

CURRENCY EXPOSURE ³

GBP SHARE CLASS



USD SHARE CLASS



³ Source: Underlying managers. Data point 29 March 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

According to the latest data, global real growth declined to 3% in Q1, which is its weakest since mid-2016. As key economic measures have retreated, the broad-based slowdown has included most economies, whether advanced or emerging. However, we believe that we have now seen the worst of the negative surprises, even though we fully expect growth to be lower in 2019 than in 2018. There are a number of factors that shape this view. Firstly, the Chinese authorities have backed up their announced intentions to support growth. The central bank cut their reserve requirement by 100bps in January, which has boosted credit conditions. The Chinese government also announced a series of fiscal measures, including a 3% cut in VAT, with more to come if required. Furthermore, the US-China trade war seems to be on a de-escalating trajectory, even if they are taking time to agree the more difficult issues, such as intellectual property rights and technology transfer. Certainly the statements made by both sides give us reason to believe that some kind of settlement can be reached over the coming months.

In our view, the decline in rates seen over most of Q1 has now run its course. The breadth and depth of the decline has left 10 year yields in a number of countries close to their lowest levels ever. Many investors have responded by re-engaging in their search for yield, which should serve to support riskier and higher yielding investment choices.

Demand for safe haven assets waned over the month which led the JP Morgan Global Government Bond Index to slip -0.3%. Other sub-sectors did better as credit spreads tightening allowed the ICE Merrill Lynch Global Corporate Investment Grade Index to return +0.5% and the ICE Merrill Lynch Global High Yield Index to rise +1.2%. Elsewhere mixed performance across the emerging markets saw the JP Morgan Emerging Market Bond Index to close flat on the month at -0.1% (all hedged to sterling terms).

Low volatility and a rising appetite for risk saw equities gain +3.0% in sterling terms, according to the MSCI AC World Index. All the major regions and markets advanced, although Europe ex UK (+3.7%) and the US (+3.6%) gained the most, whilst Japan (+1.0%) lagged. Sector performance was dominated by economically sensitive areas, such as Financial Services (+6.0%), Information Technology (+5.7%) and Consumer Discretionary (+4.8%). In contrast, defensives and interest rate sensitive sectors tended to underperform, with Healthcare (-2.8%), Real estate (-1.7%) and Utilities (-0.6%) all in negative territory.

The major foreign exchange crosses were quiet over the month, with the pound broadly flat against the dollar and the euro, and up a marginal +0.5% versus the yen. However, there was a much more two way action amongst emerging market currencies, with the Mexican peso (+2.5%) and South African rand (+1.4%) both advancing against the dollar, whilst the Turkish lira slumped -7.3% on worries about its economy.

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

PORTFOLIO COMMENTARY

The Nedgroup Investments Income MultiFund increased by +0.8% during April.

Within fixed income, the risk on environment meant that portfolio's bias towards corporate credit was a tailwind as credit outperformed government bonds. The higher quality PIMCO Global Investment Grade (+0.6%) was the best performing credit fund, albeit closely followed by the two sub-investment grade funds, Muzinich Short Duration High Yield (+0.5%) and AXA US Short Duration High Yield (+0.4%). The increase in government bond yields meant that the Vanguard US Government Bond Index (-0.5%) generated a negative return over the month. Elsewhere, Franklin Templeton Global Total Return (+1.4%) posted a positive return, reflecting its exposure to specific emerging market local currency bonds which rallied over the period.

In other asset classes, the strong recovery in UK equity markets meant the small exposure to high dividend paying stocks through the iShares UK Dividend Fund (-0.2%) detracted value. UK commercial property exposure was more positive. F&C Commercial Property (+3.3%) enjoyed a bounce after previously being weighed down by Brexit uncertainty, whilst the less cyclical UK Care homes, Impact Healthcare (+1.9%) and Target Healthcare (+1.6%) also recorded good performances. Infrastructure holdings were all very strong in April, with Greencoat Renewables (+5.9%), The Renewables Infrastructure Group (+5.6%), 3i Infrastructure (+4.6%), John Laing Environmental Assets (+3.2%) and Greencoat UK Wind (+2.8%) all increasing over the month. The asset-backed finance investments, SQN Asset Finance Income Fund C-Shares (+0.0%) and GCP Asset Backed Income (+1.9%), were also profitable as investors continued their hunt for yield.

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April 2019

International Range



In terms of changes to the portfolio, we decided to make a modest reduction to credit risk. After the strong rally seen so far this year, we suspect we may have seen the best of 2019 and that returns from here will be more laboured. We implemented the move in credit through a reduction in AXA US Short Duration High Yield, Muzinich Short Duration High Yield, Wellington Global Investment Grade Credit and PIMCO Global Investment Grade Fund. The proceeds were reinvested in the Vanguard US Government Bond Index.

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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