



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 IV

INVESTMENT MANAGER

Nedgroup Investments (IOM) Limited; licensed by the Isle of Man Financial Services Authority to provide collective investment scheme services.

APPROPRIATE TERM:

Minimum 3 - 5 years

MARKET VALUE:

\$225.2m

CURRENCIES AVAILABLE AND PRICES:

USD Class A: \$1.3604

USD Class B: \$12.7049

GBP Class A: £11.0342

GBP Class B: £12.6967

Value and prices as at 29 September 2017

INCEPTION DATE: 19 August 2011

MINIMUM INVESTMENTS:

Class A: \$1,500 / £1,000

Class B: \$250,000 / £150,000

FEES AND CHARGES (VAT incl)*

Management fee Class A: 1.40% p.a

Management fee Class B: 1.00% p.a

ON-GOING CHARGES (as at 31 July 2017)²

Class A: 2.12%

Class B: 1.72%

DEALING:

Daily

NOTICE PERIODS:

Subscriptions: Noon T-1

Redemptions: Noon T-1

SETTLEMENT PERIODS:

Subscriptions: T+2

Redemptions: T+5

ISIN / SEDOL:

Class A USD: IE00B5SHBV53 / B5SHBV5

Class B USD: IE00B3NHHD07 / B3NHHD0

Class A GBP: IE00B57XK066 / B57XK06

Class B GBP: IE00B41F9717 / B41F971

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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.

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 ¹

PERIOD	USD	USD PEER GROUP	USD LIBID 3 MONTH		GBP	GBP PEER GROUP	GBP LIBID 3 MONTH	
	%	%	+1%	+3%	%	%	+1%	+3%
3 Months	1.9%	2.0%	0.5%	1.0%	0.5%	0.7%	0.3%	0.8%
6 Months	4.4%	4.1%	1.1%	2.1%	1.4%	1.3%	0.6%	1.6%
1 Year	7.5%	6.2%	2.0%	4.0%	5.4%	4.3%	1.2%	3.2%
3 Years Ann	2.9%	2.5%	1.6%	3.6%	4.8%	4.6%	1.4%	3.4%
5 Years Ann	3.8%	3.2%	1.4%	3.4%	4.4%	4.0%	1.4%	3.4%
Year to date	7.6%	7.3%	1.6%	3.1%	3.9%	3.7%	0.9%	2.4%
2016	3.0%	2.3%	1.6%	3.7%	9.0%	8.5%	1.4%	3.4%
2015	-2.5%	-2.1%	1.2%	3.2%	-0.6%	-0.2%	1.5%	3.5%
2014	3.3%	2.1%	1.1%	3.1%	5.5%	4.4%	1.4%	3.4%
2013	7.3%	5.7%	1.1%	3.1%	3.8%	2.5%	1.4%	3.4%
2012	6.7%	7.4%	1.3%	3.3%	6.7%	7.2%	1.7%	3.7%
Lowest 1 yr return	-7.6%				-4.3%			
Highest 1yr return	10.8%				12.8%			
Since inception *	3.7%	3.3%	1.4%	3.4%	4.2%	3.8%	1.4%	3.4%

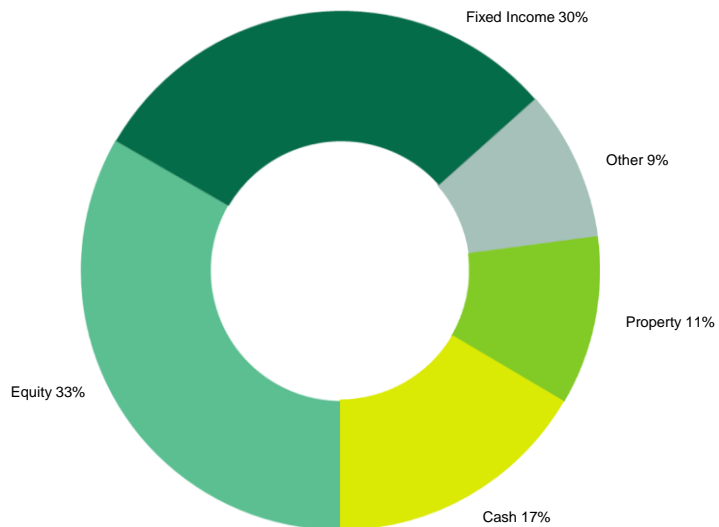
Performance of Class A net of fees. Inception 19 August 2011. * Since inception annualised.

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 USD	FUND GBP
Annualised volatility	6.5%	6.1%
Sharpe ratio (annualised)	0.51	0.62
Lowest monthly return	-5.1%	-4.8%

PORTFOLIO STRUCTURE



*Class A includes a trail fee of 0.75%
Class B includes a trail fee of 0.50%

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.

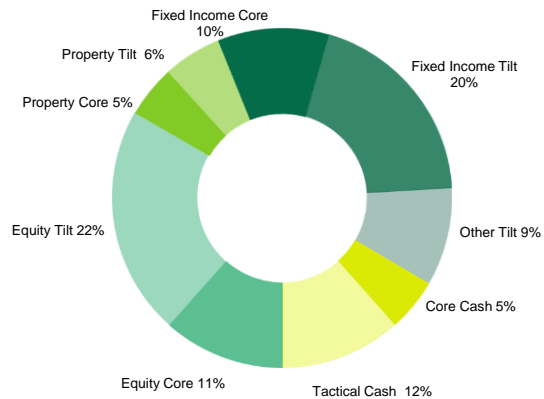
2) The on-going fee is a measure of the actual expenses incurred in the management of the Classes of the Sub-Fund. The on-going fee shown is expressed as a percentage of the monthly average value of the portfolio calculated over a 12-month period as at the date shown. The current on-going fee cannot 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		33.4%
Vanguard Global Stock Index	Core	8.6%
Vanguard Emerging Markets Stock	Core	2.9%
Nedgroup Global Equity Fund	Tilt	5.5%
Dodge & Cox Global Stock Fund	Tilt	5.0%
TOBAM Anti-Benchmark World Equity	Tilt	4.0%
Morgan Stanley Global Brands	Tilt	2.9%
Coronation Global Emerging Markets	Tilt	2.2%
Allianz Global Small Cap Equity	Tilt	2.2%
PROPERTY		10.6%
Nedgroup Global Property Fund	Core	4.9%
F&C Commercial Property Trust	Tilt	3.2%
Impact Healthcare REIT	Tilt	1.5%
Standard Life Investment Property Income	Tilt	1.0%
FIXED INCOME		30.1%
Wellington Global Credit Plus	Core	5.3%
PIMCO Global IG Credit	Core	5.2%
AXA US Short Duration High Yield	Tilt	8.1%
Franklin Templeton Global Total Return	Tilt	4.8%
Muzinich Short Duration High Yield	Tilt	4.2%
Kames High Yield Global Bond	Tilt	2.6%
OTHER		9.4%
SQN Asset Finance Income Fund C Shares	Tilt	2.6%
Greencoat UK Wind	Tilt	2.4%
John Laing Environmental Assets Group	Tilt	1.2%
3i Infrastructure Plc	Tilt	1.2%
Greencoat Renewables	Tilt	1.1%
GCP Asset Backed Income Fund	Tilt	1.0%
CASH		16.5%
BlackRock Institutional USD Liquidity Fund / Cash	Core	5.0%
	Tilt/Tactical	11.5%
TOTAL		100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY



EQUITY COMPONENT ³

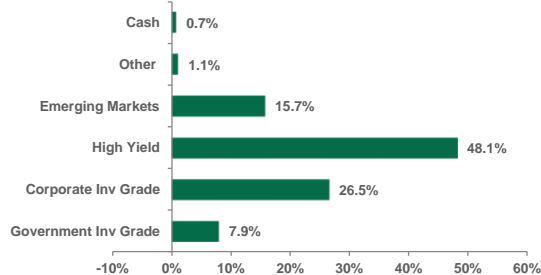
TOP TEN UNDERLYING HOLDINGS	
Microsoft	1.7%
Comcast	1.3%
Alphabet	1.3%
Charter Communications	1.1%
Naspers	1.1%
Baidu	1.1%
American Express	0.9%
Unilever	0.9%
UnitedHealth Group	0.9%
Airbus	0.9%
TOTAL	11.3%

COUNTRY ALLOCATION	
USA	47.0%
Europe ex-UK	15.2%
UK	7.9%
Emerging Markets	16.6%
Pacific ex-Japan	2.8%
Japan	5.0%
Canada	2.1%
Cash	3.4%
TOTAL	100.0%

SECTOR ALLOCATION	
Information Technology	17.5%
Consumer Discretionary	15.7%
Financials	14.9%
Health Care	13.0%
Consumer Staples	11.4%
Industrials	10.7%
Materials	4.0%
Energy	3.5%
Telecommunication Services	2.0%
Real Estate	2.0%
Utilities	2.0%
Cash	3.4%
TOTAL	100.0%

FIXED INCOME COMPONENT ³

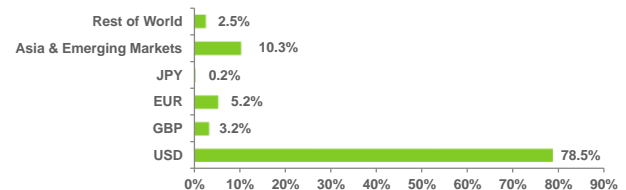
CATEGORY ALLOCATION



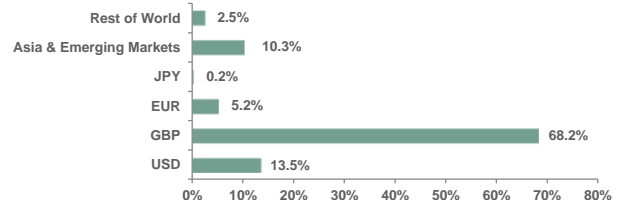
YIELD	
Yield To Maturity	4.5%
Average Weighted Maturity (in years)	5.9
Average Modified Duration (in years)	3.5

CURRENCY EXPOSURE ³

USD SHARE CLASS



GBP SHARE CLASS ⁴



³ Source: Underlying managers. Data point 31 August 2017
 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

Whilst economic news flow continued to be relatively encouraging through September, political events were more mixed, with the United States and North Korea continuing to trade threats and insults over the latter's nuclear missile program. In Europe, Merkel won the German general election, but was seriously wounded by a sharp decline in support for her CDU party and by the SPD's decision to withdraw from her coalition. As a result, Merkel has been forced to try and forge a more tenuous and weaker alliance with the Greens and the FDP. On other issues, the Brexit talks reached an impasse, but were then rebooted by a speech from Theresa May in which she offered a more conciliatory tone and some important concessions. However, whilst the speech was enough to get the two sides talking again, the EU and the UK still appear to be very far apart on a number of key issues. Central bank talk was mostly focused on how improving global economic activity is likely to prompt a gradual policy shift towards a less accommodative stance. As a result, interest rate expectations shifted higher, and most analysts concluded that the Bank of England will likely raise rates in November, with the Federal Reserve following suit in December. On a related topic, the Federal Reserve also outlined plans to start reducing its bond holdings, whilst the European Central Bank hinted at its intent to further scale back its quantitative easing program.

Over the month as a whole, the tone of financial markets was broadly positive, with riskier assets tending to outperform so-called safe havens. In US dollar terms, the MSCI All Country World Index advanced by +1.9%. Amongst the major countries and regions, Europe ex UK (+3.3%) and the UK (+3.3%) were the best performers, whilst Asia ex Japan (-0.1%) and the Emerging Markets (-0.4%) were the weakest. Cyclical outperformed defensives, with Energy (+8.1%) being the strongest sector as it was boosted by a rising oil price, whilst the more bond sensitive areas, such as Utilities (-2.2%), Consumer Staples (-0.9%) and Real Estate (-0.5%), all lost ground. Finally, in terms of style, Value (+2.5%) outpaced Growth (+1.5%), whilst Smaller Companies (+3.5%) fared better than Larger Companies (+1.9%).

The shift in investor preference away from safe havens and towards risk assets saw a divergence across the various fixed income sub-sectors. The rise in interest rates caused the JP Morgan Global Government Bond Index to fall -0.7%, whilst, despite a narrowing of credit spreads, the Merrill Lynch Global Investment Grade Corporate bond Index (-0.3%) also lost ground. Conversely, lower quality credit bucked the trend, with the Merrill Lynch Global High Yield Index rising +0.8%. Elsewhere, bonds issued by developing world sovereigns were broadly flat, as reflected by the JP Morgan Emerging Market Bond Index, which delivered 0.0% (all returns in hedged to US dollar terms).

The Bloomberg Commodity Index was little changed at -0.1%, although this modest move masked quite a bit of divergence and volatility at the sub-sector level. Over the month, we saw very strong returns from Crude Oil (+7.8%) in response to rising demand and falling inventories. However, safe haven Gold (-2.7%) lost some of its lustre, whilst Industrial Metals (-3.8%) also fell sharply.

On the foreign exchange markets, the US dollar regained some composure as it rose against most currencies. The main factors underpinning the dollar were firm economic data and the shift in interest rate expectations relating to the winding down of the Federal Reserve's balance sheet and a potential rate hike in December. However, the pound managed to do even better than the US dollar as it too was boosted by better than expected economic data and a strong steer from the Governor of the Bank of England warning that a UK rate rise was imminent.

Notes: All monthly data is quoted in US dollar terms unless otherwise stated.

PORTFOLIO COMMENTARY

The Nedgroup Investments Balanced MultiFund rose by +0.5% during September.

Within equities, the best performing funds were Allianz Global Small Cap Equity (+4.5%) and Dodge & Cox Global Stock Fund (+3.1%). Allianz's performance reflected the strong rally in small cap stocks, whilst the strength of Energy and Financials supported Dodge & Cox, given the fund's tilts to these areas. At the other end of the spectrum, Nedgroup Global Equity (+0.1%) was negatively impacted by stock specific news, whilst Morgan Stanley Global Brands (-0.1%) also lagged due to its bias towards Consumer Staples, which failed to keep up with the outperforming cyclical sectors over the month.

Within fixed income, the tilt towards shorter maturity credit (especially sub-investment grade) helped to protect the portfolio from losses, as government bond yields rose (prices fell) over September. Kames High Yield Global Bond (+0.7%), Muzinich Short Duration High Yield (+0.4%) and AXA US Short Duration High Yield (+0.1%) all generated positive returns as sub-investment grade credit outperformed. In contrast, higher quality and longer maturity funds, such as PIMCO Global Investment Grade Credit (-0.1%) and Wellington Global Credit Plus (-0.1%) dipped slightly. Elsewhere, Franklin Templeton Global Total Return (+1.7%) benefited from a number of its developed market currency positions, which gained in value as the US dollar strengthened on expectations of a December Fed rate hike.

In other asset classes, rising government bond yields hindered Nedgroup Global Property Fund (-0.5%), whilst exposure to UK commercial property was broadly positive, with Standard Life Property Income Trust (+1.7%) and Impact Healthcare (+0.5%) both rising, whilst F&C Commercial Property Trust (-0.5%) declined a little. Elsewhere, returns on our infrastructure holdings were mixed, with Greencoat UK Wind (-1.2%) and 3i Infrastructure (-1.4%) losing some ground, whilst Greencoat Renewables (+0.5%) and John Laing Environmental Assets (+1.6%) advanced. Finally, our allocation to asset-backed financing was positive, with SQN Asset Finance Income Fund (+2.2%) and GCP Asset Backed Income (+1.4%) both increasing in value. SQN was supported by news that the US International Trade Commission (ITC) had ruled in favour of Suniva (SQN's non-performing credit) on the case it brought regarding unfair foreign solar panel dumping. The ITC has until the middle of November to put a recommendation to President Trump that will probably call for protection for US solar cell manufacturers, most likely in the form of import tariffs on foreign panels. If Trump signs-off on these remedies, then Suniva's trading position should be restored, and the credit should start performing again.

In terms of portfolio activity, we decided to rebalance the risks within the portfolio by reducing exposure to fixed income and modestly increasing equities with a focus on the better valued non-US and emerging markets (which we prefer to the richly priced US equity market). Whilst both credit and equities have performed ahead of our expectations in 2017, we believe equities offer better relative value than bonds. Fixed income yields are now low, and the asset class could come under pressure in the event that rates continue to rise. In our view, central bank policy has influenced all asset classes, but we see the biggest distortions in fixed income, and therefore wanted to reflect this by making fixed income our largest underweight. However, it should be noted that the higher than normal cash positions remain unchanged, being held in reserve in case a period of weakness provides an opportunity to reinvest at more compelling valuations.

Note: All returns are quoted in US dollars.

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.

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

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