

NEDGROUP INVESTMENTS INCOME MULTIFUND - ACCUMULATING

June 2018

Class A



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.

GENERAL INFORMATION

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: £45.7m

CURRENCIES AVAILABLE AND PRICES:

GBP Class A: £11.8731

USD Class A: \$11.7146

Value and prices as at 29 June 2018

INCEPTION DATE: 26 January 2012

MINIMUM INVESTMENTS:

Class A: £1,000 / \$1,500

FEES AND CHARGES (VAT incl)*

Management fee Class A: 1.25% p.a

ON-GOING CHARGES (as at 30 May 2018)²

Class A: 2.01%

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 A Dist: 4.53%

Based on last four quarterly distributions as a percentage of current share price. Last dividend 28 June 2018

ISIN / SEDOL:

Class A Acc GBP: IE00B5LK1C25 / B5LK1C2

Class A Acc USD: IE00B4Q8PM21 / B4Q8PM2

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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	0.1%	-0.7%	0.1%	0.5%	-0.4%	0.6%
6 Months	-1.1%	-1.7%	0.3%	-0.4%	-0.7%	1.0%
1 Year	-0.7%	-1.2%	0.4%	0.5%	0.6%	1.7%
3 Years	1.3%	1.6%	0.4%	1.8%	1.6%	1.0%
5 Years	2.1%	2.0%	0.4%	2.2%	1.8%	0.6%
YTD	-1.1%	-1.7%	0.3%	-0.4%	-0.7%	1.0%
2017	2.2%	1.6%	0.2%	3.1%	3.5%	1.2%
2016	4.9%	4.8%	0.4%	5.0%	2.2%	0.6%
2015	-0.7%	-0.2%	0.5%	-1.2%	-0.2%	0.2%
2014	2.4%	5.6%	0.4%	1.8%	3.6%	0.1%
2013	2.6%	-2.3%	0.4%	2.1%	-0.9%	0.1%
2012	7.4%	4.8%	0.6%	5.9%	4.0%	0.2%
Lowest 1 yr return	-3.6%			-4.0%		
Highest 1 yr return	7.5%			7.3%		
Since inception *	2.7%	1.9%	0.5%	2.6%	1.8%	0.6%

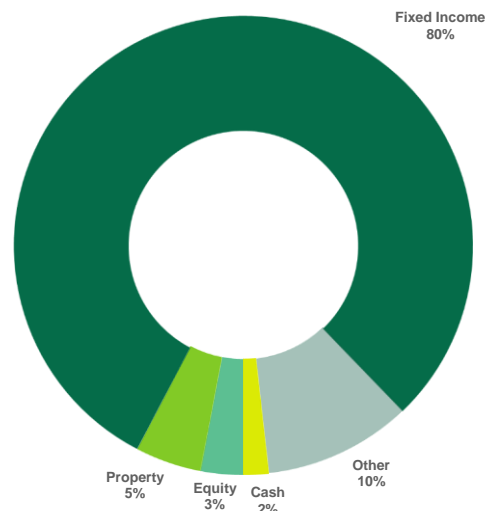
Class A performance net of fees. * Since inception annualised.

GBP Peer Group is Morningstar Global Bonds – GBP Hedged. USD Peer Group is Morningstar Global Bonds – USD Hedged.

RISK MEASURE

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised Volatility	2.5%	2.5%
Sharpe Ratio (annualised)	0.91	0.80
Lowest Monthly Return	-1.7%	-1.8%

PORFOLIO STRUCTURE



* 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 SubFund. 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.

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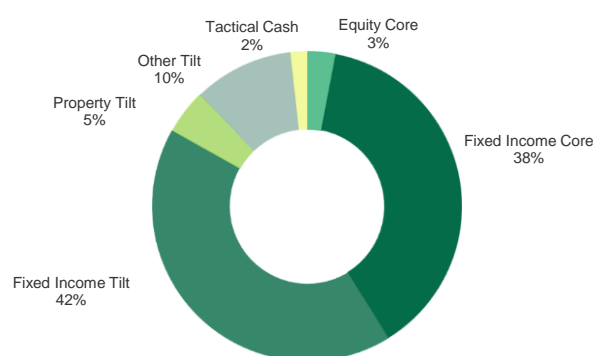
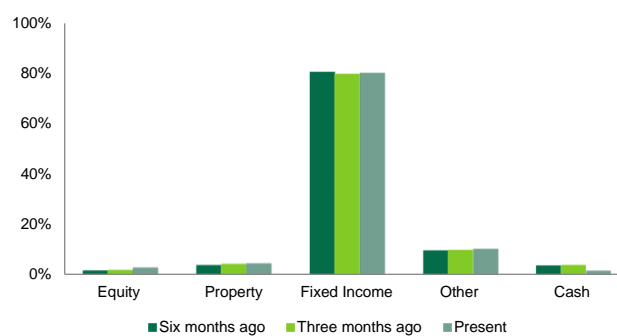


TOTAL PORTFOLIO ANALYSIS

FULL PORTFOLIO LISTING

EQUITY INCOME			3.0%
iShares UK FTSE Dividend Plus Fund	Core		3.0%
EQUITY PROPERTY			4.7%
F&C Commercial Property Trust	Tilt		2.2%
Target Healthcare REIT	Tilt		1.0%
Impact Healthcare REIT	Tilt		0.9%
Standard Life Investment Property Income	Tilt		0.6%
FIXED INCOME			80.2%
PIMCO Global IG Credit	Core		16.9%
Wellington Global Credit Plus	Core		13.1%
AXA US Short Duration High Yield	Tilt		12.0%
Muzinich Short Duration High Yield	Tilt		12.0%
Vanguard US Government Bond Index Fund	Core		8.2%
Franklin Templeton Global Total Return	Tilt		8.0%
Kames Short Dated High Yield Global Bond	Tilt		7.0%
Kames High Yield Global Bond	Tilt		3.0%
OTHER			10.4%
Greencoat UK Wind	Tilt		3.0%
John Laing Environmental Assets Group	Tilt		2.0%
SQN Asset Finance Income Fund C Shares	Tilt		1.9%
GCP Asset Backed Income Fund	Tilt		1.5%
3i Infrastructure Plc	Tilt		1.1%
Greencoat Renewables	Tilt		0.9%
CASH			1.8%
Cash	Tilt/Tactical		1.8%
TOTAL			100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY



FIXED INCOME COMPONENT³

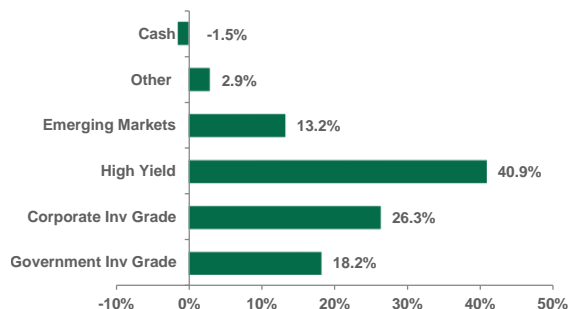
CREDIT RATING		
AAA		20.4%
AA		3.6%
A		13.0%
BBB		17.6%
< BBB		45.4%
TOTAL		100.0%

MATURITY		
< 3 year		26.4%
3-5 years		35.8%
5-10 years		27.7%
> 10 years		10.0%
TOTAL		100.0%

REGIONAL ALLOCATION³

USA	53.9%
UK	24.5%
Europe ex UK	7.7%
Emerging Markets	11.3%
Rest of the World	1.8%
Asia Pacific ex Japan	0.7%
Japan	0.1%
TOTAL	100.0%

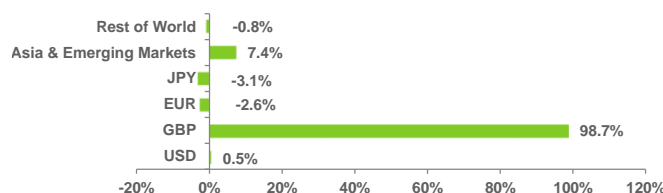
SECTOR ALLOCATION



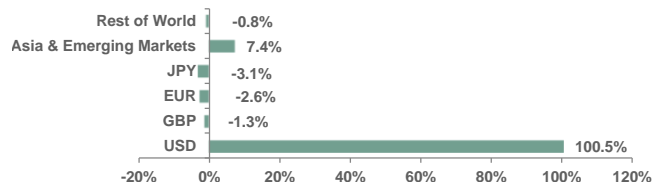
PORTFOLIO YIELD	
Effective Yield	4.8%
Average Weighted Maturity (in years)	5.9
Average Modified Duration (in years)	4.0

CURRENCY EXPOSURE³

GBP SHARE CLASS



USD SHARE CLASS



³) Source: Underlying managers. Data point 31 May 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

Despite the fact that global forecasts for GDP and corporate earnings remain robust, investors were generally more risk averse during June. The main talking point continued to be the deterioration in trade relations between the US and most other countries, with President Trump upping the ante on all fronts. The first tariffs, on US\$50bn worth of Chinese exports to the US, will be enacted on the 6th July, and Trump has threatened to extend protectionism to exports from other countries, such as the EU. In response, the EU has said it will retaliate by enforcing tariffs on US exports to Europe, such as Harley Davidson motor bikes and Jack Daniels whiskey. More recently, Trump stated he would escalate the spat further by extending levies on an additional US\$400bn of Chinese exports to the US, along with other measures targeting non-US auto exports worth up to US\$360bn. Naturally, all these threats and counter-threats did little for investor confidence, causing volatility to rise and economically sensitive assets to sell off.

Central banks also made the headlines, with growing policy divergence contributing to uncertainty. Whilst the Federal Reserve raised interest rates and sounded a little more hawkish than in previous speeches, Mario Draghi and the European Central Bank responded to worries about Italy and signs of a slowdown in the EU economy by leaving policy unchanged and generally making dovish statements. The Bank of England also left interest rates unchanged as it wrestled with Brexit related uncertainty.

In Europe, the financial markets remained wary about the future plans of the new Five Star / Lega coalition government, whilst the Brexit talks continued to give all the appearance of being a complete shambles on the part of the UK government. With the Cabinet, Parliament and whole country hopelessly split down the middle on the best route forward, it appears that the Prime Minister is unable to determine what kind of a future relationship she wants with the EU. As the clock ticks, business and consumer confidence is waning, undermining both the pound and the UK economic outlook.

Performance across fixed income markets was mixed, with high quality sovereign bonds benefiting from their safe haven status, whilst riskier segments generally declined in value. Against this background, the JP Morgan Global Government Bond Index rose +0.2%, whilst the Merrill Lynch Global Corporate Investment Grade Bond Index lost -0.5%, the Merrill Lynch Global High Yield index lost -0.2%, and the JP Morgan Emerging Market Bond Index slipped -1.1% (all returns in hedged to GBP terms).

Over June, the MSCI AC World Index rose +0.2% in sterling terms, boosted largely by the weakness of the pound. With Trump fuelling trade tensions, Emerging Markets (-3.4%) and Asia ex Japan (-4.1%) were under severe pressure, whilst developed markets, such as the US (+1.4%), Europe ex-UK (+0.2%) and the UK (-0.2%) generally held up better. Increased risk aversion also meant economically sensitive sectors tended to underperform stable earners, with Financials (-1.6%), Industrials (-2.1%) and Materials (-1.0%) all struggling, whilst Consumer Staples (+3.0%), Utilities (+2.1%) and Healthcare (+2.0%) all rose.

The better relative performance of the US economy, along with expectations of further increases in US interest rates, saw capital flowing towards the dollar, which rose against most of the currencies we monitor. The fortunes of the pound were more mixed, as it slipped by -0.7% versus the dollar and -0.6% against the euro. Elsewhere, emerging market currencies were quite weak, with the Brazilian real (-3.2%), the Chinese yuan (-2.6%) and the South African rand (-7.3%) all sharply lower versus the pound.

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

PORTFOLIO COMMENTARY

The Nedgroup Investments Income MultiFund was flat (0.0%) during June.

Within fixed income, the portfolio's bias towards corporate credit was a slight headwind. The impact was felt mostly in the higher quality investment grade credit funds, with PIMCO Global Investment Grade Corporate (-0.5%) and Wellington Global Credit Plus (-0.5%) lagging a little as spreads widened. However, performance was much better amongst the lower quality (and less interest rate sensitive) short duration high yield funds, such as AXA US Short Duration High Yield (+0.1%) and Muzinich Short Duration (+0.1%), which focus of one of the few areas that benefitted from spread tightening. Finally, Franklin Templeton Global Total Return (-1.5%) was negatively impacted by its exposure to emerging markets bonds and currencies, which were under pressure over worries about the detrimental impact of rising US interest rates and a stronger dollar.

In other asset classes, falling equity markets meant the small exposure to high dividend paying stocks through the iShares UK Dividend Fund (-0.1%) was a slight negative. However, UK commercial property was helpful in aggregate as F&C Commercial Property Trust (+4.6%) rose strongly and Standard Life Property Income Trust (-1.2%), Impact Healthcare (-0.5%) and Target Healthcare (+0.5%) broadly offset

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June 2018

International Range



each other. Infrastructure also performed well as Greencoat Renewables (+4.5%), Greencoat UK Wind (+3.5%) and John Laing Environmental Assets (+3.8%) all benefitted from rising electricity prices. Finally, the allocation to asset-backed finance was also positive, with both GCP Asset Backed Income (+1.0%) and SQN Asset Finance Income Fund C-Shares (+0.2%) both making gains over on the month.

In terms of portfolio activity, there were no material strategy changes made over the month.

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.

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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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