

**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. The portfolio may be subject to currency fluctuations due to its international exposure.

**GENERAL INFORMATION**

**BENCHMARK:**

3 month LIBID +3% to 5% over 5 to 7 years

**PEER GROUP:**

Morningstar Aggressive Allocation USD

**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 5 - 7 years

**MARKET VALUE:**

£146.8m

**CURRENCIES AVAILABLE AND PRICES**

**GBP Class C:** £14.4849

**USD Class C:** \$12.0561

Value and prices as at 28 February 2018

**INCEPTION DATE:**

**Fund:** 19 August 2011

**GBP Class:** 6 March 2013

**USD Class:** 30 December 2013

**MINIMUM INVESTMENTS:**

**Class C:** £1,000 / \$1,500

**FEES AND CHARGES (VAT incl)**

Management fee Class C: 0.50% p.a

**ON-GOING CHARGES (as at 28 Feb 2017)<sup>2</sup>**

Class C: 1.27%

**DEALING:**

Daily

**NOTICE PERIODS:**

Subscriptions: Noon T-1

Redemptions: Noon T-1

**SETTLEMENT PERIODS:**

Subscriptions: T+2

Redemptions: T+5

**ISIN / SEDOL:**

**Class C GBP:** IE00B8NXWC79 / B8NXWC7

**Class C USD:** IE00B7FH6954 / B7FH695

**CONTACT US**

Tel +44 (0) 1624 645150

Fax +44 (0) 1624 670630

Website [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com)

Email [helpdesk@nedgroupinvestments.com](mailto:helpdesk@nedgroupinvestments.com)

**MINIMUM DISCLOSURE DOCUMENT**

Please note: Differences may exist due to rounding

**FUND OBJECTIVE**

The Growth MultiFund aims to provide high levels of growth with moderate to high levels of risk and volatility over the medium to longer-term.

It is anticipated that the Growth MultiFund will achieve a return of 3-month LIBID + 3% to 5% in the currency of the relevant share class over a rolling 5 to 7 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 Growth MultiFund is suitable for clients with an investment time horizon of 5 to 7 years. Investing in the fund involves a risk to capital in order to achieve the desired return.

**FUND PERFORMANCE <sup>1</sup>**

PERIOD	GBP	GBP PEER GROUP	USD LIBID 3 MONTH		USD	USD PEER GROUP	GBP LIBID 3 MONTH	
	%	%	+3%	+5%	%	%	+3%	+5%
3 Months	0.7%	0.4%	0.8%	1.3%	1.9%	1.8%	1.2%	1.7%
6 Months	1.1%	1.7%	1.7%	2.7%	5.3%	6.0%	2.2%	3.2%
1 Year	6.3%	5.3%	3.3%	5.3%	13.1%	12.4%	4.3%	6.4%
3 Years	7.1%	6.3%	3.4%	5.4%	5.3%	4.5%	3.8%	5.8%
5 Years	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
YTD	-0.7%	-0.7%	0.6%	0.9%	0.5%	0.5%	0.8%	1.1%
2017	11.5%	9.9%	3.2%	5.2%	17.9%	16.2%	4.2%	6.2%
2016	15.0%	13.5%	3.4%	5.4%	4.6%	3.3%	3.6%	5.6%
2015	0.4%	0.6%	3.5%	5.4%	-2.6%	-2.4%	3.2%	5.2%
2014	9.2%	5.0%	3.5%	5.4%	n/a	n/a	n/a	n/a
Lowest 1 yr return	-5.6%				-10.8%			
Highest 1 yr return	22.6%				19.7%			
Since inception *	7.7%	6.3%	3.4%	5.4%	6.1%	5.2%	3.7%	5.7%

The performance presented is Class C performance net of fees. \* Since inception annualised

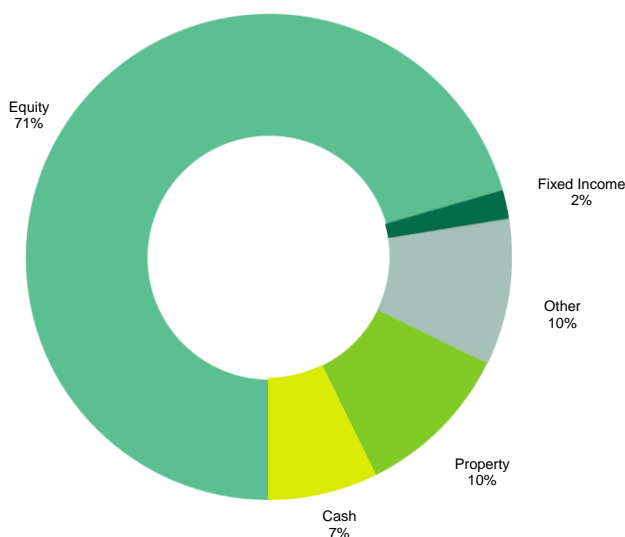
USD peer group is the Morningstar Aggressive Allocation USD. For the GBP peer group data, the same competitor universe and returns are used as for the USD data, although a 45% hedge to sterling is applied, as per the fund's GBP share class.

**RISK MEASURE**

SINCE FUND INCEPTION	FUND GBP	FUND USD
Annualised volatility	7.4%	9.4%
Sharpe ratio (annualised)	0.99	0.60
Lowest monthly return	-4.5%	-5.8%

Risk measures based on the simulated Class C performance net of fees since 19 August 2011 to date.

**PORTFOLIO STRUCTURE**



<sup>1</sup>) 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.

<sup>2</sup>) 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.

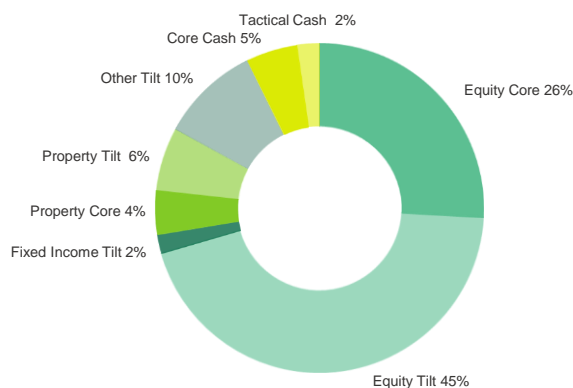


**TOTAL PORTFOLIO ANALYSIS**

FULL PORTFOLIO LISTING

EQUITY		70.6%
Vanguard Global Stock Index	Core	19.5%
Vanguard Emerging Markets Stock	Core	6.4%
Dodge & Cox Global Stock Fund	Tilt	13.5%
Nedgroup Global Equity Fund	Tilt	11.6%
TOBAM Anti-Benchmark World Equity	Tilt	6.2%
Allianz Global Small Cap Equity	Tilt	4.5%
Coronation Global Emerging Markets	Tilt	4.5%
Morgan Stanley Global Brands	Tilt	4.5%
PROPERTY		10.5%
Nedgroup Global Property Fund	Core	4.2%
F&C Commercial Property Trust	Tilt	2.7%
Impact Healthcare REIT	Tilt	1.8%
Target Healthcare REIT	Tilt	1.0%
Standard Life Investment Property Income	Tilt	0.8%
FIXED INCOME		1.9%
Franklin Templeton Global Total Return Fund	Tilt	1.9%
OTHER		9.8%
Greencoat UK Wind	Tilt	3.1%
SNQ Asset Finance Income Fund C Shares	Tilt	2.1%
3i Infrastructure Plc	Tilt	1.0%
John Laing Environmental Assets Group	Tilt	1.0%
Greencoat Renewables	Tilt	1.0%
GCP Asset Backed Income Fund	Tilt	0.9%
GCP Asset Backed Income Fund C Shares	Tilt	0.6%
CASH		7.3%
BlackRock Institutional USD Liquidity Fund / Cash	Core	5.0%
	Tilt/Tactical	2.3%
<b>TOTAL</b>		<b>100.0%</b>

CHANGES IN ASSET ALLOCATION BY STRATEGY



**EQUITY COMPONENT <sup>3</sup>**

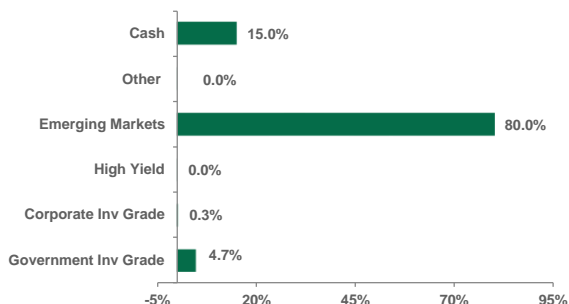
TOP TEN UNDERLYING HOLDINGS	
Microsoft	1.9%
Comcast	1.6%
Alphabet	1.4%
Airbus	1.4%
American Express	1.1%
Baidu	1.1%
Naspers	1.1%
Charter Communications	1.0%
UnitedHealth Group	0.9%
Express Scripts	0.9%
<b>TOTAL</b>	<b>12.4%</b>

COUNTRY ALLOCATION	
USA	47.6%
Europe ex-UK	15.5%
UK	7.5%
Emerging Markets	17.1%
Pacific ex-Japan	2.7%
Japan	4.9%
Canada	1.9%
Cash	2.8%
<b>TOTAL</b>	<b>100.0%</b>

SECTOR ALLOCATION	
Information Technology	17.4%
Financials	17.1%
Consumer Discretionary	14.9%
Health Care	13.6%
Industrials	10.6%
Consumer Staples	9.5%
Energy	4.2%
Materials	4.1%
Telecommunication Services	2.1%
Real Estate	1.9%
Utilities	1.8%
Cash	2.8%
<b>TOTAL</b>	<b>100.0%</b>

**FIXED INCOME COMPONENT <sup>3</sup>**

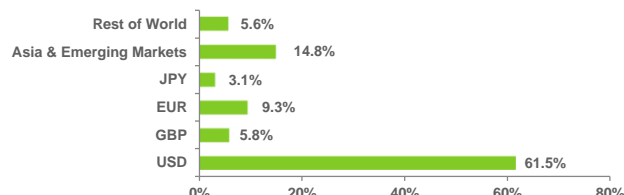
CATEGORY ALLOCATION



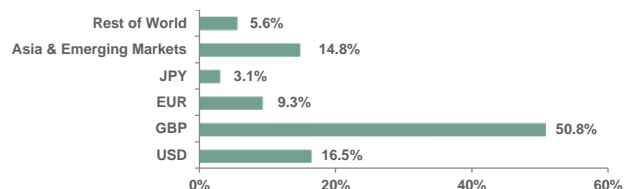
YIELD	
Yield To Maturity	8.9%
Average Weighted Maturity (in years)	3.1
Average Modified Duration (in years)	0.1

**CURRENCY EXPOSURE <sup>3</sup>**

USD SHARE CLASS



GBP SHARE CLASS <sup>4</sup>



3) Source: Underlying managers. Data point 31 January 2018  
 Data point for underlying fund information on a look-through basis is one month in arrears.  
 4) For the sterling Hedged share class a 45% hedge to sterling is applied

## INVESTMENT MANAGER COMMENTARY

## MARKET COMMENTARY

Nedgroup Investments (IOM) Ltd  
Investment Manager and Distributor

Having sat through a prolonged period of incredibly low volatility across all asset classes over the past couple of years, February will be remembered as being the moment volatility finally returned to markets. Indeed, having averaged just over 11 since the start of 2017 until the end of January 2018, the VIX averaged 22 in February, whilst briefly spiking to 50 on February 6<sup>th</sup>. The last time we witnessed such an elevated reading on the VIX Index was 2009, so it's hard to exaggerate how dramatic this change was. In rationalising these moves, commentators pointed to a higher than expected US wage inflation data point (2.9 percent year-on-year) as the original catalyst, although the situation was made much more serious by a violent short squeeze on the VIX Index that triggered the forced de-risking and/or closure of a handful of leveraged derivative products engaged in forward selling VIX futures contracts. Since this disruption was so violent, it then contaminated other markets as risk aversion spread more broadly.

Against this background equities had quite a weak month, with the MSCI AC World falling -4.2% in US dollar terms. The most resilient markets were Japan (-1.5%) and the US (-3.7%), whilst the softest were the UK (-6.4%) and Europe ex UK (-5.7%). At the sector level, there was little to choose between the more cyclical and defensive areas, although Information Technology (-1.1%) and Consumer Discretionary (-3.5%) held up better than most, whilst Energy (-8.1%), Real Estate (-6.8%) and Consumer Staples (-6.6%) underperformed. In terms of style, Growth (-3.4%) outpaced Value (-5.0%), whilst Small Caps (-4.0%) did marginally better than Large Caps (-4.2%).

Bonds tended to outperform equities, largely in response to a marked flight to safety. As is normally the case when risk aversion spikes, government bonds outperformed corporate and emerging market bonds as credit spreads on riskier bonds generally widened. Over the month, the JP Morgan Global Government Bond Index was flat (0.0%), whilst the Merrill Lynch Global Corporate Investment Grade Index fell -0.9%, the Merrill Lynch Global High Yield Index declined -0.8% and the JP Morgan Emerging Market Bond Index gave up -2.0% (all returns in hedged to US dollar terms).

Commodities generally followed risk assets lower, with the Bloomberg Commodities Index posting a fall of -1.7% in US dollars. Part of this decline was just a reaction to the strengthening of the US dollar. Even so, Crude Oil fell -4.1%, Gold declined -1.8% and Industrial Metals lost -2.2% in US dollar terms. Only Agriculture bucked the trend, as it rose +4.7%.

Increased volatility saw the Japanese yen play its traditional role as a safe haven, whilst the US dollar was also strong against most currencies. Through February, the yen rose by +2.4% versus the US dollar, whilst the US dollar itself advanced by +1.7% against the euro, +2.9% relative to the pound and +4.0% versus the Canadian dollar. One other currency that stood out for its strength was the South African rand (+0.9% versus the US dollar), which benefitted greatly from Zuma's resignation of the SA Presidency in favour of Cyril Ramaphosa.

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

## PORTFOLIO COMMENTARY

The Nedgroup Investments Growth MultiFund fell by -1.5% during February.

Within equities, the best performing (or least negative) active funds were Allianz Global Small Cap (-1.4%) and TOBAM Anti-Benchmark World Equity (-1.6%), with both benefiting from their exposure to outperforming smaller and medium sized stocks. At the other end of the spectrum, Dodge & Cox Global Stock (-3.6%) and Coronation Global Emerging Markets (-4.5%) were held back by their biases towards cyclical stocks, which marginally underperformed defensives.

In other asset classes, Nedgroup Global Property Fund (-3.8%) declined with the broader REIT market as both falling equity markets and rising bond yields took a toll. UK commercial property held up better, although it was not completely immune to the general decline in risk assets, with Impact Healthcare down -0.5%, Standard Life Property Income Trust down -1.2% and F&C Commercial Property Trust down -2.0%. Infrastructure was mixed, with Greencoat UK Wind up +2.9%, although this was offset by declines in Greencoat Renewables (-1.1%), 3i Infrastructure (-2.1%), and John Laing Environmental Assets (-3.3%), which, as income oriented investments, weren't helped by rising bond yields. Finally, the allocation to asset-backed finance also succumbed to the tougher market conditions, as both GCP Asset Backed Income (-3.4%) and SQN Asset Finance Income Fund C-Shares (-4.2%) declined.

In terms of portfolio activity, we reduced mainstream UK commercial property in favour of less cyclical social care homes. This was implemented through a new investment trust holding called Target Healthcare REIT. We believe the UK care home market provides attractive opportunities given the demographically driven growth in demand for care home beds. Cash flows are supported by very long-term leases and stable rent payments which benefit from annual inflation-linked uplifts.

Note: All returns are quoted on a partially hedged or hedged to GBP 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](http://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](http://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](http://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.

### 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](mailto:helpdesk@nedgroupinvestments.com)

Website: [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com)

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