NEDGROUP INVESTMENTS MULTIFUNDS PLC

BALANCED MULTIFUND CLASS A

NEDBANK PRIVATE WEALTH SINCE 1834

September 2021 Factsheet

SYNTHETIC RISK REWARD INDICATOR

Lower risk						Higher risk
1	2	3	**4**	5	6	7
Typically lower rewards						Typically higher rewards

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

PERFORMANCE INDICATOR: 3 month LIBID + 1% to 3% over a minimum 3 years

APPROPRIATE TERM: Minimum 3 years

PEER GROUP: 50/50 average of the Morningstar Moderate Allocation USD and Morningstar Cautious Allocation USD

INVESTMENT MANAGER: Nedgroup Investments (IOM) Limited; licensed by the Isle of Man Financial Services Authority.
An Isle of Man based fund manager providing investment management services to assets in excess of USD 5bn. Licensed by the Isle of Man Financial Services Authority.

FUND LEGAL STRUCTURE: Irish OEIC UCITS IV

INCEPTION DATE: 19 August 2011
MARKET VALUE: USD 265.2m

PRICES (as at 30 September 2021)

USD CLASS A:	USD 1.6167
USD CLASS B:	USD 15.3424
GBP CLASS A:	GBP 12.5904
GBP CLASS B:	GBP 14.7261

MANAGEMENT FEE CLASS A: 1.40% p.a.

MANAGEMENT FEE CLASS B: 1.00% p.a.

ON-GOING CHARGES (as at 30 September 2021)[2]

USD Class A: 2.17%	GBP Class A: 2.21%
USD Class B: 1.77%	GBP Class B: 1.81%

MINIMUM INVESTMENT CLASS A
USD 1,500/ GBP 1,000
MINIMUM INVESTMENT CLASS B
USD 250,000 / GBP 150,000

DEALING

Daily

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

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

ISIN / SEDOL
CLASS A USD: IE00B5SHBV53 / B5SHBV5
CLASS B USD: IE00B3NHHD07 / B3NHHD0
CLASS A GBP: IE00B57XK066 / B57XK06
CLASS B GBP: IE00B41F9717 / B41F971

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.
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 LIBID +1% to 3% over a minimum three years.

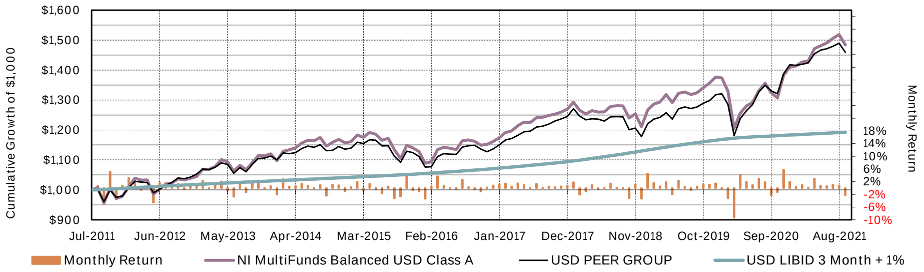
SUITABILITY & RISK AND REWARD

The Balanced 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.

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.

Portfolio construction combines exposures to active fund managers, who are expected to outperform their defined benchmarks and passive investment vehicles which provide low cost access to markets. This blend of active and passive funds is used to create a competitively priced investment solution.

FUND PERFORMANCE [1]



Class A USD monthly returns and cumulative growth of $1,000

DISCRETE YEAR PERFORMANCE % CHANGE NET OF FEES [1]

SINCE FUND INCEPTION (19 August 2011)	FUND USD	USD PEER GROUP	3 Month LIBID		FUND GBP	GBP PEER GROUP	3 Month LIBID	
	%	%	USD LIBID 3 month + 1%	USD LIBID 3 month + 3%	%	%	GBP LIBID 3 month + 1%	GBP LIBID 3 month + 3%
2020	2.4%	7.6%	1.5%	3.5%	0.1%	5.6%	1.2%	3.2%
2019	13.6%	11.8%	3.2%	5.2%	10.7%	8.9%	1.7%	3.7%
2018	-4.6%	-5.4%	3.3%	5.3%	-3.6%	-4.5%	1.6%	3.6%
2017	9.3%	9.5%	2.2%	4.2%	5.0%	5.3%	1.2%	3.2%
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%

CUMULATIVE AND ANNUALISED PERFORMANCE % CHANGE NET OF FEES [1]

SINCE FUND INCEPTION (19 August 2011)	FUND USD	USD PEER GROUP	3 Month LIBID		FUND GBP	GBP PEER GROUP	3 Month LIBID	
	%	%	USD LIBID 3 month + 1%	USD LIBID 3 month + 3%	%	%	GBP LIBID 3 month + 1%	GBP LIBID 3 month + 3%
1 Month	-2.3%	-2.1%	0.1%	0.2%	-1.6%	-1.4%	0.1%	0.2%
6 Months	3.8%	2.5%	0.5%	1.5%	4.5%	3.2%	0.5%	1.5%
1 Year	12.1%	9.7%	1.0%	3.1%	10.2%	7.7%	0.9%	2.9%
3 Years Ann	5.0%	5.5%	2.1%	4.1%	3.7%	4.2%	1.3%	3.3%
5 Years Ann	5.0%	4.9%	2.3%	4.3%	3.8%	3.7%	1.3%	3.4%
YTD	5.3%	2.9%	0.8%	2.3%	5.6%	3.3%	0.7%	2.2%
Since inception *	4.0%	3.8%	1.7%	3.7%	3.9%	3.7%	1.4%	3.4%
Lowest 1 yr return	-7.6%				-6.7%			
Highest 1yr return	18.6%				13.8%			

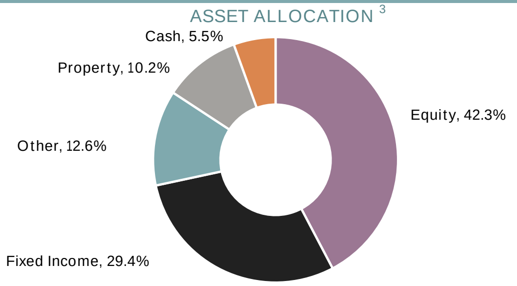
Class A performance net of fees as of 30 September 2021. * Since inception annualised.

USD peer group is a 50/50 average of the Morningstar Moderate Allocation USD and Morningstar Cautious Allocation USD . The GBP is simulated performance based on the same competitor universe and returns are used as for the USD data, although a 65% hedge to sterling is applied net of fees, as per the fund's GBP share class. Past performance is not a guide to future returns.

RISK MEASURE [3]

SINCE FUND INCEPTION	FUND USD	FUND GBP
Annualised volatility	7.2%	6.5%
Sharpe ratio (annualised)	0.45	0.53
Lowest monthly return	-9.3%	-9.0%
Maximum drawdown	-12.4%	-11.0%
Months to recover	-	-

ASSET ALLOCATION [3]



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 31 August 2021

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BALANCED MULTIFUND

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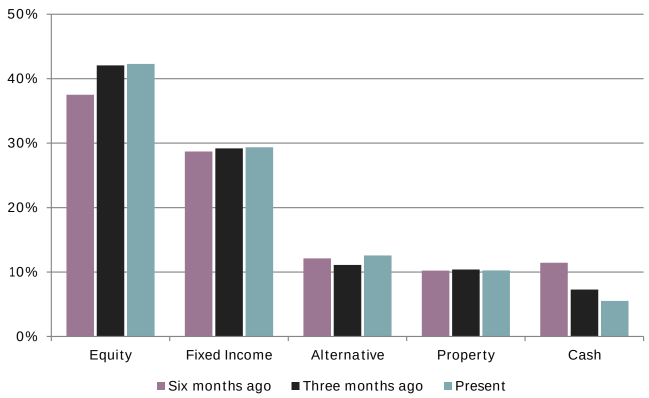
PORTFOLIO ANALYSIS

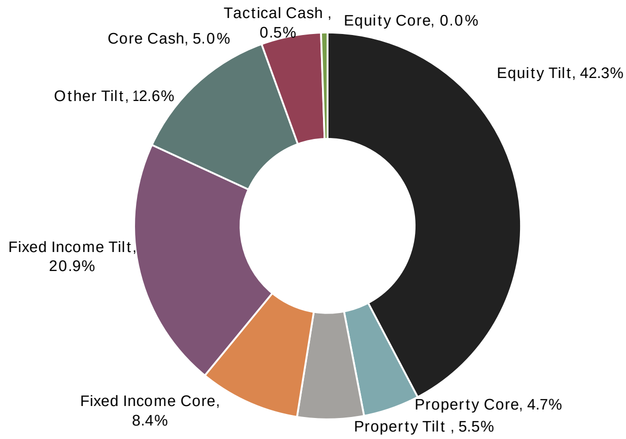
September 2021

FULL PORTFOLIO HOLDINGS

Equity		42.3%
Dodge & Cox Global Stock Fund	Tilt	6.6%
Nedgroup Global Equity Fund	Tilt	5.1%
SPDR® S&P 400 US Mid Cap ETF	Tilt	5.0%
TT Emerging Markets Equity Fund	Tilt	4.4%
iShares Core S&P 500 ETF USD Acc	Tilt	4.1%
iShares EURO STOXX Mid ETF EUR Dist	Tilt	3.9%
Morgan Stanley Global Brands	Tilt	3.1%
Fundsmith Equity Fund	Tilt	3.1%
iShares Edge MSCI Wld Val Fctr ETF $Acc	Tilt	2.5%
iShares Core MSCI Japan IMI ETF USD Acc	Tilt	1.6%
iShares FTSE 250 ETF GBP Dist	Tilt	1.5%
iShares FTSE 100 ETF GBP Acc	Tilt	1.5%
Property		10.2%
Nedgroup Global Property Fund	Core	4.7%
Target Healthcare REIT	Tilt	2.4%
BMO Commercial Property Trust	Tilt	1.9%
Impact Healthcare REIT	Tilt	1.2%
Fixed Income		29.4%
AXA US Short Duration High Yield	Tilt	6.2%
PIMCO Low Duration Global IG Credit	Tilt	6.1%
Vanguard US Government Bond Index Fund	Core	5.9%
Muzinich Short Duration High Yield	Tilt	6.1%
iShares $ Treasury Bond 1-3YR UCITS ETF	Tilt	2.6%
PIMCO Global IG Credit	Core	2.5%
Alternative		12.6%
ATLAS Global Infrastructure	Tilt	2.1%
Greencoat UK Wind	Tilt	1.8%
GCP Asset Backed Income Fund	Tilt	1.5%
3i Infrastructure Plc	Tilt	1.4%
The Renewables Infrastructure Group	Tilt	1.3%
Hipgnosis Songs Ordinary Shares	Tilt	1.2%
John Laing Environmental Assets Group	Tilt	1.1%
Greencoat Renewables	Tilt	0.8%
Round Hill Music Royalty Fund	Tilt	0.5%
Oakley Capital Investments	Tilt	0.5%
KKV Secured Loan Fund C Shares	Tilt	0.4%
Cash		5.5%
BlackRock Institutional USD Liquidity Fund / Cash	Core Tilt/Tactical	5.0% 0.5%
Total		100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY





EQUITY COMPONENT [4]

TOP TEN UNDERLYING HOLDINGS

Microsoft	2.7%
Alphabet	2.0%
Charter Communications	1.4%
Facebook	1.2%
Philip Morris	1.0%
Alibaba	0.8%
Unilever	0.8%
Thermo Fisher	0.8%
Taiwan Semiconductor	0.8%
UnitedHealth Group	0.7%
Total	12.1%

COUNTRY ALLOCATION

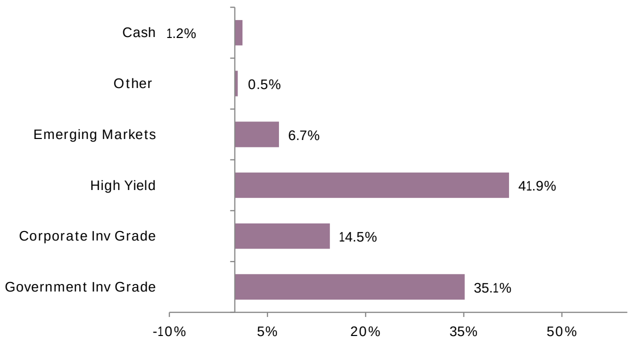
USA	50.1%
Europe ex-UK	17.6%
UK	11.5%
Emerging Markets	11.9%
Pacific ex-Japan	0.9%
Japan	5.6%
Canada	1.1%
Cash	1.3%
Total	100.0%

SECTOR ALLOCATION

Information Technology	17.8%
Health Care	15.4%
Financials	13.5%
Industrials	12.2%
Consumer Discretionary	9.3%
Communication Services	8.7%
Consumer Staples	8.2%
Materials	5.9%
Real Estate	3.1%
Energy	2.7%
Utilities	1.9%
Cash	1.3%
Total	100.0%

FIXED INCOME COMPONENT [4]

CATEGORY ALLOCATION

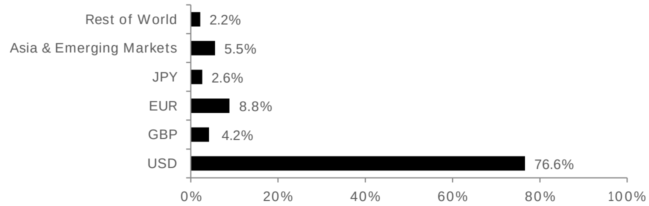


YIELD

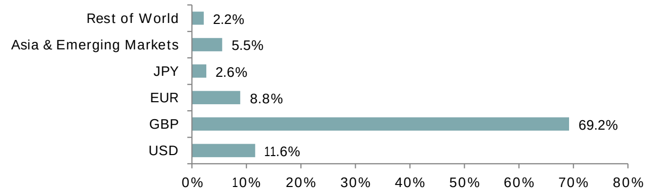
Yield To Maturity	2.5%
Average Weighted Maturity (in years)	4.2
Average Modified Duration (in years)	3.3

CURRENCY EXPOSURE [4]

USD SHARE CLASS



GBP SHARE CLASS [5]



4) Source: Underlying managers, Nedgroup Investments (IOM) Limited. Data point 31 August 2021
Data point for underlying fund information on a look-through basis is one month in arrears.
5) For the sterling Hedged share class a 65% hedge to sterling is applied

September 2021

MARKET COMMENTARY

Our base case remains intact albeit that we have seen signs of a peaking in the growth environment. We do however remain in expansionary territory. To this end the economic and corporate environment remains constructive for risk assets although this is not to say that it is overly compelling as we have to reflect on valuations within certain equity sectors looking full. But policy, particularly within developed markets, remains supportive with central banks seemingly comfortable with running economies hot for longer in order to stimulate a sustained economic recovery. We commented last time that Inflation control, for so long the raison d'etre of central banks, appears to have given way for employment support and job creation in general, with the position of more dovish central banks remaining. And when unemployment is falling equities tend to rise.

The primary risk to our view remains with the efficient unlocking of global trade. Strong stimulus has created artificially high demand, which, combined with supply chain challenges has led to upward inflationary pressure. Our base case is that inflation will remain elevated but off near term peak levels and certainly manageable. We are therefore looking for the 'goldilocks' scenario with economies to run 'not too hot, and not too cold' for a period of time allowing central banks to maintain their dovish, supportive stance and for supply chain issues to run their course. The threat is that energy prices continue to spur inflation and stifle economic growth creating a stagflationary environment.

COVID itself remains a threat, albeit more peripheral than previously commented on. There is clear evidence of a levelling up of the global vaccine rollout, where previously we had observed a twin-speed split (where economic prosperity clearly played a role). The risk of an as yet unidentified variant displaying resilience to current vaccines should not be ignored but likewise can only be factored in if evidence presents itself. This scenario would clearly delay the global economic reopening.

We remain broadly positive on risk assets, but particularly towards developed equities and specifically to the more domestic markets within Western Europe including the UK. We are mindful however that emerging market valuations have become more compelling recently and may be of interest again in the near future. Within fixed income asset classes we prefer credit over duration given the uncertain backdrop of rates in the mid-term. Broadly we feel that the environment is supportive towards default rates as economies expand. Last but by no means least we have a broad preference for real assets and certain alternative strategies in part to provide diversification and a degree of insurance to portfolios, something that one might have relied on fixed income for in the past. But also to provide a degree of inflation protection to portfolios

PORTFOLIO COMMENTARY

The end of September saw the Balanced MultiFund close the quarter broadly flat, albeit ahead of the peer group. This follows a strong period of growth with the year to date return in excess of 5.5% comfortably ahead of both peer group and longer term cash (+) targets.

Equity positions saw a relatively volatile period with Fundsmith Equity falling back 5.6% on the month of September to close the quarter -0.9%, albeit still marginally ahead of its reference global index. Of particular note has been the weakness in emerging markets following the regulatory clampdown in China and concerns around the Evergrande fallout. The primary position of TT Emerging Markets saw a fall of 11.9% on the quarter. As mentioned in the previous quarter commentary, we instigated a number of changes to equity positioning during June, including a significant reduction in emerging market exposure. These changes have proven fortuitous in helping reduce the impact of the near-term fallout from emerging markets. Elsewhere we reduced exposure to global passive strategies in favour of building positions in regional and style focused allocations, to ensure a bias towards pan European economies and a more domestic focus.

Elsewhere fixed income positions contributed mixed returns with our shorter duration positioning proving positive both in absolute and relative terms. AXA US Short Duration High Yield for example rose 0.5% on the quarter as more interest rate sensitive areas saw a slight weakening. Our positioning here remains in place with a preference for credit risk over interest rate risk to generate returns.

There were again some standout names within our real asset and alternative strategy space, of particular note was BMO Commercial Property which continued its impressive recovery with a further rise of 7.4% on the quarter. The trust has now increased by almost 25% on the year, reflecting the continued improvements in UK economic conditions, a tightening discount to NAV, and several strategic transactions including the recent sale of Cassani House at a significant premium to book value. Elsewhere KKV has continued to recover its footing as the replacement management look to wind-up its loan book. There have been a number of positive announcements over the quarter, adding to the story building over the year. The trust rose 42% on the quarter and is now +117% up year to date.

In terms of broader portfolio activity we continued to trim back some of our exposure to investment trust holdings in part to make way for a new position within Private Equity in the form of Oakley Capital Investments. Also to accommodate an additional position within our favoured area of infrastructure. This time through an indirect fund, Atlas Global Infrastructure.

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