

# NEDGROUP INVESTMENTS INCOME MULTIFUND - ACCUMULATING CLASS A

April 2022  
Marketing Communication



## SYNTHETIC RISK REWARD INDICATOR



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. For full details of risks, please refer to the risk section in the prospectus and KIID.

## GENERAL INFORMATION

**PERFORMANCE INDICATOR:** Cash over a minimum 3 years (USD: 3M SOFR / GBP: 3M SONIA)

**APPROPRIATE TERM:** Minimum 3 years

**MORNINGSTAR CATEGORY:** Morningstar Global Bonds

**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.

**FUND LEGAL STRUCTURE:** Irish OEIC UCITS  
**DOMICILE OF FUND:** Ireland

**INCEPTION DATE:** 26 January 2012  
Class A GBP: 23 August 2012  
Class A USD: 12 April 2012

**MARKET VALUE OF FUND:** GBP 40.1m

**PRICES (as at 30 April 2022)**  
GBP CLASS A: GBP 12.1543  
USD CLASS A: USD 12.419

**ANNUAL INVESTMENT MANAGEMENT FEE CLASS A:** 1.25% p.a.

**ON-GOING CHARGES (as at 30 April 2022)<sup>2</sup>**  
Class A: 1.94%

**MINIMUM INVESTMENT CLASS A**  
GBP 1,000 / USD 1,500

**DEALING:** Daily

**NOTICE PERIODS**  
Subscriptions: T-1 4pm  
Redemptions: T-1 4pm

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

**DISTRIBUTION YIELD OF DISTRIBUTING CLASS:**  
Class A Dist: 3.41%  
Based on last four quarterly distributions as a percentage of current share price. Last dividend 31 December 2021

**ISIN / SEDOL**  
Class A Acc GBP: IE00B5LK1C25 / B5LK1C2 / NIMIGAA ID Equity  
Class A Acc USD: IE00B4Q8PM21 / B4Q8PM2 / NIMIUAA ID Equity

## 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.

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 3M SOFR over a minimum three years.

## SUITABILITY & RISK AND REWARD

The Income 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<sup>1</sup>

Past Performance is not indicative of future performance and does not predict future returns



Class A GBP monthly returns and cumulative growth of £1,000

## CUMULATIVE AND ANNUALISED PERFORMANCE, % CHANGE NET OF FEES<sup>1</sup>

SINCE FUND INCEPTION (19 August 2011)	FUND GBP	GBP PEER GROUP	GBP Cash	FUND USD	USD PEER GROUP	USD Cash
	%	%	%	%	%	%
3 Months	-2.8%	-4.8%	0.2%	-2.8%	-5.1%	0.2%
6 Months	-3.5%	-6.0%	0.3%	-3.5%	-6.3%	0.2%
1 Year	-2.0%	-6.1%	0.3%	-2.0%	-6.4%	0.2%
YTD	-3.7%	-6.1%	0.3%	-3.7%	-6.3%	0.2%
3 Years (ann.)	-0.2%	-0.2%	0.3%	0.5%	0.3%	0.7%
5 Years (ann.)	0.3%	0.1%	0.4%	1.3%	1.2%	1.2%
10 Years (ann.)	1.8%	1.2%	0.4%	2.2%	1.6%	0.8%
Since inception (ann.)	1.8%	1.3%	0.4%	2.0%	1.5%	0.7%

## DISCRETE YEAR PERFORMANCE, % CHANGE NET OF FEES<sup>1</sup>

PERIOD	FUND GBP	GBP PEER GROUP	GBP Cash	FUND USD	USD PEER GROUP	USD Cash
	%	%	%	%	%	%
2021	2.0%	-2.0%	0.0%	2.1%	-1.3%	0.0%
2020	-1.1%	4.8%	0.2%	0.1%	5.0%	0.5%
2019	6.2%	5.4%	0.7%	7.8%	7.0%	2.2%
2018	-1.8%	-1.9%	0.6%	-0.5%	0.2%	2.2%
2017	2.2%	1.6%	0.2%	3.1%	3.5%	1.2%

Class A performance net of fees as of 30 April 2022. <sup>1</sup> Since inception annualised.

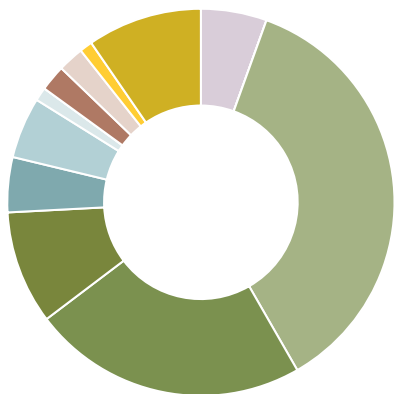
GBP Peer Group is Morningstar Global Bonds - GBP Hedged. USD Peer Group is Morningstar Global Bonds - USD Hedged. Both are net of fees.

For full detail on fees and charges, please see Prospectus and Supplement.

<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 date, 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.

ASSET ALLOCATION



Equity	5.5%	Real Assets	10.8%
UK Equity	5.5%	Property	4.6%
		Renewables	5.1%
		Infrastructure	1.1%
Fixed Income	68.7%	Alternative Strategies	5.4%
High Yield	36.2%	Asset Backed Lending	2.2%
Investment Grade Corporates	23.0%	Music Royalties	2.2%
Government Bonds	9.5%	Energy Efficiency & Storage	1.1%
		Cash	9.6%
		Cash	9.6%

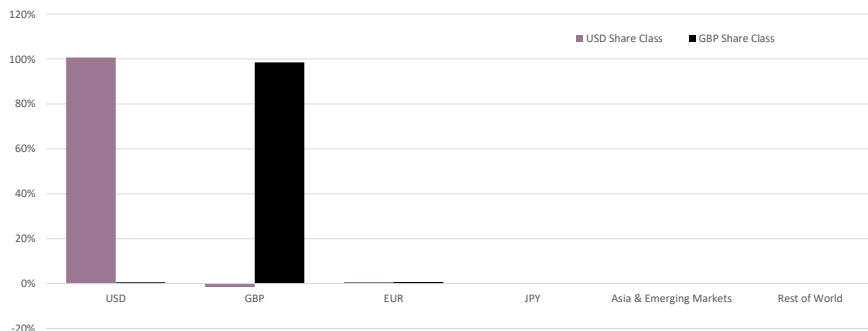
FULL PORTFOLIO HOLDINGS

<b>EQUITY</b>	<b>5.5%</b>
iShares FTSE UK Dividend Plus	5.5%
<b>FIXED INCOME</b>	<b>68.7%</b>
Muzinich Short Duration High Yield	18.2%
AXA US Short Duration High Yield	18.0%
Wellington Global Credit Plus	8.6%
Vanguard US Government Bond Index Fund	7.5%
PIMCO Low Duration Global IG Credit	6.6%
PIMCO Global IG Credit	5.4%
Lord Abbett Short Duration Income Fund	2.4%
iShares \$ Treasury Bond 1-3YR UCITS ETF	2.0%
<b>REAL ASSETS</b>	<b>10.8%</b>
BMO Commercial Property Trust	2.2%
Target Healthcare REIT	1.9%
Greencoat UK Wind	1.5%
John Laing Environmental Assets Group	1.4%
The Renewables Infrastructure Group	1.2%
3i Infrastructure Plc	1.1%
Greencoat Renewables	1.0%
Impact Healthcare REIT	0.5%
<b>ALTERNATIVE STRATEGIES</b>	<b>5.4%</b>
GCP Asset Backed Income Fund	1.8%
Hipgnosis Songs Ordinary Shares	1.5%
Gore Street Energy Storage Fund	0.7%
Round Hill Music Royalty Fund	0.7%
KKV Secured Loan Fund C Shares	0.4%
SDCL Energy Efficiency Income Trust	0.4%
<b>CASH</b>	<b>9.6%</b>
	<b>100.0%</b>

FIXED INCOME - CREDIT QUALITY<sup>1</sup>

AAA	27.7%
AA	4.9%
A	8.0%
BBB	11.2%
< BBB	48.2%
	<b>100.0%</b>
Yield To Maturity	3.87%
Average Weighted Maturity (in year)	4.51
Average Modified Duration (in years)	3.61

CURRENCY



KEY RISKS

- The Fund could lose money if a counterparty with which the Fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.
- Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
- The Fund invests in other funds (including exchange traded funds and investment trusts/companies), which may introduce more risky assets, derivative usage and other risks, as well as contributing to a higher level of ongoing charges.
- The Fund may use derivatives with the aim of reducing risk or managing the portfolio more efficiently. However this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations.
- If the Fund holds assets in currencies other than the base currency of the Fund or you invest in a share class of a different currency to the Fund (unless 'hedged'), the value of your investment may be impacted by changes in exchange rates.
- Securities within the Fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.
- The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.
- Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change.

<sup>1</sup> Based on Fixed Income component look through

April 2022

## MARKET COMMENTARY

April proved to be a difficult month for markets following what was a challenging first quarter, as concerns over global growth surfaced. Markets started to question the ability of central banks to engineer a “soft landing” for economies given stubbornly high and increasing inflation. Especially, against an increasingly complicated global backdrop of Chinese lockdowns, to deal with COVID outbreaks, and the ongoing Russian invasion of Ukraine. Whilst underlying economic fundamentals remained broadly healthy in April (especially with regards to employment). The impact of high inflation, and rising interest rates are without doubt headwinds for confidence, consumer spending, and therefore growth going forward. Central banks face a testing time ahead!

Global equity markets (-6.5%) were down sharply on the month, with the more tech-heavy US market (-9.1%) falling the most, given concerns over high valuations with technology related stocks and the impact on these of rising interest (discount) rates. The UK stock market (+1.0%) managed to buck the downward trend in April, as it has done so far this year, benefiting from its relatively high weight to materials / energy stocks. In terms of style, growth stocks (-11.2%) underperformed the more value / cyclically (-5.0%) orientated equities. This was also reflected in sector performance with higher valued Communication Services (-12.4%), Information Technology (-11.7%), and the more cyclical exposed Consumer Discretionary (-11.0%) sectors falling the most. The defensive Consumer Staples (+0.6%) sector was the place to be during the month along with Energy (-1.2%) and Utilities (-3.0%) on a relative basis.

Within fixed income markets, despite increasing concerns over growth and falling equity markets, the expectation of increasing rate hikes from central banks due to high and persistent inflation meant there was again no place “to hide” in fixed income. Looking at the detail, global government bonds (-2.6%) and global investment grade credit (-4.0%) generated a negative return over the month, whilst at the riskier end of the spectrum global high yield (-3.2%) and emerging market hard currency debt (-5.5%) also declined as spreads widened.

In terms of real assets, property markets marginally outperformed equities over the month with the global REITs index down -5.4% over the period. Commodities (+4.1%) rose for yet another month (+30.7% year to date), led mainly by agriculture (+5.7%) and crude oil (+3.9%) as a result of continued supply concerns due to the war between Russia and Ukraine. Industrial metals (-6.3%) fell on the back of global demand concerns, whilst gold (-2.1%) was weak, despite the decline in risk appetite, due to a combination of higher interest rate expectations (greater opportunity cost) and a stronger US dollar.

## PORTFOLIO COMMENTARY

The end of April saw the Income MultiFund close the month down around -1.2% for the US dollar and GBP share classes. This follows a strong period of growth with the three year return comfortably ahead of both peer group and longer term cash (+) targets.

Fixed income positions were negative on the month. Our overall bias towards short dated corporate bonds was a significant tailwind for relative performance, as the rise in government bond yields caused longer maturity bonds to underperform. However, the increase in volatility as a result of a decline in equity markets meant all fixed income holdings generated negative returns for the period as credit spreads widened.

Elsewhere, there were a wide range of performances within our real asset and alternative strategy space, but overall they were both areas that were supportive for returns. The portfolio's small holding in high dividend paying UK stocks via the iShares UK Dividend ETF (-5.3%) fell over the month, although it outperformed the decline in global equity markets. Within property, BMO Commercial Property was up (+2.8%) bucking the general risk-off environment, as a result of a continued recovery in rental growth and property valuations in the UK (especially in industrial, logistics and retail warehouses). Within infrastructure, our overall exposure to renewable energy infrastructure continued to be positive for returns. The sector saw good quarterly results and was seen as further benefiting from the current high level of electricity prices and inflation (for example Greencoat UK Wind rose +5.0%,

Greencoat Renewables +3.4%, and JLEN Environmental Assets Group rallied +1.6%). The more traditional infrastructure holding, 3i Infrastructure (+1.2%), easily outperformed listed infrastructure and global equity markets. Within our alternative positions, our holdings in song royalties, Hipgnosis Songs Fund (-3.3%) and Round Hill Music Royalty Fund (+8.0%), were more mixed with Round Hill Music being more recently supported by the release of strong annual results. Finally, our recent holding in energy efficiency via SDCL Energy Efficiency Income Trust (+3.5%) was also positive for returns.

In terms of portfolio activity, we participated in a capital raise by Gore Street Energy Storage Fund, a UK domiciled investment trust listed on London Stock Exchange which invests solely in energy storage (batteries). We see Gore Street Energy Storage Fund as an attractive investment opportunity allowing us to tap into a growing market which is critical for the global energy transition to net zero. Renewable energy sources are by their very nature intermittent making balancing demand/supply of electricity more challenging. Battery storage systems can therefore help to maintain the stability of the grid. In terms of other changes we marginally increased the average maturity (interest rate sensitivity) of the fixed income portfolio given the outlook and the extent that bonds yields have already risen this year.

#### **Nedbank Private Wealth**

Nedbank Private Wealth is an Authorised Financial Services Provider in South Africa

#### **Nedbank Private Wealth Limited**

Exchange rate changes may affect the value of investments. Nedbank Private Wealth is a registered trade name of Nedbank Private Wealth Limited. The parent of Nedbank Private Wealth Limited is Nedbank Group Limited, which is incorporated in South Africa and is regulated by the South African Reserve Bank. The latest audited report and accounts, and details of the credit rating are available at [www.nedbankprivatewealth.com](http://www.nedbankprivatewealth.com). Nedbank Private Wealth Limited is licensed by the Isle of Man Financial Services Authority and is a participant in the Isle of Man Depositors' Compensation Scheme as set out in the Compensation of Depositors Regulations 2010. For full details, please see [www.iomfsa.im](http://www.iomfsa.im). Registered office: St Mary's Court 20 Hill Street Douglas Isle of Man. The Jersey branch is regulated by the Jersey Financial Services Commission and is a participant in the Jersey Banking Depositor Compensation Scheme. See [www.gov.je/dcs](http://www.gov.je/dcs) for full details of the Scheme and banking groups covered. The London branch is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registration No: 313189. Your eligible deposits with Nedbank Private Wealth Limited, London branch, are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the £85,000 limit are unlikely to be covered. Please ask for further information or visit [www.fscs.org.uk](http://www.fscs.org.uk). The UAE representative office in Dubai is licensed by the Central Bank of UAE. Licence No: 13/191/2013. Representation in South Africa is through Nedbank Limited. Registered in South Africa with Registration No 1951/000009/06, an authorised financial services and registered credit provider (NCRCP16)

#### **Nedgroup Investments MultiFunds Plc – (the Fund) - disclaimer**

This is a marketing communication. Please refer to the prospectus, the key investor information documents (the **KIID**s) and the financial statements of Nedgroup Investments MultiFunds PLC (the **Fund**) before making any final investment decisions. These documents are available from Nedgroup Investments (IOM) Ltd (the **Investment Manager**) or via the website: [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com).

This document is of a general nature and intended for information purposes only, it 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. Whilst the Investment Manager has taken all reasonable steps to ensure that this document is accurate and current at the time of publication, we shall accept no responsibility or liability for any inaccuracies, errors or omissions relating to the information and topics covered in this document. A decision may be made to terminate the arrangement made for the marketing of the Fund in accordance with Art93a of Directive 2009/65/EC and Art 32a of Directive 2011/61/EU.

#### **Nedgroup Investments MultiFunds Plc (the Fund) – disclaimer (continued)**

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 as amended and as may be amended, supplemented, or consolidated from time-to-time and any rules, guidance or notices made by the Central Bank which are applicable to the Fund. The Fund is domiciled in Ireland. Nedgroup Investment (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 of the Fund is Citi Depository Services Ireland DAC, 1 North Wall Quay, Dublin 1, Ireland. The Administrator of the Fund is Citibank Europe plc, 1 North Wall Quay, Dublin 1, Ireland.

The sub-funds of the Fund (the **Sub-Funds**) are generally medium to long-term investments and the Investment Manager does not guarantee the performance of an investor's investment and even if forecasts about the expected future performance are included the investor will carry the investment and market risk, which includes the possibility of losing capital.

The views expressed herein are those of the Investment Manager at the time and are subject to change. The price of shares may go down as well as up and the price will depend on fluctuations in financial markets outside of the control of the Investment Manager. Costs may increase or decrease as a result of currency and exchange rate fluctuations. If the currency of a Sub-Fund is different to the currency of the country in which the investor is resident, the return may increase or decrease as a result of currency fluctuations. Income may fluctuate in accordance with market conditions and taxation arrangements. As a result an investor may not get back the amount invested. Past performance is not indicative of future performance and does not predict future returns. The performance data does not take account of the commissions and costs incurred on the issue and redemption of shares. The Sub-Funds invest in portfolios of other collective investment schemes that levy their own charges, which could result in a higher fee structure. Fees are outlined in the relevant Sub-Fund supplement available from the Investment Manager's website.

The Sub-Funds are valued using the prices of underlying securities prevailing at 11pm Irish time the business day before the dealing date. Prices are published on the Investment Manager's website. A summary of investor rights can be obtained, free of charge at [www.nedgroupinvestments.com](http://www.nedgroupinvestments.com).

**Distribution** : The prospectus, the supplements, the KIIDs, the articles of association, country specific appendix as well as the annual and semi-annual reports may be obtained free of charge from the country representative and the Investment Manager.

**U.K:** Nedgroup Investment Advisors (UK) Limited (reg no 2627187) authorised and regulated by the Financial Conduct Authority is the facilities agent. The Fund and certain of its sub-funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000.

**Isle of Man:** The Fund has been recognised under para 1 sch 4 of the Collective Investments Schemes Act 2008 of the Isle of Man. Isle of Man investors are not protected by statutory compensation arrangements in respect of the Fund.

#### **Nedgroup Investments International contact details**

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