NEDGROUP INVESTMENTS MULTIFUNDS PLC

INCOME MULTIFUND - ACCUMULATING CLASS C

NEDBANK | PRIVATE WEALTH SINCE 1834

January 2019

RISK REWARD PROFILE

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 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

APPROPRIATE TERM: Minimum 3 to 5 years

INVESTMENT MANAGER: Nedgroup Investments (IOM) Limited
An Isle of Man based fund manager providing investment management services to assets in excess of $3.8bn Licensed by the Isle of Man Financial Services Authority.

FUND LEGAL STRUCTURE: Irish OEIC UCITS IV

INCEPTION DATES:

SUB-FUND: 26 JANUARY 2012

GBP CLASS: 8 APRIL 2013

USD CLASS: 16 OCTOBER 2015

MARKET VALUE £42m

PRICES

GBP CLASS C: £11.5899

USD CLASS C: $11.1509

Value and prices as at 31 January 2019

MANAGEMENT FEE CLASS C: 0.40% p.a.

MINIMUM INVESTMENT CLASS C

£1,000 / $1,500

DEALING

Daily

NOTICE PERIODS

Subscriptions: Noon T-1

Redemptions: Noon T-1

SETTLEMENT PERIODS

Subscriptions: T+2

Redemptions: T+3

ON-GOING CHARGES (as at 31 Jan 2019)[2]

Class C: 1.17%

DISTRIBUTION YIELD OF DISTRIBUTING CLASS

GBP Class C Dist : 4.45%

Based on last four quarterly distributions as a percentage of current share price. Last dividend 1 Nov 2018

ISIN / SEDOL

CLASS C Acc GBP: IE00B9BBC647 / B9BBC64

CLASS C Acc USD: IE00B9CNVR36 / B9CNVR3

CONTACT DETAILS

For further information please contact your Nedbank Private Wealth relationship manager

MINIMUM DISCLOSURE DOCUMENT

Please note: Differences may exist due to rounding

FUND OBJECTIVE

The Income MultiFund aims to provide a lower risk, lower 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.

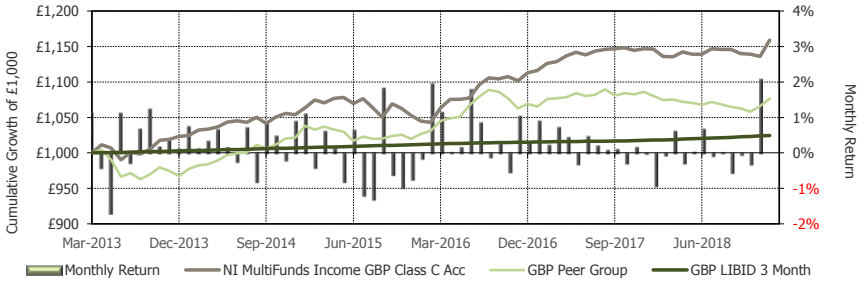
SUITABILITY & RISK AND RETURN

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.

In order to achieve the investment objective, the portfolio is principally fixed income focused but allows for 20% allocation to other asset classes. The principal aims are income generation and capital protection and the strategy has flexibility to invest across the full spectrum of global bond markets. The accumulating share class will roll up dividend payments within the fund and does not produce a regular income payment.

Portfolio construction provides exposure to active fixed income managers, who are expected to outperform their defined benchmarks. Blending actively managed fixed income funds together in this way creates a competitively priced investment solution.

FUND PERFORMANCE [1]



Class C GBP monthly returns and cumulative growth of £1,000. Class C performance is presented net of fees.

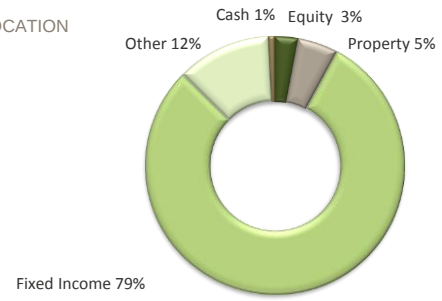
SINCE FUND INCEPTION	FUND GBP	GBP PEER GROUP	3 Month GBP LIBID	FUND USD*	USD PEER GROUP	3 Month USD LIBID
	%	%	%	%	%	%
1 Month	2.1%	1.0%	0.1%	2.2%	1.2%	0.2%
6 Months	1.1%	0.5%	0.4%	1.8%	1.7%	1.2%
1 Year	1.1%	-0.3%	0.6%	2.5%	1.7%	2.3%
3 Years Ann	3.5%	1.6%	0.4%	4.4%	2.2%	1.4%
YTD	2.1%	1.0%	0.1%	2.2%	1.2%	0.2%
2018	-0.9%	-1.9%	0.6%	0.4%	0.2%	2.2%
2017	3.0%	1.6%	0.2%	3.9%	3.5%	1.2%
2016	5.8%	4.8%	0.4%	5.9%	2.2%	0.6%
2015	-0.1%	-0.2%	0.5%	-1.2%	-0.7%	0.1%
2014	3.0%	5.6%	0.4%	n/a	n/a	n/a
Lowest 1 yr return	-3.0%			0.0%		
Highest 1 yr return	8.0%			8.2%		
Since inception *	2.6%	1.3%	0.4%	3.4%	1.9%	1.3%

Class C performance net of fees since inception. * 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	2.6%	2.4%
Sharpe Ratio (annualised)	0.86	1.12
Lowest Monthly Return	-1.7%	-1.0%
Maximum Drawdown	-3.3%	-2.5%
Months to Recover	5	2

ASSET ALLOCATION



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 a12-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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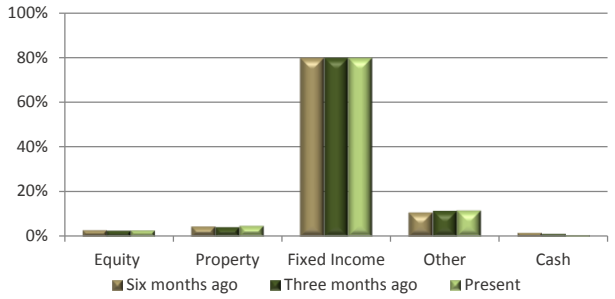
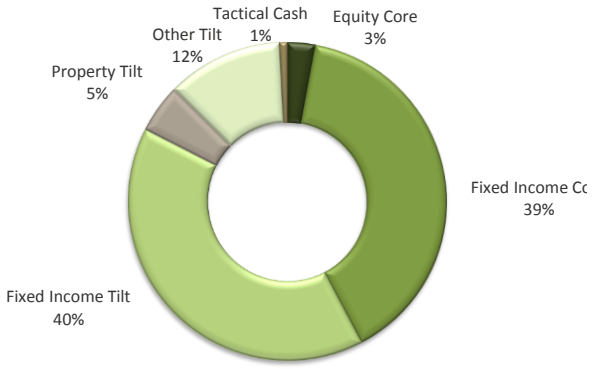
TOTAL PORTFOLIO ANALYSIS

FULL PORTFOLIO LISTING

Equity Income		2.9%
iShares UK FTSE Dividend Plus Fund	Core	2.9%
Equity Property		4.9%
Target Healthcare REIT	Tilt	2.0%
F&C Commercial Property Trust	Tilt	1.9%
Impact Healthcare REIT	Tilt	1.0%
Fixed Income		79.6%
Muzinich Short Duration High Yield	Tilt	16.9%
AXA US Short Duration High Yield	Tilt	15.4%
Vanguard US Government Bond Index Fund	Core	14.9%
PIMCO Global IG Credit	Core	12.5%
Wellington Global Credit Plus	Core	12.0%
Franklin Templeton Global Total Return	Tilt	7.9%
Other		11.8%
Greencoat UK Wind	Tilt	2.8%
John Laing Environmental Assets Group	Tilt	2.7%
SQN Asset Finance Income Fund C Shares	Tilt	2.3%
GCP Asset Backed Income Fund	Tilt	1.5%
Greencoat Renewables	Tilt	1.5%
3i Infrastructure Plc	Tilt	1.0%
Cash		0.8%
Cash	Tilt/Tactical	0.8%
TOTAL		100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY





FIXED INCOME COMPONENT [3]

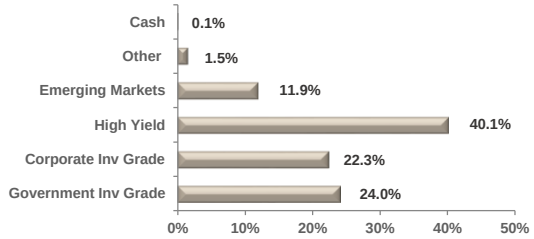
CREDIT RATING

AAA	26.8%
AA	3.5%
A	11.1%
BBB	14.7%
< BBB	43.8%
TOTAL	100.0%

MATURITY

< 3 year	33.8%
3-5 years	35.4%
5-10 years	22.0%
> 10 years	8.8%
TOTAL	100.0%

SECTOR ALLOCATION



PORTFOLIO YIELD

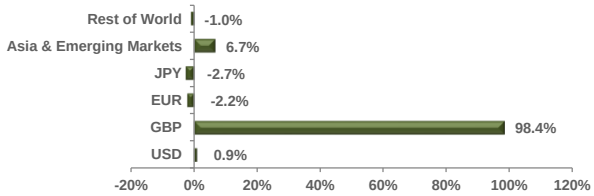
Effective Yield	5.4%
Average Weighted Maturity (in years)	5.5
Average Modified Duration (in years)	3.8

REGIONAL ALLOCATION [3]

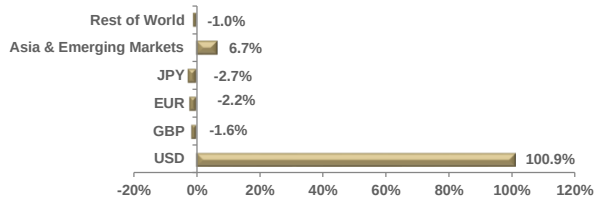
USA	60.8%
UK	23.1%
Europe ex UK	4.9%
Emerging Markets	9.2%
Rest of the World	1.6%
Asia Pacific ex Japan	0.4%
Japan	0.0%
Total	100.0%

CURRENCY EXPOSURE [3]

GBP SHARE CLASS



USD SHARE CLASS



3) Source: Underlying managers. Data point 31 December 2018 (including portfolio cash)
Data point for underlying fund information on a look-through basis is one month in arrears.

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MARKET COMMENTARY

January 2019

Risk assets roared back in January, largely recovering the ground lost in December. In terms of news flow, the main highlights for the month were the ending of the US government shutdown, as well as some relatively dovish statements from the Federal Reserve and other central banks. Economic data came through generally on the weak side, most notably in the Eurozone and the UK. However, Q4 corporate earnings reports generally exceeded expectations, even though companies remained cautious on forward guidance. In other news, trade talks between the US and China appeared to make progress (at least according to Trump), whilst the UK Parliament reached a total gridlock over Brexit, with no clear majority for any of the potential paths.

Fixed income returns were also universally positive as they responded to a lowering of interest rate expectations and a tightening of credit spreads. Whilst the JP Morgan Global Government Bond Index rose +0.7%, the Merrill Lynch Global Corporate Investment Grade Index gained +1.7%, the Merrill Lynch Global High Yield Index advanced +3.7%, and the JP Morgan Global Emerging Market Bond Index delivered +4.2% (all hedged to sterling).

Equities bounced back very strongly over the month, with the MSCI AC World Index rising +4.8% when measured in sterling terms. All markets rose in a fairly narrow range, with Global Emerging Markets (+5.7%) taking the lead, whilst Japan (+3.1%) lagged. At the sector level, cyclicals tended to outperform stable earners, with Real Estate (+7.4%), Energy (+7.2%) and Consumer Discretionary (+6.5%) strong, whilst Healthcare (+2.2%), Consumer Staples (+2.1%) and Utilities (+2.3%) were relatively weak.

The main feature in the foreign exchange markets was the continued recovery of a number of emerging market currencies. Notable movers included the South African rand, which rose by +5.2% against the pound and the Brazilian real (+3.5%). Amongst the majors, the pound strengthened by +2.8% versus the dollar and +2.9% against the euro, as investors considered the likelihood of a “hard Brexit” to be declining.

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

PORTFOLIO COMMENTARY

The Nedgroup Investments Income MultiFund increased in value by +2.1% in January.

Within fixed income, the portfolio’s bias towards corporate credit proved beneficial in the risk-on environment, as corporate credit (especially sub-investment grade) outperformed. Muzinich Short Duration High Yield (+2.3%) and AXA US Short Duration High Yield (+2.1%) were among the best performers as spreads tightened in January. The higher quality investment grade credit funds, PIMCO Global Investment Grade Credit (+2.0%) and Wellington Global Credit Plus (+1.4%) also generated good returns. Elsewhere, Franklin Templeton Global Total Return (+2.5%) returned the most in fixed income, driven higher by its exposure to emerging market local currency bonds that rallied strongly during the period.

In other asset classes, the strong recovery in UK equity markets meant the small exposure to high dividend paying stocks through the iShares UK Dividend Fund (+7.6%) added value. UK commercial property exposure also improved, with the more conventional commercial property holding, F&C Commercial Property Trust (+4.7%), posting a solid return over the month. The less cyclical UK care home exposures, Target Healthcare (+4.6%) and Impact Healthcare (+0.0%), were more mixed, with Target Healthcare helped by positive Q4 earnings results. Infrastructure holdings were all positive, with Greencoat UK Wind (+7.5%), John Laing Environmental Assets (+3.8%), 3i Infrastructure (+2.5%) and Greencoat Renewables (+0.7%) all increasing over the month. Finally, the two asset-backed finance investments also took part in the recovery, with SQN Asset Finance Income Fund C-Shares returning +4.5% and GCP Asset Backed Income +1.5%.

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 Depositary
Citi Depositary 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.

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

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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
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