

### RISK REWARD PROFILE



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

**BENCHMARK:** 3 month LIBID + 3% to 5% over 5 to 7 years

**APPROPRIATE TERM:** Minimum 5 to 7 years

**PEER GROUP:** Morningstar Aggressive Allocation

**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 4

**INCEPTION DATE:** 19 August 2011

**MARKET VALUE:** \$211.6m

PRICES (as at 31 July 2019)

USD CLASS A: \$21.0012  
USD CLASS B: \$15.9691  
GBP CLASS A: £14.0616  
GBP CLASS B: £17.2740

MANAGEMENT FEE CLASS A: 1.40% p.a.  
MANAGEMENT FEE CLASS B: 1.00% p.a.

ON-GOING CHARGES (as at 31 July 2019)<sup>2</sup>

USD Class A: 2.23%      GBP Class A: 2.28%  
USD Class B: 1.83%      GBP Class B: 1.88%

MINIMUM INVESTMENT CLASS A

\$1,500 / £1,000  
\$250,000 / £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: IE00B5T08X47 / B5T08X4  
CLASS B USD: IE00B5N9GQ62 / B5N9GQ6  
CLASS A GBP: IE00B5V7GM87 / B5V7GM8  
CLASS B GBP: IE00B42XPP46 / B42XPP4

### 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.

### SUITABILITY & RISK AND REWARD

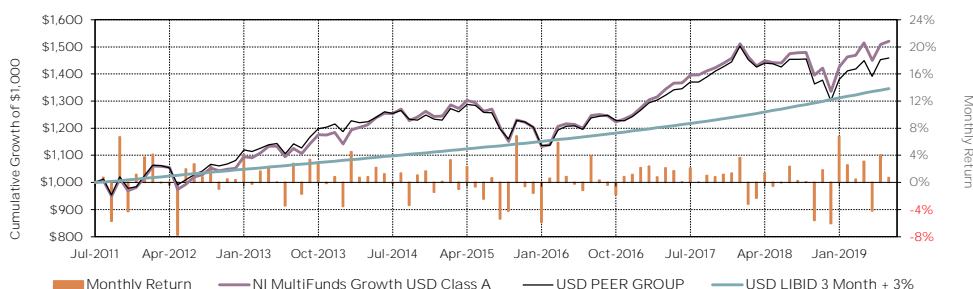
The Growth MultiFund is suitable for clients with an investment time horizon of 5 to 7 years. Investing in the fund involves a risk to capital in order to achieve the desired return.

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.

July 2019

### FUND PERFORMANCE <sup>1</sup>



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

SINCE FUND INCEPTION (19 August 2011)	FUND USD %	USD PEER GROUP %	3 Month LIBID		FUND GBP %	GBP PEER GROUP %	3 Month LIBID	
			US\$ LIBID 3 month + 3%	US\$ LIBID 3 month + 5%			GBP LIBID 3 month + 3%	GBP LIBID 3 month + 5%
1 Month	0.7%	0.4%	0.5%	0.6%	2.8%	2.5%	0.3%	0.5%
6 Months	6.6%	5.7%	2.7%	3.7%	10.4%	9.5%	1.8%	2.8%
1 Year	3.1%	0.4%	5.5%	7.5%	6.2%	3.4%	3.7%	5.7%
3 Years Ann	6.8%	5.6%	4.8%	6.8%	7.7%	6.4%	3.5%	5.5%
5 Years Ann	3.9%	3.1%	4.2%	6.2%	7.2%	6.3%	3.5%	5.5%
YTD	13.8%	12.1%	3.1%	4.3%	15.7%	14.0%	2.2%	3.3%
2018	-8.5%	-9.9%	5.3%	7.4%	-6.1%	-7.7%	3.6%	5.6%
2017	16.9%	16.2%	4.2%	6.2%	10.6%	9.9%	3.2%	5.2%
2016	3.7%	3.3%	3.6%	5.6%	13.9%	13.5%	3.4%	5.4%
2015	-3.2%	-2.4%	3.2%	5.2%	-0.2%	0.6%	3.5%	5.4%
2014	5.0%	1.4%	3.1%	5.1%	8.5%	5.0%	3.5%	5.4%
Lowest 1 yr return	-11.4%				-6.3%			
Highest 1 yr return	18.6%				21.5%			
Since inception *	5.4%	4.8%	3.8%	5.8%	6.6%	6.0%	3.5%	5.5%

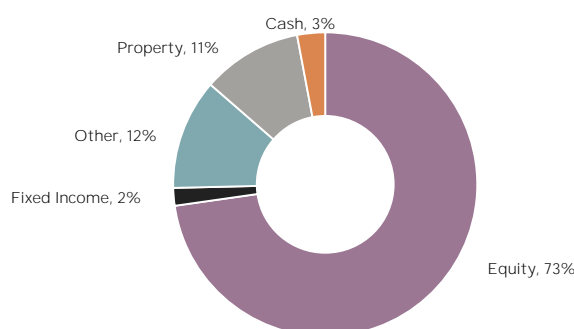
Class A performance net of fees. \* Since inception annualised.

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 USD	FUND GBP
Annualised volatility	9.8%	9.0%
Sharpe ratio (annualised)	0.47	0.68
Lowest monthly return	-7.8%	-7.8%
Maximum drawdown	-13.1%	-10.9%
Months to recover	13	10

### ASSET ALLOCATION



<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.

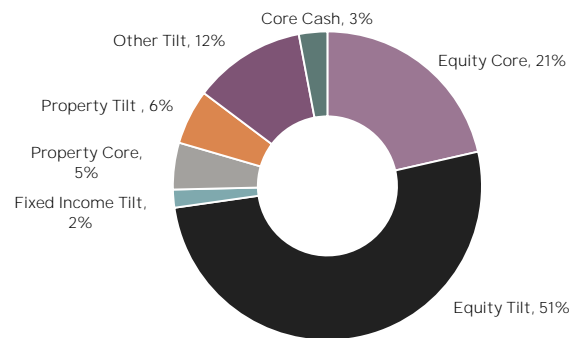
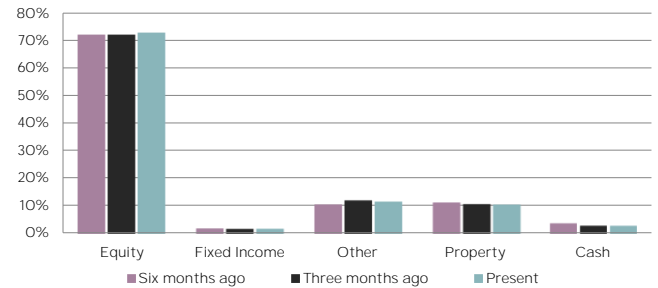
<sup>2</sup>) The on-going fee is a measure of the actual expenses incurred in the management of the Classes of the Sub-Fund. The on-going fee shown is expressed as a percentage of the monthly average value of the portfolio calculated over a 12-month period as at the date shown. The current on-going 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 HOLDINGS**

Equity		72.7%
Vanguard Global Stock Index	Core	19.4%
Dodge & Cox Global Stock Fund	Tilt	13.3%
Nedgroup Global Equity Fund	Tilt	12.1%
TT Emerging Markets Equity Fund	Tilt	10.6%
Fundsmith Equity Fund	Tilt	6.1%
Morgan Stanley Global Brands	Tilt	5.2%
Allianz Global Small Cap Equity	Tilt	4.1%
iShares MSCI World	Core	2.1%
Property		10.6%
Nedgroup Global Property Fund	Core	4.9%
Target Healthcare REIT	Tilt	2.2%
BMO Commercial Property Trust	Tilt	1.9%
Impact Healthcare REIT	Tilt	1.6%
Fixed Income		1.9%
Franklin Templeton Global Total Return Fund	Tilt	1.9%
Alternative		11.8%
Greencoat UK Wind	Tilt	3.0%
Greencoat Renewables	Tilt	1.9%
SQN Asset Finance Income Fund C Shares	Tilt	1.7%
GCP Asset Backed Income Fund	Tilt	1.7%
John Laing Environmental Assets Group	Tilt	1.5%
The Renewables Infrastructure Group	Tilt	1.0%
3i Infrastructure Plc	Tilt	1.0%
Cash		3.0%
BlackRock Institutional USD Liquidity Fund / Cash	Core	3.0%
Total		100.0%

**CHANGES IN ASSET ALLOCATION BY STRATEGY**



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

**TOP TEN UNDERLYING HOLDINGS**

Microsoft	2.7%
Alphabet	1.9%
Charter Communications	1.7%
Reckitt Benckiser	1.5%
Unilever	1.4%
Philip Morris International	1.4%
Facebook	1.4%
Alibaba	1.1%
Naspers	1.0%
Baxter	0.9%
Total	15.0%

**COUNTRY ALLOCATION**

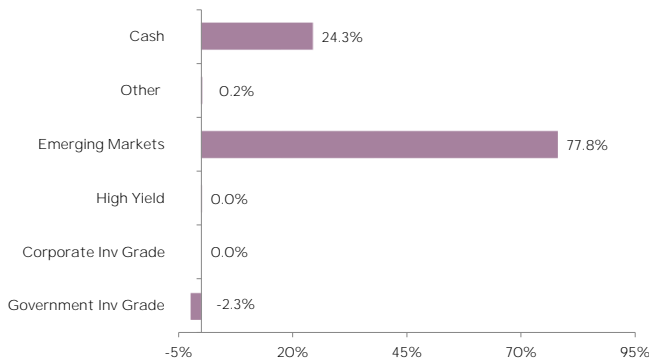
USA	49.8%
Europe ex-UK	16.0%
UK	8.4%
Emerging Markets	14.9%
Pacific ex-Japan	2.5%
Japan	3.6%
Canada	1.8%
Cash	3.1%
Total	100.0%

**SECTOR ALLOCATION**

Financials	16.1%
Health Care	15.7%
Information Technology	14.1%
Industrials	11.3%
Consumer Staples	10.4%
Communication Services	9.7%
Consumer Discretionary	8.3%
Energy	4.0%
Materials	3.8%
Real Estate	2.1%
Utilities	1.4%
Cash	3.1%
Total	100.0%

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

**CATEGORY ALLOCATION**

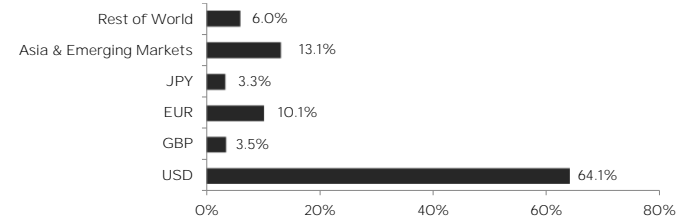


**YIELD**

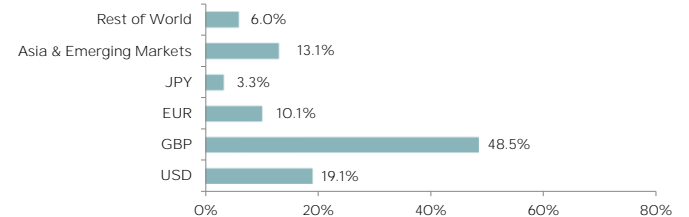
Yield To Maturity	8.6%
Average Weighted Maturity (in years)	1.5
Average Modified Duration (in years)	-2.1

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

**USD SHARE CLASS**



**GBP SHARE CLASS <sup>4</sup>**



3) Source: Underlying managers. Data point 30 June 2019  
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

## MARKET COMMENTARY

July 2019

July was generally a positive month for investors as central banks confirmed their bias to ease monetary policy. Whilst the ECB restricted itself to statements suggesting the possibility that interest rates could be cut, the Federal Reserve actually took action by lowering rates by 0.25% on July 31<sup>st</sup>. This change in tack reflected growing concerns about weak economic data and that any failure in the US-China trade talks could further undermine global growth.

Whilst the US-China trade talks resumed, there were little signs of any real progress on the difficult issues of technology transfer and intellectual property rights. The fundamental problem is that the US-China trade war is not just about trade imbalances. In the bigger picture, it can also be seen as a new cold war between the US and China for economic dominance, where the weapon of choice just happens to be trade. For now at least, the truce is holding, although it is doubtful that the US and China will find it easy to settle their differences.

July saw the Q2 earnings season in full flow. By the end of the month it was clear that profits have been much better than expected in the US and a little stronger than forecasted in Europe. With 70 percent of S&P 500 companies reporting over the month, 60 percent beat on sales whilst 78 percent posted better than expected earnings (which were +5.3% ahead of forecasts). In Europe, 68 percent of companies in the Bloomberg European 500 Index reported in July, with 57 percent exceeding sales forecasts and 57 percent also surprising on earnings (which were +2.8% higher). Whilst the actual numbers reported were positive, forward guidance from managements was more cautious, which served to remove some of the shine.

Over the month we saw confirmation that Boris Johnson would replace Theresa May as the UK's Prime Minister. His apparent determination to take a harder line with the EU on Brexit has increased the risk of a "no deal" and further undermined investor confidence in UK assets and sterling. The scene is now set for a showdown between the UK and the EU over Johnson's demands that the Irish back-stop is dropped from the withdrawal agreement. Johnson also seems set on a collision course with the UK parliament, which remains opposed to a "no deal" exit. Whatever the outcome, it seems likely the uncertainty around Brexit is only going to increase in the short term.

Equities advanced modestly, with the MSCI AC World Index rising +0.3% in US dollar terms. With the stronger US dollar detracting from non-US market returns, the US (+1.5%) was the strongest performer amongst the majors, whilst Europe ex UK (-2.0%), Asia ex Japan (-1.8%), the UK (-1.8%) and Emerging Markets (-1.2%) all underperformed. Returns were mixed at the sector level, with the best performers being Information Technology (+2.8%) and Communication Services (+2.4%), whilst the biggest laggards included Energy (-2.6%) and Materials (-2.6%). In terms of style, Growth (+1.0%) once again outpaced Value (-0.4%), whilst there was little to choose between Larger Companies (+0.3%) and Smaller Companies (+0.4%).

Fixed income markets also rewarded investors, with declining yields driving positive returns across all sectors. Over the month, the JP Morgan Global Government Bond Index posted a return of +0.8%, whilst the ICE Merrill Lynch Global Corporate Investment Grade Index gained +1.0%, the ICE Merrill Lynch Global High Yield Index rose +0.7% and the JP Morgan Global Emerging Market Bond Index advanced +1.2% (all hedged to US dollars).

Commodities were a mixed bag, with the Bloomberg Commodities Index losing -0.7%. This aggregate masked the fact that most sub-sectors actually rose in July, led by Industrial Metals (+1.4%), Gold (+1.0%) and Crude Oil (+0.3%), with only Agriculture (-5.1%) delivering a loss over the period.

In the foreign exchange markets, the British pound (-4.4% versus the US dollar) was particularly weak as Boris Johnson, the UK's new Prime Minister, chose to adopt a harder stance on Brexit which increased the likelihood of a "no deal" outcome. The dollar was also generally strong against most currencies, rising by +2.7% versus the euro, +0.9% against the yen and +1.8% relative to the Swiss franc.

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

## PORTFOLIO COMMENTARY

The Nedgroup Investments Balanced MultiFund rose by +0.4% during July.

Within equities, the best performing active funds were Morgan Stanley Global Brands (+2.0%) and Allianz Global Small Cap (+1.9%). Morgan Stanley benefited from its more defensive sector exposure, whilst Allianz's performance mostly came through from good stock selection within the small cap universe. At the other end of the spectrum, TT Emerging Markets Equity (-0.1%) and Dodge and Cox Global Stock (-0.2%) both lagged over the period due to their emerging market exposure.

Within fixed income, falling government bond yields combined with the more "risk-on" environment to allow most areas to generate positive returns. Franklin Templeton Global Total Return (+1.6%) benefited from its exposure to emerging market local currency bonds, which rallied strongly over the period. Falling government bond yields and tighter spreads also allowed longer maturity investment grade credit funds to progress, as demonstrated by PIMCO Global Investment Grade (+0.7%). Finally, AXA US Short Duration High Yield (+0.4%) and Muzinich Short Duration High Yield (+0.3%) also delivered positive returns, mostly from harvesting the higher yield offered by their underlying bond holdings.

In other asset classes, Nedgroup Global Property (+0.4%) performed broadly in line with equity markets, with REITs enjoying strong support from declining interest rate expectations. However, portfolio exposure to UK commercial property was more mixed. BMO Commercial Property (+2.3%) recovered some ground lost in prior months over Brexit uncertainty and concern about the weakness of the UK retail sector, whilst the more defensive UK care homes, Impact Healthcare (+1.0%) and Target Healthcare (-2.1%) broadly offset each other. Having been extremely strong in the first half, infrastructure holdings detracted value, with The Renewables Infrastructure Group (-0.8%), Greencoat UK Wind (-1.5%), John Laing Environmental Assets (-1.6%), Greencoat Renewables (-2.1%) and 3i Infrastructure (-4.1%) all losing a little ground over the month. Finally, asset-backed lending added value, with GCP Asset Backed Income (+1.5%) and SQN Asset Finance Income Fund C-Shares (+1.2%) both posting decent gains in July. Over the month we did not make any material strategy changes.

Note: All returns are quoted in US dollars.

### 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.

### 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

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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

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