

# NEDGROUP INVESTMENTS BALANCED MULTIFUND CLASS A

January 2024

Marketing Communication



## Nedgroup Investments MultiFunds Plc

### 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 +1% to +3% over a minimum 3 years (USD: 3M SOFR / GBP: 3M SONIA)\*\*

**APPROPRIATE TERM:** Minimum 3 years

**MORNINGSTAR CATEGORY:** 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.

**FUND LEGAL STRUCTURE:** Irish OEIC UCITS

**DOMICILE OF FUND:** Ireland

**INCEPTION DATES:** 19 August 2011

**Class A USD:** 19 August 2011 **Class A GBP:** 19 August 2011

**Class B USD:** 01 September 2011 **Class B GBP:** 15 March 2012

**MARKET VALUE OF FUND:** USD 202.8m

**PRICES (as at 31 January 2024)**

USD CLASS A: USD 1.5263

USD CLASS B: USD 14.1359

GBP CLASS A: GBP 11.9725

GBP CLASS B: GBP 14.1359

**ANNUAL INVESTMENT MANAGEMENT FEE CLASS A:** 1.40% p.a.

**ANNUAL INVESTMENT MANAGEMENT FEE CLASS B:** 1.00% p.a.

**ON-GOING CHARGES (as at 31 January 2024)<sup>2</sup>**

USD Class A: 2.12% GBP Class A: 2.16%

USD Class B: 1.72% GBP Class B: 1.76%

**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: T-1 4pm

Redemptions: T-1 4pm

**SETTLEMENT PERIODS**

Subscriptions: T+3

Redemptions: T+3

**ISIN / SEDOL / BLOOMBERG**

CLASS A USD: IE00B5SHBV53 / B5SHBV5 / NIMBLAU ID Equity

CLASS B USD: IE00B3NHHD07 / B3NHHD0 / NIMBLBU ID Equity

CLASS A GBP: IE00B57XK066 / B57XK06 / NIMBLAG ID Equity

CLASS B GBP: IE00B41F9717 / B41F971 / NIMBLBG ID Equity

### CONTACT CLIENT SERVICES CENTRE

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

### 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 3M SOFR +1% to 3% over a minimum three years.

### SUITABILITY & RISK AND REWARD

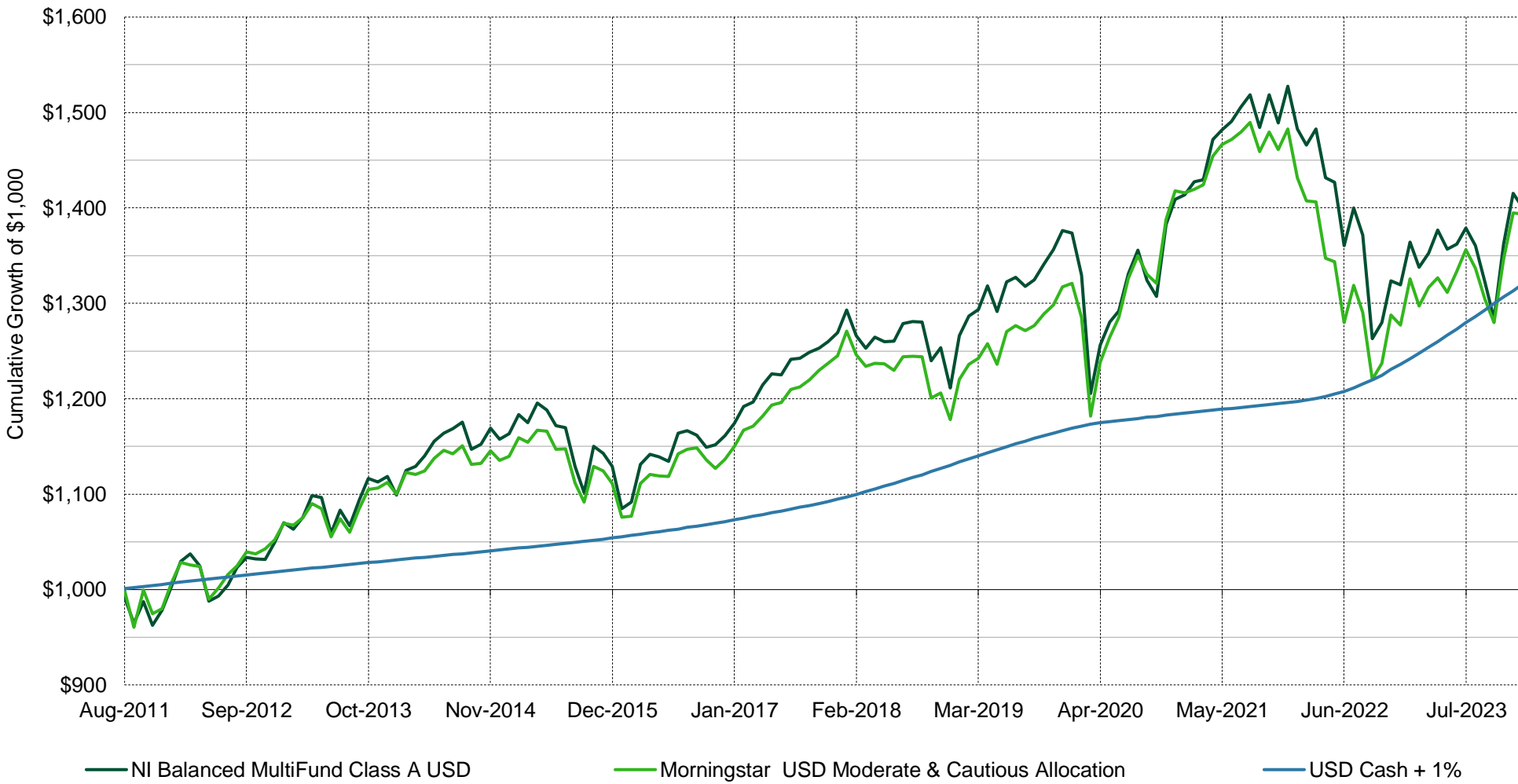
The Balanced MultiFund is suitable for clients with an investment time horizon of a minimum 3 years. Investing in the fund involves a risk to capital in order to achieve the desired return.

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 <sup>1</sup>

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



Class A USD 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 USD	USD PEER GROUP	USD Cash		FUND GBP	GBP PEER GROUP	GBP Cash	
	%	%	+1%	+3%	%	%	+1%	+3%
3 Months	9.2%	8.9%	1.6%	2.1%	7.2%	6.9%	1.5%	2.0%
6 Months	1.6%	2.7%	3.2%	4.2%	1.8%	2.8%	3.1%	4.1%
1 Year	2.7%	5.1%	6.3%	8.4%	1.1%	3.2%	6.1%	8.1%
YTD	-1.0%	-0.1%	0.5%	0.7%	-1.0%	0.0%	0.5%	0.7%
3 Years (ann.)	-0.3%	-0.5%	3.7%	5.7%	0.1%	-0.3%	3.4%	5.5%
5 Years (ann.)	2.0%	2.7%	3.1%	5.1%	1.5%	2.1%	2.6%	4.6%
10 Years (ann.)	2.5%	2.4%	2.5%	4.5%	2.8%	2.7%	2.0%	4.0%
Since inception (ann.)	2.7%	2.7%	2.2%	4.3%	2.7%	2.6%	1.9%	3.9%

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

PERIOD	FUND USD	USD PEER GROUP	USD Cash		FUND GBP	GBP PEER GROUP	GBP Cash	
	%	%	+1%	+3%	%	%	+1%	+3%
2023	7.3%	9.2%	6.2%	8.3%	4.6%	6.3%	5.9%	8.0%
2022	-13.6%	-13.9%	3.3%	5.4%	-10.6%	-11.3%	3.0%	5.1%
2021	8.4%	4.6%	1.0%	3.0%	8.5%	4.6%	1.0%	3.0%
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%

Class A performance net of fees as of 31 January 2024. \* 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.

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

\*\*Cash performance indicators calculated using USD and GBP LIBID 3 month figures to 31st January 2022. From 1st February transitioned to using 3mo SOFR for USD and 3mo SONIA for GBP.

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.

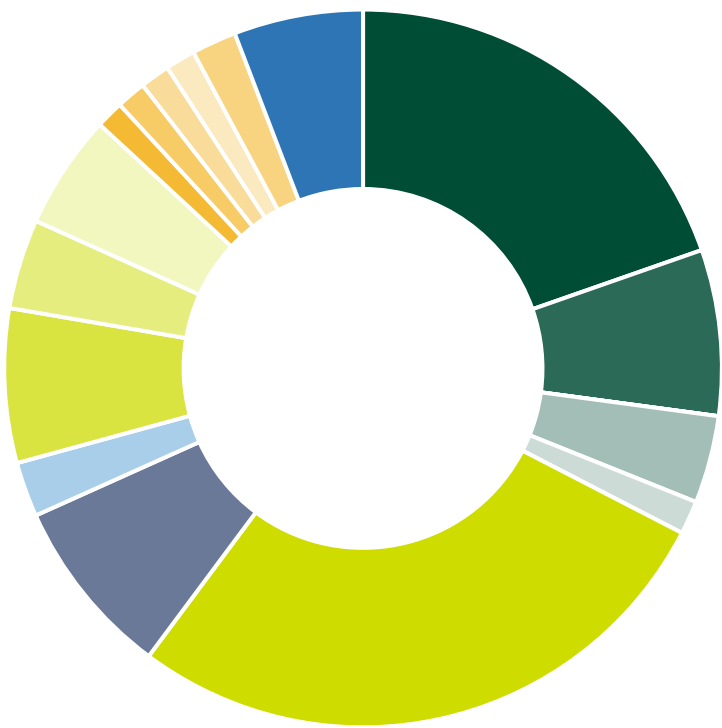
2) The on-going fee is a measure of the actual expenses incurred in the management of the Classes of the Sub-Fund. The on-going fee shown is expressed as a percentage of the monthly average value of the portfolio calculated over a 12-month period as at the date shown. The current on-going fee cannot 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.

# NEDGROUP INVESTMENTS BALANCED MULTIFUND

## January 2024



### ASSET ALLOCATION



Equity	32.6%	Real Assets	17.4%
Global Equity	19.7%	Property	6.9%
North American Equity	7.5%	Renewables	4.0%
Global Emerging Market Equity	3.9%	Infrastructure	5.1%
Japan Equity	1.5%	Commodities	1.3%
Fixed Income	27.6%	Alternative Strategies	6.0%
Government Bonds	27.6%	Private Equity	1.3%
Investment Grade Corporates	8.1%	Asset Backed Lending	1.3%
Strategic Bonds	2.5%	Music Royalties	1.3%
		Energy Efficiency & Storage	2.0%
		Cash	5.8%
		Cash	5.8%

### FULL PORTFOLIO HOLDINGS

EQUITY	32.6%
iShares Core S&P 500 ETF	7.5%
Morgan Stanley Global Brands	6.0%
Fundsmith Equity Fund	5.5%
Nedgroup Global Equity Fund	5.0%
TT Emerging Markets Equity Fund	3.9%
Dodge & Cox Global Stock Fund	2.1%
iShares Core MSCI Japan IMI ETF	1.5%
iShares Edge MSCI World Value Factor ETF	1.0%
FIXED INCOME	38.2%
iShares \$ Treasury Bond 3-7yrs UCITS ETF	8.0%
Morgan Stanley Global Brands	7.8%
PIMCO Global IG Credit	6.9%
iShares \$ Treasury Bond 1-3YR UCITS ETF	6.2%
iShares \$ TIPS UCITS ETF	4.1%
Nedgroup Global Strategic Bond Fund	2.5%
iShares Core UK Gilts USD H	1.5%
Lord Abbett Short Duration Income Fund	0.7%
PIMCO Low Duration Global IG Credit	0.6%
REAL ASSETS	17.4%
ATLAS Global Infrastructure	3.3%
Nedgroup Global Property Fund	2.2%
Target Healthcare REIT	2.2%
3i Infrastructure Plc	1.8%
Greencoat UK Wind	1.4%
The Renewables Infrastructure Group	1.3%
WisdomTree Core Physical Gold ETC	1.3%
Impact Healthcare REIT	1.0%
BMO Commercial Property Trust	0.8%
Greencoat Renewables	0.7%
John Laing Environmental Assets Group	0.7%
Empiric Student Property	0.6%
ALTERNATIVE STRATEGIES	6.0%
Hipgnosis Songs Ordinary Shares	1.3%
GCP Asset Backed Income Fund	1.3%
Gore Street Energy Storage Fund	0.8%
Oakley Capital Investments	0.8%
SDCL Energy Efficiency Income Trust	0.8%
Princess Private Equity	0.5%
Gresham House Energy Storage Fund	0.5%
KKV Secured Loan Fund C Shares	0.1%
CASH	5.8%
	100.0%

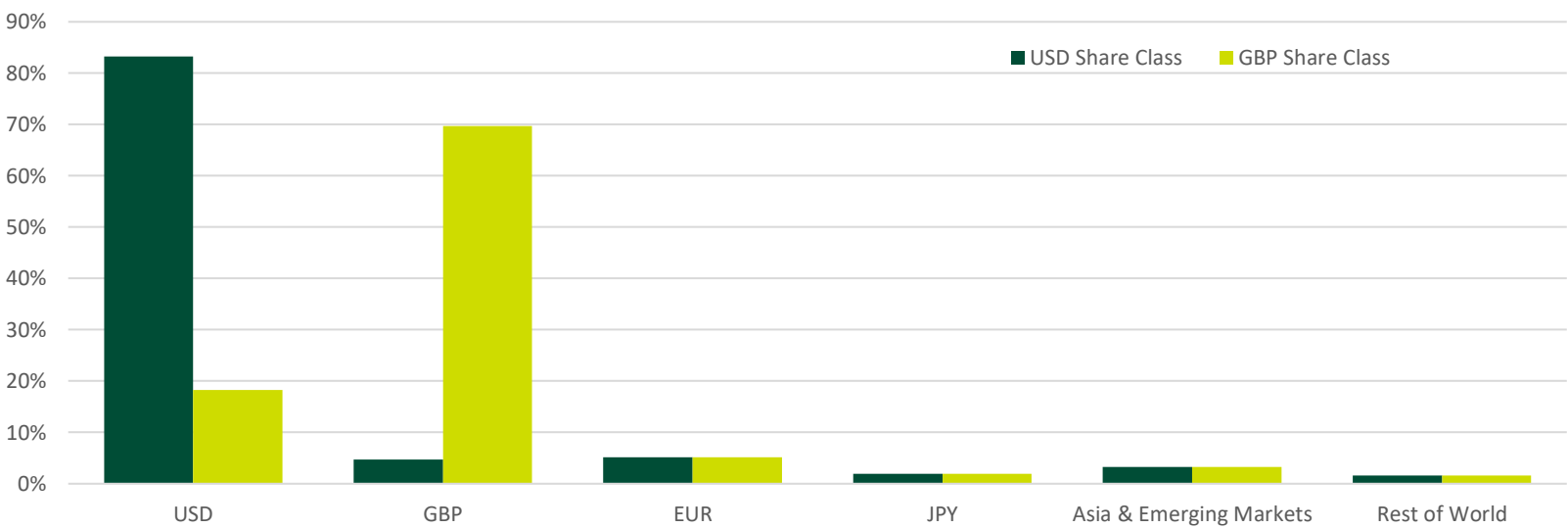
### EQUITY - TOP 10 HOLDINGS<sup>1</sup>

Microsoft	5.3%
Visa	2.1%
Philip Morris International	2.1%
Alphabet	1.9%
Amazon	1.7%
Apple	1.7%
Thermo Fisher Scientific	1.6%
Novo Nordisk	1.6%
L'Oreal	1.6%
Intercontinental Exchange	1.6%
	21.0%

### FIXED INCOME - CREDIT QUALITY<sup>2</sup>

AAA	79.1%
AA	3.9%
A	4.9%
BBB	10.0%
< BBB	2.1%
	100.0%
Yield To Maturity	4.25%
Average Weighted Maturity (in years)	6.39
Average Modified Duration (in years)	5.29

### 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 Equity component look through  
<sup>2</sup> Based on Fixed Income component look through



# NEDGROUP INVESTMENTS BALANCED MULTIFUND

JANUARY 2024



## MARKET COMMENTARY

January proved to be a month of mixed fortunes for markets, where performance amongst financial assets diverged. Economic data continued to pleasantly surprise for the most part, fuelling the upward trajectory of equities that had begun in late 2023. The S&P 500, in particular, soared to a new all-time high, with both economic growth and unemployment data nullifying fears that a US recession is imminent. Even the Euro Area was able to defy market expectations, as the region managed to sidestep a technical recession in Q4, with GDP remaining unchanged. Naturally, economic robustness was met with central bank resolve as officials from the Federal Reserve, European Central Bank and Bank of England decided to hold rates steady, whilst also signalling that rate cuts during the first quarter of 2024 was unlikely. The cautious stance adopted by the major central banks is of little surprise when considering the events of the 1970s which saw central banks ease policy too soon and inflation re-emerge. Unfortunately, the start of 2024 also saw a continuation of the geopolitical concerns that punctuated much of last year, with the Houthis launching attacks on commercial shipping in the Red Sea which resulted in the US and UK conducting retaliatory air strikes. Furthermore, towards the month's end, a drone attack claimed the lives of three U.S. troops in Jordan, heightening concerns about a broader escalation in the region, which is yet to materialise. Finally, China was dealt another economic blow after a Hong Kong court ordered the liquidation of property developer Evergrande Group after a breakdown in its debt restructuring talks. This comes two years after the company officially defaulted on its debt and unsurprisingly, has done little to improve sentiment within the world's second-largest economy which has been plagued with property issues ever since.

In terms of market returns, global equities (1.2%) were positive in January however there was a large variation across regions. Japan (+8.5%) was by far the best performing area with investor sentiment supported by the countries favourable macro backdrop of accommodative monetary policy, economic growth and inflation (the latter of which being something that Japan has been trying to engineer for some time!). The US (+1.5%) and Europe ex UK (+1.3%) also performed well whilst Emerging Markets (-3.5%) were held back by the developments in the Chinese property market. In terms of equity styles, growth stocks (+1.3%) outperformed value (-0.1%), and small-cap stocks (-2.6%) lagged large caps (+1.2%). This was reflected in sector performance, with Information Technology (+3.2%) and Communication Services (+3.0%) the strongest two sectors, whilst Materials (-5.4%) and Real Estate (-4.7%) lagged significantly.

Fixed income markets were also mixed, with higher quality government bonds underperforming the lower quality credit space. The hawkish rhetoric from central banks pushed back market expectations for rate cuts and forced bond yields higher, meaning that the Global Aggregate bond index fell -0.2% over the month. Strong macro data dominated the narrative on the credit side however, meaning that global investment grade (+0.1%)

and the riskier Global High Yield (0.5%) were positive over January.

In the real assets space, both global real estate (-4.1%) and global infrastructure (-3.1%) underperformed, reflecting their sensitivity to rising interest rate expectations. Commodities displayed mixed performance over the month, such that whilst the broad index was positive (+0.4%), there was significant divergence within the index. Picking out the highlights, Crude Oil (+6.1%) rose sharply on the back of developments in the middle east, whereas Gold (-0.7%) fell given the market's expectation for slower cuts by central banks and a stronger US dollar.

## PORTFOLIO COMMENTARY

The end of January saw the Balanced MultiFund close the month down around -1.0% for the US dollar share classes and -0.9% for the GBP share classes.

Within equities, our more cyclical-focused areas, Dodge & Cox Global Stock Fund (-1.7%) and TT Emerging Markets Equity Fund (-3.3%), underperformed due to their biases towards the materials sector and Emerging markets respectively. On the other hand, Fundsmith Equity Fund (+2.3%) and Morgan Stanley Global Brands (+3.2%) outperformed due to their exposures to the large-cap IT and communication services sectors, which performed well as the drive towards AI continues this year.

In fixed income, robust economic data led investors to reassess the likelihood of a Q1 rate cut, resulting in higher yields. Consequently, our short-duration (shorter maturity) government bond exposure, iShares \$ Treasury Bond 1-3yr ETF (+0.3%), outperformed the longer maturity iShares \$ Treasury Bond 7-10yr ETF (-0.6%) and Vanguard US Government Bond Index (-0.4%) funds. This trend extended to our credit funds, which also benefited from US investment-grade spreads reaching their tightest level in over two years, given the continued resilience in the US. Delving into specifics, the short-maturity Lord Abbett Short Duration Income Fund (+0.5%) and PIMCO Low Duration Global IG Credit (+0.2%) led the way, followed by the longer-dated PIMCO Global IG Credit (+0.1%).

Within our real asset holdings, our indirect exposure to property via Nedgroup Global Property Fund (-3.7%) and Infrastructure via Atlas Global Infrastructure (-1.8%) were hurt by the higher yield environment but outperformed their respective benchmarks. Higher yields also dampened sentiment within our UK-based investment trusts following the higher-than-expected inflation reading in the UK.

Our UK care home exposures, Impact Healthcare REIT (-4.8%) and Target Healthcare REIT (-2.9%) were down, as was Empiric Student Property (-3.2%). On the other hand, Balanced Commercial Property Trust (+5.5%) was buoyed by its announcement of successfully selling three office assets at only a 0.3% discount to its latest

# NEDGROUP INVESTMENTS BALANCED MULTIFUND

## JANUARY 2024



### PORTFOLIO COMMENTARY (continued)

valuation, bringing the overall portfolio one step closer to realizing the PM's strategy of reducing office exposure to around 20%. This move aligns with the company's ongoing commitment to reshaping its portfolio, focusing on structurally supported growth sectors such as industrial & logistics, retail warehousing, and operational alternatives.

Our Renewable energy holdings faced challenges, with Greencoat UK Wind (-4.8%), Greencoat Renewables (-10.2%), JLEN Environmental Assets Group (-4.5%), and The Renewable Infrastructure Group (-4.4%) all negatively impacted by the higher yields seen over the month. Meanwhile, our traditional infrastructure player, 3i Infrastructure (+2.8%) displayed resilience. Finally, gold, represented by WisdomTree Core Physical Gold ETC (-0.8%), showed weakness, given the increased opportunity cost of holding it as yields rose, and gold, as we know does not provide an income.

In our alternative positions, GCP Asset Backed Income (+5.2%) experienced a boost from the early repayment of loans. With the proceeds, the company plans to reduce its net debt, and discussions within the board are underway to initiate a share buyback program in the coming weeks. The performance of our private equity holdings, Oakley Capital Investments (-7.1%) and Princess Private Equity (+0.1%) diverged, while our song royalties position, Hipgnosis Songs Fund (-4.1%) saw a decline. Finally, returns for our three energy efficiency holdings were disappointing with SDCL Energy Efficiency (-16.0%) and Gore Street Energy Storage Fund (-21.3%). Gresham House Energy Storage Fund (-46.8%) was particularly weak, mainly due to the softer revenue environment resulting from lower utilisation of battery storage to balance the national electricity grid in the UK. We believe this is a temporary situation that the regulator aims to address, and management has a credible plan in place.

In terms of portfolio activity, we added to the newly launched Nedgroup Global Strategic Bond Fund, funding it through trims in our short and longer duration investment-grade holdings. At the portfolio level, the trade had minimal impact on both duration (interest rate sensitivity) and credit quality. The Nedgroup Global Strategic Bond Fund stands out as an actively managed core bond, multi-sector portfolio following a value-based approach, designed to deliver a steady return stream. We also reduced fixed income duration by introducing a new position in the iShares US Treasury 3-7yr, funded by selling the Vanguard US Government Bond Index fund. And finally, we rebalanced some of our equity holdings back to target to ensure alignment with our long-term investment goals.

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

This is a marketing communication. Please refer to the prospectus, the key investor information document (the KIID/PRIIPS KIDS) 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.

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 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 of the Fund is Citi Services Ireland DAC, 1 North 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/Sub-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/PRIIPS KID, 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. The Investment Manager may decide to terminate the arrangements made for the marketing of its collective investment undertakings in accordance with art 93a of Directive 2009/65/EC and Art 32a of Directive 2011/61/EU.

**UK:** 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 arrangement in respect of the Fund.

#### Nedgroup Investments International contact details

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