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NEDGROUP INVESTMENTS MULTIFUNDS PLC

Quarterly Review
Quarter 4 2021

This report is prepared by Nedgroup Investments (IOM) Limited the Investment Manager of Nedgroup Investments MultiFunds Plc.

The purpose of the report is to provide unitholders in the Nedgroup Investments MultiFunds and their advisers, with a review of the funds' performance since inception. The report is structured as follows:

PART ONE: MARKET REVIEW

This section provides a market review, which looks at the performance of global asset classes over the last quarter, and puts this into perspective relative to longer-term performance. The aim of this review is to provide a context in which the performance of Nedgroup Investments MultiFunds can be assessed.

PART TWO: NEDGROUP INVESTMENTS MULTIFUNDS' PERFORMANCE

This section provides an overview of the performance of the Nedgroup Investments MultiFunds since its launch on 19 August 2011 under the UCITS IV structure. The Income MultiFund was launched on 26 January 2012.

PART THREE: MARKET OUTLOOK

In this section we highlight our current views on the market over the medium term and how these views are implemented within the MultiFunds.

PART FOUR: UNDERLYING PORTFOLIO MANAGER PERFORMANCE

This section shows the performance of the underlying managers.

PART FIVE: FUND FOCUS

In this section we highlight a fund held in the MultiFunds.

PART ONE: MARKET REVIEW

Performance over period to 31 December 2021

Asset class	Indicator	3 months	1 year	3 years	5 years	10 years
Equities	MSCI All Country World Index	6.7%	18.5%	20.4%	14.4%	7.8%
Property	FTSE EPRA/NA REIT Dev Property Index	10.4%	27.2%	12.9%	8.8%	6.3%
Bonds	JPM Global Bond Index	0.2%	-2.3%	3.7%	3.2%	2.2%
Cash	US 3-month deposits	0.0%	0.0%	0.9%	1.2%	0.5%
Inflation	US CPI	2.2%	7.1%	3.5%	2.9%	1.4%

All figures are in USD
Source Bloomberg, Nedgroup Investments
Returns for periods longer than 12 months are annualised.

Economic and market commentary

From a market perspective 2021 was without doubt an eventful, albeit financially rewarding, year. If history books mark 2020 as the year that saw the first pandemic in over 100 years to turn truly ‘global’ – with all the uncertainty (and market volatility) that ensued – then 2021 will likely be marked as the year that society learned to both live with and fight against COVID. Indeed the same can be said of the markets where an increasing dislocation was seen as the year progressed between COVID related ‘bad news’ and market reaction. Investors were perhaps looking through the shorter term noise to the bigger picture and the global economy after COVID. But the year was punctuated by several key themes: reflation, inflation, vaccine, variant and hawks.

The year started very much on a reflationary footing (fiscal and monetary policy designed to expand output and effectively support and drive the economic reopening following the pandemic lockdowns of 2020) fuelled in no small part by the inauguration of President Biden and the simultaneous shift in control of the Senate following state elections in Georgia. With the Democrats in control of both sides of Congress the passage through for the American Rescue Plan Act was made significantly easier. This included $1.9tn of additional stimulus (later scaled back) with a focus on infrastructure spending and environmental responsibility. All part of the ‘build back better’ slogan that carried Biden to the White House. This was supported by wider monetary and fiscal policy seen as accommodative to economic expansion and a shift in rhetoric from central banks, moving from inflation to employment as the key point of focus. Inflation, it was felt, would be under control.

In parallel to this, whilst infection levels remained high, a broader rollout of vaccines globally provided optimism to the pandemic and led to a very strong first quarter to the year for equity markets. This was countered by a more challenging period for fixed income assets, and particularly those with longer dated maturities.

With Q2 came the Delta variant, a more transmissible strain against which several vaccines proved less effective. This caused something of a setback for markets as investors feared a derailment of the reflationary effort and delay to the vaccine led recovery. Q2 also saw inflation move front and centre with mixed views as to just how transitory it would prove to be. Commodity prices were rising, with a particular focus on energy, and with input prices rising generally this was having a broader impact on inflation. This rolled into Q3, now with added concerns around the logistical challenges feeding through to further price rises. In short, pent up demand meeting supply deficits with the wrong goods in the wrong place at the wrong time and a labour supply squeeze creating a backlog to the global movement of materials. Issues around a snowballing debt crisis at China’s property giant Evergrande Group and growing regulatory oversight from the Chinese government proved an unwanted distraction to markets, albeit that fears of debt contagion subsided swiftly and the focus shifted back to inflation.

To this backdrop expectations moved to a more hawkish sentiment from central banks, looking to curb inflation by dialling back on monetary and ultimately fiscal policy, consensus now clearly anticipating several rate hikes in 2022 and evidence of a more aggressive asset purchase tapering. With the advent of Q4 emerged the Omicron variant and evidence of significantly higher transmissibility (than Delta) and without information on severity markets weakened as new restrictions were imposed across multiple countries and the reality loomed large of an extended period of life with COVID and what this might mean for the economic recovery. You only need to look at the impact on travel stocks to see the direction of thinking. But with the closing stages to the year came early evidence of reduced severity from the now dominant variant and, coupled with a surge in vaccine booster programmes across the developed world, renewed optimism that the recovery would remain on-track.

But how has this translated to financial markets given the strong rebound seen in late 2020?

In truth it has been a good year for risk assets, and specifically developed market equities, but also other asset classes linked to the economic reopening, whilst traditionally more defensive assets have struggled. To equities first and the global index (MSCI ACWI) saw an increase of 20.9% on the year. This was led by the US which rose by 26.5% over the period with Europe (ex UK) not far behind up 22.6%. This is in stark contrast to emerging markets which posted a very slight loss on the year at -0.2%. As mentioned previously, commodities saw strong returns on the year with the broad commodity index up some 27% with oil leading the way up more than 60%. This is in contrast to the classic safe-haven of gold, falling by 4% over the year. To extend the view on real assets, property also performed well in 2021 with the developed market REIT index up 27.2% on the year.

Turning finally to fixed income markets it was difficult to find any bright spots unless linked to either inflation (index linked) or risk (high yield) or managed to avoid duration (longer maturity). The Barclays Global Aggregate index fell by 1.5% over the year whilst the Merrill Lynch Global High Yield index rose 2.8%. The FTSE All Stocks UK Index Linked Index was up 4.2% over the year whilst in contrast the equivalent UK Gilt Index fell 5.2%.

PART TWO: MULTIFUNDS' PERFORMANCE

All performance figures are as at 31 December 2021

Growth MultiFund

PERIOD	FUND USD %	Performance Indicator US LIBID 3 month +4%	FUND GBP %	Performance Indicator GBP LIBID 3 month +4%
3 months	4.1%	1.0%	3.8%	1.0%
1 year	14.2%	4.0%	14.5%	4.0%
3 years (annualised)	13.5%	4.9%	11.4%	4.3%
Since inception* (annualised)	6.9%	4.7%	7.3%	4.4%

Balanced MultiFund

PERIOD	FUND USD %	Performance Indicator US LIBID 3 month +2%	FUND GBP %	Performance Indicator GBP LIBID 3 month +2%
3 months	3.0%	0.5%	2.8%	0.5%
1 year	8.8%	2.0%	8.9%	2.0%
3 years (annualised)	8.5%	2.9%	6.8%	2.3%
Since inception* (annualised)	4.5%	2.7%	4.5%	2.4%

Income MultiFund Accumulating

PERIOD	FUND USD %	Performance Indicator US LIBID 3 month	FUND GBP %	Performance Indicator GBP LIBID 3 month
3 months	0.9%	0.0%	0.8%	0.0%
1 year	3.0%	0.0%	2.9%	0.0%
3 years (annualised)	4.1%	0.9%	3.2%	0.3%
Since inception* (annualised)	3.4%	0.7%	3.1%	0.3%

C Class performance with returns prior their inception dates backfilled using class A returns adjusted for fees.

*Inception dates: NIM Growth USD C: 30/12/2014, NIM Growth GBP C: 06/03/2013,
NIM Balanced USD C: 08/11/2013, NIM Balanced GBP C: 06/03/2013
NIM Income USD C Acc: 01/09/2015, NIM Income GBP C Acc: 08/04/2013

Inception date for NIM Growth and Balanced USD A is 19 August 2011 (Valuation date 18 August 2011) / for NIM Income USD A Acc is 12 April 2012
Inception date for NIM Growth and Balanced GBP A is 19 August 2011 (Valuation date 18 August 2011) / for NIM Income GBP A Acc is 26 January 2012

Source Bloomberg, Nedgroup Investments

PORTFOLIO REVIEW AND CHANGES

Growth

The end of December saw a strong close to the year for the portfolio with the fund up 3.8% on the month, 14.2% on the year. The final quarter as a whole saw the fund rise by 4.1%. The strong absolute performance of the fund resulted in comfortable outperformance of the longer term cash target but also relative outperformance of the reference peer group with the fund ahead by 2.8% and now ahead of peer group over the longer term also.

The drivers of performance during such a strong period are unsurprisingly equities and other risk assets within the portfolio. Morgan Stanley Global Brands has been a strong performer for much of the year, delivering growth of 6% on the month and in excess of 22% over the year as a whole. This is in direct contrast to TT Emerging Market Equities which ended the year down 2% with only a slight uplift during December. This is reflective of emerging markets as a whole during the year, suffering from the fallout of increased regulation from China as well as concerns from the debt crisis within the property sector. Emerging market exposure was cut significantly in the first half of 2021 in favour of developed markets which has supported relative performance on the year. As too has the introduction of more regional allocations within the portfolio which has allowed for greater control around both geographic and style positioning. Regarding the latter we marginally added to equities during December, increasing the value bias through further allocations to both the Dodge & Cox Global Stock fund and iShares Euro STOXX Mid ETF with the expectation of a further move in favour of cyclically exposed sectors.

Turning to the Real Asset exposure within the portfolio, property, both direct and indirect, proved beneficial to returns both on the month and the year as a whole. Of particular note was the performance of BMO Commercial Property Trust which saw a rise of 4% in December, closing the year up almost 38%. This reflects our view that the trust was well placed to benefit from the UK economic ‘reopening’ with property valuations rising, rental collections improving and a shift in sentiment helping close an overextended discount to net asset value. We have also favoured the broader infrastructure sectors during the year, and continue to do so, with strong returns from many of the portfolio holdings but 3i Infrastructure worthy of particular mention, closing the year up almost 19%.

The funds exposure to Alternative Strategies proved to be broadly positive and this remains an area of particular interest. Of note has been the contribution from Private Equity since the first investment during the summer. Oakley Capital has risen strongly since purchase in August with an increase of 11% in December alone. We continue to favour this area, offering genuine diversification to the portfolio and access to a new market segment.

Finally turning to fixed income and what has undoubtedly been a challenging time for this segment as a whole with many areas seeing marginal losses during the year. The fund has had no exposure for much of the year, our preference being to focus on risk assets in a broadly supportive environment. A single short duration holding was added however late in the year, funded from cash, and this has already proven marginally beneficial with Lord Abbett Short Duration Income fund up marginally on the month and since purchase.

Balanced

The end of December saw a strong close to the year for the portfolio with the fund up 2.6% on the month, 8.8% on the year. The final quarter as a whole saw the fund rise by 3%. The strong absolute performance of the fund resulted in comfortable outperformance of the longer term cash target but also relative outperformance of the reference peer group with the fund ahead by 4.2% and now ahead of peer group over the longer term also.

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Finally turning to the fixed income holdings and it has undoubtedly been a challenging time for this segment as a whole with many areas seeing marginal losses during the year. The fund's focus on short duration has worked well and helped protect against the wider weakness, but of particular note has been the bias towards high yield with the AXA US Short Duration High Yield fund seeing an increase of over 1% on the month, closing the year up 3.2%. This focus on credit risk rather than interest rate risk has been broadly beneficial given the economic backdrop and is a position that we are comfortable to maintain going in to 2022.

Income

The end of December saw a positive close to the year for the portfolio with the fund up 0.7% on the month, 2.9% on the year. The final quarter as a whole saw the fund rise by 0.8%. The positive absolute performance of the fund resulted in comfortable outperformance of the longer term cash target but also relative outperformance of the reference peer group with the fund ahead by 4.8% and now ahead of peer group over the longer term also.

The drivers of performance during such a period are unsurprisingly equities and other risk assets within the portfolio. The single equity holding of iShares FTSE UK Dividend Plus performed particularly well with an increase of 6.7% on the month, 22.4% for the year as a whole. The fund has benefited from a broader value based upturn as well as strength in developed markets generally.

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The funds exposure to Alternative Strategies proved to be broadly positive and this remains an area of particular interest. Of note has been the contribution from the two positions in asset backed lending. KKV Secured Loan (now renamed as SFL Realisation Fund) has been a problem position discussed previously but has been the subject to a material turnaround from a new and highly capable management team looking to extract maximum value in the wind down of the portfolio. The resulting return of 116% on the year is indeed eye catching if possibly somewhat distorted by the previous losses on the fund. However GCP Asset Backed Income was particularly pleasing with a marginal rise on the month but up 13.2% on the year, demonstrating the exact qualities that first attracted us to the asset class segment.

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PART THREE: MARKET OUTLOOK

- The impact and importance to global economies of COVID-19 pandemic to recede, with a further dislocation of COVID news and market reaction. There is still the overhang of existing restrictions, seen regionally, but we expect these to lift during the first half of 2022, with a focus on Q1, enabling a more normalised economic environment to develop.
- The global pandemic to move to an 'endemic' scenario. Combination of an effective vaccination programme, mass exposure, advances in anti-viral treatments and a less severe but dominant variant look set to reduce the on-going impact of COVID and enable the next stage of 'living with COVID'.
- Other risk factors to emerge with a particular focus on the political landscape. The threat of an escalation between Russia and the Ukraine is clear as too is China and Taiwan, and there is also the potential of further fallout from an increase in Chinese regulatory control. Our base case is that these will be manageable risks in terms of economic impact.
- Economic growth will remain above long term trends. We anticipate this to be particularly pronounced with developed economies where receding restrictions meet pent up demand and broadly accommodative policy (albeit less so).
- Inflation will remain elevated but down from near term highs. Expectations are for a normalisation of supply / demand metrics as the year progresses and for labour markets to settle, albeit with below trend unemployment within developed markets. There are still persistent inflationary pressures in evidence however, not helped by a staggered economic reopening that still has to transition to normalised activity.
- Central banks will shift to a more 'hawkish' stance to moderate growth and curb inflationary pressures. The shift in focus away from inflationary control to one of labour market support, effectively allowing economies to 'run hot', has left certain economies exposed to entrenched inflationary pressure. Our base case is for developed markets to tighten monetary policy over the next 12 months, primarily through a series of interest rate hikes. We do however expect policy to remain broadly supportive with any increases seen in the context of a starting position of historically low levels.

Asset Class Assumptions

- Investors will continue to be rewarded for taking risk, albeit not at 2021 levels of returns.
- Equities will outperform fixed income, with an expectation of high single digit returns over the course of the next 12 months.
- Within equities we favour more cyclical and value segments of the market with the expectation that investors will begin to rotate away from growth sectors which have performed so well over the recent past. Our base case is for a period of

outperformance from value (vs growth) with a particular emphasis on cyclicals, or those areas that benefit from economic expansion.

- Our core view is for developed Europe to outperform the US over the coming 12 months with its greater exposure to cyclical sectors and more reasonably priced valuations. We favour this area and also the mid cap segment of the market.
- Emerging markets will swing back in to favour later in the period as evidence of an endemic stage emerge and vaccination programmes level up globally.
- Fixed income markets will underperform equities over a 12 month period. Our expectations are for a series of interest rate hikes and as such favour the shorter duration end of the market with a focus more on credit risk (rather than interest rate risk) in what we anticipate to remain a broadly accommodative corporate environment.
- Developed government debt is expected to underperform broader debt markets except in the event of a serious derailing of the base case scenario for above trend economic growth and managed (albeit elevated) inflation.
- Real assets will provide positive returns and an attractive income stream (where available) over the coming 12 months. Real Assets are expected to outperform fixed income markets over the period with the general exception of gold.
- Selective commercial property segments and the broader infrastructure sectors will benefit from the continued reflation of economies as well as broader structural tailwinds.
- Property and infrastructure to provide some insulation to portfolios against elevated inflation.
- Selective Alternative Strategies to provide positive diversification to portfolios and the potential for attractive income streams.

PART FOUR: UNDERLYING PORTFOLIO MANAGER PERFORMANCE

The Nedgroup Investments MultiFunds' investment philosophy is one that seeks to invest in specialist underlying portfolio managers who are most appropriate for the achievement of each risk profiled MultiFunds' investment objective. A combination of externally appointed fund managers is used. The table below shows the performance of the underlying managers used within the Growth, Balanced and Income MultiFunds.

	Month to Date	3 Months	6 Months	Year to Date	1 Year	3 Years Ann	5 Years Ann	7 Years Ann
Global Funds - USD								
Fundsmith Equity Fund	5.13%	6.91%	5.96%	21.19%	21.19%	24.56%	20.04%	16.62%
Relative to MSCI ACWI	1.13%	0.24%	0.41%	2.65%	2.65%	4.18%	5.64%	5.72%
Realitive to MSCI ACWI Quality	1.66%	-2.32%	-1.64%	-0.89%	-0.89%	-2.66%	0.42%	1.86%
Morgan Stanley Global Brands	6.09%	9.44%	10.70%	22.35%	22.35%	21.28%	17.12%	13.66%
Relative to MSCI ACWI	2.09%	2.76%	5.15%	3.81%	3.81%	0.90%	2.72%	2.76%
Realitive to MSCI ACWI Quality	2.62%	0.20%	3.10%	0.26%	0.26%	-5.95%	-2.50%	-1.11%
Nedgroup Global Equity Fund	5.17%	4.06%	3.89%	14.48%	14.48%	18.67%	14.37%	10.97%
Relative to MSCI ACWI	1.17%	-2.62%	-1.66%	-4.06%	-4.06%	-1.71%	-0.02%	0.07%
Realitive to MSCI ACWI Quality	1.70%	-5.18%	-3.71%	-7.61%	-7.61%	-8.55%	-5.24%	-3.79%
Dodge & Cox Global Stock Fund	4.71%	3.27%	-0.30%	20.14%	20.14%	16.10%	10.59%	8.49%
Relative to MSCI ACWI	0.71%	-3.41%	-5.85%	1.61%	1.61%	-4.28%	-3.81%	-2.41%
Realitive to MSCI ACWI Value	-1.56%	-3.13%	-5.42%	-0.20%	-0.20%	2.44%	1.14%	0.79%
TT Emerging Markets Equity Fund	1.29%	-2.93%	-14.47%	-1.40%	-1.40%	13.47%	11.36%	8.82%
Relative to MSCI ACWI	-2.71%	-9.60%	-20.03%	-19.94%	-19.94%	-6.91%	-3.04%	
Relative to MSCI Emerging Market	-0.58%	-1.61%	-5.18%	1.14%	1.14%	2.53%	1.48%	
Regional Funds - USD								
iShares Edge MSCI World Value	6.78%	3.65%	3.05%	20.11%	20.11%	10.98%	7.57%	5.94%
Relative to MSCI ACWI	2.78%	-3.03%	-2.50%	1.58%	1.58%	-9.40%	-6.82%	
Relative to MSCI World Value Enhanced	-0.19%	-0.42%	-0.01%	0.08%	0.08%	-0.13%	-0.02%	
iShares Core S&P 500 ETF	4.19%	10.10%	11.79%	29.35%	29.35%	25.70%	17.96%	14.36%
Relative to MSCI ACWI	0.19%	3.42%	6.24%	10.81%	10.81%	5.32%	3.56%	3.45%
Relative to S&P 500 Index	-0.26%	-0.81%	0.35%	1.19%	1.19%	0.30%	0.13%	0.08%
SPDR S&P 400 US Mid Cap ETF	3.93%	5.96%	5.87%	24.17%	24.17%	20.77%	12.26%	10.95%
Relative to MSCI ACWI	-0.07%	-0.72%	0.32%	5.63%	5.63%	0.39%	-2.14%	0.05%
Relative to S&P 400 Index	-1.10%	-1.92%	-0.02%	-0.12%	-0.12%	-0.08%	-0.30%	-0.34%
iShares EURO STOXX Mid ETF	3.91%	-0.27%	-1.13%	7.46%	7.46%	13.49%	10.51%	8.83%
Relative to MSCI ACWI	-0.09%	-6.94%	-6.68%	-11.08%	-11.08%	-6.89%	-3.89%	-2.08%
Relative to EURO STOXX Mid Index	-0.48%	-0.44%	-0.55%	-1.03%	-1.03%	-0.01%	0.00%	0.01%
iShares FTSE UK Dividend Plus	6.74%	6.42%	5.48%	22.38%	22.38%	8.60%	3.97%	0.68%
Relative to MSCI ACWI	2.74%	-0.25%	-0.07%	3.84%	3.84%	-11.78%	-10.43%	-10.22%
Relative to FTSE UK Dividend Index	-0.41%	-0.67%	-0.57%	-0.80%	-0.80%	-1.16%	-0.76%	-0.69%
iShares FTSE 100 ETF	6.96%	5.51%	4.72%	16.48%	16.48%	9.07%	6.50%	3.43%
Relative to MSCI ACWI	2.96%	-1.16%	-0.83%	-2.06%	-2.06%	-11.31%	-7.90%	-7.47%
Relative to FTSE 100 Index	0.07%	0.19%	-0.01%	-0.91%	-0.91%	-0.22%	-0.10%	-0.18%
iShares FTSE 250 ETF	6.54%	2.61%	3.65%	15.27%	15.27%	14.52%	9.52%	5.67%
Relative to MSCI ACWI	2.54%	-4.06%	-1.90%	-3.27%	-3.27%	-5.86%	-4.88%	-5.23%
Relative to FTSE 250 Index	-0.02%	-0.33%	-0.27%	-0.64%	-0.64%	-0.63%	-0.49%	-0.43%
iShares Core MSCI Japan IMI ETF	2.84%	-4.51%	-0.55%	0.16%	0.16%	10.91%	8.06%	7.67%
Relative to MSCI ACWI	-1.16%	-11.18%	-6.10%	-18.38%	-18.38%	-9.48%	-6.33%	-3.23%
Relative to MSI Japan IMI Index	0.97%	0.15%	-0.04%	-0.83%	-0.83%	-0.04%	-0.10%	-0.10%

	Month to Date	3 Months	6 Months	Year to Date	1 Year	3 Years Ann	5 Years Ann	7 Years Ann
US High Yield - USD								
AXA US Short Duration High Yield	1.17%	0.59%	1.08%	3.17%	3.17%	4.57%	3.71%	-
Relative to Bloomberg Barclays Global Aggregate Index	1.57%	0.55%	0.95%	4.56%	4.56%	0.52%	0.32%	
Relative to ICE BofA 1-3yr BB US High Yield	0.27%	0.08%	0.17%	-0.07%	-0.07%	-1.20%	-0.73%	
Muzinich Short Duration High Yield	1.14%	0.61%	1.17%	3.41%	3.41%	4.81%	3.67%	3.52%
Relative to Bloomberg Barclays Global Aggregate Index	1.54%	0.57%	1.04%	4.80%	4.80%	0.75%	0.28%	0.39%
Relative to ICE BofA 1-3yr BB US High Yield	0.25%	0.10%	0.26%	0.17%	0.17%	-0.96%	-0.77%	-1.01%
Global Investment Grade - USD								
PIMCO Low Duration Global IG Credit	0.00%	-0.98%	-1.22%	-0.66%	-0.66%	2.92%	2.55%	2.56%
Relative to Bloomberg Barclays Global Aggregate Index	0.41%	-1.02%	-1.35%	0.73%	0.73%	-1.14%	-0.84%	-0.57%
Relative to Bloomberg Barclays Global Aggregate Credit 1-5 Years Index	-0.03%	-0.48%	-0.90%	-0.57%	-0.57%	-0.54%	-0.37%	-0.11%
Lord Abbett Short Duration Income Fund	0.18%	-0.18%	0.00%	1.09%	1.09%	3.13%	-	-
Relative to Bloomberg Barclays Global Aggregate Index	0.59%	-0.22%	-0.13%	2.48%	2.48%	-0.93%		
Relative to Bloomberg Barclays Global Aggregate Credit 1-5 Years Index	0.15%	0.33%	0.33%	1.18%	1.18%	-0.33%		
PIMCO Global IG Credit	0.14%	-0.50%	-0.77%	-1.39%	-1.39%	5.54%	4.43%	4.28%
Relative to Bloomberg Barclays Global Aggregate Index	0.54%	-0.54%	-0.89%	0.00%	0.00%	1.48%	1.04%	1.15%
Relative to Bloomberg Barclays Global Aggregate Credit Index	0.25%	-0.53%	-0.86%	-0.44%	-0.44%	-0.55%	-0.17%	0.21%
Wellington Global Credit Plus	-0.14%	-0.47%	-0.59%	-1.37%	-1.37%	6.81%	5.08%	4.66%
Relative to Bloomberg Barclays Global Aggregate Index	0.27%	-0.52%	-0.72%	0.02%	0.02%	2.75%	1.69%	1.53%
Relative to Bloomberg Barclays Global Aggregate Credit Index	-0.03%	-0.50%	-0.69%	-0.42%	-0.42%	0.72%	0.48%	0.59%
US Government Bonds - USD								
iShares $ Treasury Bond 1-3YR UCITS ETF	-0.13%	-0.52%	-0.46%	-0.64%	-0.64%	2.01%	-	-
Relative to Bloomberg Barclays Global Aggregate Index	0.28%	-0.56%	-0.59%	0.75%	0.75%	-2.05%		
Relative to ICE BofA 1-3 Year US Treasury Index	0.12%	0.01%	0.01%	-0.08%	-0.08%	-0.01%		
Vanguard US Government Bond Index Fund	-0.60%	0.04%	0.10%	-2.43%	-2.43%	3.81%	2.85%	2.23%
Relative to Bloomberg Barclays Global Aggregate Index	-0.20%	0.00%	-0.03%	-1.04%	-1.04%	-0.24%	-0.54%	-0.90%
Relative to Bloomberg Barclays US Government Float Adjusted Bond Index	-0.10%	-0.11%	-0.14%	-0.16%	-0.16%	-0.25%	-0.22%	-0.23%

	Month to Date	3 Months	6 Months	Year to Date	1 Year	3 Years Ann	5 Years Ann	7 Years Ann
Real Estate - Indirect - USD								
Nedgroup Global Property Fund	7.47%	12.08%	12.07%	26.45%	26.45%	14.44%	9.52%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	5.68%	8.72%	9.18%	18.16%	18.16%	2.03%	0.42%	
Relative to FTSE EPRA/NAREIT Developed Dividend Index	1.46%	3.08%	3.94%	1.17%	1.17%	3.05%	1.96%	
iShares Developed Markets Property Yield ETF	4.88%	7.88%	7.29%	25.38%	25.38%	11.20%	7.65%	5.80%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	3.08%	4.52%	4.39%	17.09%	17.09%	-1.21%	-1.44%	-1.46%
Relative to FTSE EPRA/NAREIT Developed Dividend Index	-1.14%	-1.12%	-0.84%	0.10%	0.10%	-0.19%	0.09%	-0.25%
Real Estate - Direct - GBP								
BMO Commercial Property Trust	4.17%	10.28%	18.48%	37.84%	37.84%	-1.22%	-0.85%	0.66%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	3.60%	7.19%	14.63%	29.14%	29.14%	-12.02%	-8.41%	-7.31%
Relative to FTSE EPRA/NAREIT UK Index	0.36%	-0.68%	2.28%	9.53%	9.53%	-12.95%	-7.06%	-3.99%
Impact Healthcare REIT	0.85%	10.16%	10.48%	15.93%	15.93%	11.14%	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	0.28%	7.07%	6.63%	7.24%	7.24%	0.34%		
Relative to FTSE EPRA/NAREIT UK Index	-2.97%	-0.80%	-5.72%	-12.37%	-12.37%	-0.59%		
Target Healthcare REIT	3.88%	4.27%	5.12%	9.53%	9.53%	9.13%	6.92%	8.36%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	3.30%	1.17%	1.27%	0.84%	0.84%	-1.68%	-0.64%	0.39%
Relative to FTSE EPRA/NAREIT UK Index	0.06%	-6.70%	-11.08%	-18.77%	-18.77%	-2.60%	0.72%	3.71%
Renewables - GBP								
Greencoat UK Wind	4.74%	9.91%	14.18%	10.67%	10.67%	9.19%	8.86%	9.37%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	4.17%	6.81%	10.34%	1.98%	1.98%	-1.62%	1.29%	1.40%
Relative to GBP LIBID 3 Month + 4%	4.41%	8.90%	12.20%	6.69%	6.69%	4.91%	4.51%	5.01%
Greencoat Renewables	-0.01%	-4.45%	-4.57%	-6.14%	-6.14%	5.21%	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.58%	-7.55%	-8.41%	-14.83%	-14.83%	-5.60%		
Relative to GBP LIBID 3 Month + 4%	-0.35%	-5.46%	-6.55%	-10.12%	-10.12%	0.93%		
John Laing Environmental Assets Group	3.03%	-0.61%	8.50%	-1.92%	-1.92%	6.08%	5.90%	6.35%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	2.46%	-3.71%	4.65%	-10.61%	-10.61%	-4.73%	-1.67%	-1.62%
Relative to GBP LIBID 3 Month + 4%	2.69%	-1.61%	6.51%	-5.90%	-5.90%	1.80%	1.55%	1.98%
The Renewable Infrastructure Group	2.15%	10.31%	7.70%	11.35%	11.35%	11.84%	10.22%	10.14%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	1.58%	7.22%	3.86%	2.66%	2.66%	1.03%	2.66%	2.17%
Relative to GBP LIBID 3 Month + 4%	1.81%	9.31%	5.72%	7.37%	7.37%	7.56%	5.87%	5.77%
Indirect Infrastructure - USD Unhedged								
ATLAS Global Infrastructure	7.21%	5.98%	9.57%	10.19%	10.19%	12.79%	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	5.41%	2.62%	6.68%	1.90%	1.90%	0.37%		
Relative to FTSE Global Core Infrastructure	0.11%	-3.85%	1.26%	-6.77%	-6.77%	-0.24%		
Direct Infrastructure - GBP								
3i Infrastructure	3.66%	18.41%	20.79%	18.76%	18.76%	14.68%	16.38%	16.36%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	3.08%	15.31%	16.94%	10.07%	10.07%	3.87%	8.82%	8.39%
Relative to FTSE Global Core Infrastructure	-1.30%	9.17%	10.35%	0.80%	0.80%	3.89%	7.91%	6.88%

	Month to Date	3 Months	6 Months	Year to Date	1 Year	3 Years Ann	5 Years Ann	7 Years Ann
Asset backed lending - GBP								
GCP Asset Backed Income Fund	0.44%	0.73%	-2.41%	13.24%	13.24%	4.03%	5.10%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.13%	-2.37%	-6.26%	4.55%	4.55%	-6.77%	-2.47%	
Relative to GBP LIBID 3 Month + 4%	0.10%	-0.27%	-4.39%	9.26%	9.26%	-0.25%	0.75%	
SFL Realisation Fund - C Shares	-0.25%	-0.25%	41.65%	116.21%	116.21%	-2.07%	2.78%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.82%	-3.35%	37.80%	107.52%	107.52%	-12.88%		
Relative to GBP LIBID 3 Month + 4%	-0.59%	-1.25%	39.66%	112.23%	112.23%	-6.35%		
Song Royalties - GBP								
Hipgnosis Songs Fund	-0.49%	3.48%	5.00%	5.63%	5.63%	9.80%	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-1.06%	0.38%	1.16%	-3.07%	-3.07%	-1.01%		
Relative to GBP LIBID 3 Month + 4%	-0.83%	2.48%	3.02%	1.65%	1.65%	5.52%		
Round Hill Music Royalty Fund	-2.23%	0.73%	3.15%	7.52%	7.52%	-	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-2.80%	-2.37%	-0.70%	-1.18%				
Relative to GBP LIBID 3 Month + 4%	-2.57%	-0.27%	1.16%	3.54%				
Private Equity - GBP								
Oakley Capital Investments	11.15%	17.39%	15.70%	48.07%	48.07%	36.50%	22.93%	17.31%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	10.58%	14.29%	11.85%	39.38%	39.38%	25.69%		
Relative to GBP LIBID 3 Month + 4%	10.81%	16.39%	13.71%	44.09%	44.09%	32.22%		
Princess Private Equity	6.38%	6.13%	12.43%	21.64%	21.64%	23.22%	16.46%	18.78%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	5.81%	3.03%	8.58%	12.94%	12.94%	12.41%	8.90%	10.81%
Relative to GBP LIBID 3 Month + 4%	6.04%	5.13%	10.44%	17.66%	17.66%	18.94%	12.12%	14.42%

Source Bloomberg, Nedgroup Investments

PART FIVE: FUND FOCUS

In this section of the report we cover the underlying funds in slightly more detail in order to assist investors in gaining a better understanding of the underlying funds and the reasons we hold them. In this report we look at Muzinich Short Duration High Yield Fund

Muzinich Short Duration High Yield Fund

Muzinich Short Duration High Yield fund targets a diverse portfolio, primarily in high yield (sub investment grade) bonds with short maturities. These bonds are mainly issued in US Dollars or by North American companies. The Fund seeks to offer investors the opportunity to benefit from attractive yields in corporate credit while helping investors largely protect themselves from the danger of rising long term interest rates.

All investment decisions are primarily driven by bottom-up, fundamental credit research. The proprietary research process is particularly credit-intensive. Investment decisions are based on qualitative and quantitative analysis, using internally generated financial models and projections. Analysts cover specific industries based on their area of expertise, working closely with portfolio managers and traders as part of a collaborative investment team. Diversified portfolios are built carefully to reflect the individual recommendations of the credit analysts, but also the macro (bigger picture) considerations of the portfolio manager. This will incorporate considerations regarding the economic cycle, credit cycle, risk premiums, technicals, default rates and relative value. Muzinich also emphasises a rigorous and proactive sell discipline to capture upside, but also mitigate downside volatility, and only invests in cash bonds. Furthermore, Muzinich's Portfolio Risk Analytics Group, which is independent of the portfolio management team, uses both proprietary models, and outside services to continuously monitor portfolios to check for: the suitability of securities in the portfolio, absolute risk, cross-portfolio consistency and compliance within guideline limits.

Muzinich's independent employee ownership structure creates focus and stability within the firm. Complete independence allows integrity in thought and action. It also ensures alignment of the interests of the employees with that of the underlying investors. The short duration and conservative management of the Muzinich Short Duration High Yield Fund makes the product ideal for clients with a low to medium risk tolerance looking to generate income above cash rates. This Fund is very similar to the AXA US Short Duration High Yield Bond Fund (also on the approved research list), however, Muzinich tend to be more conservative in terms of their investment style than AXA, normally avoiding lower rated high yield bonds such as CCCs. It should be noted that given this portfolio is predominately invested in US high yield debt the high issuance of energy related companies in the United States means this portfolio has a significant exposure to the energy sector. Therefore, this fund will be impacted by movements in the price of crude oil, which can obviously be extremely volatile.

This strategy takes very limited currency risk, the majority of the underlying exposure that is not denominated in the base currency is hedged back to the base currency. In this note we have written up the fund domiciled in Ireland with a base currency of USD. However investors who like this strategy but prefer to invest in another base currency (such as GBP), hedged share classes are available.

WHY WE LIKE THE FUND:

- Independent, employee owned firm
- Corporate credit and credit-oriented strategies are sole focus of Muzinich
- Clear and disciplined research driven investment process
- Strong emphasis on risk control
- Good long term performance

Disclaimer

This is a marketing communication. Please refer to the Prospectus of the UCITS Fund and the KIID before making any final investment decisions.

Nedgroup Investments MultiFunds (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 (S.I. No. 352 of 2011) as amended from time-to-time.

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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. 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.

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 Prospectus of the Fund, the Supplement of its Sub-Funds and the KIIDS are available from the Investment Manager and the Distributor or from its website www.nedgroupinvestments.com

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