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NEDGROUP INVESTMENTS MULTIFUNDS PLC

Quarterly Review
Quarter 3 2023

Marketing Communication

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 29 September 2023

Past performance does not predict future returns

Asset Class	Indicator	3 months	1 year	3 years	5 years	10 years
Equities	MSCI All Country World Index	-3.4%	20.8%	6.9%	6.5%	5.0%
Property	FTSE EPRA/NA REIT Dev Property Index	-5.6%	2.7%	1.5%	-0.3%	2.0%
Bonds	Bloomberg Barclays Global Aggregate Index	-1.8%	2.1%	-3.7%	0.6%	1.2%
Cash	US 3-month deposits	1.3%	4.9%	2.1%	1.9%	0.9%
Inflation	US CPI (one month in arrears)	0.8%	3.3%	5.6%	4.0%	1.8%

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

Economic and market commentary

The third quarter of 2023 despite a good start was a difficult one for markets overall, primarily due to a big move higher in government bond yields. Moves in bond yields impact most financial assets as investors attempt to value investments through present valuing future cash flow streams. If the discount rate (government bond yield) moves higher the present value of those cashflows declines. There were a number of good reasons during the quarter for the increase in bond yields, despite a general picture of slowing inflation. Firstly, the Bank of Japan surprised the markets by modifying part of its monetary policy, this change was seen as a step towards policy normalisation / tightening and resulted in higher Japanese government bonds yields. Secondly, the downgrade of the US government credit rating from AAA to AA+ (by Fitch Ratings) and higher-than-expected US bond issuance. Thirdly, the concern that rising oil prices, due to restrictions in output by Saudi Arabia and Russia, will feed into future headline inflation numbers. Finally, and perhaps most importantly, toward the end of the quarter, central bank rhetoric led to a broader realisation by markets that whilst most central banks are close to finishing raising rates, interest rates will stay higher for longer.

Concerns surrounding China's property sector resurfaced after fears that Country Garden, one of China's largest property developers, would default on some of its debt. China's property market has struggled ever since Evergrande defaulted in 2021, after years of speculation and over-investment. Related to which, worries around China's lacklustre economic recovery since the economy reopened and lack of sufficient government stimulus remained in focus. Elsewhere, stagflation concerns increased in Europe with the release of weak economic survey data but high inflation figures, the outlook for both is not helped by the recent rise in energy prices. Economic data out of the US, whilst more resilient than other areas, also showed some signs of softening.

How has this translated to financial markets? Well, overall it was a challenging quarter for returns, with global equities (-2.5%) posting declines over the period. However, there was significant divergence in terms of returns experienced regionally. The UK equity market (+2.6%, in local currency terms) benefited from its relatively high weight to the energy sector with oil stocks generating by far the best returns for the period. Apart from the UK, Japan was the only other major market that managed to generate a positive return during Q3. Despite recent changes, Japanese equities continued to be supported by the relatively loose monetary policy of the Bank of Japan. Returns elsewhere - US (-3.2%), Europe ex UK (-2.1%), Asia ex-Japan (-2.1%) - were more disappointing with a combination of differing stock market constituents, slowing economic growth, and higher bond yields acting as a headwind for returns. In terms of style, growth stocks (-4.9%) underperformed the more value / cyclically (-1.6%) orientated equities on a relative basis. This was to some extent a reflection of sector performance, with Information Technology (-6.1%) among the laggards for the period. However, the biggest declines were the more interest rate sensitive sectors such as: Utilities (-8.3%), Real Estate (-7.3%) and Consumer Staples (-6.1%). At the other end of the spectrum, Energy (+10.9%), Communication Services (+0.5%) and Financials (-0.7%) were the best performing sectors.

Within fixed income markets, the rise in government bond yields due mainly to the higher for longer rhetoric by central banks, meant most bond markets fell during the period. Looking at the detail, global government bond prices declined (-1.6%), although US government bonds (-3.0%) significantly underperformed. Global investment grade credit (-1.6%) generated a similar return as global government bonds over the quarter, but at the riskier end of the credit spectrum results were more mixed. Global emerging market debt (-2.6%) declined nearly as much as US government bonds but global high yield (+0.9%) posted a positive return.

In terms of real assets, listed property and infrastructure stocks declined more than equities over the quarter, with global listed infrastructure (-8.1%) and global REITs index (-6.0%) both falling sharply due to their higher sensitivity to interest rates. Commodities (+4.7%) was one of the few places to post a positive return over the quarter, however, performance diverged significantly across the different markets. Crude Oil (+31.7%) was by-far the strongest area, buoyed by additional supply cuts by Saudi Arabia and Russia. Industrial metals (+3.5%) generated more moderate gains in anticipation of further stimulus by the Chinese government to spur economic activity. Agricultural (-3.2%) prices fell due to better grain production. Finally, Gold (-3.9%) was also weak, on the back of higher for longer interest rate expectations and a stronger US dollar.

PART TWO: MULTIFUNDS' PERFORMANCE

All performance figures are as at 29 September 2023

Past performance is not indicative of future performance and does not predict future return.

Growth MultiFund

PERIOD	FUND USD %	Performance Indicator USD LIBID 3 month +4%	FUND GBP %	Performance Indicator GBP LIBID 3 month +4%
3 months	-3.0%	2.3%	-0.8%	2.3%
1 year	11.5%	9.1%	5.7%	8.6%
3 years (annualised)	4.2%	6.1%	4.9%	5.9%
10 years (annualised)	4.9%	5.4%	5.9%	4.9%
Since inception* (annualised)	5.3%	5.1%	5.7%	4.8%

Balanced MultiFund

PERIOD	FUND USD %	Performance Indicator USD LIBID 3 month +2%	FUND GBP %	Performance Indicator GBP LIBID 3 month +2%
3 months	-2.7%	1.8%	-1.4%	1.8%
1 year	5.6%	7.0%	1.7%	6.5%
3 years (annualised)	0.9%	4.1%	1.0%	3.9%
10 years (annualised)	2.0%	3.3%	3.2%	2.9%
Since inception* (annualised)	2.5%	3.1%	3.0%	2.8%

Income MultiFund Accumulating

PERIOD	FUND USD %	Performance Indicator USD LIBID 3 month	FUND GBP %	Performance Indicator GBP LIBID 3 month
3 months	-2.2%	1.3%	-2.2%	1.3%
1 year	-0.1%	4.9%	-0.9%	4.5%
3 years (annualised)	-2.1%	2.1%	-2.5%	1.8%
10 years (annualised)	-	-	0.9%	0.9%
Since inception* (annualised)	1.8%	1.1%	1.6%	0.7%

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 third quarter of 2023 proved to be a challenging one for investors and saw the Nedgroup Investments Growth MultiFund fall by -3.1% in the US Dollar share class and -0.9% in the GBP share class (the difference representing dollar strength over the period).

Given the risk off environment, most areas within equities were negative. Emerging markets experienced the worst of the declines with the TT Emerging Markets Equity Fund down -7.0%, primarily due to continued disappointing economic news from China. Our quality focused managers were also not immune from the broader sell off, with Fundsmith Equity Fund (-5.7%) down, followed closely by Morgan Stanley Global Brands (-4.3%) and the Nedgroup Global Equity Fund (-3.4%). Encouragingly, Dodge & Cox Global Stock Fund (+0.4%) was able to buck the trend by delivering a positive return, supported by higher oil prices given its bias to the energy sector.

Fixed income was mixed during the third quarter, with rising yields dominating the narrative. In the government bond space, the short duration (lower interest rate sensitivity) iShares $ Treasury Bond 1-3YR UCITS ETF advanced slightly with a gain of +0.7%, but its longer-duration counterpart (higher interest rate sensitivity), iShares $ Treasury Bond 7-10YR ETF, declined -4.3%. Within credit, the short-duration fund also outperformed, with the Lord Abbett Short Duration Income Fund (+0.9%) up over the quarter. This contrasts with the PIMCO Global IG Credit (-1.7%) which finished the period in negative territory.

Our property and infrastructure holdings were variable over the quarter. The Nedgroup Global Property Fund fell by -6.3%, offset somewhat by BMO Commercial Property Trust, which climbed by +4.3%. Impact Healthcare REIT (-6.0%) struggled over the quarter, but this was compensated by the solid advances in Target Healthcare REIT and Empiric Student Property, with gains of +7.6% and +7.3% respectively. On the infrastructure side, returns disappointed with the more traditional exposures via ATLAS Global Infrastructure (-10.4%) and 3i Infrastructure (-2.7%) giving up some returns, after a period of outperformance. Equally, our renewable holdings were also not immune to the broader market declines with Greencoat UK Wind (-1.5%), Greencoat Renewables (-2.3%), JLEN (-5.0%) and The Renewable Infrastructure (-5.7%) in negative territory.

The alternatives asset class saw a large range of performances. Private equity managed to deliver positive returns over the quarter, despite the broader pull back within equities, with Oakley Capital investments (+2.4%) and Princess Private Equity (+3.9%) on the ascent. The standout performer, however, was undoubtedly Round Hill Music Royalty Fund, surging +62.0%, driven by a takeover offer they received from Concord where if completed shareholders will receive $1.15 per share. This highlights the inherent value and attractiveness of their assets in the broader marketplace and although it is a shame to lose such an exciting investment opportunity to the private market, we acknowledge that this is an attractive offer for shareholders and have therefore voted in favour of the deal. In contrast, Gresham House Energy Storage Fund recorded a disappointing decline of -26.0%. The decline comes after management announced a dip in NAV and a fall in revenues compared to last year, due to a reduction in energy market volatility. We however remain confident that over the long term, energy storage will be a key enabler for carbon neutrality and expect growth to be resilient.

Throughout the third quarter we made some minor adjustments to the portfolio. In July, following a sustained rally in equities, we chose to realize some gains and trim back our exposure to target and in August, as yields started to rise, we shifted some of our allocation from the iShares $ Treasury Bond 1-3YR ETF to the iShares $ Treasury Bond 7-10YR ETF, moderately increasing our duration. As always, we remain committed to monitoring and aligning our strategies with the evolving global economic landscape.

Balanced

The third quarter of 2023 proved to be a challenging one for investors and saw the Nedgroup Investments Balanced MultiFund fall by -2.8% in the US Dollar share class, and -1.5% in the GBP share class (the difference representing dollar strength over the period).

Given the risk off environment, most areas within equities were negative. Emerging markets experienced the worst of the declines with the TT Emerging Markets Equity Fund down -7.0%, primarily due to continued disappointing economic news from China. Our quality focused managers were also not immune from the broader sell off, with Fundsmith Equity Fund (-5.7%) down, followed closely by Morgan Stanley Global Brands (-4.3%) and the Nedgroup Global Equity Fund (-3.4%). Encouragingly, Dodge & Cox Global Stock Fund (+0.4%) was able to buck the trend by delivering a positive return, supported by higher oil prices given its bias to the energy sector.

Fixed income was mixed during the third quarter, with rising yields dominating the narrative. In the government bond space, the short duration (lower interest rate sensitivity) iShares $ Treasury Bond 1-3YR UCITS ETF advanced slightly with a gain of +0.7%, but its longer-duration counterpart (higher interest rate sensitivity), iShares $ Treasury Bond 7-10YR ETF, declined -4.3%. Similarly, the iShares $ TIPS UCITS ETF and Vanguard US Government Bond Index Fund declined by -2.4% and -3.0%, respectively. Within credit, the short-duration funds also outperformed, with the PIMCO Low Duration Global IG Credit (+0.6%) and the Lord Abbett Short Duration Income Fund (+0.9%) up over the quarter. This contrasts with the PIMCO Global IG Credit (-1.7%) which finished the period in negative territory.

Our property and infrastructure holdings were variable over the quarter. The Nedgroup Global Property Fund fell by -6.3%, offset somewhat by BMO Commercial Property Trust, which climbed by +4.3%. Impact Healthcare REIT (-6.0%) struggled over the quarter, but this was compensated by the solid advances in Target Healthcare REIT and Empiric Student Property, with gains of +7.6% and +7.3% respectively. On the infrastructure side, returns disappointed with the more traditional exposures via ATLAS Global Infrastructure (-10.4%) and 3i Infrastructure (-2.7%) giving up some returns, after a period of outperformance. Equally, our renewable holdings were also not immune to the broader market declines with Greencoat UK Wind (-1.5%), Greencoat Renewables (-2.3%), JLEN (-5.0%) and The Renewable Infrastructure (-5.7%) in negative territory.

The alternatives asset class saw a large range of performances. Private equity managed to deliver positive returns over the quarter, despite the broader pull back within equities, with Oakley Capital investments (+2.4%) and Princess Private Equity (+3.9%) on the ascent. The standout performer, however, was undoubtedly Round Hill Music Royalty Fund, surging +62.0%, driven by a takeover offer they received from Concord where if completed shareholders will receive $1.15 per share. This highlights the inherent value and attractiveness of their assets in the broader marketplace and although it is a shame to lose such an exciting investment opportunity to the private market, we acknowledge that this is an attractive offer for shareholders and have therefore voted in favour of the deal. In contrast, Gresham House Energy Storage Fund recorded a disappointing decline of -26.0%. The decline comes after management announced a dip in NAV and a fall in revenues compared to last year, due to a reduction in energy market volatility. We however remain confident that over the long term, energy storage will be a key enabler for carbon neutrality and expect growth to be resilient.

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Income

The third quarter of 2023 proved to be a challenging one for investors and saw the Nedgroup Investments Income MultiFund fall by -2.2% in the GBP and US Dollar share classes.

Fixed income was mixed during the third quarter, with rising yields dominating the narrative. In the government bond space, the short duration (lower interest rate sensitivity) iShares $ Treasury Bond 1-3YR UCITS ETF advanced slightly with a gain of +0.7%, but its longer-duration counterpart (higher interest rate sensitivity), iShares $ Treasury Bond 7-10YR ETF, declined -4.3%. Similarly, the iShares $ TIPS UCITS ETF and Vanguard US Government Bond Index Fund declined by -2.4% and -3.0%, respectively. Within credit, the short-duration funds also outperformed, with the PIMCO Low Duration Global IG Credit (+0.6%) and the Lord Abbett Short Duration Income Fund (+0.9%) up over the quarter. This contrasts with the PIMCO Global IG Credit (-1.7%) and Wellington Global Credit Plus (-2.1%) which finished the period in negative territory.

Given the risk off environment, most areas within equities were negative. Our allocation to the iShares FTSE UK Dividend Plus (-1.4%) did however outperform on a relative basis, with its bias to the energy sector benefiting from higher oil prices.

Our property and infrastructure holdings were variable over the quarter. Impact Healthcare REIT (-6.0%) struggled over the period, but this was compensated by the solid advances in Target Healthcare REIT, Balanced Commercial Property Trust and Empiric Student Property, with gains of +7.6%, +4.3% and +7.3% respectively. On the infrastructure side, returns disappointed with the more traditional exposures via ATLAS Global Infrastructure (-10.4%) and 3i Infrastructure (-2.7%) giving up some returns, after a period of outperformance. Equally, our renewable holdings were also not immune to the broader market declines with Greencoat UK Wind (-1.5%), Greencoat Renewables (-2.3%), JLEN (-5.0%) and The Renewable Infrastructure (-5.7%) in negative territory.

The alternatives asset class saw a large range of performances. The standout performer was undoubtedly Round Hill Music Royalty Fund, surging +62.0%, driven by a takeover offer they received from Concord where if completed shareholders will receive $1.15 per share. This highlights the inherent value and attractiveness of their assets in the broader marketplace and although it is a shame to lose such an exciting investment opportunity to the private market, we acknowledge that this is an attractive offer for shareholders and have therefore voted in favour of the deal. In contrast, Gresham House Energy Storage Fund recorded a disappointing decline of -26.0%. The decline comes after management announced a dip in NAV and a fall in revenues compared to last year, due to a reduction in energy market volatility. We however remain confident that over the long term, energy storage will be a key enabler for carbon neutrality and expect growth to be resilient.

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PART THREE: MARKET OUTLOOK

- **Geopolitical landscape** to continue to dominate discourse and risk positioning. The current **unease between China and the US** (and other Western countries) regarding several areas (technology, Taiwan, and Russia), will likely encourage near- or re- shoring of businesses due to the heightened level of uncertainty to supply chains. Risk of **continued market disruption from the Russia-Ukraine** likely to last beyond just military action.
- Whilst still low, the risk of significant global disruption linked to the Russia-Ukraine crisis remains real. The potential for an escalation beyond economic sanctions should not be fully discounted. Issues likely to extend well into 2023 and potentially 2024 with the potential for widening involvement from the West a higher probability.
- **Market volatility** likely to remain elevated and above near-term historic levels.
- **Economic growth will slow below long-term trends**. We anticipate this to be particularly pronounced in developed economies where high inflation reduces real wages, and **tightening monetary policy** slows aggregate demand. We believe the cumulative effect of interest rate increases will start to have an impact on the real economy (as already seen within the banking sector), leading to further tightening in financial conditions. **Slowing activity levels in China**, after an initial reopening jump in Q1 this year, will also weigh on global growth. However, if this slump in activity continues it will likely spur more significant Chinese government stimulus / support.
- **Inflation will peak but remain high**, expectations are for a normalisation of broader supply / demand metrics over the period and for labour markets to settle, with unemployment to rise albeit slowly and below prior peaks. Improving base effects (year-on-year changes) especially for energy and food prices should help headline inflation fall, however, relatively tight labour markets and higher wage increases may mean core inflation (which excludes energy and food) remains high relative to history.
- **Our base case anticipates central bank policy rates will peak in 2023**. However, with tight labour markets risking second-round effects from higher wage increases, they are likely to remain **higher for longer**. There is the real risk of policy error where central banks cause a steep recession to get inflation down.
- This will weigh on economic activity and prevent most central banks from engineering a ‘soft landing’. However, we do note that a significant number of interest rate hikes are **already priced-in** to bond markets. And we expect markets will start pricing in future rate cuts towards the end of 2023 and into 2024 as inflation and growth slows.

12mth Asset Class Assumptions

- Investors will be rewarded for taking risk, but patience and diversification will be required given elevated uncertainty, volatility levels, and current headwinds.
- Equities will only marginally outperform fixed income (but it is finely balanced), with an expectation of high single digit returns over the course of the next 12 months. Whilst slowing economic growth will drag on near term corporate earnings, declining inflation combined with the prospect of cuts in central bank policy rates towards the latter part of the period will support equities and risk assets in general.
- Within equities we favour quality segments of the market with the expectation that these areas will withstand any potential recessionary pressures whilst also benefitting from an inflationary improvement.
- Our core view has shifted to become more favourable on US markets over Europe given the escalation in Ukraine impacting European markets.
- Emerging markets will swing back in to favour later in the period, especially once interest rates peak and there is a weaker outlook for the US dollar.

- Fixed income markets will slightly underperform equities over a 12-month period. However, we anticipate high positive returns in fixed income as yields decline on the back of slowing economic growth slows (concerns around recession) and falling inflation, with markets starting to price in interest rate cuts towards the end of the period.
- Our view has strengthened on developed government debt as well as investment grade corporate credit. With a more challenging economic environment default rates could come under pressure for the sub-investment grade segment of the market.
- 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. Benefitting from in some cases inflation-linked cash flows and declining discount rates.
- Selective commercial property segments and the broader infrastructure sectors will benefit from underlying structural tailwinds.
- Property and infrastructure to provide some insulation to portfolios against elevated inflation. However, we currently favour infrastructure given the slower outlook for economic activity.
- Renewable energy to offer some insulation from inflationary pressure given the linkage to energy prices.

  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 as at the 30th Sept 2023.

Past performance is not indicative of future performance and does not predict future return.

	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	-5.41%	-5.68%	-1.42%	7.58%	20.59%	3.49%	7.23%	10.47%
Relative to MSCI ACWI	-1.27%	-2.28%	-3.98%	-2.48%	-0.21%	-3.40%	0.77%	1.87%
Realitive to MSCI ACWI Quality	-0.71%	-2.95%	-7.70%	-10.13%	-8.14%	-3.48%	-2.70%	-1.10%
Morgan Stanley Global Brands	-5.54%	-4.25%	0.92%	6.96%	16.77%	4.45%	7.45%	9.80%
Relative to MSCI ACWI	-1.40%	-0.85%	-1.64%	-3.10%	-4.03%	-2.45%	0.99%	1.21%
Realitive to MSCI ACWI Quality	-0.84%	-1.52%	-5.35%	-10.74%	-11.96%	-2.52%	-2.47%	-1.77%
Nedgroup Global Equity Fund	-5.36%	-3.36%	0.40%	11.67%	18.35%	4.70%	5.73%	8.23%
Relative to MSCI ACWI	-1.22%	0.04%	-2.16%	1.61%	-2.46%	-2.19%	-0.73%	-0.36%
Realitive to MSCI ACWI Quality	-0.66%	-0.63%	-5.87%	-6.03%	-10.39%	-2.27%	-4.20%	-3.34%
Dodge & Cox Global Stock Fund	-2.79%	0.45%	6.06%	11.45%	26.13%	15.89%	7.34%	9.14%
Relative to MSCI ACWI	1.34%	3.85%	3.50%	1.40%	5.32%	8.99%	0.88%	0.55%
Realitive to MSCI ACWI Value	-0.21%	2.07%	4.54%	8.48%	8.33%	5.41%	2.62%	2.39%
TT Emerging Markets Equity Fund	-4.00%	-6.96%	-5.62%	-2.54%	5.42%	-4.25%	-0.48%	2.50%
Relative to MSCI ACWI	0.14%	-3.56%	-8.19%	-12.60%	-15.38%	-11.14%	-6.94%	-6.10%
Relative to MSCI Emerging Market	-1.38%	-4.03%	-3.57%	-4.36%	-6.28%	-2.52%	-1.03%	-0.73%
Regional Funds - USD								
iShares Edge MSCI World Value	-1.44%	-0.13%	4.93%	10.76%	27.28%	12.02%	3.38%	6.06%
Relative to MSCI ACWI	2.70%	3.27%	2.37%	0.70%	6.48%	5.13%	-3.08%	-2.54%
Relative to MSCI World Value Enhanced	0.20%	0.25%	0.42%	0.46%	-0.87%	-0.07%	0.15%	0.00%
iShares Core S&P 500 ETF	-4.51%	-2.53%	6.34%	13.80%	19.32%	9.90%	9.67%	11.96%
Relative to MSCI ACWI	-0.38%	0.87%	3.77%	3.74%	-1.49%	3.00%	3.21%	3.36%
Relative to S&P 500 Index	0.28%	0.86%	1.41%	1.15%	-1.69%	0.26%	0.32%	0.33%
SPDR S&P 400 US Mid Cap ETF	-5.06%	-3.41%	1.16%	4.83%	13.55%	11.48%	5.58%	8.24%
Relative to MSCI ACWI	-0.93%	0.00%	-1.41%	-5.23%	-7.25%	4.59%	-0.88%	-0.36%
Relative to S&P 400 Index	0.24%	0.91%	0.97%	0.95%	-1.37%	-0.05%	0.03%	-0.01%
iShares EURO STOXX Mid ETF	-6.95%	-6.46%	-4.97%	2.15%	27.10%	2.51%	0.23%	4.80%
Relative to MSCI ACWI	-2.81%	-3.06%	-7.53%	-7.91%	6.30%	-4.39%	-6.23%	-3.80%
Relative to EURO STOXX Mid Index	-0.19%	-0.11%	0.33%	-0.41%	0.57%	0.05%	0.11%	0.21%
iShares FTSE UK Dividend Plus	-1.43%	-1.42%	-3.70%	-0.34%	21.50%	10.95%	-0.64%	0.36%
Relative to MSCI ACWI	2.70%	1.98%	-6.26%	-10.40%	0.70%	4.06%	-7.10%	-8.23%
Relative to FTSE UK Dividend Index	-0.24%	-0.41%	-0.59%	-0.90%	-0.98%	-0.80%	-0.73%	-0.67%
iShares FTSE 100 ETF	-1.40%	-1.57%	0.58%	6.45%	26.07%	10.93%	2.67%	4.42%
Relative to MSCI ACWI	2.73%	1.83%	-1.99%	-3.61%	5.27%	4.03%	-3.79%	-4.18%
Relative to FTSE 100 Index	-0.11%	0.54%	0.20%	0.36%	0.75%	0.01%	-0.05%	-0.02%
iShares FTSE 250 ETF	-5.14%	-3.98%	-2.77%	0.28%	20.44%	2.14%	-1.32%	1.64%
Relative to MSCI ACWI	-1.01%	-0.58%	-5.33%	-9.78%	-0.36%	-4.75%	-7.78%	-6.96%
Relative to FTSE 250 Index	-0.11%	-0.07%	-0.18%	-0.11%	-0.19%	-0.44%	-0.49%	-0.45%
iShares Core MSCI Japan IMI ETF	-1.84%	-1.93%	3.41%	10.63%	22.79%	1.93%	1.50%	4.33%
Relative to MSCI ACWI	2.29%	1.48%	0.84%	0.57%	1.99%	-4.96%	-4.96%	-4.26%
Relative to MSI Japan IMI Index	0.44%	-0.66%	-0.68%	0.54%	-1.58%	-0.28%	-0.13%	-0.23%

	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	-0.36%	0.89%	2.12%	4.86%	2.96%	0.14%	1.49%	2.01%
Relative to Bloomberg Barclays Global Aggregate Index	1.36%	2.71%	3.88%	3.76%	0.86%	3.85%	0.92%	
Relative to ICE BofA 1-3yr BB US High Yield	-0.11%	-0.16%	-0.23%	0.20%	-4.52%	-2.61%	-2.07%	
Muzinich Short Duration High Yield	-0.20%	1.05%	2.62%	5.34%	8.49%	2.20%	2.52%	2.71%
Relative to Bloomberg Barclays Global Aggregate Index	1.52%	2.87%	4.38%	4.24%	6.39%	5.91%	1.95%	2.21%
Relative to ICE BofA 1-3yr BB US High Yield	0.04%	0.00%	0.27%	0.68%	1.01%	-0.55%	-1.04%	-0.78%
Global Investment Grade - USD								
PIMCO Low Duration Global IG Credit	-0.42%	0.60%	0.69%	2.62%	4.82%	-0.67%	1.24%	1.39%
Relative to Bloomberg Barclays Global Aggregate Index	1.30%	2.42%	2.44%	1.53%	2.72%	3.03%	0.67%	0.89%
Relative to Bloomberg Barclays Global Aggregate Credit 1-5 Years Index	-0.17%	-0.22%	-0.25%	-0.16%	0.38%	0.16%	-0.29%	-0.11%
Lord Abbett Short Duration Income Fund	-0.18%	0.93%	0.74%	2.35%	3.51%	0.28%	1.58%	-
Relative to Bloomberg Barclays Global Aggregate Index	1.54%	2.74%	2.50%	1.25%	1.42%	3.98%	1.01%	
Relative to Bloomberg Barclays Global Aggregate Credit 1-5 Years Index	0.07%	0.11%	-0.20%	-0.43%	-0.92%	1.11%	0.05%	
PIMCO Global IG Credit	-1.92%	-1.71%	-1.66%	1.67%	4.65%	-4.38%	0.21%	0.68%
Relative to Bloomberg Barclays Global Aggregate Index	-0.19%	0.10%	0.09%	0.57%	2.55%	-0.67%	-0.36%	0.18%
Relative to Bloomberg Barclays Global Aggregate Credit Index	-0.07%	-0.10%	-0.06%	0.34%	0.49%	-0.28%	-0.60%	-0.21%
Wellington Global Credit Plus	-2.08%	-2.09%	-2.62%	0.25%	3.11%	-4.42%	1.04%	1.09%
Relative to Bloomberg Barclays Global Aggregate Index	-0.36%	-0.28%	-0.86%	-0.84%	1.01%	-0.71%	0.47%	0.59%
Relative to Bloomberg Barclays Global Aggregate Credit Index	-0.24%	-0.48%	-1.02%	-1.08%	-1.05%	-0.32%	0.22%	0.20%
US Government Bonds - USD								
iShares $ Treasury Bond 1-3YR UCITS ETF	0.02%	0.73%	0.19%	1.62%	2.35%	-0.91%	1.01%	-
Relative to Bloomberg Barclays Global Aggregate Index	1.74%	2.54%	1.95%	0.53%	0.25%	2.80%	0.44%	
Relative to ICE BofA 1-3 Year US Treasury Index	0.03%	-0.01%	0.03%	-0.10%	-0.11%	-0.07%	-0.05%	
iShares $ Treasury Bond 7-10yr ETF	-3.01%	-4.30%	-5.82%	-2.65%	-2.43%	-7.45%	-0.16%	-1.00%
Relative to Bloomberg Barclays Global Aggregate Index	-1.28%	-2.49%	-4.06%	-3.75%	-4.53%	-3.75%	-0.73%	-1.50%
Relative to ICE BofA 7-10 Year US Treasury Index	0.10%	0.09%	0.35%	0.20%	-0.54%	0.02%	-0.01%	-0.04%
Vanguard US Government Bond Index Fund	-2.19%	-3.04%	-4.38%	-1.39%	-0.88%	-5.82%	-0.20%	-0.67%
Relative to Bloomberg Barclays Global Aggregate Index	-0.47%	-1.23%	-2.62%	-2.48%	-2.97%	-2.11%	-0.77%	-1.17%
Relative to Bloomberg Barclays US Government Float Adjusted Bond Index	-0.02%	-0.06%	-0.08%	0.06%	-0.14%	-0.09%	-0.17%	-0.19%
iShares $ TIPS UCITS ETF	-1.73%	-2.40%	-3.85%	-0.60%	1.00%	-2.30%	2.00%	1.32%
Relative to Bloomberg Barclays Global Aggregate Index	0.00%	-0.58%	-2.09%	-1.69%	-1.09%	1.41%	1.43%	0.82%
Relative to Bloomberg US Govt Inflation-Linked Index	0.21%	0.40%	0.32%	0.27%	-0.23%	-0.03%	-0.09%	-0.10%

NEDGROUP INVESTMENTS

	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	-6.51%	-6.30%	-6.29%	-5.57%	-1.25%	-2.01%	-0.49%	0.89%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-3.58%	-3.71%	-6.74%	-11.19%	-12.56%	-3.73%	-4.37%	
Relative to FTSE EPRA/NAREIT Developed Dividend Index	-0.39%	-0.41%	-0.26%	0.04%	-1.72%	-2.57%	0.89%	
iShares Developed Markets Property Yield ETF	-6.01%	-5.19%	-5.30%	-5.48%	0.36%	0.35%	-1.26%	-0.53%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-3.08%	-2.60%	-5.75%	-11.09%	-10.95%	-1.38%	-5.15%	-5.32%
Relative to FTSE EPRA/NAREIT Developed Dividend Index	0.11%	0.70%	0.73%	0.13%	-0.11%	-0.21%	0.11%	-0.07%
Real Estate - Direct - GBP								
BMO Commercial Property Trust	-1.32%	4.34%	-14.98%	-19.70%	-10.09%	6.96%	-9.22%	-3.82%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.18%	4.99%	-15.91%	-24.23%	-16.04%	4.61%	-13.30%	-8.56%
Relative to FTSE EPRA/NAREIT UK Index	1.60%	3.25%	-8.93%	-12.24%	-6.65%	9.92%	-4.65%	-1.53%
Impact Healthcare REIT	-9.36%	-5.95%	-6.61%	-16.66%	-13.35%	0.36%	1.41%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-8.22%	-5.30%	-7.54%	-21.19%	-19.30%	-1.99%	-2.68%	
Relative to FTSE EPRA/NAREIT UK Index	-6.44%	-7.05%	-0.56%	-9.19%	-9.91%	3.32%	5.97%	
Target Healthcare REIT	4.16%	7.60%	12.17%	0.14%	-10.54%	-4.31%	-2.03%	0.70%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	5.31%	8.25%	11.24%	-4.39%	-16.49%	-6.67%	-6.11%	-4.04%
Relative to FTSE EPRA/NAREIT UK Index	7.08%	6.51%	18.22%	7.60%	-7.10%	-1.36%	2.54%	2.99%
Empiric Student Property	3.61%	7.30%	0.94%	9.39%	8.02%	16.87%	1.85%	0.28%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	4.75%	7.95%	0.01%	4.86%	2.07%	14.51%	-2.24%	-4.46%
Relative to FTSE EPRA/NAREIT UK Index	6.52%	6.21%	6.99%	16.85%	11.46%	19.82%	6.41%	2.56%
Renewables - GBP								
Greencoat UK Wind	-1.22%	-1.46%	-8.10%	-4.07%	-1.94%	6.94%	7.15%	8.49%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.08%	-0.81%	-9.03%	-8.60%	-7.89%	4.59%	3.06%	3.75%
Relative to GBP LIBID 3 Month + 4%	-1.95%	-3.75%	-12.61%	-10.72%	-10.55%	1.05%	1.79%	3.42%
Greencoat Renewables	-0.51%	-2.27%	-10.12%	-13.59%	-13.38%	-3.59%	3.25%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	0.63%	-1.62%	-11.05%	-18.12%	-19.33%	-5.95%	-0.84%	
Relative to GBP LIBID 3 Month + 4%	-1.24%	-4.55%	-14.64%	-20.24%	-21.99%	-9.49%	-2.11%	
John Laing Environmental Assets Group	0.41%	-5.00%	-14.50%	-13.55%	-11.54%	0.06%	4.92%	5.51%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	1.55%	-4.35%	-15.43%	-18.08%	-17.49%	-2.30%	0.83%	0.77%
Relative to GBP LIBID 3 Month + 4%	-0.32%	-7.29%	-19.02%	-20.20%	-20.14%	-5.83%	-0.44%	0.44%
The Renewable Infrastructure Group	-2.00%	-5.67%	-12.00%	-14.42%	-11.24%	-2.79%	4.47%	5.85%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.86%	-5.02%	-12.93%	-18.96%	-17.19%	-5.14%	0.39%	1.11%
Relative to GBP LIBID 3 Month + 4%	-2.73%	-7.96%	-16.52%	-21.07%	-19.85%	-8.68%	-0.88%	0.78%
Indirect Infrastructure - USD Unhedged								
ATLAS Global Infrastructure	-7.34%	-10.35%	-8.80%	-0.23%	17.38%	6.38%	5.94%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-4.41%	-7.76%	-9.24%	-5.85%	6.08%	4.66%	2.05%	
Relative to FTSE Global Core Infrastructure	-2.50%	-2.22%	-0.52%	9.19%	19.17%	4.42%	2.65%	
Direct Infrastructure - GBP								
3i Infrastructure	-1.13%	-2.71%	-0.96%	-7.19%	3.73%	5.08%	7.98%	9.55%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	0.01%	-2.07%	-1.89%	-11.73%	-2.22%	2.73%	3.90%	4.81%
Relative to FTSE Global Core Infrastructure	0.15%	1.57%	6.25%	3.03%	14.17%	1.20%	3.32%	4.12%
Commodities - USD								
WisdomTree Core Physical Gold ETC	-4.51%	-3.29%	-6.29%	1.84%	10.74%	-	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-1.58%	-0.70%	-6.74%	-3.77%	-0.56%			
Relative to LBMA Gold Price	-0.82%	-1.11%	-0.78%	-1.29%	-1.14%			

	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	6.62%	0.20%	-6.55%	-21.77%	-20.27%	-4.08%	-4.23%	-1.47%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	7.76%	0.85%	-7.48%	-26.30%	-26.22%	-6.44%	-8.32%	
Relative to GBP LIBID 3 Month + 4%	5.88%	-2.09%	-11.07%	-28.42%	-28.88%	-9.97%	-9.59%	
SFL Realisation Fund - C Shares	-10.03%	6.27%	28.21%	51.00%	87.28%	83.40%	23.60%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-8.89%	6.92%	27.28%	46.47%	81.33%	81.04%	19.51%	
Relative to GBP LIBID 3 Month + 4%	-10.76%	3.98%	23.69%	44.35%	78.67%	77.51%	18.24%	
Song Royalties - GBP								
Hipgnosis Songs Fund	4.65%	2.12%	2.22%	-2.50%	-4.16%	-7.16%	-1.20%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	5.79%	2.77%	1.29%	-7.04%	-10.11%	-9.52%		
Relative to GBP LIBID 3 Month + 4%	3.92%	-0.17%	-2.30%	-9.15%	-12.77%	-13.06%		
Round Hill Music Royalty Fund	75.48%	62.02%	81.65%	51.82%	30.76%	-	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	76.62%	62.67%	80.72%	47.29%	24.81%			
Relative to GBP LIBID 3 Month + 4%	74.75%	59.74%	77.14%	45.17%	22.15%			
Private Equity - GBP								
Oakley Capital Investments	0.04%	2.44%	-0.73%	7.87%	19.86%	22.69%	20.15%	20.57%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	1.18%	3.09%	-1.66%	3.34%	13.91%	20.33%	16.06%	15.83%
Relative to GBP LIBID 3 Month + 4%	-0.69%	0.15%	-5.25%	1.22%	11.25%	16.79%	14.79%	15.50%
Princess Private Equity	-0.62%	3.86%	17.15%	28.34%	1.90%	4.77%	4.93%	9.21%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	0.52%	4.51%	16.22%	23.81%	-4.05%	2.41%	0.85%	4.47%
Relative to GBP LIBID 3 Month + 4%	-1.35%	1.57%	12.64%	21.69%	-6.71%	-1.12%	-0.42%	4.14%
Energy Efficiency - GBP								
SDCL Energy Efficiency Income Trust	-7.09%	-7.49%	-16.80%	-26.36%	-28.70%	-9.70%	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-5.95%	-6.84%	-17.73%	-30.89%	-34.65%	-12.05%		
Relative to GBP LIBID 3 Month + 4%	-7.82%	-9.78%	-21.31%	-33.01%	-37.31%	-15.59%		
Gore Street Energy Storage Fund	-1.96%	-13.90%	-18.60%	-24.61%	-22.54%	-2.17%	2.02%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.81%	-13.25%	-19.53%	-29.14%	-28.49%	-4.52%	-2.06%	
Relative to GBP LIBID 3 Month + 4%	-2.69%	-16.18%	-23.12%	-31.26%	-31.15%	-8.06%	-3.33%	
Gresham House Energy Storage Fund	-19.47%	-26.00%	-30.08%	-32.18%	-33.60%	3.20%	-	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-18.32%	-25.35%	-31.01%	-36.71%	-39.55%	0.84%		
Relative to GBP LIBID 3 Month + 4%	-20.20%	-28.29%	-34.60%	-38.83%	-42.21%	-2.70%		

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 Fundsmith Sustainable Equity Fund.

Fundsmith Sustainable Equity Fund.

The Fundsmith Sustainable Equity Fund aims to deliver superior investment performance by investing for the long term in a concentrated portfolio of high-quality dependable compounder type businesses with a strong competitive position and tangible sustainability characteristics.

Fundsmith believe in being long term buy and hold investors in high quality businesses that can sustain a high return on operating capital employed, benefitting from a difficult to replicate competitive position and trading at a fair or better valuation. Such companies should not require significant leverage to generate returns and need to be resilient to change, particularly technological innovation in order to provide a high degree of certainty of growth from reinvestment of their cash flows at high rates of return. And in addition, they need to be good corporate citizen from a sustainability perspective to be included in the Sustainable Equity Fund.

Fundsmith invest only in good companies with strong ESG credentials that can be bought at a fair or better valuation. Their key valuation metric is Free Cash Flow Yield. Once capital has been allocated to a company, they allow the growth and return on capital that investee companies generate to compound over the long term for the benefit of investors. Fundsmith's process is also focused on fostering a culture that avoids behaviour which can hurt performance. They do not engage in trading or over-trading (the "Do nothing" part of the process). They are purely long-term investors in good companies, not short-term speculators on stock price movements. They avoid all kind of speculation and do not try to forecast or form views on bad companies becoming less bad companies due to management changes, M&A or reaching the bottom of the market cycle. This also includes trying to pick companies that could be tomorrow's big winners. Their focus instead is on businesses that have a history of creating value (in their own words, companies that have already won). Trend following is another behaviour they will not engage in, as it relies on selling stocks in a speculative manner to another speculator (next greater fool theory) with no regard to fundamentals. They believe their long-term focused investment strategy will generate the highest risk adjusted returns over the long term and do not chase the latest trend or fad, panic when the markets sell off, or deviate from their stated strategy to chase a turn in the markets cycle.

Fundsmith was established in 2010 by Terry Smith, one of the most prominent UK investors over recent decades. The business is owned and controlled by its partners, who have worked closely together for many years, and is headquartered in London. The Fund is structured to survive Terry Smith's demise and continue with the same investment philosophy. All partners of the firm have a significant co-investment in the Fund. The partners are assisted by a number of experienced analysts, compliance and back-office staff within an institutional quality investment boutique set-up.

Overall, the Fundsmith Sustainable Equity Fund is a strong product in the global sustainable equity space. It is managed by an experienced team with a contrarian and long-term focus and is a solid offering for those wishing to add a bias to quality to the equity portion of their portfolios.

WHY WE LIKE THE FUND:

- Clearly defined investment process, backed by a mix of sound investment theory and common sense
- Excellent sustainability credentials
- Highly concentrated portfolio

Disclaimer