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NEDGROUP INVESTMENTS MULTIFUNDS PLC

Quarterly Review
Quarter 2 2024

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 shareholders 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 28 June 2024

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

Asset Class	Indicator	3 months	1 year	3 years	5 years	10 years
Equities	MSCI All Country World Index	2.9%	19.4%	5.4%	10.8%	5.5%
Property	FTSE EPRA/NA REIT Dev Property Index	-2.1%	5.7%	-3.8%	0.3%	2.0%
Bonds	Bloomberg Barclays Global Aggregate Index	0.1%	4.2%	-1.6%	0.2%	1.3%
Cash	US 3-month deposits	1.3%	5.3%	3.4%	2.3%	1.1%
Inflation	US CPI (one month in arrears)	0.3%	3.0%	5.0%	4.2%	1.9%

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

Economic and market commentary

The second quarter of 2024 was relatively strong for most assets, characterised by a reassessment of inflation and interest rate expectations, shifting central bank policies, and notable geopolitical and political developments.

The quarter began with challenges as growing evidence of sticky inflation caused investors to rethink the prevailing “soft landing” narrative, with a “no landing” scenario gaining traction. Major equity markets, which started the month at new all-time highs, quickly declined following a series of strong U.S. economic data releases, including a robust jobs report and hotter-than-expected inflation figures. These data points led markets to reduce the anticipated number of rate cuts this year. Federal Reserve Chair Jerome Powell acknowledged that it might take longer to achieve the inflation target, reinforcing expectations of prolonged higher interest rates. Additionally, geopolitical tensions in the Middle East, marked by Iran's retaliatory air strikes on Israel, temporarily spiked oil prices, though prices soon fell back as further escalation did not materialize.

In May, markets regained some footing as dovish central bank rhetoric and softer economic data provided relief. Fed Chair Powell set a more reassuring tone by downplaying the likelihood of rate hikes and announcing a slowdown in the pace of quantitative tightening. A slowdown in U.S. job growth and inflation readings that met expectations eased concerns of an overheating economy, keeping the door open for potential rate cuts.

By June, the focus had shifted more decisively towards rate cuts. The ECB delivered its first rate cut since the pandemic, lowering the deposit rate by 25bps to 3.75%, and the Bank of Canada also initiated its first rate cut of this cycle. While the Federal Reserve did not cut rates, the May CPI release showed the slowest monthly core CPI growth since August 2021, solidifying expectations for future rate cuts. Political developments also came to the fore, particularly with the European Parliamentary elections and the announcement of a snap legislative election in France, which led to a notable selloff in French assets and a significant widening of the Franco-German 10-year spread; however, the impact further afield was more muted.

Given this backdrop, equities were well supported, with the global index up by +2.9%, led by Emerging Markets (+6.2%) and Asia ex Japan (+7.9%). UK (+3.6%) and US (+3.9%) equities also performed well, while Europe ex UK (+0.9%) lagged, given the prevailing political uncertainty. In terms of equity styles, growth stocks (+6.3%) outperformed value (-0.4%), and small-cap stocks (-1.4%) underperformed large caps (+3.4%). There was a wide variation in sector performance, with Information Technology (+11.4%) and Communication Services (+8.2%) being the strongest two sectors, while Materials (-3.1%) and Real Estate (-3.8%) lagged significantly.

Fixed income markets were more mixed, with elevated income levels helping to offset capital losses given slightly higher yields. Looking at the details, global government bonds (+0.1%) and global investment-grade credit (+0.3%) finished the quarter flat, lagging behind the riskier areas as the strong rally in equities helped spreads to tighten. This was seen in global emerging market debt (+0.4%) and especially global high yield (+1.5%).

In the real assets space, global real estate (-2.1%) finished the quarter in the red, while global infrastructure (+2.6%) posted a respectable return. Commodities were strong over the quarter with industrial metals (+9.8%) and gold (+4.9%) rallying, the latter being well supported by central bank purchases of bullion.

PART TWO: MULTIFUNDS' PERFORMANCE

All performance figures are as at 28 June 2024

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

Growth MultiFund

PERIOD	FUND USD %	Performance Indicator SOFR 3 Month +4%	FUND GBP %	Performance Indicator Sonia 3 Month +4%
3 months	1.3%	2.3%	1.2%	2.3%
1 year	10.1%	9.5%	10.3%	9.4%
3 years (annualised)	0.8%	7.5%	2.1%	7.3%
10 years (annualised)	4.7%	5.8%	5.9%	5.2%
Since inception* (annualised)	5.5%	5.4%	6.0%	5.1%

Balanced MultiFund

PERIOD	FUND USD %	Performance Indicator SOFR 3 Month +2%	FUND GBP %	Performance Indicator Sonia 3 Month +2%
3 months	1.4%	1.8%	1.3%	1.8%
1 year	6.5%	7.4%	6.4%	7.3%
3 years (annualised)	-0.6%	5.4%	-0.1%	5.2%
10 years (annualised)	2.6%	3.7%	3.0%	3.2%
Since inception* (annualised)	3.2%	3.4%	3.3%	3.1%

Income MultiFund Accumulating

PERIOD	FUND USD %	Performance Indicator SOFR 3 Month	FUND GBP %	Performance Indicator Sonia 3 Month
3 months	1.6%	1.3%	1.6%	1.3%
1 year	3.6%	5.3%	3.4%	5.2%
3 years (annualised)	-1.3%	3.4%	-1.7%	3.1%
10 years (annualised)	-	-	1.1%	1.2%
Since inception* (annualised)	2.2%	1.4%	1.9%	1.0%

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 second quarter of 2024 saw the Growth MultiFund rise by +1.3% in the US Dollar share class, and +1.2% in the GBP share class.

Within equities, our tilt towards the US via the iShares Core S&P 500 (+4.2%) proved beneficial during the quarter, driven by exposure to AI-related companies and a strong earnings season for US tech firms. This concentrated performance in the US tech sector caused the Nedgroup Global Equity Fund (-2.0%) to lag due to its underweight position there. In contrast, our holding in TT Emerging Markets (+6.0%) performed well, supported by Chinese authorities' efforts to bolster the real estate sector and strong gains from AI-exposed stocks in Taiwan.

Fixed income positions were relatively subdued over the quarter as investors anticipated a more gradual cycle of rate cuts. With yields rising, the more rate-sensitive, longer-duration iShares Treasury Bond 7-10yr ETF (+0.2%) underperformed the shorter-duration iShares Treasury Bond 1-3yr ETF (+1.0%). Our credit holding in Nedgroup Global Strategic Bond Fund (+0.8%) benefited from better economic data and tightening spreads.

Elsewhere, there was a wide range of performances within our real assets and alternative strategy holdings. Within property, our listed global REITs holding, Nedgroup Global Property Fund (-1.1%) and BMO Commercial Property Trust (-1.1%), experienced slight declines, reflecting higher interest rates. Our more defensive holdings in UK care homes displayed mixed results. Impact Healthcare REIT (+4.4%) performed well, driven by an increase in its valuation and inflation-linked rent reviews. In contrast, Target Healthcare REIT (-5.2%) lagged despite selling four care homes at a modest premium, with the proceeds used to reduce its interest costs. Empiric Student Property (-2.1%) also struggled, though the company expects full occupancy for the upcoming 2024/25 academic year, supported by strong rental growth projections. Within infrastructure, our renewable energy holdings showed varied results. Greencoat Renewables (+3.8%) displayed strength after the Board decided to launch a €25 million share buyback program, reflecting their confidence in the outlook, current discount to NAV, and the robustness of the company's cash generation. In contrast, Greencoat UK Wind (-3.4%), John Laing Environmental Assets Group (-4.8%), and The Renewable Infrastructure Group (-3.6%) ended lower as their valuations were hurt by lower power prices and less favourable wind conditions. Traditional infrastructure holdings remained stable, with 3i Infrastructure (0.0%) demonstrating resilience. Lastly, our investment in gold via WisdomTree Core Physical Gold ETC (+4.9%) continued to rally amidst geopolitical tensions in the Middle East.

The alternatives were more varied than the other asset classes, but overall, they were accretive to performance. Our asset-backed lending position, GCP Asset Backed Income Fund (+32.6%), saw substantial gains as it continued to announce returns of capital as part of its wind-down strategy. Our private equity holdings also demonstrated strong returns, with Oakley Capital Investments (+8.9%) and Princess Private Equity (+9.0%) both posting notable gains, reflecting the strength and resilience of their underlying holdings. Hipgnosis Songs Fund (+48.5%) surged impressively amid an intensified bidding war, highlighting the quality of its song catalogues. We have now exited this position, anticipating limited further upside following Blackstone's final bid. Returns for our energy efficiency holdings were mixed. Gore Street Energy Storage Fund (+1.5%) lagged, while SDCL Energy Efficiency (+15.4%) soared after selling its UK onsite solar portfolio at a 4.5% premium, aimed at reducing short-term debt. The standout performer was Gresham House Energy Storage Fund (+68.3%), which surged after securing fixed price contracts for fourteen projects with a subsidiary of Octopus Energy, the UK's largest electricity provider.

In terms of portfolio activity during the quarter, we capitalised on the continued strong rally in gold by booking gains and rebalancing our exposure back to target levels. Recognising opportunities amidst market weakness, we increased our allocation to equities, particularly bolstering our value position through the Dodge & Cox Global Stock Fund. We also increased our holdings in US small-cap equities, where valuations appear more attractive, and the US consumer remains fundamentally strong. With rising yields impacting bond markets, we took advantage of weakness in longer-dated government bonds by adding to the iShares $ Treasury Bond 7-10YR ETF. Concurrently, we trimmed our exposure to the iShares $ Treasury Bond 1-3YR ETF, thereby increasing the portfolio's overall duration. Within our investment trust holdings, we opportunistically added to Gresham House Energy Storage Fund, and we opted to exit our position in the Hipgnosis Songs Fund entirely, as we see limited further upside now that Blackstone's bid is final. Finally, we rebalanced some of our equity and fixed income holdings to ensure alignment with our long-term investment goals.

Balanced

The second quarter of 2024 saw the Balanced MultiFund rise by +1.4% in the US Dollar share class, and +1.3% in the GBP share class.

Within equities, our tilt towards the US via the iShares Core S&P 500 (+4.2%) proved beneficial during the quarter, driven by exposure to AI-related companies and a strong earnings season for US tech firms. This concentrated performance in the US tech sector caused the Nedgroup Global Equity Fund (-2.0%) to lag due to its underweight position there. In contrast, our holding in TT Emerging Markets (+6.0%) performed well, supported by Chinese authorities' efforts to bolster the real estate sector and strong gains from AI-exposed stocks in Taiwan.

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Income

The second quarter of 2024 saw the Income MultiFund rise by +1.6% in the GBP and US Dollar share classes.

Fixed income positions were relatively subdued over the quarter as investors anticipated a more gradual cycle of rate cuts. With yields rising, the more rate-sensitive, longer-duration iShares Treasury Bond 7-10yr ETF (+0.2%) underperformed the shorter-duration iShares Treasury Bond 1-3yr ETF (+1.0%). Our credit funds, PIMCO Global IG Credit (+0.5%) and Nedgroup Global Strategic Bond Fund (+0.8%), benefited from better economic data and tightening spreads.

The portfolio's small holding in high dividend-paying UK stocks via the iShares UK Dividend ETF (+4.5%) stood out. Elsewhere, there was a wide range of performances within our real assets and alternative strategy holdings. Within property, BMO Commercial Property Trust (-1.1%), experienced slight declines, reflecting higher interest rates. Our more defensive holdings in UK care homes displayed mixed results. Impact Healthcare REIT (+4.4%) performed well, driven by an increase in its valuation and inflation-linked rent reviews. In contrast, Target Healthcare REIT (-5.2%) lagged despite selling four care homes at a modest premium, with the proceeds used to reduce its interest costs. Empiric Student Property (-2.1%) also struggled, though the company expects full occupancy for the upcoming 2024/25 academic year, supported by strong rental growth projections. Within infrastructure, our renewable energy holdings showed varied results. Greencoat Renewables (+3.8%) displayed strength after the Board decided to launch a €25 million share buyback program, reflecting their confidence in the outlook, current discount to NAV, and the robustness of the company's cash generation. In contrast, Greencoat UK Wind (-3.4%), John Laing Environmental Assets Group (-4.8%), and The Renewable Infrastructure Group (-3.6%) ended lower as their valuations were hurt by lower power prices and less favourable wind conditions. Traditional infrastructure holdings remained stable, with 3i Infrastructure (0.0%) demonstrating resilience. Lastly, our investment in gold via WisdomTree Core Physical Gold ETC (+4.9%) continued to rally amidst geopolitical tensions in the Middle East.

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PART THREE: MARKET OUTLOOK

- **Geopolitical landscape** to continue to dominate discourse and risk positioning.
  - Despite recent signs of improvement, the **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 2024 and beyond with the potential for widening involvement from the West a higher probability.
  - The **Israel – Hamas war** is both tragic and very complex. The risk case is that the conflict broadens out to include more countries such as the US and Iran (but also Saudia Arabia, Lebanon, and Syria). An escalation like this would be damaging for economies worldwide, mainly via a higher oil price.

- On top of the above, a **considerable number of elections around the world** are scheduled to take place in 2024 (more than 50 countries), likely to contribute to near term market volatility.
- **Economic growth will slow below long-term trends**. We expect economic resilience to continue, however the risk of policy error is rising, and resilience will be tested if central banks continue to hold rates at current elevated levels.
- **Our base case anticipates central bank policy rates will decline in 2024** and policy will continue to loosen into 2025. This will mean short term bond yields decline over the period, however a growing focus on government deficits will likely keep longer term yields elevated.
- **Falling policy rate will mean financial conditions continue to loosen throughout the period**, and will be key to helping support economics more broadly. **Slowing activity levels in China**, are likely to continue given weak consumer sentiment. However, if this slump in activity continues it will likely spur more significant Chinese government stimulus / support.
- **Inflation has peaked but may take some time to get to central bank targets**, 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. Slowing rental costs should also start to feed into the inflation data via Owner Equivalent Rent (OER) and help to pin down future releases.

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 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 will support equities and risk assets in general.
- Within equities we feel it is appropriate to take a more balanced approach, large caps are likely to remain supported, but we are also optimistic about the prospects of small caps over the medium term.
- 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 only slightly underperform equities over a 12-month period. The attractive income offered by fixed income provides a strong base for returns over the next 12-months. We expect this to be enhanced by positive capital gains as yields decline, with markets pricing in interest rate cuts towards the end of the period.
- 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.
- 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 28th June 2024.

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	1.67%	-0.07%	8.33%	8.33%	12.71%	1.66%	9.19%	10.93%
Relative to MSCI ACWI	-0.56%	-2.94%	-2.97%	-2.97%	-6.67%	-3.78%	-1.57%	0.91%
Realitive to MSCI ACWI Quality	-2.32%	-6.38%	-10.00%	-10.00%	-16.81%	-7.11%	-6.46%	-3.51%
Morgan Stanley Global Brands	2.61%	-1.69%	3.01%	3.01%	7.45%	3.19%	8.03%	9.44%
Relative to MSCI ACWI	0.38%	-4.56%	-8.29%	-8.29%	-11.93%	-2.24%	-2.73%	-0.58%
Realitive to MSCI ACWI Quality	-1.38%	-8.00%	-15.32%	-15.32%	-22.06%	-5.57%	-7.62%	-5.00%
Nedgroup Global Equity Fund	-0.20%	-1.96%	6.06%	6.06%	12.06%	2.68%	8.24%	8.10%
Relative to MSCI ACWI	-2.43%	-4.83%	-5.24%	-5.24%	-7.32%	-2.75%	-2.52%	-1.93%
Realitive to MSCI ACWI Quality	-4.19%	-8.27%	-12.27%	-12.27%	-17.45%	-6.08%	-7.41%	-6.34%
Dodge & Cox Global Stock Fund	-1.99%	-0.39%	5.24%	5.24%	13.88%	5.69%	10.59%	8.47%
Relative to MSCI ACWI	-4.21%	-3.26%	-6.06%	-6.06%	-5.49%	0.25%	-0.16%	-1.55%
Realitive to MSCI ACWI Value	-1.58%	0.02%	-1.37%	-1.37%	-0.81%	0.15%	2.81%	1.32%
TT Emerging Markets Equity Fund	4.31%	6.04%	12.45%	12.45%	13.60%	-9.19%	2.20%	3.25%
Relative to MSCI ACWI	2.08%	3.17%	1.15%	1.15%	-5.78%	-14.62%	-8.56%	-6.77%
Relative to MSCI Emerging Market	0.37%	1.04%	4.96%	4.96%	1.05%	-4.13%	-0.90%	-0.29%
Lazard Strategic Japanese Equity	0.30%	-2.12%	9.26%	9.26%	19.03%	7.75%	11.79%	7.55%
Relative to MSCI ACWI	-1.92%	-4.99%	-2.04%	-2.04%	-0.34%	2.32%	1.03%	-2.48%
Relative to TOPIX	1.17%	2.31%	4.08%	4.08%	6.34%	5.32%	5.28%	2.24%

	Month to Date	3 Months	6 Months	Year to Date	1 Year	3 Years Ann	5 Years Ann	7 Years Ann
Regional Funds - USD								
iShares Edge MSCI World Value	-2.33%	-2.56%	3.95%	3.95%	11.99%	4.82%	7.11%	5.96%
Relative to MSCI ACWI	-4.56%	-5.43%	-7.35%	-7.35%	-7.38%	-0.61%	-3.65%	-4.06%
Relative to MSCI World Value Enhanced	0.01%	0.27%	0.14%	0.14%	0.14%	0.05%	0.03%	0.04%
iShares Core S&P 500 ETF	3.56%	4.21%	15.14%	15.14%	24.21%	9.70%	14.70%	13.92%
Relative to MSCI ACWI	1.34%	1.34%	3.83%	3.83%	4.83%	4.27%	3.95%	3.90%
Relative to S&P 500 Index	0.01%	0.04%	0.09%	0.09%	0.21%	0.20%	0.23%	0.24%
iShares S&P Small Cap 600 UCITS ETF	-2.31%	-3.28%	-1.64%	-1.64%	6.65%	-1.90%	6.35%	6.11%
Relative to MSCI ACWI	-4.54%	-6.15%	-12.94%	-12.94%	-12.73%	-7.34%	-4.41%	-3.91%
Relative to S&P 600 Index	-0.03%	-0.17%	-0.91%	-0.91%	-2.01%	-1.64%	-1.71%	-1.66%
iShares FTSE UK Dividend Plus	-2.16%	4.46%	5.91%	5.91%	16.89%	3.19%	5.11%	1.94%
Relative to MSCI ACWI	-4.39%	1.59%	-5.39%	-5.39%	-2.49%	-2.24%	-5.65%	-8.08%
Relative to FTSE UK Dividend Index	-0.19%	-0.21%	-0.41%	-0.41%	-1.11%	-0.64%	-0.94%	-0.71%
iShares Core MSCI Japan IMI ETF	-0.88%	-3.99%	4.80%	4.80%	11.78%	1.39%	5.85%	4.89%
Relative to MSCI ACWI	-3.11%	-6.86%	-6.50%	-6.50%	-7.59%	-4.05%	-4.90%	-5.13%
Relative to MSI Japan IMI Index	-0.02%	0.57%	-0.03%	-0.03%	-0.07%	-0.10%	-0.09%	-0.10%

	1 month	3 Months	6 Months	Year to Date	1 Year	3 Years Ann	5 Years Ann	7 Years Ann
Global Investment Grade - USD								
PIMCO Low Duration Global IG Credit	0.56%	0.89%	1.63%	1.63%	6.76%	0.60%	1.49%	1.94%
Relative to Bloomberg Global Aggregate Index	-0.30%	0.77%	1.50%	1.50%	2.56%	2.16%	1.24%	0.45%
Relative to Bloomberg Global Aggregate Credit 1-5 Years Index	-0.09%	-0.10%	-0.02%	-0.02%	0.25%	0.02%	-0.14%	-0.21%
Lord Abbett Short Duration Income Fund	0.53%	1.32%	2.23%	2.23%	6.30%	1.10%	1.78%	-
Relative to Bloomberg Global Aggregate Index	-0.34%	1.20%	2.09%	2.09%	2.09%	2.66%	1.53%	
Relative to Bloomberg Global Aggregate Credit 1-5 Years Index	-0.13%	0.34%	0.58%	0.58%	-0.22%	0.52%	0.15%	
PIMCO Global IG Credit	0.88%	0.49%	0.88%	0.88%	6.60%	-2.59%	0.15%	1.54%
Relative to Bloomberg Global Aggregate Index	0.02%	0.37%	0.75%	0.75%	2.40%	-1.02%	-0.10%	0.04%
Relative to Bloomberg Global Aggregate Credit Index	0.19%	0.32%	0.66%	0.66%	0.84%	-0.38%	-0.46%	-0.31%
Nedgroup Strategic Bond Fund	1.26%	0.78%		-	-	-	-	-
Relative to Bloomberg Global Aggregate Index	0.39%	0.66%						
Relative to Bloomberg Global Aggregate Credit Index	0.56%	0.61%						
Government Bonds - USD								
iShares $ Treasury Bond 1-3YR UCITS ETF	0.64%	1.00%	1.28%	1.28%	4.55%	0.35%	1.02%	1.26%
Relative to Bloomberg Global Aggregate Index	-0.22%	0.88%	1.14%	1.14%	0.35%	1.92%	0.77%	-0.23%
Relative to ICE BofA 1-3 Year US Treasury Index	0.08%	0.05%	0.04%	0.04%	0.04%	-0.05%	-0.04%	-0.06%
iShares $ Treasury Bond 3-7YR UCITS ETF	1.13%	0.46%	-0.10%	-0.10%	2.86%	-2.79%	-0.69%	-
Relative to Bloomberg Global Aggregate Index	0.27%	0.34%	-0.23%	-0.23%	-1.34%	-1.23%	-0.93%	
Relative to ICE BofA 3-7 Year US Treasury Index	0.17%	-0.09%	-0.05%	-0.05%	-0.34%	-0.67%	-0.70%	
iShares $ Treasury Bond 7-10yr ETF	1.69%	0.23%	-1.08%	-1.08%	0.66%	-4.45%	-1.17%	0.21%
Relative to Bloomberg Global Aggregate Index	0.82%	0.11%	-1.21%	-1.21%	-3.55%	-2.89%	-1.42%	-1.29%
Relative to ICE BofA 7-10 Year US Treasury Index	0.44%	0.28%	0.30%	0.30%	0.36%	0.05%	0.08%	0.00%
iShares $ TIPS UCITS ETF	1.09%	1.02%	1.09%	1.09%	2.94%	-1.54%	1.98%	2.36%
Relative to Bloomberg Global Aggregate Index	0.22%	0.90%	0.95%	0.95%	-1.26%	0.02%	1.73%	0.86%
Relative to Bloomberg US Govt Inflation-Linked Index	0.34%	0.26%	0.43%	0.43%	0.46%	0.04%	-0.02%	-0.09%
iShares Core UK Gilts UCITS ETF	1.34%	-0.73%	-2.16%	-2.16%	5.20%	-	-	-
Relative to Bloomberg Global Aggregate Index	0.47%	-0.85%	-2.29%	-2.29%	1.00%			
The Colchester Local Markets Bond Fund	-1.22%	-2.92%	-5.40%	-5.40%	-0.33%	-0.88%	0.25%	1.11%
Relative to Bloomberg Global Aggregate Index	-2.09%	-3.04%	-5.53%	-5.53%	-4.53%	0.68%	0.01%	-0.39%

	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	-0.61%	-1.09%	-1.44%	-1.44%	6.00%	-4.02%	0.38%	2.27%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	0.74%	-1.23%	-1.50%	-1.50%	0.41%	-4.41%	-7.61%	-21.44%
Relative to FTSE EPRA/NAREIT Global Index	-0.97%	0.97%	1.89%	1.89%	1.01%	0.42%	0.97%	0.45%
Real Estate - Direct - GBP								
BMO Commercial Property Trust	1.85%	-1.08%	13.04%	13.04%	28.47%	1.11%	-1.77%	-3.69%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	2.50%	-1.03%	12.02%	12.02%	22.26%	-8.47%	-10.21%	-30.98%
Relative to FTSE EPRA/NAREIT UK Index	4.24%	-0.91%	15.85%	15.85%	11.84%	6.75%	-0.28%	-2.84%
Impact Healthcare REIT	-2.14%	4.42%	-0.45%	-0.45%	3.60%	-1.84%	1.45%	3.54%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	-1.49%	4.46%	-1.47%	-1.47%	-2.61%	-11.43%	-6.99%	
Relative to FTSE EPRA/NAREIT UK Index	0.25%	4.59%	2.36%	2.36%	-13.03%	3.79%	2.95%	
Target Healthcare REIT	0.33%	-5.21%	-5.85%	-5.85%	17.36%	-5.94%	-1.36%	0.46%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	0.99%	-5.17%	-6.87%	-6.87%	11.15%	-15.52%	-9.79%	-26.84%
Relative to FTSE EPRA/NAREIT UK Index	2.73%	-5.05%	-3.04%	-3.04%	0.73%	-0.30%	0.14%	1.31%
Empiric Student Property	2.34%	-2.09%	-1.88%	-1.88%	12.61%	5.89%	3.22%	0.92%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	3.00%	-2.05%	-2.90%	-2.90%	6.40%	-3.69%	-5.22%	-26.38%
Relative to FTSE EPRA/NAREIT UK Index	4.74%	-1.93%	0.94%	0.94%	-4.01%	11.53%	4.72%	1.77%
Renewables - GBP								
Greencoat UK Wind	-6.32%	-3.42%	-8.95%	-8.95%	-1.42%	7.56%	4.33%	6.94%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	-5.66%	-3.38%	-9.98%	-9.98%	-7.63%	-2.03%	-4.11%	-20.35%
Relative to GBP LIBID 4 Month + 4%	-7.02%	-5.68%	-13.54%	-13.54%	-10.80%	0.31%	-1.71%	1.33%
Greencoat Renewables	-0.52%	3.75%	-11.03%	-11.03%	-8.02%	-4.17%	-0.46%	-
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	0.14%	3.79%	-12.05%	-12.05%	-14.24%	-13.75%	-8.90%	
Relative to GBP LIBID 4 Month + 4%	-1.22%	1.49%	-15.62%	-15.62%	-17.41%	-11.42%	-6.50%	
John Laing Environmental Assets Group	1.65%	-4.75%	-10.54%	-10.54%	-10.89%	2.12%	0.01%	3.24%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	2.31%	-4.71%	-11.56%	-11.56%	-17.10%	-7.46%	-8.43%	-24.05%
Relative to GBP LIBID 4 Month + 4%	0.95%	-7.01%	-15.12%	-15.12%	-20.27%	-5.12%	-6.02%	-2.37%
The Renewable Infrastructure Group	-4.82%	-3.62%	-13.10%	-13.10%	-10.99%	-3.98%	-0.30%	3.72%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	-4.16%	-3.58%	-14.12%	-14.12%	-17.20%	-13.57%	-8.74%	-23.57%
Relative to GBP LIBID 4 Month + 4%	-5.52%	-5.88%	-17.68%	-17.68%	-20.37%	-11.23%	-6.34%	-1.89%
Indirect Infrastructure - USD Unhedged								
ATLAS Global Infrastructure	-5.32%	-2.98%	-4.05%	-4.05%	-4.01%	3.56%	4.26%	-
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	-3.97%	-3.11%	-4.12%	-4.12%	-9.60%	3.18%	-3.73%	
S&P Global Infrastructure - USD	-2.28%	-5.31%	-7.53%	-7.53%	-9.97%	-1.09%	0.81%	
Direct Infrastructure - GBP								
3i Infrastructure	-3.55%	-0.01%	1.55%	1.55%	6.21%	6.01%	4.95%	10.55%
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	-2.89%	0.03%	0.53%	0.53%	0.00%	-3.57%	-3.49%	-16.74%
S&P Global Infrastructure - GBP	-1.19%	-2.16%	-2.92%	-2.92%	-0.38%	-1.75%	1.41%	6.01%
Commodities - USD								
WisdomTree Core Physical Gold ETC	-0.12%	4.90%	12.57%	12.57%	21.30%	9.55%	-	-
Relative to 50% FTSE EPRA/NAREIT Global Index + 50% S&P Global Infrastructure (	1.23%	4.77%	12.50%	12.50%	15.70%	9.16%		
Relative to LBMA Gold Price	0.62%	-0.36%	0.42%	0.42%	-0.60%	-0.20%		

	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	15.95%	32.62%	40.60%	40.60%	54.56%	2.98%	3.64%	4.68%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	14.04%	31.18%	34.60%	34.60%	42.85%	-0.28%	-1.81%	-1.03%
Relative to GBP LIBID 4 Month + 4%	15.25%	30.35%	36.02%	36.02%	45.18%	-4.27%	-2.40%	-0.93%
Private Equity - GBP								
Oakley Capital Investments	3.33%	8.94%	4.16%	4.16%	17.66%	13.27%	19.13%	18.84%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate I	1.42%	7.50%	-1.84%	-1.84%	5.95%	10.00%	13.68%	13.14%
Relative to GBP LIBID 4 Month + 4%	2.63%	6.68%	-0.42%	-0.42%	8.28%	6.02%	13.09%	13.23%
Princess Private Equity	3.55%	8.96%	11.36%	11.36%	16.63%	0.97%	8.43%	6.94%
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	1.64%	7.52%	5.36%	5.36%	4.92%	-2.30%	2.98%	1.24%
Relative to GBP LIBID 4 Month + 4%	2.85%	6.69%	6.78%	6.78%	7.25%	-6.28%	2.40%	1.33%
Energy Efficiency - GBP								
SDCL Energy Efficiency Income Trust	1.45%	15.39%	7.46%	7.46%	-1.52%	-11.17%	-3.25%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-0.45%	13.95%	1.46%	1.46%	-13.23%	-14.44%	-8.70%	
Relative to GBP LIBID 4 Month + 4%	0.76%	13.13%	2.88%	2.88%	-10.90%	-18.42%	-9.29%	
Gore Street Energy Storage Fund	0.73%	1.47%	-23.64%	-23.64%	-24.59%	-10.51%	0.59%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	-1.18%	0.03%	-29.64%	-29.64%	-36.30%	-13.78%	-4.86%	
Relative to GBP LIBID 4 Month + 4%	0.03%	-0.79%	-28.22%	-28.22%	-33.97%	-17.76%	-5.45%	
Gresham House Energy Storage Fund	27.86%	68.34%	-35.47%	-35.47%	-49.78%	-12.79%	-3.02%	-
Relative to 50% MSCI ACWI + 50% Bloomberg Barclays Global Aggregate Index	25.96%	66.90%	-41.48%	-41.48%	-61.49%	-16.06%	-8.47%	
Relative to GBP LIBID 4 Month + 4%	27.17%	66.08%	-40.06%	-40.06%	-59.16%	-20.04%	-9.06%	

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 Equity Fund.

Fundsmith Equity Fund

The Fundsmith Equity Fund aims to deliver superior investment performance by investing in a concentrated portfolio of high-quality companies over the long term. It does this by adopting a “buy and hold” approach, focusing on businesses able to sustain high returns on operating capital employed, and with characteristics that are difficult for competitors to replicate. 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 higher rates of return.

Typically 20-30 stocks are held in the portfolio at any one point in time, with position sizes usually between 1-6%. Due to the nature of the portfolio construction process, the Fund tends to have a bias towards sectors that benefit from small, relatively predictable transactions that are non-cyclical, and where consumers have little-to-no negotiating power. This typically includes Consumer Staples, Industrials, and Healthcare businesses. Sectors that require leverage or are subject to obsolescence and fashion are usually avoided. This includes Financials, Real Estate, Pharma, Oil/Mining, Fashion, Materials and Utilities.

Performance has been industry-leading over most time frames, but can go through difficult periods due to the portfolio’s inherent sector concentration and quality bias. The focus of Fundsmith is on the very long term – this should be taken into account when considering the strategy.

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 Equity Fund is a strong product in the global 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:

- Excellent track record, with higher returns and lower volatility relative to the MSCI World Index.
- Managed by a well-resourced and highly experienced team led by Terry Smith.
- Clearly defined investment process, backed by a mix of sound investment theory and common sense.
- Management style tends to make the fund less volatile than many competitor funds.
- Holding 20 to 30 stocks makes it a very high conviction fund.

Disclaimer

This is a marketing communication. Please refer to the prospectus, the key investor information documents (the **KIIDs /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.

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 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 Depositary of the Fund is Citi Depositary Services Ireland DAC, 1 North Wall 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.

Distribution: The prospectus, the supplements, the KIIDs/PRIIPS KIDs, constitution, 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.

U.K: Nedgroup Investment (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 arrangements in respect of the Fund.