NEDGROUP INVESTMENTS MULTIFUNDS PLC

BALANCED MULTIFUND CLASS C

NEDBANK PRIVATE WEALTH SINCE 1834

July 2019

RISK REWARD PROFILE

Lower risk — Higher risk

1	2	3	4	5	6	7

Typically lower rewards — Typically higher rewards

Equity and property investments are volatile by nature and subject to potential capital loss. For credit and income instruments, while unlikely, capital loss may also occur due to an event like the default of an issuer.

GENERAL INFORMATION

BENCHMARK: 3 month LIBID + 1% to 3% over 3 to 5 years

APPROPRIATE TERM: Minimum 3 to 5 years

PEER GROUP: 50/50 average of the Morningstar Moderate Allocation USD and Morningstar Cautious Allocation USD

INVESTMENT MANAGER: Nedgroup Investments (IOM) Limited
An Isle of Man based fund manager providing investment management services to assets in excess of $3.8bn. Licensed by the Isle of Man Financial Services Authority.

FUND LEGAL STRUCTURE: Irish OEIC UCITS 4

INCEPTION DATE: 19 August 2011

MARKET VALUE: $226.4m

PRICES (as at 31 July 2019)
USD CLASS C: $11.5152
GBP CLASS C: $13.653

MANAGEMENT FEE CLASS C: 0.50% p.a.

ON-GOING CHARGES (as at 31 July 2019)²
USD Class C: 1.29% GBP Class C: 1.38%

MINIMUM INVESTMENT CLASS C
$1,500 / £1,000

DEALING
Daily

NOTICE PERIODS
Subscriptions: Noon T-1
Redemptions: Noon T-1

SETTLEMENT PERIODS
Subscriptions: T+2
Redemptions: T+3

ISIN / SEDOL
CLASS C USD: IE00B9CBCV86 / B9CBCV8
CLASS C GBP: IE00B83TLZ10 / B83TLZ1

MINIMUM DISCLOSURE DOCUMENT

Please note: Differences may exist due to rounding

FUND OBJECTIVE

The Balanced MultiFund aims to provide moderate levels of growth with moderate levels of risk and volatility over the medium to longer-term.

It is anticipated that the Balanced MultiFund will achieve a return of 3-month LIBID + 1% to 3% in the currency of the relevant share class over a rolling 3 to 5 year period.

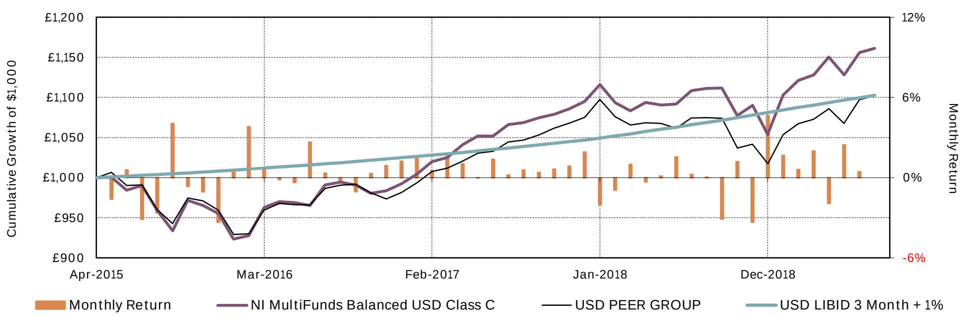
SUITABILITY & RISK AND REWARD

The Balanced MultiFund is suitable for clients with an investment time horizon of 3 to 5 years. Investing in the fund involves a risk to capital in order to achieve the desired return.

To achieve the investment objective, the portfolio invests across a range of asset classes within a strategic and tactical asset allocation framework designed to maximise diversification benefits. An absolute and relative valuation-based approach underpins this framework, resulting in a multilayered process to facilitate disciplined decision-making and risk management.

Portfolio construction combines exposures to active fund managers, who are expected to outperform their defined benchmarks and passive investment vehicles which provide low cost access to markets. This blend of active and passive funds is used to create a competitively priced investment solution.

FUND PERFORMANCE [1]



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

SINCE FUND INCEPTION (19 August 2011)	FUND USD	USD PEER GROUP	3 Month LIBID		FUND GBP	GBP PEER GROUP	3 Month LIBID	
	%	%	US$ LIBID 3 month + 1%	US$ LIBID 3 month + 3%	%	%	GBP LIBID 3 month + 1%	GBP LIBID 3 month + 3%
1 Month	0.4%	0.5%	0.3%	0.5%	1.7%	1.8%	0.1%	0.3%
6 Months	5.3%	4.6%	1.7%	2.7%	7.3%	6.6%	0.8%	1.8%
1 Year	4.7%	2.6%	3.4%	5.5%	6.0%	3.9%	1.7%	3.7%
3 Years Ann	5.4%	3.8%	2.7%	4.8%	5.4%	3.7%	1.5%	3.5%
5 Years Ann	n/a	n/a	n/a	n/a	5.2%	4.0%	1.5%	3.5%
YTD	10.2%	8.4%	2.0%	3.1%	10.8%	9.1%	1.0%	2.2%
2018	-3.7%	-5.4%	3.3%	5.3%	-2.8%	-4.5%	1.6%	3.6%
2017	10.3%	9.5%	2.2%	4.2%	5.9%	5.3%	1.2%	3.2%
2016	3.9%	2.3%	1.6%	3.7%	10.0%	8.5%	1.4%	3.4%
2015	n/a	n/a	n/a	n/a	0.0%	-0.2%	1.5%	3.5%
2014	n/a	n/a	n/a	n/a	6.2%	4.4%	1.4%	3.4%
Lowest 1 yr return	-3.7%				-3.7%			
Highest 1yr return	11.1%				13.8%			
Since inception *	3.6%	2.3%	2.3%	4.3%	5.0%	3.5%	1.4%	3.4%

Class C performance net of fees. * Since inception annualised.

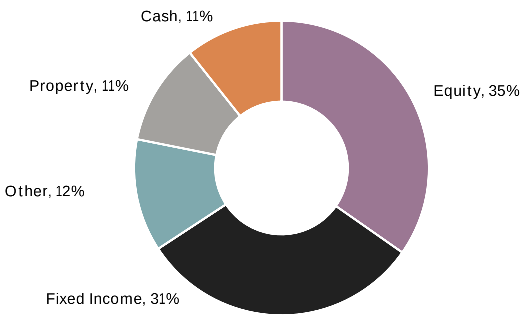
USD peer group is a 50/50 average of the Morningstar Moderate Allocation USD and Morningstar Cautious Allocation USD . For the GBP peer group data, the same universe and returns are used as for the USD data, although a 65% hedge to sterling is applied, as per the fund's GBP share class.

RISK MEASURE

SINCE FUND INCEPTION	FUND USD	FUND GBP
Annualised volatility	6.0%	5.1%
Sharpe ratio (annualised)	0.37	0.90
Lowest monthly return	-3.3%	-3.4%
Maximum drawdown	-8.7%	-6.6%
Months to recover	13	9

Risk measures presented based on the simulated Class C performance net of fees since 19 August 2011 to date.

ASSET ALLOCATION



1) The annualised total return is the average return earned by an investment each year over a given time period. Performanceis calculated for the portfolio and individual investment performance may differ as a result of initial fees, the actual investment, the actual investment date, the date of any reinvestment and dividend withholding tax. Data source Nedgroup Investments (IOM) Limited.
2) The on-going fee is a measure of the actual expenses incurred in the management of the Classes of the Sub-Fund. The on-going fee shown is expressed as a percentage of the monthly average value of the portfolio calculated over a 12-month period as at the date shown. The current on-going fee cannot be used as an indication of future on-going fees. A higher on-going fee does not necessarily imply a poor return, nor does a low on-going fee imply a good return.

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BALANCED MULTIFUND

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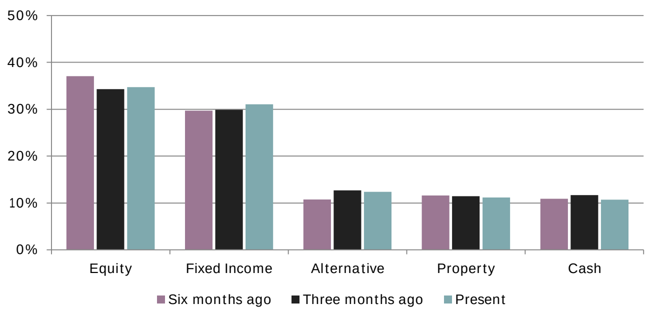
July 2019

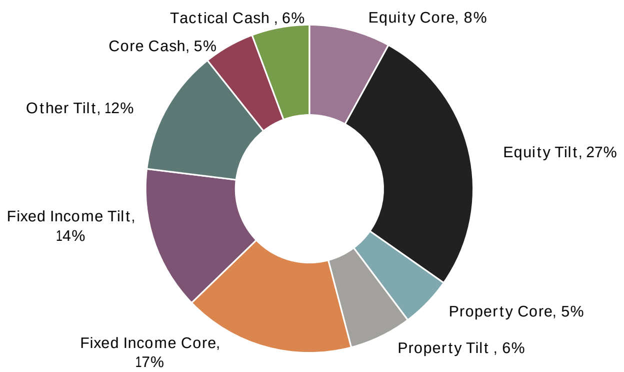
TOTAL PORTFOLIO ANALYSIS

FULL PORTFOLIO HOLDINGS

Equity		34.7%
Vanguard Global Stock Index	Core	8.0%
Dodge & Cox Global Stock Fund	Tilt	6.8%
Nedgroup Global Equity Fund	Tilt	5.9%
TT Emerging Markets Equity Fund	Tilt	5.8%
Morgan Stanley Global Brands	Tilt	3.1%
Fundsmith Equity Fund	Tilt	3.1%
Allianz Global Small Cap Equity	Tilt	2.0%
Property		11.2%
Nedgroup Global Property Fund	Core	5.0%
Target Healthcare REIT	Tilt	2.4%
BMO Commercial Property Trust	Tilt	1.9%
Impact Healthcare REIT	Tilt	1.8%
Fixed Income		31.1%
Vanguard US Government Bond Index Fund	Core	9.5%
PIMCO Global IG Credit	Core	7.4%
Franklin Templeton Global Total Return	Tilt	4.9%
AXA US Short Duration High Yield	Tilt	4.8%
Muzinich Short Duration High Yield	Tilt	4.4%
Alternative		12.4%
Greencoat UK Wind	Tilt	3.2%
Greencoat Renewables	Tilt	2.0%
SQN Asset Finance Income Fund C Shares	Tilt	1.9%
GCP Asset Backed Income Fund	Tilt	1.7%
John Laing Environmental Assets Group	Tilt	1.6%
The Renewables Infrastructure Group	Tilt	1.0%
3i Infrastructure Plc	Tilt	1.0%
Cash		10.7%
BlackRock Institutional USD Liquidity Fund /	Core	5.0%
Cash	Tilt/Tactical	5.7%
Total		100.0%

CHANGES IN ASSET ALLOCATION BY STRATEGY





EQUITY COMPONENT [3]

TOP TEN UNDERLYING HOLDINGS

Microsoft	2.8%
Alphabet	1.8%
Charter Communications	1.8%
Reckitt Benckiser	1.6%
Unilever	1.5%
Philip Morris	1.5%
Facebook	1.4%
Alibaba	1.2%
Naspers	1.1%
Baxter	1.0%
Total	15.7%

COUNTRY ALLOCATION

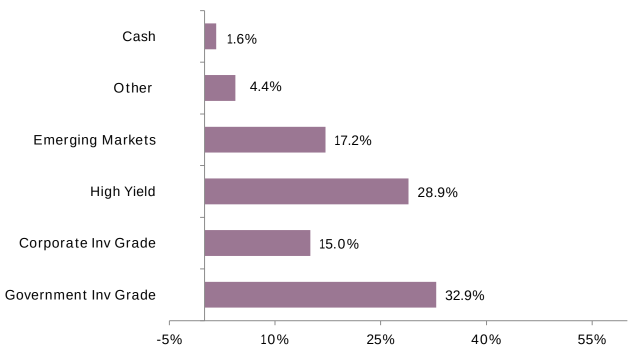
USA	48.2%
Europe ex-UK	15.9%
UK	8.7%
Emerging Markets	16.8%
Pacific ex-Japan	2.2%
Japan	3.2%
Canada	1.6%
Cash	3.3%
Total	100.0%

SECTOR ALLOCATION

Financials	16.1%
Health Care	15.7%
Information Technology	14.2%
Industrials	11.1%
Consumer Staples	10.8%
Communication Services	9.6%
Consumer Discretionary	8.3%
Energy	3.9%
Materials	3.8%
Real Estate	2.0%
Utilities	1.2%
Cash	3.3%
Total	100.0%

FIXED INCOME COMPONENT [3]

CATEGORY ALLOCATION

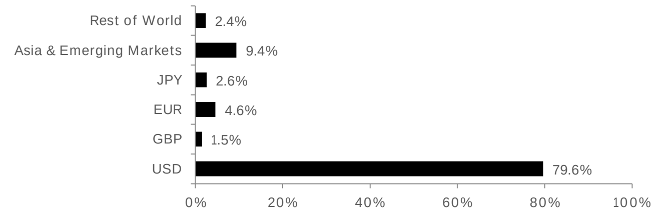


YIELD

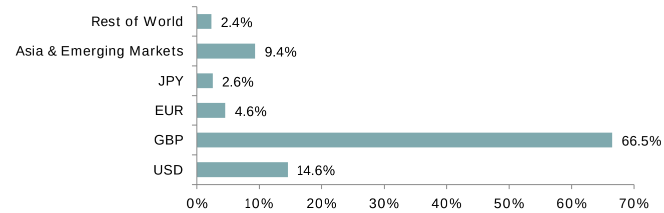
Yield To Maturity	4.3%
Average Weighted Maturity (in years)	5.1
Average Modified Duration (in years)	3.3

CURRENCY EXPOSURE [3]

USD SHARE CLASS



GBP SHARE CLASS [4]



3) Source: Underlying managers. Data point 28 June 2019
Data point for underlying fund information on a look-through basis is one month in arrears.
4) For the sterling Hedged share class a 65% hedge to sterling is applied

MARKET COMMENTARY

July 2019

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

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

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

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

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

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

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

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

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

PORTFOLIO COMMENTARY

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

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

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

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

Nedgroup Investments International contact details
Tel: +44 (0)1624 645150
Tel: 0800 999 160 (toll free from South Africa only)
Fax: +44(0) 1624 670630
Email: helpdesk@nedgroupinvestments.com
Website: www.nedgroupinvestments.com
Address: First Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man, IM1 1EU British Isles