

Factsheet 31 January 2022

# NIKKO AM WHOLESALE MULTI STRATEGY FUND

The factsheet covers the MMAF ordinary share class but not the A & C share class units which are side-pocketed.

## Performance

	One month	Three months	One year	Three years (p.a)	Five years (p.a)	Ten years (p.a)
Wholesale <sup>1</sup>	-2.14%	-1.86%	-1.13%	4.46%	3.84%	5.93%
Benchmark <sup>2</sup>	0.32%	0.94%	3.47%	3.87%	4.27%	4.88%

1. Returns are before tax and before the deduction of fees

2. Current Benchmark: Bloomberg NZBond Bank Bill Index plus 3.0% per annum. No tax or fees

## Performance Contribution by Strategy

Strategy	No. of funds	Cal YTD
Relative Value	2	-0.27%
Long / Short Equities	6	-0.63 %
Opportunistic / Macro	1	0.40%
Credit	2	-0.12%
Event Driven	5	-0.52%

Information shown in the table above is for the month prior to the date of this fact sheet

## Investment Manager

The Wholesale Multi-Strategy Fund invests into the JP Morgan Alternative Asset Management Hedge Fund Solutions JP Morgan Multi Manager Alternatives Fund (MMAF).

JPMAAM HFS is led by CIO Paul Zummo who co-founded the business in 1994 and is still head of the Portfolio Management Group and chairs the JPMAAM HSF Investment Committee. Paul has over 25 years industry experience and is a member of the CFA Institute.

## Overview

The fund provides access to a multi-manager, multi-strategy investment fund designed to generate returns over the long term.

The portfolio has a diversified risk profile with low to medium volatility.

## Objective

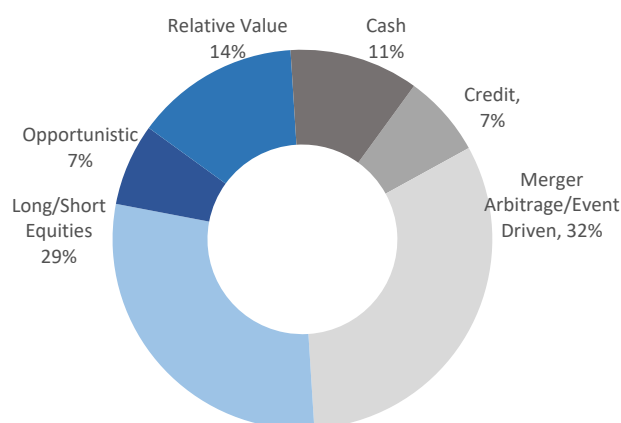
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

## Five Year Cumulative Performance, \$10,000 invested<sup>1,2</sup>

Performance is for JPMAAM MSF II strategy up to 30.06.20 and for MMAF from 01.07.20



## Strategy Allocations (by value of fund)



**Fund Commentary** (source: JPMAAM for underlying USD share class)

Geopolitical tensions, rising rates in the U.S. and China’s continued “zero COVID” policy all weighed on global equities in the first month of 2022, with the MSCI World Index decreasing -5.27% in January. Global fixed income returns were down in January, as yields increased significantly through month-end; the Barclays Global Aggregate Bond Index is down -2.05% YTD.

The **Relative Value** was negative in January. Losses in one portfolio were mainly driven by warrants and convertible bonds as both markets experienced widespread selloffs amidst the high levels of volatility. Losses were led by North American consumer discretionary and energy positions in another portfolio.

The **Macro/Oppportunistic Strategy** was positive in January with gains in energy and agriculture related commodities.

The **Long/Short Equity Strategy** was negative in January as global equities sold off over 5% in the worst month for equities since March 2020. In particular, the Information Technology sector was hit hard by the sharp selloff in growth. Losses also came from a Healthcare focused manager. These losses were partially offset by gains driven by a CCT in gaming company Zynga, which gained over 30% following the January 10th announcement that it had received a strategic takeout offer from video game holding company Take-Two Interactive for a 64% premium.

The **Merger Arbitrage/Event Driven Strategy** was negative with losses from CCTs and SPAC portfolios. After a strong fourth quarter, Hertz, the post-bankruptcy car rental company, has been facing technical selling pressure from lockup expiry following the re-IPO. This is despite very strong underlying business trends and a significant buyback. Modest losses across CCTs that sold off in equity weakness were balanced out by a large gain in discount retailer Kohl’s, which gained nearly 20% following the January 22nd announcement that it had received a takeout bid at a 37% premium from a consortium backed by activist hedge fund Starboard Value LP. SPAC focused portfolios also contributed modestly to losses, driven in part by widening discount to trust but primarily by a widespread selloff in SPAC warrants.

The **Credit Strategy** was negative in January. Losses came from credit default swap indices and fixed rate corporate and municipal bonds that were challenged by expectations for rising rates following the hawkish Fed meeting. These losses were partially balanced by a short hedge in long-term bond futures.

**Key Fund Facts**

**Distributions**

Generally does not distribute

**Estimated annual fund charges**

**Wholesale:** None

**Buy / Sell spread:** 0.00% / 0.00%  
**Strategy Launch** June 2008  
**Strategy size** \$96.2m

**Management fee** to JPMAAM 1.95% p.a. includes underlying JPMAAM fund expenses and underlying manager fees.

**Hedging** JPMAAM hedges all currency exposure back to NZ dollars.

**Redemptions**

Requests can be made on a daily basis and they will be processed within 12 working days.

**Contact Us**

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All information and data is based on the most recently available, chart data is typically based on one month prior to the date shown at the top of this fund summary, performance by strategy and commentary is based on the current month using month end estimates. Index comparisons within the commentary are based on the relevant Index as determined by JP Morgan Alternative Assets Management Inc. they are not the Benchmark of the Nikko AM Multi-Strategy Fund which is determined on page 1. This document is issued by Nikko Asset Management New Zealand Limited (Company No. 606057, FSP No. FSP22562), the investment manager of the Nikko AM NZ Investment Scheme, the Nikko AM NZ Wholesale Investment Scheme and the Nikko AM KiwiSaver Scheme. This information is for the use of researchers, financial advisers and wholesale clients. This material has been prepared without taking into account a potential investor’s objectives, financial situation or needs and is not intended to constitute personal financial advice, and must not be relied on as such. Recipients of this document, who are not wholesale investors (in accordance with Schedule 1, Clause 3 Financial Markets Conduct Act 2013), or their duly appointed agent, should consult a Financial Advice Provider and the relevant Product Disclosure Statement. Past performance is not a guarantee of future performance. While we believe the information contained in this presentation is correct at the date of presentation, no warranty of accuracy or reliability is given and no responsibility is accepted for errors or omissions including where provided by a third party. For full details on the fund, please refer to our Product Disclosure Statement on nikkoam.co.nz.