

Factsheet 31 March 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 ¹	1.38%	0.41%	0.34%	4.86%	4.15%	5.84%
Benchmark ²	0.34%	0.98%	3.59%	3.82%	4.26%	4.86%

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	-0.16%
Long / Short Equities	5	-1.14%
Opportunistic / Macro	1	1.43%
Credit	2	-0.15%
Event Driven	5	-0.18%

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

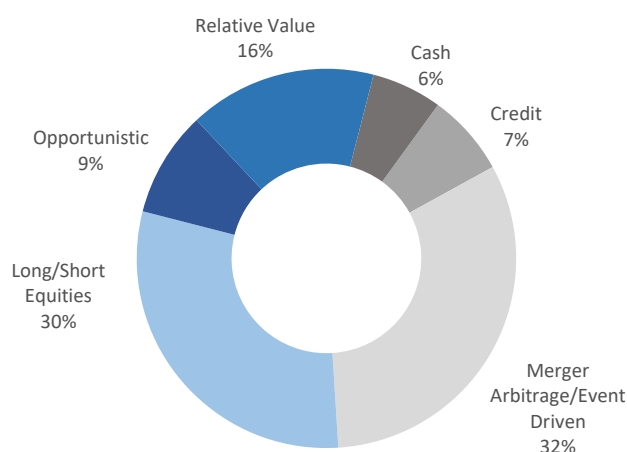
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

Five Year Cumulative Performance, \$10,000 invested^{1,2}

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)

Global equities rallied from their year-to-date lows and finished the month of March positive, with the MSCI World Index increasing +2.80% during the month but down -5.04% YTD. Global fixed income returns were negative in March, as higher interest rates in the U.S. and continued geopolitical fears drove a sell-off lower down the credit quality spectrum - the Barclays Global Aggregate Bond Index is down -6.16% YTD.

Relative Value Strategy was negative in March. Losses from the equity market, neutral and convertible bond portfolios were partially offset by gains in warrant volatility trading and closed-end fund arbitrage.

Macro/Oppportunistic Strategy was positive in March with gains in the Commodity Trading Advisor futures sub-strategy resulting from bearish sentiment related to the war in Ukraine, along with short bond futures that benefitted from a rising rate environment.

Long/Short Equity Strategy was negative in March. Losses within the strategy were mainly due to (1) the Russian invasion of Ukraine weighing heavily on certain European companies, especially those with perceived exposure to Russia or a slowdown in European growth, (2) market headwinds related to increased fears around a potential global recession, and (3) fears of regulator risk and slowing growth in China, though the fundamentals for each remain intact. However, small gains came as two concentrated positions in power transition names rallied on positive news. AES announced strong earnings and will be accelerating their transition away from coal and towards renewables which was received positively by the market. Exelon completed its spin of its nuclear subsidiary, Constellation Energy, which rallied in March as investors have come to realize strong investment case for these nuclear energy assets.

Merger Arbitrage/Event Driven Strategy was positive as shareholder engagement events benefitted a number of concentrated conviction trades while losses were due in part to reversion trades that have sold off and widened out amidst an environment of hedge fund deleveraging. CH Robinson gained on the back of successful shareholder engagement. The shareholder was successful getting their board nominees added to the board and establishing a strategic review committee, while the stock has responded well following their earnings report in February 2022. IAA, a digital auction business servicing the salvage vehicle market, has underperformed recently but is poised to benefit from strong industry tailwinds and shareholder engagement focused on leadership, productivity, and international expansion. Everbridge, a global SAAS company with a market leading presence in the mass notification and critical event management industry, is trading at a major discount following the CEO’s departure, and shareholder engagement is focused on working with the company to pursue a sale to one of many potential private equity or strategic buyers. SPAC focused portfolios were relatively flat on the month as volatility in both (a) discount to trust of stock/units and (b) warrant pricing subsided versus recent months.

Credit Strategy was negative in March. Small losses from long corporate and municipal fixed rate bonds were balanced out by modest gains in long CDX and short bond futures positions.

At the end of March MMAF had 19 concentrated conviction trades (CCTs) in the portfolio, which together contributed 72bps for the month and resulted in a contribution of 59bps YTD.

Since the start of 2022 we have realized three concentrated conviction trades, which have contributed 56bps of realized gains to YTD returns.

Key Fund Facts

Distributions			Estimated annual fund charges	
Generally does not distribute			Wholesale: None	
Buy / Sell spread:	Strategy Launch	Strategy size	Management fee to JPMAAM 1.95% p.a. includes underlying JPMAAM fund expenses and underlying manager fees.	
0.00% / 0.00%	June 2008	\$97.3m		
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.