

Factsheet 30 April 2023

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	-0.13%	-0.63%	0.91%	4.03%	3.18%	4.57%
Benchmark ²	0.65%	1.92%	6.67%	4.53%	4.61%	4.99%

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
Credit	2	0.31%
Event Driven	4	0.79%
Long/Short Equities	7	0.43%
Macro/Opportunistic	1	-0.08%
Relative Value	2	0.31%

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.

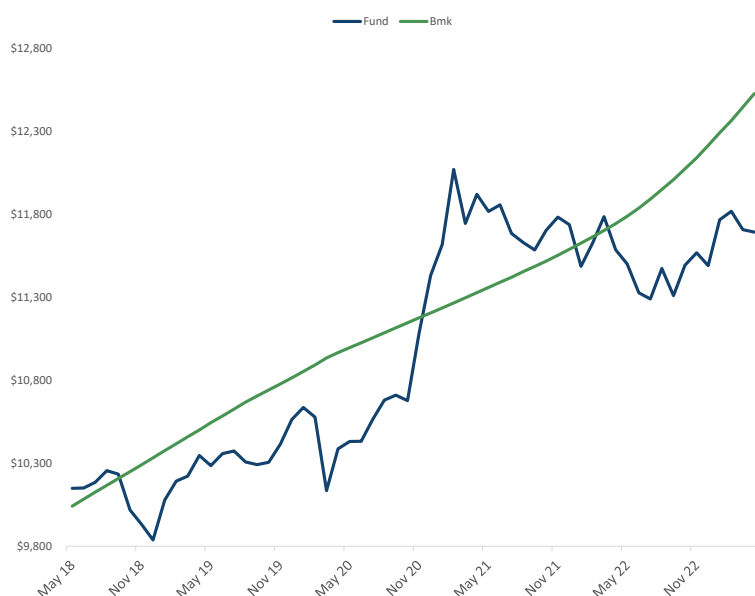
The portfolio has a diversified risk profile with low to medium volatility.

Objective

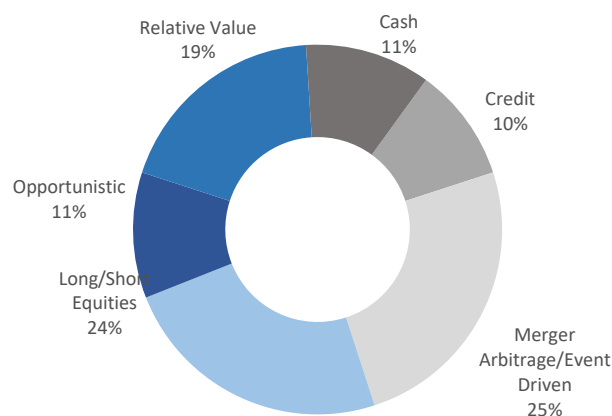
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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)

In April, economic activity remained resilient in the face of mounting headwinds. The equity markets continued their rally and have now broadly recovered from the tumult in March. Falling energy prices helped bring headline inflation down in major developed economies. While near-term recessionary risk seems to have receded somewhat, the closure of another US financial institution at the end of April highlights that the cumulative impact of central bank tightening has still not been fully felt by developed economies. As such both the MSCI World Index and the Barclays Global Aggregate Bond Index, returned +1.80% and +0.44% respectively.

Macro/Opportunistic Strategy – After a challenging March marked by a sharp reversal in rates, the Macro/Opportunistic bucket was the highest contributing strategy in April. Positive returns were driven by both the CTA sub-strategy and the quantitative macro sub-strategy. Both these sub-strategies benefited from positive net equity exposure during the market rally and effective tactical positioning in commodities, with gains across both long and short exposure.

Credit Strategy – Both credit sub-strategies delivered positive returns on the month. The municipal bond trading sub-strategy was up modestly, while larger gains in the long/short credit sub-strategy were primarily driven by tactical exposure to HY CDX tranches.

Merger Arbitrage/Event Driven Strategy – Losses in the shareholder engagement strategy driven by a Concentrated Conviction Trade (CCT) in cybersecurity technology company OneSpan, along with a merger-related position in the video game company Activision Blizzard were partially offset by gains from long convertible bond exposure in the multi-event driven portfolio.

Relative Value Strategy – The equity market neutral sub-strategy ended the month modestly positive, partially balancing out losses in the multi-strategy portfolio driven by a negative return across warrant volatility trades.

Long/Short Equity Strategy – The largest single name detractor was a CCT in a manufacturing company Flex which has been selling off on continued recession fears despite the recent spinoff of their solar tracking business Nextracker and a very cheap core business that should be far more recession resistant than in past cycles. The China-focused manager was another negative driver, as Chinese equities sold off all month on weak economic data and geopolitical news. Across the Long/Short suite, gains in defensive sectors like healthcare and utilities were outpaced by losses in the more cyclical technology and consumer discretionary exposures, in line with the meaningful outperformance of value overgrowth in broader markets. Market index hedges detracted while single name shorts were effective in mitigating losses.

Key Fund Facts		
Distributions		Estimated annual fund charges
Generally does not distribute		Wholesale: None
Buy / Sell spread:	Strategy Launch	Strategy size
0.00% / 0.00%	June 2008	\$61.5m
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

www.nikkoam.co.nz | nzenquiries@nikkoam.com

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.