

# 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>	0.53%	3.26%	6.95%	4.55%	3.46%	4.74%
Benchmark <sup>2</sup>	0.73%	2.16%	7.62%	5.00%	4.80%	5.08%

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	0.71%
Event Driven	4	1.03%
Long/Short Equities	8	1.73%
Macro/Opportunistic	1	0.43%
Relative Value	2	0.82%

## 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.

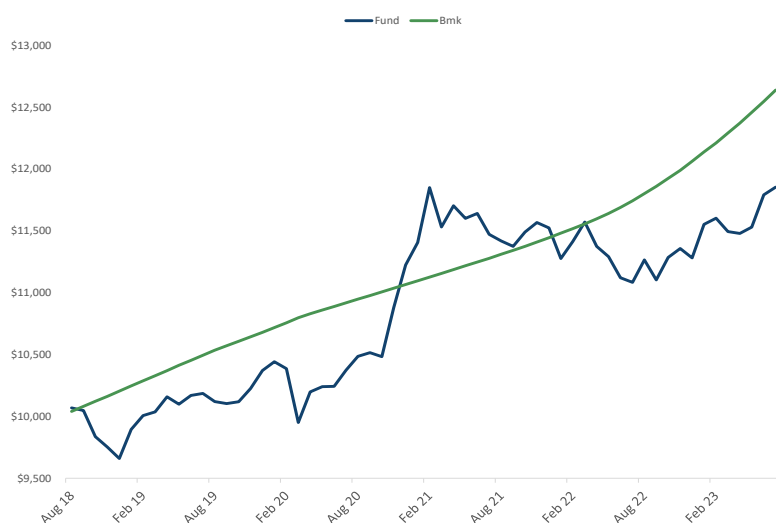
The portfolio has a diversified risk profile with low to medium volatility.

## Objective

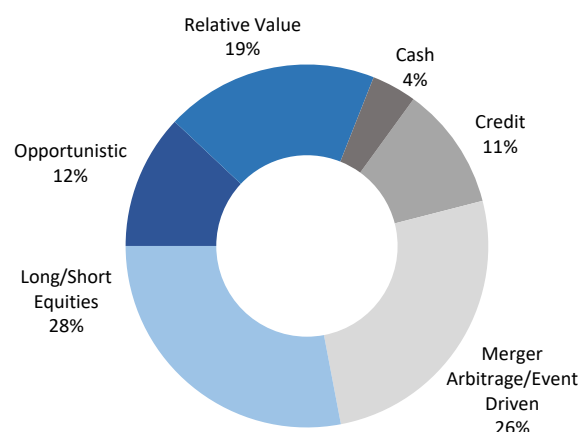
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

## 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)

Global equity markets continued their positive momentum in July, as markets priced in higher odds of a soft landing. The equity rally broadened on the back of resilient U.S. GDP data and corporate profits, moderating inflation in the U.S. and Europe, and emerging policy support in China. Global fixed income returns were mixed in July, with credit outperforming government bonds. As such, the MSCI World Index returned +3.34% while the Barclays Global Aggregate Bond Index returned +0.69% over the month.

**Strategy Level Performance commentary:**

**Relative Value Strategy** (Return: +0.25% / Attribution: +0.05%) – Both subadvisors contributed positively in July with gains split roughly evenly between quantitative equity market neutral sub-strategy and the multi-strategy sub-strategy, where gains in equity-sensitive convertible arbitrage and event-oriented equity arbitrage positions were partially offset by losses from single name equity volatility arbitrage positions and credit hedges in credit relative value trades.

**Long/Short Equity Strategy** (Return: +0.59% / Attribution: +0.16%) – The strategy overall contributed positively in July as multiple managers benefited from the broader equity market rally and a number of idiosyncratic trades. Positive contributions were added by a concentrated conviction trade in aluminum products manufacturer Constellation, which rose mid-month following a strong earnings announcement. US consumers-focused manager was another meaningful contributor due to the positive earnings reported by a number of its positions: DoorDash (earnings beat, record revenue), Uber (finally profitable), and Q2 (fears of credit crisis easing).

**Credit Strategy** (Return: +1.09% / Attribution: +0.11%) – Both credit sub-strategies delivered positive returns on the month. Municipal bond trading sub-strategy was up modestly. Large gains were also driven by a combination of long/short credit and structured credit exposure.

**Event Driven Strategy** (Return: +0.90% / Attribution: +0.24%) – The largest gains for the fund, for the month, stemmed from this strategy, led by shareholder engagement trades. These trades include post-merger auction company Ritchie Bros, sustainable biorefinery platform Green Plains, and discount retailer Kohl's. Multi-event driven sub-strategy also contributed positively on the month. Gains were also driven by diversified convertible bond exposure. Another notable contribution came from a long position in Activision Blizzard following the news that the US regulator lost the case seeking to prevent the company's merger with Microsoft.

**Allocation Decisions:**

We marginally increased the allocation to the utilities-focused long/short manager toward the end of the month given the attractive opportunity set across their investment universe. High conviction positions include names like Siemens Energy (a leading producer and servicer of gas turbines, electrical grid equipment, and wind turbines), where the manager believes a surprise negative issue with wind turbine quality drove an unwarranted selloff in the stock and created a compelling entry point.

We also added modestly to the value-focused long/short equity manager given attractive entry points in some of their high conviction positions, such as bowling centres company Bowlero, which sold off on a temporary health-driven leadership change despite a strong management team, robust cash flows, and a runway of high value inorganic growth opportunity.

<b>Key Fund Facts</b>		
<b>Distributions</b>	<b>Estimated annual fund charges</b>	
Generally does not distribute	<b>Wholesale:</b> None	
<b>Buy / Sell spread:</b>	<b>Strategy Launch</b>	<b>Strategy size</b>
0.00% / 0.00%	June 2008	\$46.2m
<b>Hedging</b> JPMAAM hedges all currency exposure back to NZ dollars.		
<b>Redemptions</b>		
Requests can be made on a daily basis and they will be processed within 12 working days.		

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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](http://nikkoam.co.nz).