

Factsheet 28 February 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	1.21%	-1.34%	-3.68%	4.48%	3.93%	5.81%
Benchmark ²	0.32%	0.95%	3.53%	3.84%	4.26%	4.87%

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	-0.12%
Long / Short Equities	5	-0.44%
Opportunistic / Macro	1	0.71%
Credit	2	-0.13%
Event Driven	5	-0.69%

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.

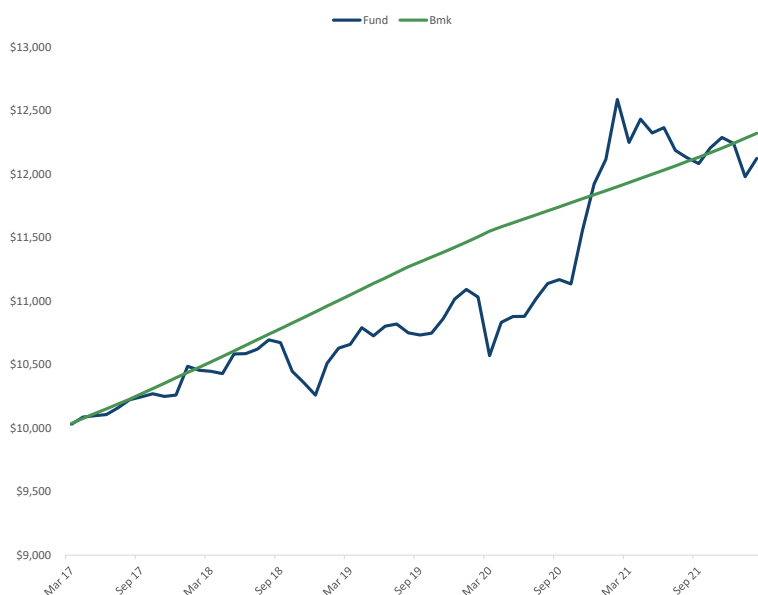
The portfolio has a diversified risk profile with low to medium volatility.

Objective

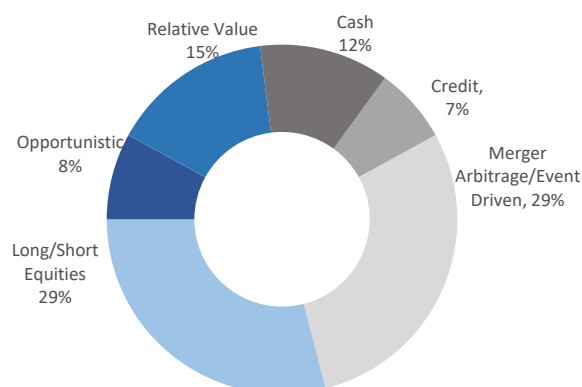
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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)

The Russian invasion of Ukraine weighed heavily on global equities in February, with the MSCI World Index falling 2.49% in February and 7.63% YTD. Global fixed income returns were muted in February, as yields finished the month relatively flat; the Barclays Global Aggregate Bond Index is down 3.21% YTD.

The **Relative Value** was positive in February. Gains were mainly driven by index futures and CDX positions, which were partially offset by small losses in convertible bonds and index options.

The **Macro/Oppportunistic Strategy** was positive in February with gains in metals and energy related commodities resulting from bearish sentiment related to the crisis in Ukraine and sanctions imposed on Russia.

The **Long/Short Equity Strategy** was positive in February despite continued negative returns in global equity markets. Gains were largely driven by concentrated conviction trades in fashion platform company Farfetch and US telecom company T-Mobile, both of which were up significantly following strong earnings reports. Positive earnings season also helped other positions, particularly Capri, a fashion group, which provided guidance well ahead of consensus, and IT services company DXC, which announced a \$1bn buyback to be completed over next 12 months. Small losses also resulted due to a selloff in technology and consumer discretionary names.

The **Merger Arbitrage/Event Driven Strategy** was negative with mixed performance in the CCTs. Gains in Green Plains were outpaced by small losses across other concentrated conviction trades. The largest losses stemmed from CH Robinson, which sold off following an earnings report that highlighted higher than expected cost guidance and the expectation for reduced margin expansion. The mid-month losses in Hertz (which later began to recover) were balanced out by small gains in index and single name hedges. 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.

The **Credit Strategy** was negative in February. Small losses resulted from modest exposure to corporate fixed rate bonds.

At the end of February MMAF had 19 concentrated conviction trades (CCTs) in the portfolio, which together detracted -2bps for the month (including the Zynga position that was wound down toward the beginning of the month) and resulted in a contribution of -24bps YTD.

Since the start of 2022 we have realized two concentrated conviction trades, which have contributed 61bps of realized gains to YTD returns.

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: \$96m

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.