

Factsheet 30 April 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	-1.69%	0.87%	-2.80%	3.84%	3.68%	5.64%
Benchmark ²	0.35%	1.01%	3.67%	3.80%	4.25%	4.85%

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	-0.35%
Long / Short Equities	5	-2.25%
Opportunistic / Macro	1	2.00%
Credit	2	-0.27%
Event Driven	5	-0.64%

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

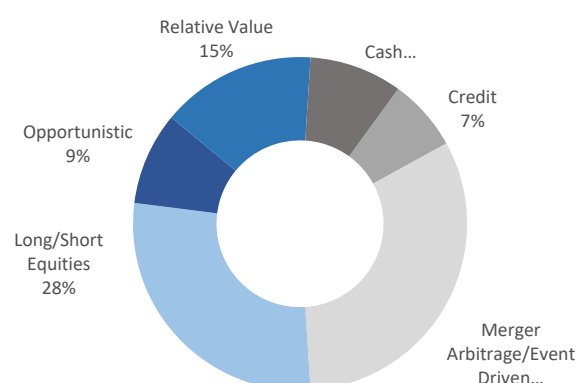
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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 endured a tough April as persistent inflation, disappointing earnings among the large cap names in the U.S., geopolitical tensions, and continued COVID-19 lockdown measures in China all weighed on returns. Global fixed income returns were negative in April, as interest rates jumped on the back of persistent inflation and a lacklustre earning season in the US. Against this challenging market backdrop, the JPM Multi-Manager Alternatives Fund has provided significant capital protection from the volatility we have seen across both equity and fixed income markets.

Macro/Oppportunistic Strategy (Return: +6.81% / Attribution: +0.57%) - highlight of the fund over April as it generated positive returns over the month, continuing its strong positive returns year to date. Performance in April was driven by its exposure to commodities that increased due to bearish sentiment related to the war in Ukraine, short positioning in bond futures that benefitted from expectations of continued rate hikes and positioning in currency forwards that benefitted from a strengthening US dollar.

Long/Short Equity Strategy (Return: -3.84% / Attribution: -1.12%) - down over the month as equities continued their recent decline. Across sub-advisors, effective hedging helped to mitigate losses. The strategy was challenged by a steep market selloff in the information technology sector, with key detractors in positions such as software intelligence company Dynatrace. Growth names, such as Farfetch (European luxury fashion retailer), also struggled due to their sensitivity to interest rates. These losses were partially offset by the position in Danone, the multi-national food and beverage company, which saw its share price rise significantly when it announced strong sales growth for Q1 2022 in mid-April.

Merger Arbitrage/Event Driven Strategy (Return: -1.43% / Attribution: -0.46%) - negative in April as equity-focused shareholder engagement positions were caught up in the broad market selloff. Two positive contributors for the month were Forward Air (transportation logistics company), which gained nearly 9% in the last week of the month following strong earnings outperformance, and Everbridge (enterprise software company), where shareholder engagement is focused on a sale to one of many potential strategic buyers. The SPAC exposure within the strategy had little impact on returns as losses from warrants were largely offset by narrowing discounts to trust for SPAC common stock positions.

Relative Value Strategy (Return: -1.21% / Attribution -0.19%) - detracted due to the warrant volatility and convertible bond exposures. These losses were partially offset by gains from the short high yield CDX and equity market neutral positions.

Credit Strategy (Return: -1.79% / Attribution: -0.13%) - contributed negatively. Small losses from positions in corporate and municipal fixed rate bonds were balanced out by modest gains in short bond futures positions.

Key Fund Facts

Distributions

Generally does not distribute

Buy / Sell spread: 0.00% / 0.00%
Strategy Launch June 2008
Strategy size \$95.2m

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.

Estimated annual fund charges

Wholesale: None

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

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.