

Factsheet 30 September 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	-0.14%	0.09%	6.28%	3.92%	3.27%	4.50%
Benchmark ²	0.70%	2.17%	8.10%	5.31%	4.93%	5.14%

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

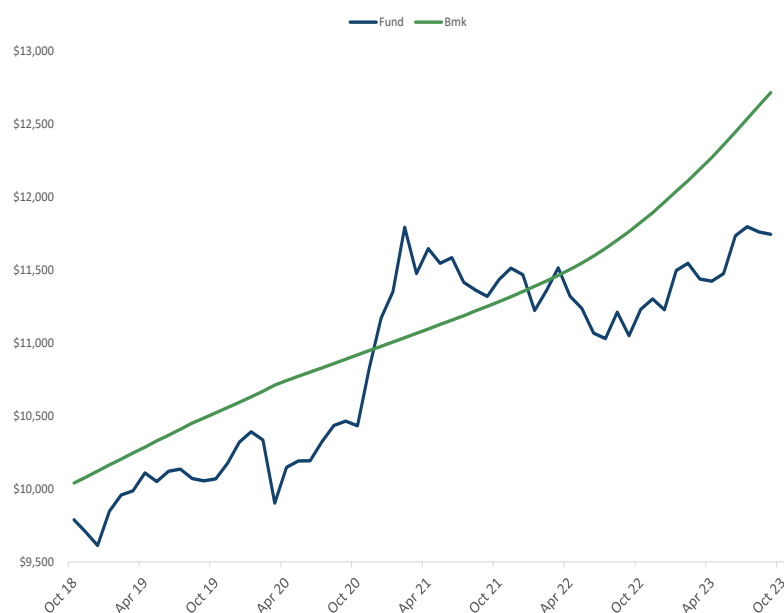
Performance Contribution by Strategy

Strategy	No. of funds	Contribution YTD*
Credit	2	0.79%
Event Driven	4	0.73%
Long/Short Equities	6	0.79%
Macro/Opportunistic	1	0.85%
Relative Value	2	0.78%

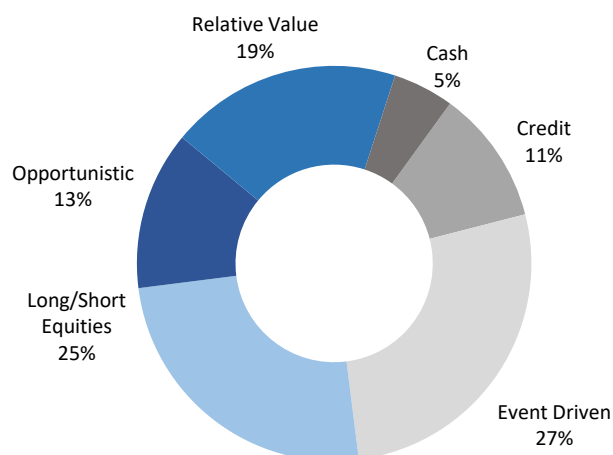
*Contribution is for the calendar year.

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)



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.

Market Commentary

After a difficult August, global equity markets continued to struggle in September as a sharp increase in long term yields weighed on markets. Overall, an increase in long-term rates in the U.S., Japan and Europe tempered rate cut expectations amid higher global crude oil prices. An absence of a substantial stimulus in China contributed to the pressure on global stocks. Global fixed income returns were negative in September; however, credit outperformed government bonds as uncertainty around the now averted U.S. government shutdown kept investors on tenterhooks. As such, the **MSCI World Index** returned -4.29% and the **Barclays Global Aggregate Bond Index** returned -2.92% over the month.

Fund Commentary (source: JPMAAM for underlying USD share class)

Strategy Performance:

Most strategy returns were flat to negative for the month of September.

Relative Value Strategy (Return: -0.20% / Attribution: -0.05%) – Overall contribution was slightly negative as quantitative equity market neutral sub-strategy partially offset losses from the multi-strategy portfolio.

Long/Short Equity Strategy (Return: -2.25% / Attribution: -0.60%) – The strategy overall detracted in September as multiple managers struggled amidst the broader equity market decline, led by the utilities sector down significantly, well in excess of the broader equity markets. The key detractors included Mastec, AES, and Sunnova. There were additional fragmented losses across positions like Travel + Leisure, Bowlero, and Alight led by the sell-off in equities. Names in the healthcare and consumer services sector within the US were also down for the month. A key bright spot for the month was in European consumer staples and health care exposures which delivered positive returns despite a broader drawdown.

Credit Strategy (Return: -0.02% / Attribution: -0.00%) – Credit returns were flat for the month as modest gains from the municipal bond trading sub-strategy were offset by small losses in the L/S credit portfolio.

Event Driven Strategy (Return: -0.39% / Attribution: -0.12%) – Losses stemmed primarily from shareholder engagement trades largely on the back of the tougher returns for equities. Positions in discount retailer Kohl’s, plastic packaging manufacturer Berry Global, and hospice services company Enhabit were the largest detractors. These losses were partially offset by the hedged book which contributed +27bps and the position in auction company Ritchie Brothers (following its acquisition of IAA earlier this year) contributing +4bps to returns. In the multi-event driven strategy, small gains in equity event trades were partially offset by losses in long convertible bond exposure.

Positioning Commentary – No major positioning changes over the month.

Key Fund Facts

Distributions

Generally does not distribute

Buy / Sell spread:	Strategy Launch	Strategy size
0.00% / 0.00%	June 2008	\$44.4m

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 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 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.