

Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 30 November 2023

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)
Wholesale¹	1.43%	0.48%	4.56%	2.96%	4.02%	4.22%
Benchmark²	0.71%	2.16%	8.48%	5.62%	5.06%	5.20%

1. Returns are before tax and before the deduction of fees

2. Current Benchmark: Bloomberg NZ Bond Bank Bill Index plus 3.0% per annum. No tax or fees

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.

Performance Contribution by Strategy

Strategy	No. of funds	Contribution YTD*
Credit	2	1.26%
Event Driven	4	0.78%
Long/Short Equities	6	1.32%
Macro/Opportunistic	1	0.30%
Relative Value	2	1.17%

*Contribution is for the calendar year.

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

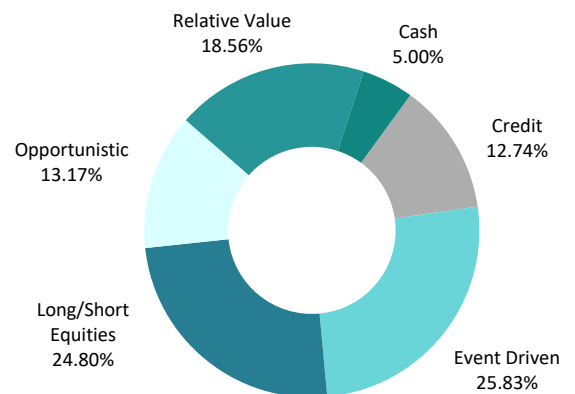
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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 Allocation (by value of fund)



Market Commentary

Markets closed November in a positive mood thanks to tentative signs of economic moderation in the US and falling inflation across developed markets. Data releases broadly supported the view that central banks have reached the peak of their tightening cycles, aiding both equity and fixed income markets. As such, the **MSCI World Index** returned **+9.43%** and the **Barclays Global Aggregate Bond Index** returned **+5.04%** over the month.

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

Four out of the five strategy returns were positive for the month of November.

Long/Short Equity Strategy (Return: +4.51% / Attribution: +1.14%)

The strategy contributed positively in November amidst the broader equity market rally. Positive contribution was made across the long book, with the largest gains coming from software and services names including Interdigital, which surged following a strong earnings report at the start of the month. Two other software companies, GoDaddy and Wix.com, were also key contributors on the long side. Various sub sectors including transportation / consumer services, media & entertainment and broader utilities also contributed to gains.

Event Driven Strategy (Return: +1.65% / Attribution: +0.43%)

The largest gains were driven by hedged shareholder engagement trades as idiosyncratic catalysts played out and broader equity markets were supportive. Positions in animal health pharmaceuticals company Elanco, plastic packaging manufacturer Berry Global, and hospice services company Enhabit were the largest contributors. These gains were partially offset by the hedged book and losses in sustainable bio refinery platform Green Plains.

Credit Strategy (Return: +3.79% / Attribution: +0.42%)

Credit strategies contributed meaningfully in November, led by the concentrated conviction trade in CDX HY tranches held by the long/short and structured credit manager, these gains were also produced alongside continued steady gains from the municipal bond trading sub-strategy.

Relative Value Strategy (Return: +2.15% / Attribution: +0.41%)

Relative Value strategies contributed positively on the month, driven by continued gains from the quantitative equity market neutral sub-strategy and more muted performance from the multi-strategy portfolio led by long corporate and convertible bond positions.

Macro/Opportunistic Strategy (Return: -3.79% / Attribution: -0.52%)

Macro strategies were the only detracting strategy for the month, driven by short rates positioning in the CTA sub-strategy and long USD currency positioning in the quantitative macro sub-strategy.

Key Fund Facts

Estimated annual fund charges (incl. GST)		Hedging:	JPMAAM hedges all currency exposure back to NZ dollars.	Strategy Launch:	June 2008
Wholesale:	None.	Redemptions:	Requests can be made on a daily basis and they will be processed within 12 working days.	Strategy size:	\$43.3m
Distributions:	Generally does not distribute			Buy / Sell spread:	0.00%/0.00%
Management Fee to JPMAAM 1.95% p.a. includes underlying JPMAAM fund expenses and underlying manager fees.					

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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 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.