

Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 29 February 2024

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	2.26%	4.07%	6.51%	1.41%	4.31%	4.11%
Benchmark²	0.70%	2.16%	8.81%	6.09%	5.25%	5.29%

1. Returns are before tax and before the deduction of fees and including tax credits (if any).
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	0.41%
Event Driven	4	-0.03%
Long/Short Equities	6	0.60%
Macro/Opportunistic	1	1.26%
Relative Value	3	0.31%

*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

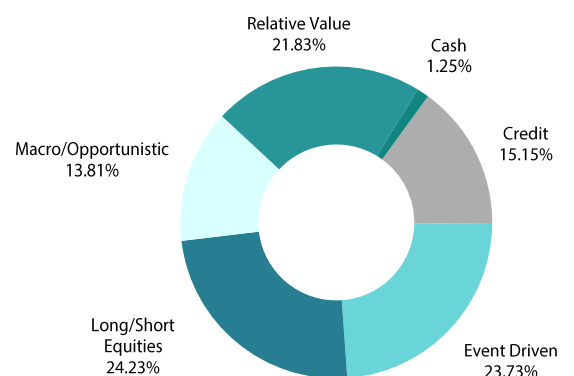
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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

February was a fairly good month for stock markets, with resilient economic data and relatively strong earnings reports (five of the 'magnificent seven' US stocks broadly met or exceeded expectations) both contributing to year-to-date gains. In contrast, fixed income markets were broadly down as investors continued to push out interest rate cuts further into 2024. As such, the MSCI World Index returned +4.28% and the Barclays Global Aggregate Bond Index returned -1.26% over the month.

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

All five strategy returns were positive for the month of February.

Macro/Opportunistic Strategy (Return: +7.33%)

Macro strategies had another strong month and led the fund returns in February with meaningful gains across both sub-strategies. Positive performance in the quantitative macro sub-strategy was driven by long equities positioning, particularly within Japan, and interest rate positioning in the US and Europe. The CTA sub-strategy similarly benefitted from long global equities positioning and European and US interest rates positioning, with additional modest gains from commodities.

Credit Strategy (Return: +1.11%)

Performance in the strategy was driven primarily by a long position in the bonds of US telecom company Lumen Technologies, with additional gains delivered by the municipal bond trading sub-strategy.

Relative Value Strategy (Return: +1.06%)

Relative Value strategies contributed positively on the month, driven primarily by continued gains from the quantitative equity market neutral sub-strategy while performance from the multi-strategy portfolio was flat and the portfolio of new statistical arbitrage manager MANA began to be built out.

Long/Short Equity Strategy (Return: +3.10%)

The strategy rebounded meaningfully in February, with gains spread across almost every manager in the lineup except one. Most gains were led by a consumers focused manager driven by long positions in media and transportation names (specifically Spotify and Uber). Additional key contributors included biotech/pharma exposure (Medpace, Maravai Lifesciences) and utilities infrastructure exposure via (Quanta Services, Vertiv Holdings, Mastec).

Event Driven Strategy (Return: +1.01%)

February gains were driven almost entirely by hedged shareholder engagement positions. This was led by the concentrated conviction trade in Ritchie Brothers (RBA) whose stock rose over 15% following a strong mid-month earnings report that meaningfully exceeded expectations and sell side upgrades that in part reflect the success of the manager's engagement to date.

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:	\$44.8m
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.