

# NIKKO AM MULTI-STRATEGY FUND

## Monthly Fact Sheet

### Why Nikko Asset Management NZ?

As a dedicated global investment manager Nikko AM NZ pairs local knowledge and experience with significant global resources. The Nikko group manages around US\$200 billion globally, including around NZ\$5 billion in New Zealand.

### Fund 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.

### Benchmark

Bloomberg NZBond Bank Bill Index plus 3.0% per annum

### Performance objective

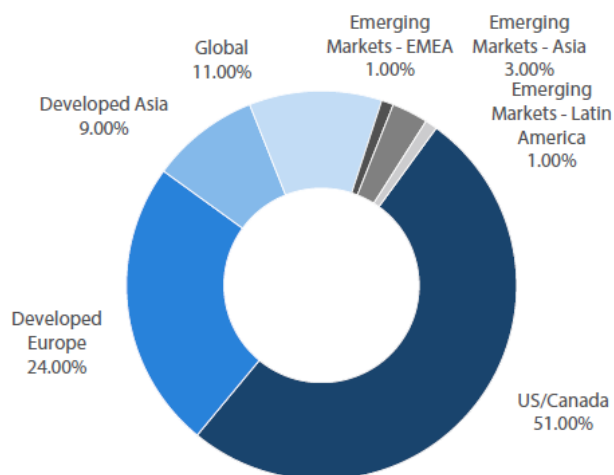
The aim is to outperform the fund's benchmark return before fees, expenses and taxes over a rolling three year period.

### Risk indicator



Standard deviation of returns before tax and after fees over a rolling 5 years to the last calendar quarter

### Country allocation



### Investment manager

The Multi-Strategy Fund invests into JP Morgan Alternative Asset Management (JPMAAM) Inc's Multi-Strategy Fund II, Ltd (MSF II).

### Performance returns

	Gross <sup>1</sup>	Benchmark	Net <sup>2</sup>
1 month	-0.23%	0.37%	0.17%
3 months	0.23%	1.12%	0.49%
1 year	4.96%	4.57%	3.54%
2 years	3.36%	4.87%	2.53%
3 years (pa)	4.31%	5.27%	3.28%
5 years (pa)	7.19%	5.39%	
10 years (pa)	6.33%	6.12%	

1. Estimated gross returns are before tax and before the deduction of fees.  
2. Net returns are before tax but after the deduction of fees and expenses.

### Application & redemption schedule\*

**Applications** – the date application money needs to be deposited to the Public Trust application account. (PIP or custodian may require an earlier date)

12 January 2018	14 March 2018
12 February 2018	13 April 2018

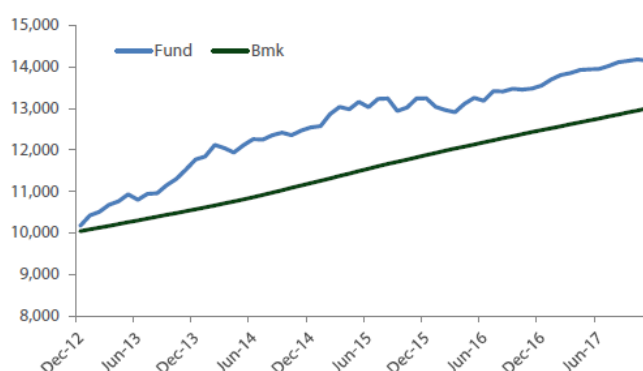
**Redemption request date** Request submitted to Nikko – PIP or custodian may require it earlier

**Redemption date** From MSFII by the Nikko AM Wholesale Multi-Strategy Fund

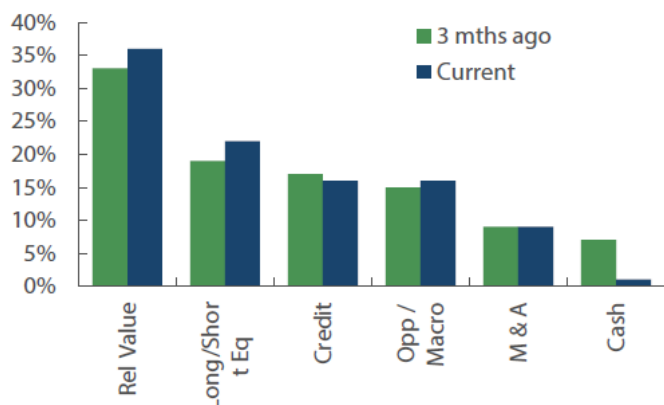
15 January 2018	31 March 2018
16 April 2018	30 June 2018

Please refer to the fund's Product Disclosure Statement at [www.nikkoam.co.nz](http://www.nikkoam.co.nz) for more information.

### Five year cumulative performance (gross) <sup>1</sup>



## Portfolio composition by strategy



## Performance contribution by strategy

Strategy	Number of funds	Latest month	Cal YTD
Relative Value	11	0.48%	1.04%
Long / Short Equities	9	0.00%	3.30%
Opportunistic / Macro	5	-0.36%	-0.07%
Credit	7	-0.35%	-0.46%
Merger Arbitrage / Event Driven	2	0.09%	0.42%
Portfolio Hedge	1	-0.00%	-0.08%

## Key fund facts

### Strategy launch date

June 2008

### FUM Strategy

\$195m

### Fund structure

PIE fund – wholesale and retail

### Fees in retail fund:

Expenses (maximum) 0.25%p.a

Expenses (current) 0.11%p.a

There are no direct charges or fees in the Nikko AM Wholesale Multi-Strategy Fund.

### Performance Fee:

A performance fee of 10% of US dollar returns above US 3-month T-Bill + 3% after all fees accrued on a monthly basis, payable annually, subject to recovery of any previous Period negative returns before

entitlement is charged by JP Morgan Alternative Asset Management Inc in the JPM Multi-Strategy Fund II, Ltd (JPMAAM MSFII)

### Management fee:

Management fee 0.85%p.a charged by JPMAAM MSF II.

Expenses may also be charged to JPMAAM MSFII.

### Distributions

Does not distribute

### Benchmark

Bloomberg NZBond Bank Bill Index plus 3.0% per annum

### Hedging

All investments will be in New Zealand dollars

### Buy/sell spread

Nil

## Fund commentary (source: JPMAAM for underlying USD shareclass)

The **Relative Value** strategy (November: +0.07% vs. HFRX Relative Value -0.25% / YTD: +2.93% vs. +3.12%) was slightly higher for the month. Quantitative strategies were mixed, but lower. Multi-Strategy managers benefitted from their equity long/short books which did well during the month. Non-quant managers were positive. An Asian Multi-Strategy fund made money in a Japanese private placement and activist positions in Japan and Europe, while a Volatility Event manager made money trading volatility around health care events. The **Opportunistic/Macro** strategy (November: -0.91% vs. HFRX Macro -0.15% / YTD: -1.40% vs. +1.67%) was lower for the month with Reinsurance losses related to the California wildfires and a Discretionary Macro manager that lost money in currencies (Euro and emerging markets) and equities (Europe, US and emerging markets). Partially offsetting these losses were gains in an Opportunistic manager that made money primarily from long equity positioning.

The **Long/Short Equities** strategy (November: +0.50% vs. HFRX Equity Hedge +0.87% / YTD: +15.83% vs. +8.85%) was up for the month with mixed performance across managers. The biggest contributor was an Activist fund that made money in a media conglomerate that neared an agreement to sell off major broadcasting assets. A European-focused small cap fund also contributed meaningfully with gains in a UK-based fiber optic company that announced a partnership with a major telecom and a food delivery service provider that partnered with an online travel website. The **Merger Arbitrage/Event Driven** strategy (November: -2.63% vs. HFRX Event Driven -0.35% / YTD: +1.91% vs. +6.06%) was down with key losses in a Multi-Event Driven manager related to two announced deals that came under scrutiny during the month for different reasons. **Credit** managers (November: -0.14% vs. HFRX Distressed +0.47% / YTD: -2.70% vs. +2.20%) were slightly down for the month. The biggest detractor was a manager that lost money primarily in the general obligation debt of Puerto Rico as the cash-strapped island seeks to recover from the devastating impact of Hurricane Maria. Partially offsetting these losses were gains in a Corporate Credit RV manager. The manager, which has been positioned short, took advantage of short-lived volatility in the high yield markets to realize gains in their short book. Lastly, our Litigation Finance manager also contributed to performance for the month. The Portfolio Hedge manager was negative as the S&P 500 rose +3.1% and the VIX rose modestly from 10.2 to 11.2.

## Compliance

The Fund complied with its investment mandate, SIPO and Trust Deed during the month.

## Contact Us

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### Important Information

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 and the Nikko AM NZ Wholesale Investment 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 an Authorised Financial Adviser 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](http://nikkoam.co.nz).