

Factsheet 30 November 2020

NIKKO AM WHOLESALE MULTI STRATEGY FUND

The factsheet covers the MMAF ordinary share class and not the A & C share class units which are side-pocketed.

Performance

	1 month	3 months	1 year	3 years (p.a)	5 years (p.a)	10 years (p.a)
Wholesale ¹	3.79%	3.77%	6.41%	4.08%	3.80%	6.24%
Benchmark ²	0.27%	0.83%	3.74%	4.52%	4.68%	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

Applications and Redemption Schedule

Application and redemption requests can be made on a daily basis and they will be processed within 12 working days.

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

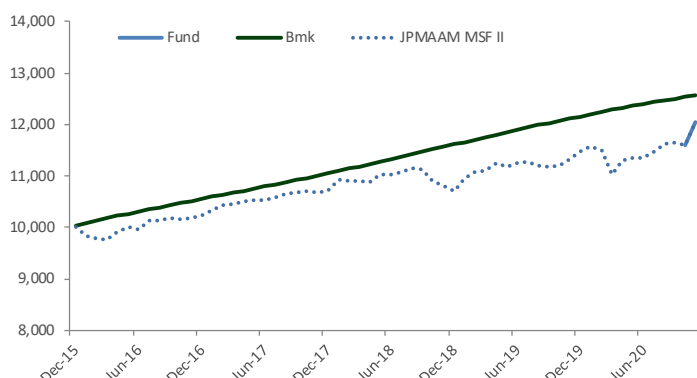
The fund provides access to a multi-manager, multi-strategy investment fund designed to generate returns over the long term.

The portfolio has a diversified risk profile with low to medium volatility.

Objective

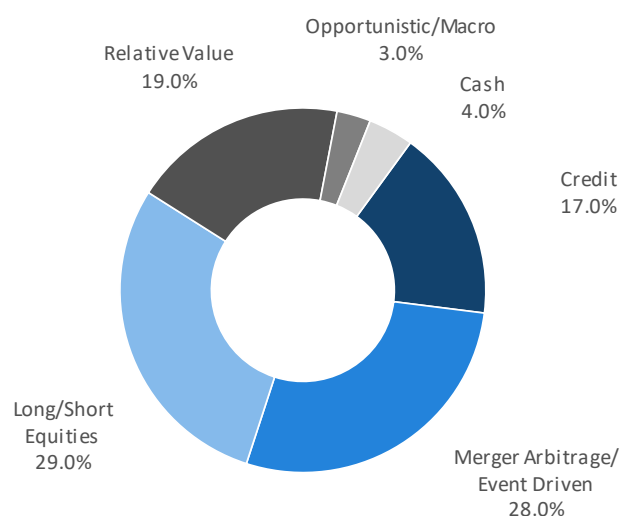
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three year period.

Five Year Cumulative Performance, \$10,000 invested^{1,2}



Performance is for JPMAAM MSF II strategy up to 30.06.20 and for MMFA from 01.07.20

Strategy Allocations (by value of fund)



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

Equity and credit markets rebounded strongly in November after sliding through the end of October. Overall, global equities rose +12.8% in November in USD terms according to the MSCI World Index. Global fixed income returns were mixed with corporate credit outperforming government bonds. Against this backdrop, the Barclays Global Aggregate Bond Index was up +1.8%.

The **Relative Value Strategy** had a very strong November, with key drivers of performance being related to the strategy’s Concentrated Conviction Trades. Geographically, the strategy experienced its strongest gains in its North American positions and by asset class, Credit trades outperformed all other classes. Consumer discretionary trades and a Concentrated Conviction trade in a closed-end fund were the biggest contributors by sector.

The **Macro/Opportunistic Strategy** was positive in November, with trades in APAC and Europe outweighing some losses in global trades. By sector, the strategy saw gains from its equity trades

The **Long/Short Equity Strategy** was positive in November with gains primarily driven by positive returns in information technology and consumer discretionary related companies. By geography, gains in North American and European trades provided the strongest performance. By security, notable drivers for the strategy included concentrated conviction trades in Danone and Intertrust, as well as a favorable court ruling in the fund’s RSA Insurance position.

The **Merger Arbitrage/Event Driven Strategy** was positive in November with gains primarily coming from North American trades. By sector, trades in financials contributed strongest during the month. The strategy’s allocation is currently skewed more noticeably towards special purpose acquisition companies (SPACs) which have experienced a very strong month, with a high volume of deal announcements and very strong investor reaction in recent months.

The **Credit Strategy** was positive in November with gains attributed to North American positions primarily in asset backed securities.

There continue to be three key areas of focus where we find interesting returns with limited downside. Long Short Equity remains a core allocation, in which we are focused on strategies with lower levels of net equity exposure to maintain the fund’s low beta profile. In credit, we focus on yield based strategies with structural benefits to help manage risk either through structural subordination or valuation protections. Lastly, we have been increasing exposure to less correlated strategies with natural downside protection but upside optionality such as SPACs.

Performance Contribution by Strategy

Strategy	No. of funds	Cal YTD
Relative Value	1	4.22%
Long / Short Equities	5	4.26%
Opportunistic / Macro	1	-0.26%
Credit	2	1.01%
Merger Arbitrage / Event Driven	3	1.71%

Information shown in the table above is for the month prior to the date of this fact sheet

Key Fund Facts

Distributions

Generally does not distribute

Buy / Sell spread: 0.00% / 0.00%
Strategy Launch: June 2008
Strategy size: \$25.6m

Hedging JPMAAM hedges all currency exposure back to NZ dollars.

Estimated annual fund charges

Wholesale: None

Management fee to JPMAAM 2.20% p.a. includes underlying JPMAAM fund expenses and underlying manager fees.

Compliance

The Fund complied with its investment mandate and trust deed during the month.

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 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.