

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	-2.69%	2.74%	15.89%	5.45%	5.55%	6.22%
Benchmark ²	0.28%	0.82%	3.36%	4.33%	4.53%	5.06%

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.

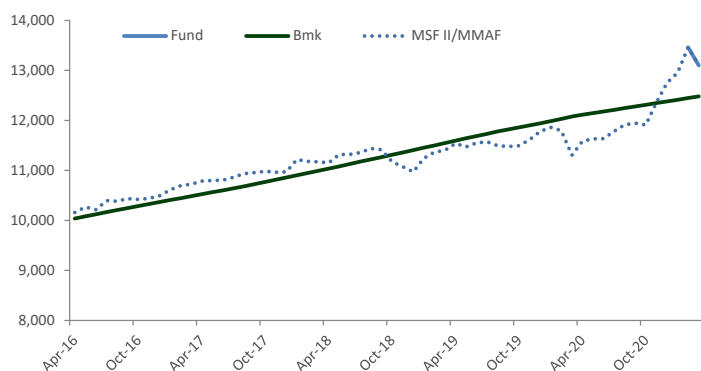
The portfolio has a diversified risk profile with low to medium volatility.

Objective

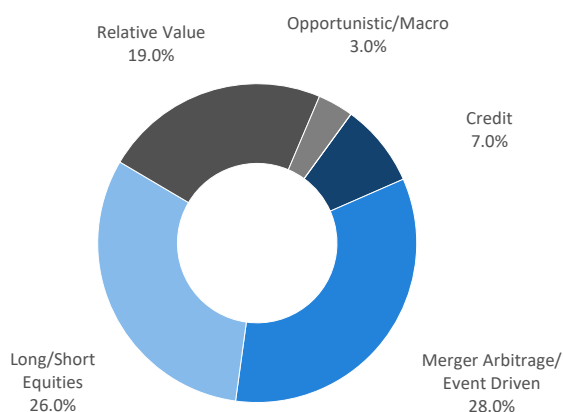
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three year period.

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

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



Strategy Allocations (by value of fund)



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

On the back of positive vaccine developments and rollouts and improving economies, markets have extended their positive performances in February through the end of March. Overall, global equities increased +3.38% in March in USD terms according to the MSCI World Index. Global fixed income returns were mixed in March with corporate credit outperforming government bonds. Against this backdrop, the Barclays Global Aggregate Bond Index was down -1.92%.

The **Relative Value Strategy** delivered a negative month for only the second time since before the pandemic. Losses were partially driven by weakness in the SPAC market. The **Macro/Oppportunistic Strategy** was flat in March, with North American trades in the Currency and Equity asset classes balancing out losses experienced in commodity trades. The **Long/Short Equity Strategy** was negative in March. Losses were seen across multiple subadvisors and sectors, driven by a material factor rotation from momentum and non-momentum parts of the equity market. The **Merger Arbitrage/Event Driven Strategy** had a challenging month, driven almost exclusively by volatility in the SPAC backed by trust strategy. The **Credit Strategy** was positive in March with slight gains attributed to North American positions primarily in Credit Index Securities, Financials and Communication Services.

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 maintain significant exposure to less correlated strategies with natural downside protection but upside optionality such as SPACs and convertible bond arbitrage.

Key Fund Facts		
Distributions	Estimated annual fund charges	
Generally does not distribute	Wholesale: None	
Buy / Sell spread: 0.00% / 0.00%	Strategy Launch: June 2008	Strategy size: \$32.7m
Hedging JPMAAM hedges all currency exposure back to NZ dollars.		
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.