

Factsheet 30 September 2021

NIKKO AM WHOLESALE MULTI STRATEGY FUND

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)
Wholesale ¹	-0.38%	-2.29%	8.17%	4.22%	4.37%	6.27%
Benchmark ²	0.27%	0.84%	3.33%	4.01%	4.34%	4.93%

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

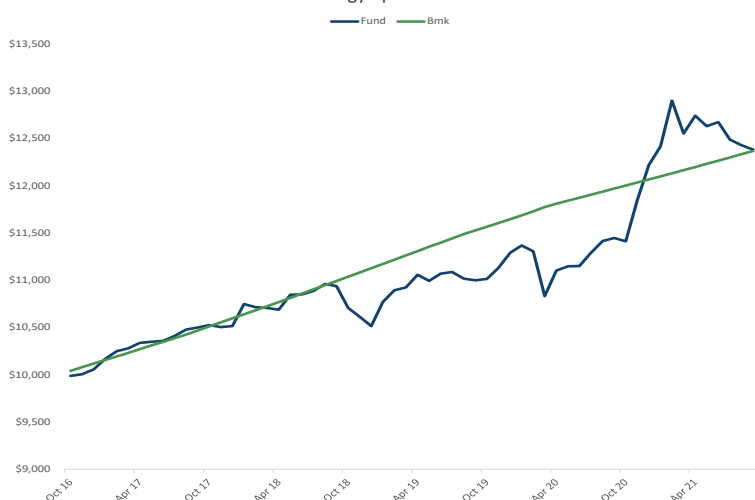
Performance Contribution by Strategy

Strategy	No. of funds	Cal YTD
Relative Value	2	1.06%
Long / Short Equities	6	1.76%
Opportunistic / Macro	1	-0.11%
Credit	2	0.72%
Event Driven	4	1.48%

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

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



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

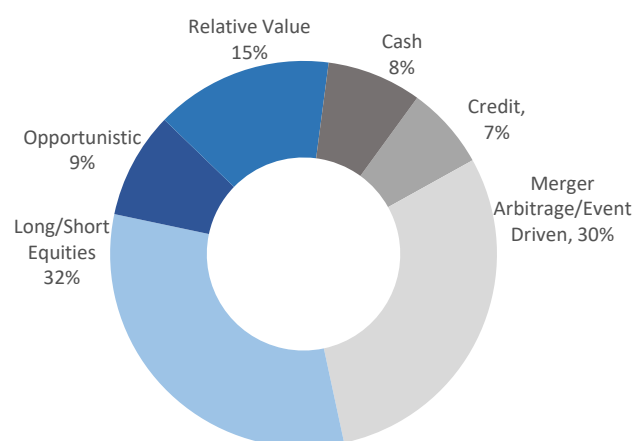
The fund provides access to a multi-manager, multi-strategy investment fund designed to generate returns over the long term.

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.

Strategy Allocations (by value of fund)



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

The slowing momentum of the global economic recovery, stickier inflation and rising interest rates in the U.S. led to a pullback in the global equities market. According to the MSCI World Index, global equities decreased down -4.11% in September and are now up +13.45% on a year-to-date basis. Global fixed income returns were sluggish in September, as the yield curve, particularly in the U.S., steepened through month-end; the Barclays Global Aggregate Bond Index is down -4.06% YTD.

The **Relative Value Strategy** (Return: +1.71%/Attribution +0.24%) was positive in September with returns driven primarily by the warrant volatility sub-strategy, which is focussed on the mispricing of warrant on recently IPO'd companies. Gains were spread across the diversified portfolio of long warrant and short stock/option positions. After multiple months of technical selling pressure widening the spread between warrants and stock/options, this trend began to reverse in September, which benefitted the fund's positioning.

The **Macro/Oppportunistic Strategy** (Return: -1.00%/Attribution: -0.09%) was negative in September with losses mainly coming from long positions in equities and rates, particularly in the US. Commodities were a positive point for both strategies and for CTAs more broadly, but this allocation couldn't make up for the losses in other asset classes.

The **Long/Short Equity Strategy** (Return: -1.83%/Attribution: -0.58%) delivered negative returns in September which were spread across several managers and largely driven by exposure to a handful of concentrated conviction trades (CCTs) experiencing near term volatility despite the thesis remaining intact. These include Zynga, a leading mobile gaming platform, who reported solid earnings, but the forward guidance was not what investors expected.

The **Merger Arbitrage/Event Driven Strategy** (Return: -0.66%/Attribution: -0.19%) detracted in September with positive returns from SPAC-focussed sub-advisors which were partially offset by flat to negative returns from multi-event strategy narrowed incrementally over the course of the month. Kohl's has been a significant detractor as it was downgraded by a sell analyst despite improving fundamentals amidst activist involvement.

The **Credit Strategy** (Return: +0.12%/Attribution: +0.01%) was positive in September with no major price moves in the municipals portfolio or the more diversified credit sub-strategies.

Key Fund Facts		
Distributions		Estimated annual fund charges
Generally does not distribute		Wholesale: None
Buy / Sell spread:	Strategy Launch	Strategy size
0.00% / 0.00%	June 2008	\$94.6m
Hedging JPMAAM hedges all currency exposure back to NZ dollars.		
Redemptions		
Requests can be made on a daily basis and they will be processed within 12 working days.		

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 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. For full details on the fund, please refer to our Product Disclosure Statement on nikkoam.co.nz.