

Factsheet 30 November 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	0.68%	1.32%	6.33%	5.86%	4.71%	6.38%
Benchmark ²	0.31%	0.86%	3.38%	3.94%	4.30%	4.90%

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	1.39%
Long / Short Equities	6	-1.79%
Opportunistic / Macro	1	-0.18%
Credit	2	0.50%
Event Driven	5	3.28%

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

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.

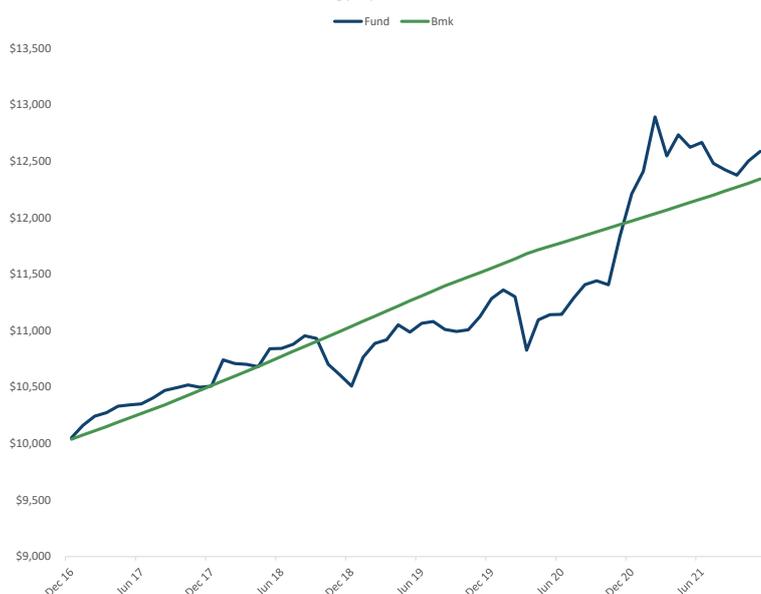
The portfolio has a diversified risk profile with low to medium volatility.

Objective

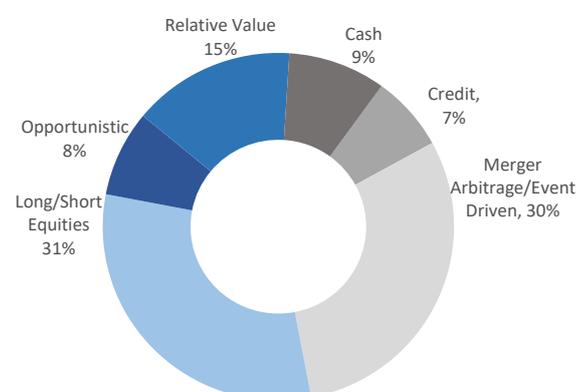
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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)

In November, fears stemming from the COVID-19 variant Omicron rattled the markets. According to the MSCI World Index, global equities decreased -2.16% in November and are now up +17.33% on a year-to-date basis. Global fixed income returns were up in November, as yields declined through the end of the month; the Barclays Global Aggregate Bond Index is down -4.57%.

The **Relative Value** was flat in November Gains in the quant equity portfolio were offset by losses across warrant and convertible bond portfolios.

The **Macro/Oppportunistic Strategy** was negative in November with losses largely coming from commodity trading and the Commodity Trading Advisor (CTA) sub strategy in the last week of the month given the quick reversal in some major trends within equity markets. Losses were relatively fragmented across various markets, but oil and gas related commodities were hit the hardest.

The **Long/Short Equity Strategy** delivered negative returns in November which were largely driven by exposure to a handful of concentrated conviction trades. The largest detractor was Zynga, a mobile gaming company, as the investors continued to penalize the company for the perceived impact of Apple’s privacy policy changes Dynatrace, a software intelligence company, also fell sharply after announcing the planned retirement of longstanding CEO John Van Sicken in mid-December. These losses were partially offset by gains in Intertrust provider of a range of crucial services to the financial services industry globally. The company entered into exclusive discussions in relation to a potential takeover offer by a competitor at a 43 premium.

The **Merger Arbitrage/Event Driven Strategy** was positive led by Gores Guggenheim. Their SPAC, which is bringing the electric vehicle company Polestar public, was one of the largest contributors for the month. The company conducted their roadshow ahead of the shareholder vote, which created positive sentiment that led to investors bidding up the stock into the vote Kohl’s, a US discount retailer, gained meaningfully between the troughs of the supply chain fear driven selloff in mid-October and the positive earnings announcement in mid-November. However, the stock pulled back a bit in the back half of the month amidst Omicron fears and we added to the position Hertz, a leading car rental company, also contributed to small gains as it continued to play out as it emerged from bankruptcy this summer with a compelling turnaround plan and relisted on Nasdaq early in November. In addition to rental car industry tailwinds related to the return of travel demand, Hertz in particular has demonstrated operational improvements via improved volumes and earnings.

The **Credit Strategy** was positive in November. Gains in municipal bonds were offset by small losses in corporate bonds and High Yield Credit Default Swaps.

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	\$95.5m
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.