

Factsheet 31 March 2023

# 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 <sup>1</sup>	-0.93%	1.89%	-0.66%	4.93%	3.17%	4.67%
Benchmark <sup>2</sup>	0.66%	1.90%	6.35%	4.41%	4.56%	4.97%

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
Credit	2	0.22%
Event Driven	4	0.81%
Long/Short Equities	7	0.90%
Macro/Opportunistic	1	-0.29%
Relative Value	2	0.36%

## 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.

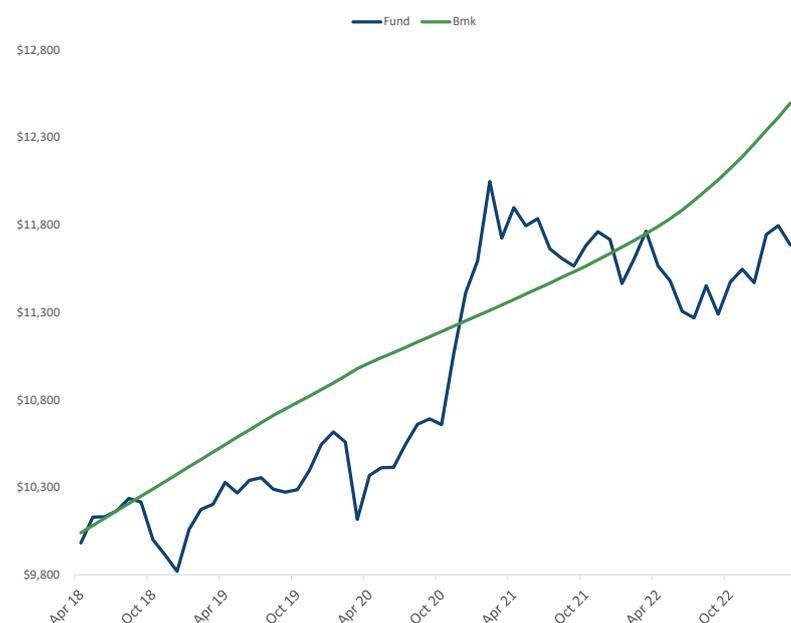
The portfolio has a diversified risk profile with low to medium volatility.

## Objective

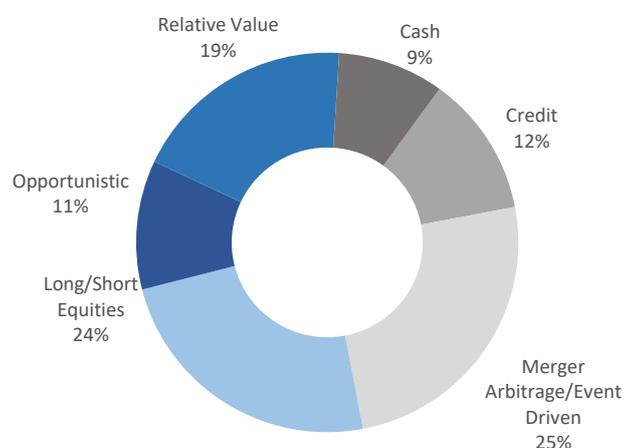
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

## Five Year Cumulative Performance, \$10,000 invested<sup>1,2</sup>

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 March, the collapse of Silicon Valley Bank (SVB) and broader concerns around the financial sector had a significant impact on markets. The news on SVB led to a flight to quality and a sharp fall in government bond yields, leading to strong positive returns across fixed income. The fall in bond yields also led to a rally in growth stocks, which rallied by more than 15% over the quarter. This outweighed the fall in bank shares as equity markets overall generated positive returns.

**Macro/Opportunistic Strategy** – After a strong February, the Macro/Opportunistic bucket posted losses in March from both the CTA sub-strategy and the quantitative macro sub-strategy, as both sub-strategies were negatively impacted by the sharp decline in short term rates. The CTA sub-strategy was particularly impacted by the sharp reversal of the trend in the direction of interest rates and the ensuing interest rate volatility driven by concerns around the US banking system, along with short covering from many market players.

**Long/Short Equity Strategy** – The value style-oriented sub-strategy was the largest detractor for the month, with losses driven by concentrated conviction trades (CCTs) in IT services provider DXC Technology and telecom leader Liberty Global. The consumers-focused allocation detracted on the long and the short side as broad-based index hedges were challenged by gains in large cap companies while poor earnings announcements drove idiosyncratic losses in a number of technology and industrial stocks. The European allocation detracted as well with losses driven by small positions in a handful of European financials companies. Bright spots in L/S Equity included within the technology sector, which benefited broadly from growth-oriented exposure, and a US equity portfolio where a midcap index hedge and idiosyncratic gains in consumer staples outweighed fragmented losses in other sectors.

**Relative Value Strategy** – The equity market neutral sub-strategy drove the positive returns, while the multi-strategy portfolio ended modestly positive as losses in equities were balanced by gains in credit and rates.

**Credit Strategy** – Small gains in the municipal bond sub-strategy were outpaced by losses in the long/short credit sub-strategy, where high yield and structured credit positions were challenged by modest spread widening stemming from the uncertainty around the US banking system. Both credit sub-strategies remain positive contributors for the year.

**Merger Arbitrage/Event Driven Strategy** – Gains were driven by positive idiosyncratic returns in the shareholder engagement sub-strategy as cybersecurity technology company OneSpan reported very strong earnings that beat expectations and highlighted interest from potential acquirors. The sub-strategy also benefitted from its CCT in auction company IAA, as the company’s merger with Ritchie Brothers was finalized. We made the decision to roll the position into.

<b>Key Fund Facts</b>		
<b>Distributions</b>		<b>Estimated annual fund charges</b>
Generally does not distribute		<b>Wholesale:</b> None
<b>Buy / Sell spread:</b>	<b>Strategy Launch</b>	<b>Strategy size</b>
0.00% / 0.00%	June 2008	\$61.7m
<b>Hedging</b> JPMAAM hedges all currency exposure back to NZ dollars.		
<b>Redemptions</b>		
Requests can be made on a daily basis and they will be processed within 12 working days.		

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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](http://nikkoam.co.nz).