

Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 31 May 2025

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)
Wholesale¹	1.85%	0.83%	4.62%	5.13%	5.08%	3.87%
Benchmark²	0.55%	1.69%	7.94%	7.97%	6.18%	5.54%

1. Returns are before tax and before the deduction of fees and including tax credits (if any).

2. Current Benchmark: Bloomberg NZ Bond Bank Bill Index plus 3.0% per annum. No tax or fees.

Performance Contribution by Strategy

Strategy	No. of funds	Contribution YTD*
Credit	3	0.48%
Event Driven	3	0.03%
Long/Short Equities	4	1.57%
Macro/Opportunistic	2	-0.19%
Relative Value	3	1.84%

*Contribution is for the calendar year.

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

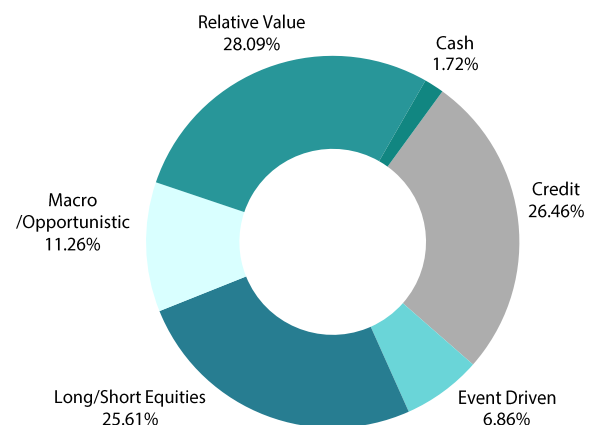
The fund provides access to a multi-manager, multi-strategy investment fund designed to generate returns over the long term.

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 Allocation (by value of fund)



Market Commentary

In May, global markets experienced a robust recovery, driven by improved consumer sentiment and eased trade tensions, particularly between the US and EU. Developed market equities rose significantly, with US stocks leading the gains, while emerging markets benefited from a weaker US dollar. Despite volatility in bond markets due to fiscal concerns, high yield credit outperformed, reflecting increased risk appetite. As such, the MSCI World Index ended the month up +5.98% and the Barclays Global Aggregate Index ended the month down -0.36%.

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

Four out of five strategy returns were positive for the month of May.

Long/Short Equity Strategy (Return: +2.99%)

The long/short equity strategy was the best-performing strategy for the month. All managers ended the month positively, with most gains coming from a utilities and renewables manager with positions in the industrial sector (Siemens Energy AG, Johnson Controls International Plc). This was followed by a consumer-focused manager with positions in the consumer discretionary sector (Doordash Inc. and Skechers USA Inc.). Additional gains were also made by a technology specialist manager with positions in the information technology sector (Coreweave Inc. and Flex Ltd.). A European specialist manager also managed to post moderately positive returns via positions in the financial sector (AIB Group Plc and Legal & General Group Plc), which were partially offset by losses in positions within the healthcare sector (Humana Inc.).

Relative Value Strategy (Return: +2.25%)

The relative value strategy ended the month with positive performance. Gains predominantly came from the multi-strategy portfolio and a market-neutral statistical arbitrage manager. The multi-strategy portfolio achieved gains from positions within the financial sector, followed by index trading, while gains from the market-neutral statistical arbitrage manager came from positions within the information technology and financial sectors.

Credit Strategy (Return: +1.35%)

The credit strategy ended the month positively. Most of the gains came from the corporate bond trading portfolio and CDX tranche positions of a long/short and structured credit manager. Additional gains were made by another credit manager with corporate bond positions. The municipal bond trading portfolio also managed to post positive returns from short positions in bond futures.

Event Driven Strategy (Return: +3.85%)

The event driven strategy ended the month positively, with most gains coming from the shareholder engagement strategy, followed by a multi-event manager. Gains within the shareholder engagement strategy were influenced by a provider of rail transport services, Norfolk Southern Corp, and a leading auto parts and accessories manufacturer, LKQ Corp. Meanwhile, gains within the multi-event manager were driven by positions in a leading global software and cloud solutions provider, SoftwareOne Holdings AG.

Macro/Opportunistic Strategy (Return: -0.14%)

The macro strategy was the only strategy that ended the month negatively, albeit slightly. Losses came from the quantitative macro portfolio, primarily due to long positioning in a range of bond futures in the mid and back ends of yield curves.

Key Fund Facts

Estimated annual fund charges (incl. GST)		Hedging:	JPMAAM hedges all currency exposure back to NZ dollars.	Strategy Launch:	June 2008
Wholesale:	None.	Redemptions:	Requests can be made on a daily basis and they will be processed within 12 working days.	Strategy size:	\$24.2m
Distributions:	Generally does not distribute			Buy / Sell spread:	0.00%/0.00%
Management Fee to JPMAAM 1.95% p.a. includes underlying JPMAAM fund expenses and underlying manager fees.					

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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 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.