

NIKKO AM MULTI-STRATEGY FUND

Monthly Fact Sheet

31 October 2016



Investment objective

The objective of the Fund is to construct a portfolio of permitted investments that outperform the Fund's benchmark return over a rolling three year period after fees and expenses, before taxes.

Benchmark

Bloomberg NZBond Bank Bill Index plus 2.5% per annum.

Fund description

The Fund aims to provide investors with access to a multi-manager, multi-strategy investment programme designed to generate capital appreciation over the long term through a portfolio having a diversified risk profile with low volatility and a low correlation with traditional equity and fixed-income markets.

The Fund gains its investment exposure by investing into the Nikko AM Wholesale Multi-Strategy Fund. The Nikko AM Wholesale Multi-Strategy Fund invests into JP Morgan Alternative Asset Management Inc's multi-strategy fund, MSF II.

Currency management

JPMAAM is responsible for hedging foreign currency exposures to NZD and has developed a New Zealand dollar share class for MSF II which the Nikko AM Wholesale Multi-Strategy Fund invests in.

Management fees and other charges

Nikko AM does not charge a management fee to the Fund, nor does it charge a management fee for this Fund's investment into the Nikko AM Wholesale Multi-Strategy Fund. JPMAAM charge a management fee, payable monthly in arrears of 1.0% per annum of the net asset value of funds invested in MSF II, which is directly deducted from MSF II.

Nikko AM may also recover expenses (including the Trustee fee) from the Fund up to a maximum of 0.25% per annum of the Fund's net asset value. An estimate of expenses as at the time of publication is 0.10% per annum.

We act as distributor for JPMAAM in New Zealand and we receive a fee for arrangement of the investment of New Zealand funds in JPMAAM's investment vehicles. This fee is paid to Nikko AM NZ directly by JPMAAM and not from the Fund or MSFII.

Buy/sell spread

Nil

Strategic asset allocation

	Target	Range
Nikko AM Wholesale Multi-Strategy Fund	100%	95% ⇄ 100%
Cash pending investment with manager	0%	0% ⇄ 5%

Refer to the SIPO for full details of permitted investments and restrictions.

Applications

Investments can only be made into the Fund once each month. The table below outlines the application dates for the next five months. Refer to the Product Disclosure Statement (PDS) for further information on applications.

Application date	
The date the application money needs to be deposited to Public Trust application account (note that the PIP or custodial service may require the investment to be with them on an earlier date).	
13 December 2016	12 May 2017
13 January 2017	13 June 2017
15 February 2017	14 July 2017
14 March 2017	15 August 2017
12 April 2017	13 September 2017

Withdrawals

Withdrawals are processed quarterly with the redemption request required to Nikko AM NZ prior to the redemption date. The following table outlines the dates for 2016 and 2017 that your redemption request is required to be with Nikko AM NZ and the date that your redemption will be processed. Refer to the PDS for further information on withdrawals.

Redemption request date	Redemption date
Redemption request submitted to Nikko AM NZ (note that the PIP or custodial service may require the notice to be with them on an earlier date)	
15 January 2017	31 March 2017
18 April 2017	30 June 2017
17 July 2017	30 September 2017
20 October 2017	31 December 2017
15 January 2018	31 March 2018

Performance

(NZD returns; before tax, after fees and expenses)

1 month	3 months	6 months	1 year
0.09%	0.76%	2.43%	1.98%

2 years (pa)	3 years (pa)	5 years (pa)	Inception (pa)*
4.09%	n/a	n/a	3.24%

* April 2014

Performance of key investments

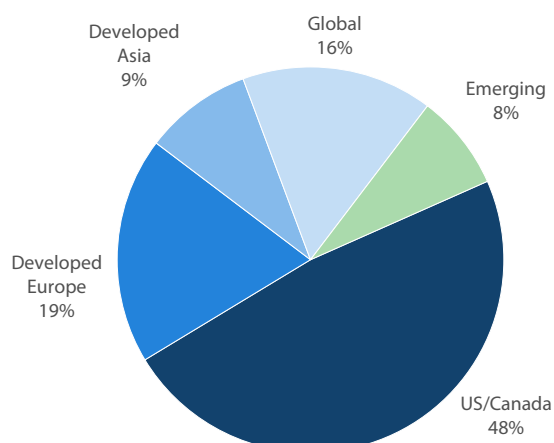
Name	Strategy	Latest month	Cal YTD
Deerfield	Long / Short Equities	4.34%	11.40%
QVT	Relative Value	-1.12%	-5.88%
Palomino	Opportunistic / Macro	-0.31%	0.32%
Tyrus Capital Event Fund	Merger Arbitrage / Event Driven	0.90%	8.35%
Pelham	Long / Short Equities	-0.50%	0.82%
Key holdings as a percentage of the Fund			17.3%

Investment profile

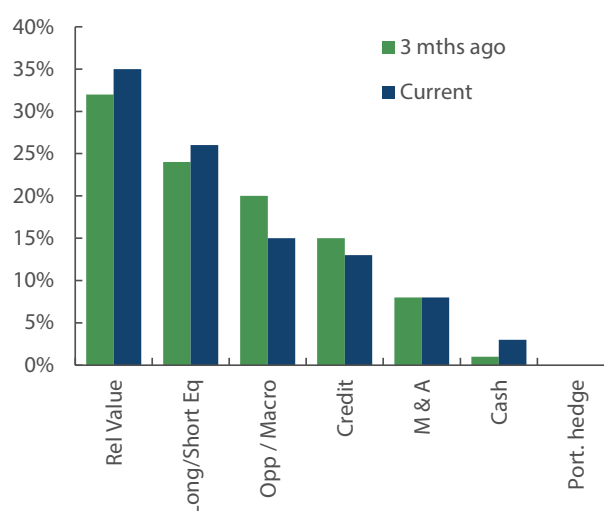
MSF II Ltd currently employs 35 managers

Opportunistic / Macro	6	Merger Arbitrage/Event	2
Long / Short Equities	10	Credit	6
Relative Value	10	Portfolio Hedge	1

Portfolio composition by geography



Portfolio composition by strategy



Finalist – Alternative Sector

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Disclaimer | All information and data, with the exception of Nikko AM Multi-Strategy Fund performance returns, is as at one month prior to the date shown at the top of this Fact Sheet.

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