

# Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 31 March 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)
<b>Wholesale<sup>1</sup></b>	-1.46%	0.70%	1.82%	3.48%	5.20%	3.73%
<b>Benchmark<sup>2</sup></b>	0.58%	1.77%	8.30%	7.84%	6.06%	5.53%

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.

## 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).

JPMAM 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 JPMAM HSF Investment Committee. Paul has over 25 years industry experience and is a member of the CFA Institute.

## Performance Contribution by Strategy

Strategy	No. of funds	Contribution YTD*
Credit	3	0.14%
Event Driven	3	-0.10%
Long/Short Equities	4	-0.23%
Macro/Opportunistic	2	0.24%
Relative Value	3	0.80%

\*Contribution is for the calendar year.

## Overview

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

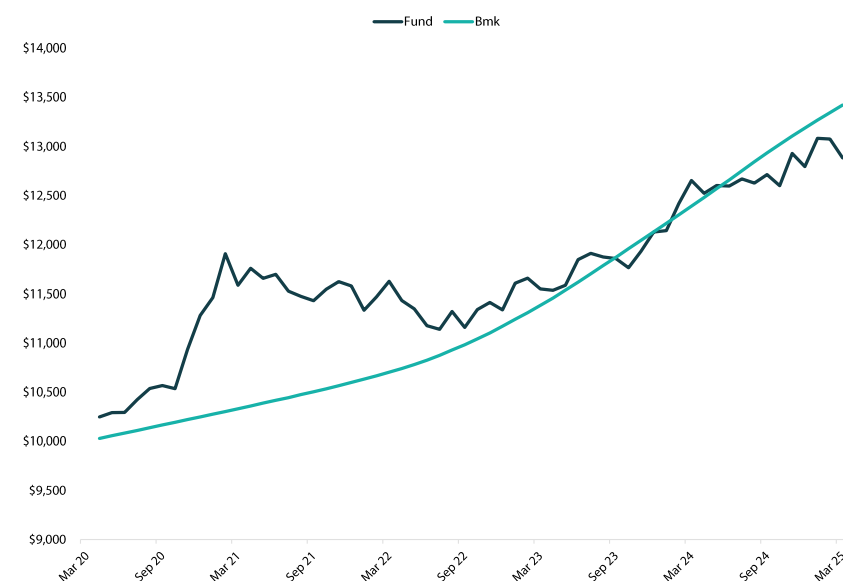
The portfolio has a diversified risk profile with low to medium volatility.

## Objective

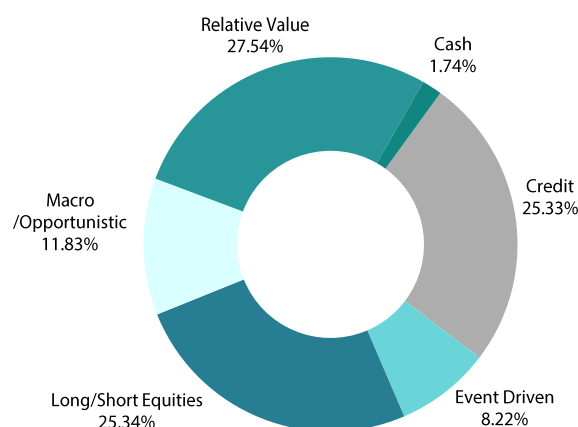
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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

Performance is for JPMAM MSF II strategy up to 30.06.20 and for MMAF from 01.07.20



## Strategy Allocation (by value of fund)



## Market Commentary

Equity markets faced a challenging and volatile month over March, driven by the uncertainty surrounding U.S. trade policies, the absence of the so-called "Trump put", and growing recessionary fears, all of which contributed to the risk-off sentiment. As such, the MSCI World Index declined 4.40% over March driven predominantly by the U.S with the emerging markets the only region to deliver small positive returns.

In bond markets, rising recession risks were supportive. Whilst the Federal Reserve (Fed) decided to take no action on interest rates over the month, Fed Chair Jerome Powell did, however, leave the door open to future rate cuts at the bank's March meeting, suggesting that the Fed was more concerned about the downside risks to growth than the upside risks to inflation. As such, the Barclays Global Aggregate Index rose by 0.62% over the month.

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

All five strategy returns were negative for the month of March.

### Event Driven Strategy (Return: -0.76%)

The event-driven strategy experienced a slight decline for the month but performed the best among all the strategies. Most of the losses originated from the multi-event driven portfolio, particularly from positions in the utilities sector (Sunnova Energy International Inc.). These losses were partially offset by gains in the consumer staples sector (Albertsons Cos Inc.). Additional moderate losses were incurred by the shareholder engagement sub-strategy, primarily driven by a sustainable biorefinery platform, Green Plains. These losses were mitigated by index hedges.

### Macro/Opportunistic Strategy (Return: -1.43%)

The macro strategy experienced a negative performance for the month, with the majority of losses originating from the quantitative macro portfolio, primarily due to a long US dollar bias and long fixed income positions at the longer end of the UK and German yield curves. These losses were partially offset by gains in long precious metals. Additionally, the reinsurance segment contributed minor positive gains.

### Credit Strategy (Return: -0.84%)

The credit strategy posted a negative performance for the month, with losses primarily stemming from the municipal bond trading portfolio. This was followed by losses from a long/short and structured credit manager, which were incurred through CDX tranche trades and the corporate bond trading portfolio. Additional moderate losses were recorded by another credit manager through corporate bond positions.

### Relative Value Strategy (Return: -1.31%)

The relative value strategy ended the month with a negative performance. Losses were incurred within the multi-strategy portfolio and a statistical arbitrage manager. Within the multi-strategy portfolio, the primary drivers to the negative performance were losses from their equity event and equity volatility strategies, partially offset by modest gains from their convertible arbitrage, interest rate volatility and FX volatility strategies. Meanwhile, losses from the statistical arbitrage manager were attributed to positions within the financial sector and the industrials sector.

### Long/Short Equity Strategy (Return: -2.34%)

The long/short equity strategy was the worst-performing strategy, aligning with the broader decline in global equities. Most of the losses were incurred by a technology specialist due to positions in the information technology sector, specifically with Marvell Technology Inc. and Clearwater Analytics Holdings. Additional losses were experienced by a utilities and renewables manager, driven by positions in the industrials sector (Mastec Inc. and Enovix Corp.), and by a consumer-focused manager, driven by positions in communication services (Spotify Technology SA) and information technology (Five9 Inc.) sectors. These losses were partially offset by gains from a European specialist manager, who benefited from positions in the consumer discretionary sector (Warby Parker Inc.) and the financial sector (Euronext NV).

## Key Fund Facts

<b>Estimated annual fund charges (incl. GST)</b>		<b>Hedging:</b>	JPMAAM hedges all currency exposure back to NZ dollars.	<b>Strategy Launch:</b>	June 2008
<b>Wholesale:</b>	None.	<b>Redemptions:</b>	Requests can be made on a daily basis and they will be processed within 12 working days.	<b>Strategy size:</b>	\$23.8m
<b>Distributions:</b>	Generally does not distribute			<b>Buy / Sell spread:</b>	0.00%/0.00%
<b>Management Fee</b> to JPMAAM 1.95% p.a. includes underlying JPMAAM fund expenses and underlying manager fees.					

## 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 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.