

Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 30 April 2024

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	-1.03%	3.13%	8.57%	2.12%	4.17%	4.35%
Benchmark²	0.71%	2.15%	8.94%	6.41%	5.38%	5.35%

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).

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.

Performance Contribution by Strategy

Strategy	No. of funds	Contribution YTD*
Credit	2	0.54%
Event Driven	4	-0.74%
Long/Short Equities	6	0.90%
Macro/Opportunistic	1	2.13%
Relative Value	3	0.46%

*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

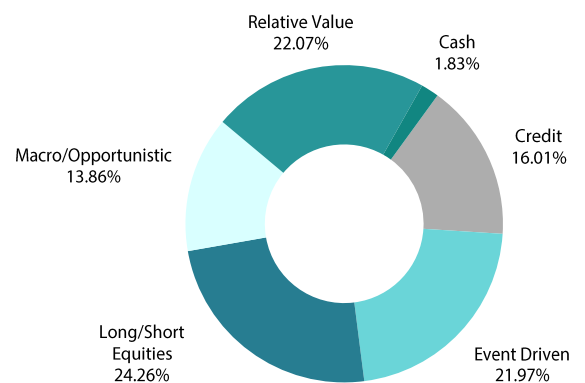
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

Five Year Cumulative Performance, \$10,000 invested^{1,2}

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



Strategy Allocation (by value of fund)



Market Commentary

April was a tough month for both equity and fixed income markets. A combination of hot US inflation data and a first quarter US GDP print that while weak on first glance, showed resilient private demand, fuelled market fears that central banks will not ease monetary policy as quickly as previously hoped. Both stock and bond markets responded negatively with the MSCI World Index returning -3.67% and the Barclays Global Aggregate Bond Index returning -2.52% over the month.

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

Four out of five strategy returns were negative for the month of April.

Macro/Opportunistic Strategy (Return: +0.71%)

Macro strategies contributed positively in April with gains in the CTA sub-strategy driven by short rates and long USD positioning, and flat performance in the quantitative macro sub-strategy as long US, Europe, and Asia equity positioning struggled amidst the global equity market decline.

Credit Strategy (Return: -0.35%)

Credit strategies detracted modestly on the month as losses in the structured credit book were partially balanced by continued gains in the municipal bond trading sub-strategy.

Relative Value Strategy (Return: -0.57%)

Relative Value strategies detracted overall, stemming from credit/convert-driven losses in the multi-strategy portfolio while performance in the quantitative equity / statistical arbitrage sub-strategy was flat with mixed performance across managers. A US quant equity manager was a bright spot in relative value strategy, delivering its 16th straight month of positive performance.

Long/Short Equity Strategy (Return: -1.28%)

The strategy gave back a portion of YTD gains in April with mixed results across sub-strategies and fragmented losses across a number of managers. Losses were led by a value equity manager driven by a number of CCTs in consumer discretionary and industrials, health care and consumers exposure via a US mid cap manager and utilities and industrials exposure via a sector focused equity long/short manager. These losses were partially offset by modest gains in a Europe equity manager and a consumers-focused manager driven by successful short positions and hedges, along with meaningful returns from a China equity manager amidst a rally in Chinese equity markets.

Event Driven Strategy (Return: -3.15%)

April losses were spread across event sub-strategies. Volatility in the shareholder engagement strategy drove price declines divorced from any fundamental drivers impacting the companies. Multi-event portfolios experienced mark to market losses on convertible bonds positions and merger arbitrage spread widening on regulatory lawsuit announcements-- these included Capri, US Steel Corp, and minimal exposure to Albertsons (ACI).

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: \$36.3m
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.