

Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 30 June 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	-0.03%	-0.44%	6.31%	2.50%	4.27%	4.14%
Benchmark²	0.71%	2.15%	8.95%	6.72%	5.51%	5.40%

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	0.83%
Event Driven	4	-1.07%
Long/Short Equities	6	1.29%
Macro/Opportunistic	1	1.96%
Relative Value	3	0.82%

*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

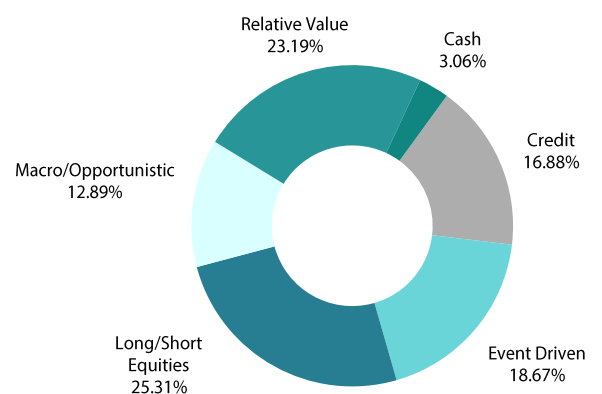
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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

June continued to be positive for both equities and fixed income. Continued momentum in mega-cap tech names lifted risk assets higher in June. Softer economic and inflation data in the US slightly nudged yields lower despite the hawkish tone at the Federal Reserve's June conference. Both stock and bond markets saw positive gains, with the MSCI World Index returning +2.07% and the Barclays Global Aggregate Bond Index returning +0.14% over the month.

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

Two out of five strategy returns were positive for the month of June.

Relative Value Strategy (Return: +1.81%)

Relative Value strategies had a strong month, with most gains coming from quantitative equity manager. Additional gains were made in the multi-strategy portfolio, particularly from index option trading. In our efforts to increase uncorrelated exposure, our recent addition, a statistical arbitrage manager also contributed modest gains for the month.

Credit Strategy (Return: +0.82%)

Credit strategies delivered positive returns for the month. The municipal bond trading sub-strategy continue to deliver strong gains with additional gains coming from the structured credit sub-strategy.

Macro/Opportunistic Strategy (Return: -0.83%)

Macro strategies detracted modestly overall in June. The CTA sub-strategy detracted with most losses coming from short bond futures positioning while the quantitative macro sub-strategy detracted driven by long index futures and long metals positioning which were partially offset by gains in FX trades and short agricultural commodities.

Event Driven Strategy (Return: -0.91%)

Multi-event portfolios delivered losses driven by broad equity names such as (Charter Communications, Solventum Corp) which were partially offset by modest gains in convertible bond trades. Losses were also contributed by the shareholder engagement strategy coming mainly from CCTs like sustainable biorefinery platform Green Plains and US railroad company Norfolk Southern. The investment thesis for both trades remains consistent as shareholder engagement efforts continue, including advocating for a full sale of Green Plains and continued efforts to remove the Norfolk Southern CEO and strengthen its operations, utilizing the three new board seats the manager won. An omni channel marketplace auction company RB Global was positive for the month which helped offset some of the losses.

Long/Short Equity Strategy (Return: -1.15%)

Most of the losses were driven by a value-oriented US long/short manager with exposure in materials and information technology (Constellium SE, Flex Ltd.) followed by a fundamental long/short manager with exposure to industrials (Vertiv Holdings, Array Technologies Inc). A China focused manager also lost money via healthcare exposure in China. These losses were partially offset by a technology sector specialist, driven by long positions within semiconductors (Nvidia, Tower Semiconductor) followed by positions in consumer discretionary and communication services.

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:	\$30.1m
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.