

Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 30 November 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	2.61%	2.40%	8.35%	3.61%	4.70%	4.23%
Benchmark²	0.65%	2.04%	8.81%	7.44%	5.87%	5.50%

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	2.02%
Event Driven	4	-0.25%
Long/Short Equities	4	3.25%
Macro/Oppportunistic	1	0.79%
Relative Value	3	0.50%

*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.

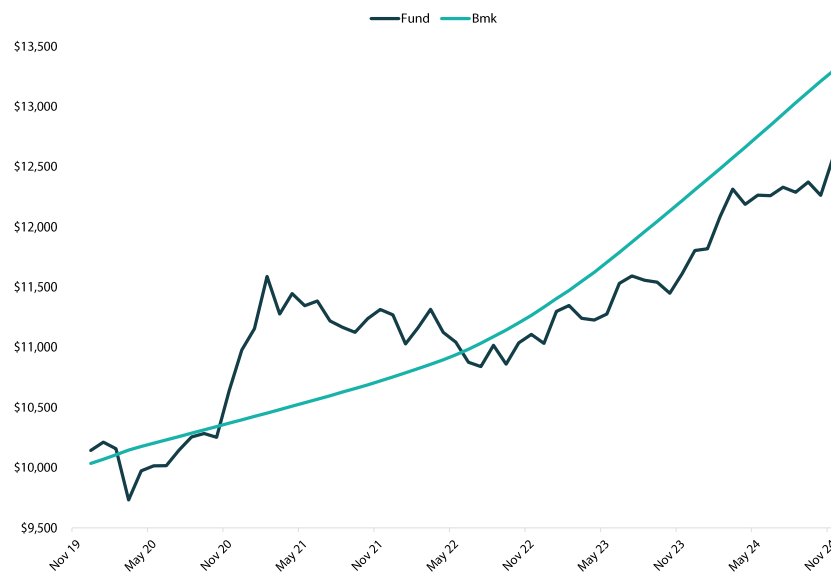
The portfolio has a diversified risk profile with low to medium volatility.

Objective

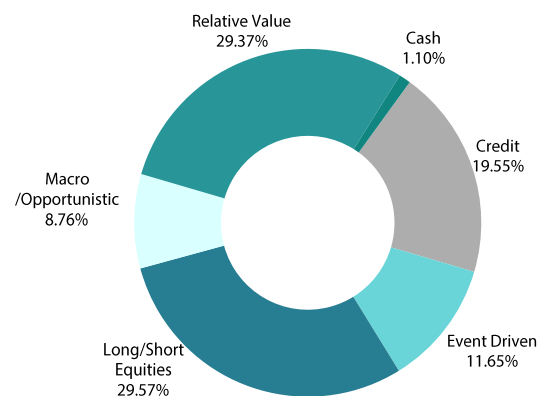
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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

The US election results were the primary driver of market performance in November. The prospect of further tax cuts, expansionary fiscal policy, and the implementation of a more nationalist trade policy boosted US equity markets. Fixed income markets saw limited gains as central banks cut rates, but inflation concerns tempered US rate cut expectations. As such, the **MSCI World Index** returned **+4.62%** and the **Barclays Global Aggregate Bond Index** returned **+0.34%** over the month.

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

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

Long/Short Equity Strategy (Return: +6.98%)

The long/short equity strategy was the highest returning strategy for the month. All the managers ended the month positively with most of the gains coming from a technology specialist, driven by long positions in information technology (Interdigital Inc, Wix.com, Pegasystems Inc.) sector. Additional notable gains also came from a consumer-focused manager driven by long positions in consumer services (Spotify, TKO Group) and information technology (Q2 Holdings, Five9) sectors and from a utilities and renewables manager driven by long positions in industrials (Siemens Energy, Mastec Inc) sector.

Event Driven Strategy (Return: +3.13%)

The event driven strategy generated positive returns for the month. Most of the gains were driven by the shareholder engagement sub-strategy driven by positions in material sector (Berry Global, Magnera Corp.) and industrials (Norfolk Southern Corp.) sector. Additional gains were contributed by the multi-event portfolio driven by positions in consumer services (Silver Lake Group) sector and consumer staples (Albertsons Cos Inc) sector. These gains were partially offset by minor losses in other multi-event portfolios via index trading and energy sector.

Credit Strategy (Return: +1.29%)

The credit strategy continued to deliver positive returns for the month. The municipal bond trading sub-strategy contributed the most to these returns. Additionally, the structured credit manager achieved further gains through successful trades in corporate bonds.

Macro/Opportunistic Strategy (Return: +0.57%)

The macro strategy produced slightly positive returns for the month. The majority of these gains were driven by the quantitative macro portfolio, primarily through successful currency positioning, followed by interest rate positioning. Meanwhile, the CTA portfolio ended the month flat.

Relative Value Strategy (Return: -0.34%)

The relative value strategy detracted for the month, with most losses coming from a statistical arbitrage manager who made losses from positions within information technology and communication services sectors. These losses were partially offset by gains in the multi-strategy portfolio who made money mainly in index trading and information technology sector.

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:	\$25.2m
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.