

# Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 31 January 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>	2.25%	3.83%	7.74%	4.90%	4.51%	4.27%
<b>Benchmark<sup>2</sup></b>	0.62%	1.90%	8.59%	7.66%	5.98%	5.52%

- Returns are before tax and before the deduction of fees and including tax credits (if any).
- 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	3	0.22%
Event Driven	3	-0.04%
Long/Short Equities	4	0.93%
Macro/Oppportunistic	2	0.24%
Relative Value	3	0.97%

\*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.

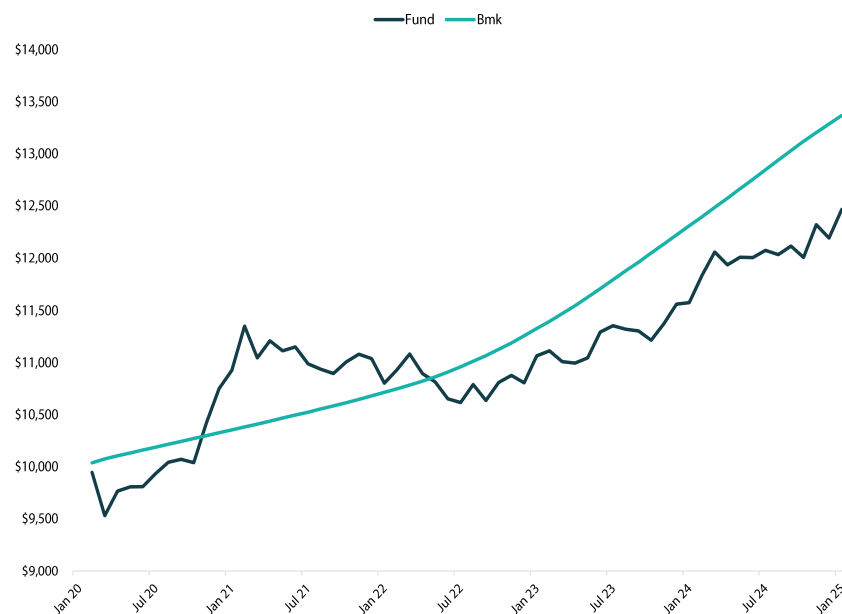
The portfolio has a diversified risk profile with low to medium volatility.

## Objective

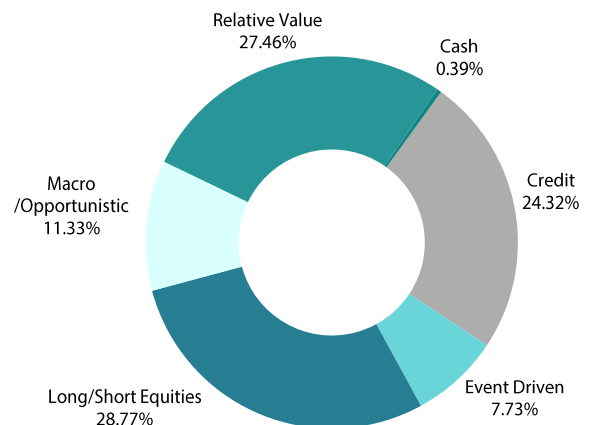
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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

Performance is for 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 beginning of 2025 saw positive returns in both equities and bonds. US equities benefited from President Trump's return to the White House and his 'America First' policy agenda. However, the rise of Chinese AI company DeepSeek raised concerns about the US technology sector's ability to meet high expectations. Bond markets experienced increased volatility in January. President Trump's proposed policy mix of tax cuts, immigration curbs and tariffs fuelled expectations for higher US inflation, pushed yields up globally. As such, the **MSCI World Index** returned **+3.55%** and the **Barclays Global Aggregate Bond Index** returned **+0.57%** over the month.

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

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

### Relative Value Strategy (Return: +3.62%)

The relative value strategy was the top performing strategy for the month, providing a strong start to the year. Gains were contributed by statistical arbitrage managers driven by positions within healthcare, industrials and financials sectors. Significant gains also came from the multi-strategy portfolio, driven by index trading and positions in information technology sector.

### Long/Short Equity Strategy (Return: +3.36%)

The long/short equity strategy ended the month on a strong note, with all the managers contributing to the gains. Most of the gains were contributed by a consumer-focused manager driven by positions in communication services (Spotify Technology SA, TKO Group Holdings Inc) and consumer discretionary (Doordash Inc, Skechers USA Inc.) sectors. Additional gains were contributed by a European specialist manager driven by positions in financials (Legal and General Group) and industrials sectors (Spirax Group). Further contribution to gains came from a utilities and renewable manager as well as a technology specialist manager.

### Macro/Opportunistic Strategy (Return: +2.12%)

The macro strategy contributed to returns, with most gains coming from the quantitative macro portfolio, primarily through European equity index futures. Further gains came from long metals. There was some giveback across a range of positions in the interest rate trading book. A new reinsurance manager, which we added last month, also contributed moderately to gains through catastrophe bond trading.

### Credit Strategy (Return: +0.94%)

The credit strategy began the year on a positive note, with gains coming from all the managers. The majority of the gains were driven by a long/short and structured credit manager primarily through corporate bond trading positions and, to a less extent, from CDX trades. Additional gains came from the municipal bond trading strategy. A new structured credit manager, which we added last month, also contributed to the gains.

### Event Driven Strategy (Return: -0.48%)

The event driven strategy ended the month slightly negative. The shareholder engagement sub-strategy ended the month moderately positively, with gains coming from a freight transportation provider, Norfolk Southern. However, these gains were offset by losses in the multi-event portfolio, driven by positions in the communication services, utilities and materials sectors.

## 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>	\$25.7m
<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.