

Nikko AM Wholesale Multi-Strategy Fund

Monthly Update 28 February 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)
Wholesale¹	-0.06%	1.13%	5.29%	4.46%	4.61%	4.02%
Benchmark²	0.57%	1.82%	8.45%	7.75%	6.02%	5.52%

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	3	0.36%
Event Driven	3	-0.04%
Long/Short Equities	4	0.38%
Macro/Oppportunistic	2	0.41%
Relative Value	3	1.14%

*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.

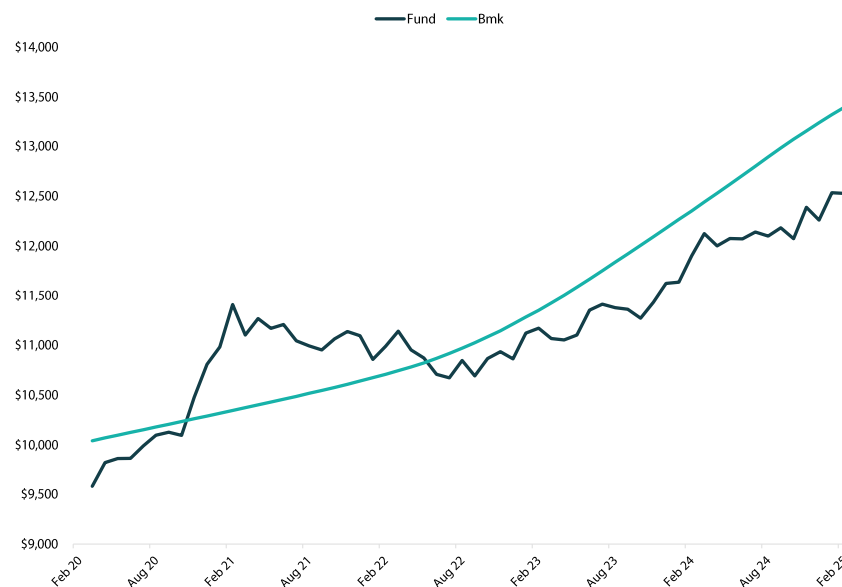
The portfolio has a diversified risk profile with low to medium volatility.

Objective

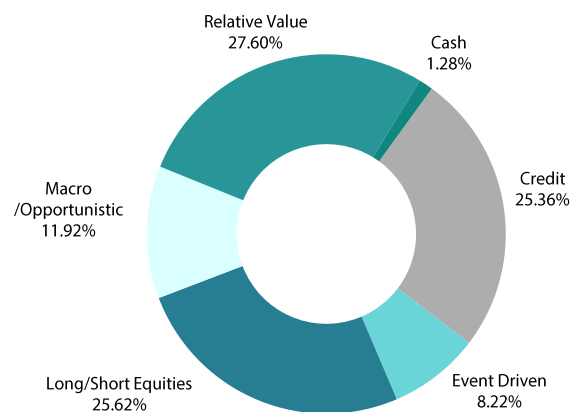
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

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

After a strong start to 2025, February saw some of the shine come off the US exceptionalism story. Growing uncertainty about the impact of the US administration's policy agenda weighed on both corporate and consumer sentiment, and concerns about growth started to re-emerge. Weak US performance dragged on developed market equities. Meanwhile, all major fixed income sectors delivered positive returns over the month, as falling US yields fed through to other parts of the market. As such, the **MSCI World Index** returned **-0.69%** and the **Barclays Global Aggregate Bond Index** returned **+1.43%** over the month.

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

Three out of five strategy returns were positive for the month of February.

Macro/Oppportunistic Strategy (Return: +1.39%)

The macro strategy was the top-performing strategy, with majority of gains stemming from the quantitative macro portfolio, primarily through long index future trades. These gains were partially offset by losses in currency forwards and the short-term interest rate trading book. Additionally, the reinsurance manager continued to contribute positively, albeit slightly.

Relative Value Strategy (Return: +0.59%)

The relative value strategy yielded positive returns for the month. Gains were achieved through a statistical arbitrage manager, with successful positions in the financial (KKR & Co., PayPal Holdings Inc.) and healthcare (Hims & Hers Health Inc.) sectors. Additional gains were realized from the multi-strategy portfolio, driven by index trading and positions in the consumer discretionary sector (Alibaba Group Holdings, Takashimaya Co. Ltd.). However, these gains were partially offset by losses from another statistical arbitrage manager, which were driven by positions in the financial (Evercore Inc.) and industrial (Inflection Point Acquisition) sectors.

Credit Strategy (Return: +0.55%)

The credit strategy continued to post positive returns, with gains generated by all managers. These gains were primarily driven by a long/short and structured credit manager, mainly through corporate bond trading positions, although they were slightly offset by CDX trades. Additional gains in corporate bond trading positions also came from a new credit manager added at the end of last year. The municipal bond trading portfolio contributed modestly positive gains to the strategy.

Event Driven Strategy (Return: -0.03%)

The event driven strategy ended the month flat. The shareholder engagement sub-strategy concluded the month with moderate gains, primarily driven by an auto-parts manufacturing company, LKQ, whose European segment achieved a record EBITDA margin. However, these gains were offset by losses in a sustainable biorefinery platform, Green Plains. Additionally, losses in the multi-event driven portfolio, particularly from positions in the materials and consumer discretionary sectors, further offset the gains.

Long/Short Equity Strategy (Return: -1.90%)

The long/short equity strategy gave back some of the returns it made last month. Losses were incurred by a technology specialist due to positions in the information technology sector, specifically with Pegasystems Inc. and Marvell Technology Inc. Additional losses were experienced by a utilities and renewables manager, driven by positions in the industrials sector, including Herc Holdings Inc., Mastec Inc., and Enovix Corp. These losses were partially offset by gains from a European specialist manager, who benefited from positions in the financial sector, such as AIB Group and Euronext NV, as well as the industrials sector, including Eiffage SA and Cargojet Inc.

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:	\$25.7m
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.