

# NOMURA GLOBAL DYNAMIC BOND FUND

NOMURA  
ASSET MANAGEMENT

The Global Dynamic Bond Fund ('Fund') is a Feeder Fund that invests in Nomura Funds Ireland – Global Dynamic Bond Fund ('Target Fund'). The Fund is a wholesale fund domiciled in Malaysia and is intended for investments by prospective Sophisticated Investors.

## FUND OBJECTIVE

The Fund aims to achieve long term capital growth by investing in a collective investment scheme which invests primarily in foreign fixed income securities.

## WHO IS THIS FUND SUITABLE FOR?

The Fund is suitable for Sophisticated Investors who are seeking long-term capital growth.

## LAUNCH DATE BASE CURRENCY

Class MYR and Class USD  
2 February 2021

USD (\$)

### MINIMUM INITIAL INVESTMENT

#### Class USD

USD5,000.00 or such amount as the Manager may decide from time to time.

#### Class MYR

MYR10,000.00 or such amount as the Manager may decide from time to time.

### MINIMUM HOLDINGS

#### Class USD

2,500 units or such amount as the Manager may decide from time to time.

#### Class MYR

2,500 units or such amount as the Manager may decide from time to time.

### MINIMUM ADDITIONAL INVESTMENT

#### Class USD

USD1,000.00 or such amount as the Manager may decide from time to time.

#### Class MYR

MYR5,000.00 or such amount as the Manager may decide from time to time.

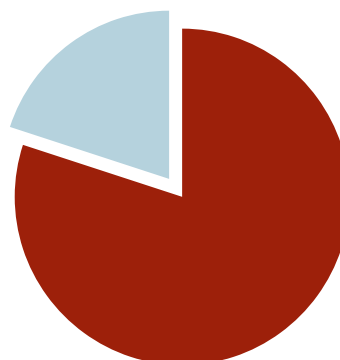
## FEEDER FUND INVESTMENT STRATEGY

### 80% TARGET FUND

A minimum of 80% of the Fund's NAV will be invested into the Target Fund.

### 20% OTHER ASSETS

A maximum of 20% of the Fund's NAV will be invested into money market instruments, fixed deposit with financial institutions and/or other liquid assets.



## TARGET FUND INVESTMENT APPROACH

Seek to understand the "Big Picture" and position accordingly

Top-down research complemented by bottom-up security selection

Construct a diversified yield-driven portfolio

Dynamically steer the portfolio through short term market risks and themes

### STRATEGY

- Top-down investment themes and sector allocation
- Bottom-up trade ideas and security selection
- Efficient portfolio hedging

### PORTFOLIO RECONSTRUCTION

- Flexible, diversified allocations to cash bonds (typically >80% invested)
- Derivative overlay to mitigate specific shorter-term risks to both credit and interest rates
- Dynamic adjustment of this overlay to control costs and maximise protection

### RISK CONTROL

- Multi-layered risk management. VaR as the primary measure of risk at portfolio level
- Risk monitoring by independent risk management team

## A DYNAMIC TARGET FUND

### Asset Allocation

(active management of both physical and derivative positions over time)

1

Macro-economic and market research drives a top-down view. This is reflected in all aspects of portfolio construction, but most directly in asset allocation. Asset allocation is heavily influenced by the availability of efficient hedging mechanisms: if exposure to an asset class is justified by the top-down view and its (unwanted) risks can be efficiently mitigated through combination with the derivative strategies available to the Target Fund, it is a strong candidate for inclusion. Though, at times the degree of hedging might be sufficient to yield net negative exposure to credit spread and/or interest rate movements.

### Directionality

(exposure to global interest rate and debt markets)

2

Exposure to fixed income asset classes gives access to various levels of yield. When these yields are viewed as attractive, an allocation can help to achieve the objectives of the strategy. However, in order to justify an allocation, we require that the unwanted risks associated with the asset class can be efficiently mitigated or removed.

### Relative Value

(long and/or short positions at security level)

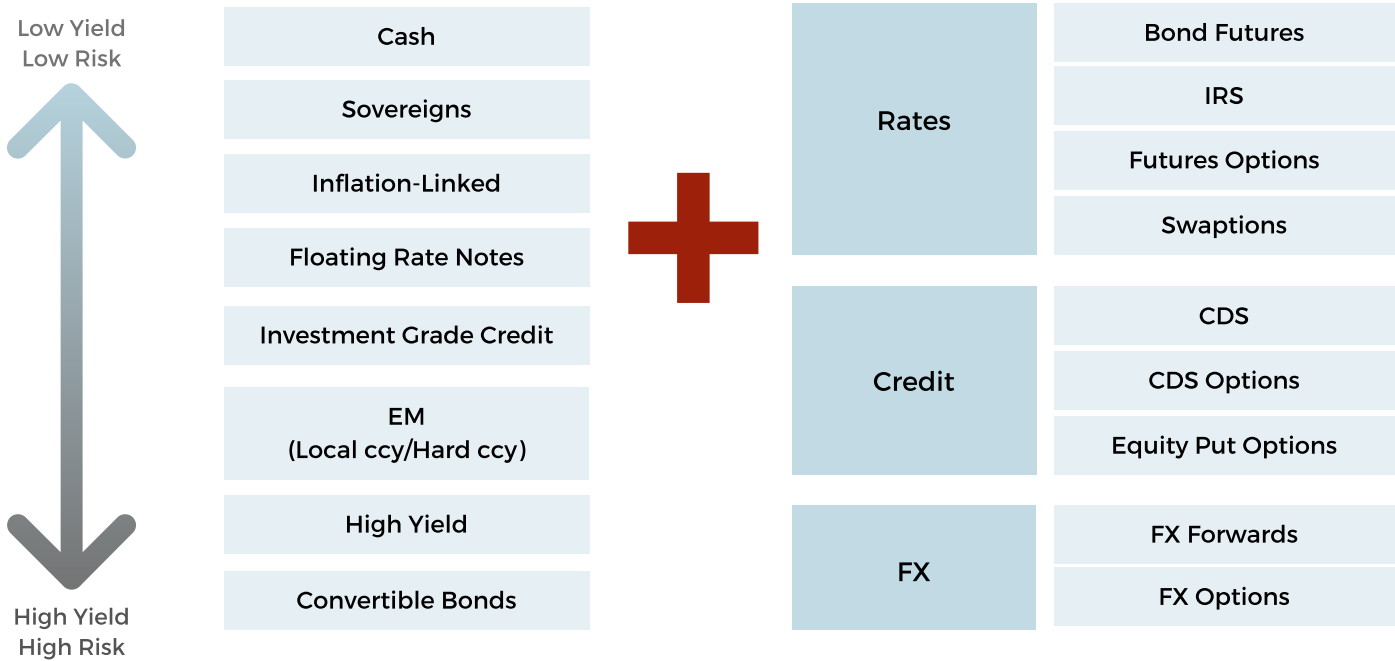
3

Exposure to fixed income asset classes gives access to various levels of yield. When these yields are deemed attractive, an allocation can help to achieve the objectives of the Target Fund strategy. However, in order to justify an allocation, we require that the unwanted risks associated with the asset class can be efficiently mitigated or removed.

The Target Fund invests in a wide range of fixed income sectors with efficient derivative-based hedging.  
The Target Fund aims to maximise total return whilst controlling volatility.

THE TARGET FUND OFFERS A  
WIDE RANGE OF INVESTMENT  
OPPORTUNITIES &  
DIVERSIFICATION

UTILIZATION OF  
DERIVATIVES IN THE  
TARGET FUND



DOES THE TARGET FUND HAVE A SPECIFIC  
PERFORMANCE TARGET?

The Target Fund has no benchmark (which is similar for the Fund as it adheres to the benchmark of the Target Fund for performance comparison). As market conditions change, any level of total return we specify might either be rendered unachievable or unattractive. The Target Fund employs an unconstrained fixed income strategy, and it would be inappropriate for it to be constrained by reference to any potential suboptimal asset allocations of common fixed income benchmarks.

WHEN IS THE TARGET FUND MOST LIKELY TO  
OUTPERFORM AND WHY?

The Target Fund investment team frames this answer relative to competitors. The derivative overlays that are put in place should serve to protect the investor's portfolio in times of rising rates. This was the situation in 2018, when the Target Fund outperformed competitors who take highly positive directional views on rates and spreads without the degree of hedging typically employed. An underlying cash bond portfolio is put in place as an added security measure to offer higher protection in falling interest rate/credit spread environments.

## FUND PORTFOLIO MANAGER



**EUGENE RAY MARTIN**

Joined Nomura Asset Management Malaysia in 2019. Previously with CIMB Investment Bank and AmFunds Management. Contributing Member of the Emerging Board Investment Meetings across NAM global offices. MSc Applied Economics.

For more information on this Fund,  
please refer to 'INFORMATION MEMORANDUM  
NOMURA GLOBAL DYNAMIC BOND FUND'.

+603 2027 6688

[clientservice@nomura-asset.com.my](mailto:clientservice@nomura-asset.com.my)

<https://www.nomura-asset.com.my/>

### KEY RISKS ASSOCIATED WITH NOMURA GLOBAL DYNAMIC FUND AND ITS TARGET FUND

#### General Risks Of The Fund

Market risk, Financing risk, Non-compliance risk, Inflation risk, Operational risk, Other variable factors risk

#### Specific Risks Of The Fund -

Concentration Risk, Liquidity Risk, Country Risk, Currency Risk, Target Fund Manager Risk

#### Specific Risks Of The Target Fund

Market Capitalization Risk, Market Risk, Exchange Control and Repatriation Risk, Political, Regulatory, Settlement and Sub-Custodial Risk, Legal Infrastructure, Liquidity Risk, Redemption Risk, Credit Risk, Currency Risk, Investing in Fixed Income Securities, Changes in Interest Rates, Amortised Cost Method, Valuation Risk (VaR), Accounting, Auditing and Financial Reporting Standards, Derivatives and Techniques and Instruments Risks, Liquidity of Futures Contracts, Futures and Options Risk, Foreign Exchange Transactions, Forward Trading, Over-the-Counter Markets Risk, Correlation, Loss of Favourable Performance, Margin, Volatility, Money Market Instruments Risk, Target Fund Manager Valuation Risk, Tax Risk, Foreign Account Tax Compliance Act, Cyber Security Risk, Brexit.

#### Disclosures

This material was prepared by Nomura Asset Management Malaysia Sdn. Bhd (Registration No. 200601028939 (748695-A)) ("NAMM") for information purposes only and is not in recommendation with respect to the purchase or sale of any particular investment. Investors are advised to read and understand the contents of Nomura Global Dynamic Bond Fund ("Fund")'s Information Memorandum dated 2nd February 2021 ("IM") and Product Highlights Sheet ("PHS"), before investing. Both the IM and PHS have been lodged with the Securities Commission Malaysia, who takes no responsibility for its contents, makes no representations as to its accuracy or completeness and expressly disclaims all liability arising from, or in reliance upon the whole or any part of its contents. Copies of the IM and PHS can be obtained from our office or any of our approved distributors, and application for units can only be made on receipt of an application form referred to and accompanying a copy of the IM.

Among others, investors should be aware:- i) of the risks and costs involved in investing in the Fund; ii) that the price of units (in the Fund) and distributions payable (if any) may go down as well as up; and iii) that past performance of the Fund and Target Fund should not be taken as an indication of its future performance. The investors should ensure that they fully understand the risks, fees and charges involved in investing in the Fund. If in doubt, investors are advised to seek independent professional advice, including tax advice. This material may not be copied, re-distributed or reproduced in whole or in part without the prior written approval of NAMM.