



NOMURA

Nomura Global Dynamic Bond Fund

Quarterly Report and Financial Statements
For The Period Ended 30 April 2021

MANAGER:

NOMURA ASSET MANAGEMENT MALAYSIA SDN. BHD.
Business Registration No.: 200601028939 (748695A)

TRUSTEE:

DEUTSCHE TRUSTEES MALAYSIA BERHAD
Business Registration No.: 200701005591 (763590-H)

Table of Contents

MANAGER'S REPORT	iii-v
SOFT COMMISSIONS RECEIVED FROM BROKERS	v
BREAKDOWN OF UNITHOLDERS BY SIZE.....	vi
INCOME DISTRIBUTION	vi
FUND DATA	vi

Appendix

STATEMENT OF COMPREHENSIVE INCOME.....	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	3
STATEMENT OF CASH FLOWS.....	4

MANAGER'S REPORT

Fund Type, Category, Objective and Distribution Policy

Nomura Global Dynamic Bond Fund (the “Fund”) is a wholesale feeder fund which aims to achieve long term capital growth by investing in a collective investment scheme (namely, Nomura Funds Ireland – Global Dynamic Bond Fund (“Target Fund”)) which invests in foreign fixed income securities.

Distribution of income, if any, is subject to the availability of income and shall be in line with the dividend policy of the Target Fund.

Benchmark

The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, the Fund has no benchmark.

Performance as at 30 April 2021

	1 Month (31/Mar/21- 30/Apr/21)	3 Months (31/Jan/20 – 30/Apr/21)	6 Months (31/Aug/20 – 30/Apr/21)	1 Year (28/Feb/20– 30/Apr/21)	3 Year (28/Feb/18– 30/Apr/21)	Since Inception (02/Feb/21 – 30/Apr/21)*
Fund – Class MYR	-0.68%	N/A	N/A	N/A	N/A	-0.55%
Fund – Class USD	-0.63%	N/A	N/A	N/A	N/A	0.31%

Source of Fund and Benchmark Returns: Refinitiv Lipper

*There were no units in circulation for Class USD during the period from 02 February 2021 to 05 March 2021. Hence, the since inception performance calculation commenced from 08 March 2021 for the Class USD as shown above.

Volatility as at 30 April 2021

	3-Year
Fund – Class USD	-
Fund – Class MYR	-

Volatility is measured by calculating the annualised standard deviation on the Fund’s month-end returns for the immediate preceding 36 months.

This information is prepared by Nomura Asset Management Malaysia (NAMM) for information purposes only. Past earnings or the Fund’s distribution record is not a guarantee or reflection of the Fund’s future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up.

Strategies Employed (2nd of February 2021 to 30th April 2021)

There were no significant changes to the strategies employed during the period under review.

Performance Review of the Target Fund (2nd of February 2021 to 30th April 2021)

The Target Fund's hedging of duration risk was crucial to preserving investors' capital over the month of February. Short positions in US Treasury futures were established at the 5 and 10 year points of the curve in the first half of the month, and 2 year futures (also short) were added later. These hedges helped to reduce overall duration risk, and were among the strongest performing positions (on an isolated basis) over the month of February 2021. Other strongly performing assets were concentrated within the Target Fund's Convertibles and High Yield allocations. Some subordinated Financials bonds also performed strongly in February as steeper yield curves benefited bank profitability. Many of the Emerging Market holdings of the Target Fund were slightly negative, however – Egypt, Russia and Bahrain sovereign holdings each giving back some recent profits. The remaining equity put options (that expired unused mid-month) were also among the negative contributors.

The Target Fund's hedging of duration risk was again crucial to preserving investors' capital over the month of March as short positions in US Treasury futures prevented much of the negative pressure on returns from the steeper US curve. Towards month end, the Target Fund took profits from this strategy, with duration hedging emphasis partially switched to Bunds. Individual bond contributions were small but, taken in aggregate, the Emerging Market positions of the Target Fund were negative, with small negative contributions from positions in Egypt, Peru, and Bahrain. The CDX credit hedge was also a small drag on the Target Fund's performance, partly offsetting gains elsewhere as spreads continued to tighten.

Amongst positive contributors were the exposure to Inflation-Linked Italian sovereign debt and a number of the Peripheral European subordinated Financials positions, including Banco de Sabadell and Caja Zaragoza.

Most of the Target Fund's credit positions contributed positively during April, but some of the strongest performers were our longer-dated EM holdings, notably the USD-denominated sovereign debt of Egypt, Bahrain and Ghana, and the USD debt of Pemex. Hedging of Bund duration risk was also positive over the month, until profits were taken on the position late in April. Among the few negative contributors was the inflation-linked Italian sovereign exposure, which suffered as long-end Italian yields rose sharply over the month.

Source: Nomura Asset Management U.K. Ltd

Summary of Asset Allocation

	<u>30 April 2021</u>
Target Fund	99.01%
Cash and Others [#]	0.99%
Total	<hr/> 100.00% <hr/>

[#] Included in Cash and Others are cash on hand and net current assets/ liabilities

Review of Market (2nd of February 2021 to 30th April 2021)

In February, the financial media appeared to focus on the US Treasury yield curve with an intensity we have arguably not seen since 2013. The speed of the rise in longer yields took many investors by surprise. The steepening in the curve that has been observable since August 2020 accelerated – long yields rose by 30bps or more, whilst the 2 year yield actually fell by 1bp. Breakeven inflation rates (the expected inflation rate visible in the difference between conventional and inflation-protected Treasury yields) did move higher, indicating greater inflation expectations, but the scale of the move paled in comparison to the move higher in real yields. The bond market increasingly priced in a sustained economic recovery. Equity markets played their part too, with virtually all global and regional indices recording gains, and the oil priced moved higher, with WTI futures above \$61. In currency markets, the stand-out performer was GBP, which broke through the \$1.40 barrier before retreating a little prior to month end. However, this pair bucked a wider tale of USD strength. A key driver of both USD and GBP strength was Covid vaccination progress. Continental Europe continued to experience supply and roll-out delays, whilst the vaccine reached 15% of the adult population in the US, and 20% in the UK. US politicians appeared likely to back almost all aspects of President Biden’s proposed \$1.9tn fiscal stimulus package, adding further weight to economic expansion expectations.

For those living on one side of the Atlantic or the other, March was a very different experience. In the US, the vaccine roll-out continued at an accelerated pace, restrictions were eased and the economy recovered. Moreover, President Biden’s \$1.9tn stimulus plan passed the Senate. The US yield curve responded, moving higher and steeper once more. The Federal Reserve downplayed the prospects of any policy to counter the rise. In Continental Europe, however, vaccine provision was slow, marred by supply difficulties and concerns around side-effects of the AstraZeneca shot. Restrictions on movement and association were tightened in some countries as Covid case numbers mounted. In contrast to the Fed, the ECB did react to both the economic situation and the tightening in conditions anticipated from higher bond yields, increasing its asset purchases. German yields over the month actually moved lower, at least out to the 10 year point. Despite drone attacks on a major Saudi oil facility and the temporary closure of the Suez Canal, markets largely expressed a “risk-on” stance. Peripheral European spreads moved lower, credit spreads moved tighter, equity markets (sharply) higher. An exception to the general tone was a move lower in Emerging Markets, at least in part due to a stronger US dollar over the month. Towards month end, a number of banks withdrew credit lines for Archegos Capital, causing losses for those left with positions to dispose of, including Nomura and Credit Suisse and impacting share prices and credit spreads for the sector as a whole.

The US yield curve retraced some of the previous steepening seen over the year to end April. The Fed remained staunchly dovish, dampening any slim expectations of imminent rate rises once more. European yields moved in the opposite direction, with German yields moving higher and steeper as Covid cases started to reduce and the vaccination program gathered pace after a slow start in Europe. Peripheral European bond yields were sharply higher. Covid-19 continued to wreak havoc, however, with cases in India spiking and causing shortages of oxygen and other medical supplies. Banks reported strong profits (in general) and risk markets overall were strong once more, with credit spreads narrowing and equity markets performing strongly. Commodity markets were also strong, the oil price (WTI crude) finishing above \$63 per barrel.

Source: Nomura Asset Management U.K. Ltd

SOFT COMMISSIONS RECEIVED FROM BROKERS

Soft commissions received from brokers/dealers are retained by the manager only if the goods and services provided are of demonstrable benefit to unit holders of the Fund.

During the financial period under review, the Manager did not receive any soft commission.

BREAKDOWN OF UNITHOLDERS BY SIZE

Fund - Class USD

Size of holdings (units)	No. of unitholders	No. of units held*
Less than 10,000	0	-
10,000 to 50,000	0	-
50,001 to 100,000	0	-
101,000 to 200,000	0	-
200,00 to 300,000	0	-
300,001 and above	1	1,677,521
Total	1	1,677,520.86

Fund - Class MYR

Size of holdings (units)	No. of unitholders	No. of units held*
Less than 10,000	0	-
10,000 to 50,000	1	10,000.0
50,001 to 100,000	0	-
101,000 to 200,000	0	-
200,00 to 300,000	0	-
300,001 and above	2	12,117,796
Total	3	12,127,796

* Note: Excluding Manager's Stock.

INCOME DISTRIBUTION

The Fund did not declare any income over the period under review.

FUND DATA

As at 30 April 2021	Class USD	Class MYR
Total NAV	1,683,786	2,946,829
NAV per Unit	1.0037	0.9945
Unit in Circulation	1,677,521	12,127,796
Highest NAV	1.0059	1.0042
Lowest NAV	0.9974	0.9840

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

The logo features a stylized 'N' composed of overlapping red and pink geometric shapes on the left, and the word 'NOMURA' in white uppercase letters on a solid red rectangular background to the right.

NOMURA

NOMURA GLOBAL DYNAMIC BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2021

NOMURA GLOBAL DYNAMIC BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2021

CONTENTS	PAGE(S)
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	3
STATEMENT OF CASH FLOWS	4

NOMURA GLOBAL DYNAMIC BOND FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2021**

	Financial period from 2-2-2021 to 30-4-2021 USD
INVESTMENT INCOME	
Net gain on financial assets at fair value through profit or loss ("FVTPL")	12,000
OTHER INCOME	
Net loss on foreign currency exchange	(3,562)
Rebate on management fee	3,776
Gross Income	<u>12,214</u>
EXPENSES	
Management fee	4,849
Trustee's fee	162
Audit fee	565
Tax agent's fee	303
Custody Fees	37
Other expenses	189
	<u>6,105</u>
PROFIT BEFORE TAXATION	6,109
TAXATION	<u>-</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>6,109</u>
Profit after taxation is made up as follows:	
Realised amount	(5,953)
Unrealised amount	12,062
	<u>6,109</u>

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	30-4-2021 USD
ASSETS	
Financial assets at fair value through profit or loss ("FVTPL")	4,584,778
Amount due from Manager	88,863
Cash and cash equivalents	45,204
TOTAL ASSETS	<u>4,718,845</u>
LIABILITIES	
Accrued management fee	3,362
Amount due to Trustee	72
Amount due to broker	83,928
Other payables and accruals	868
TOTAL LIABILITIES	<u>88,230</u>
NET ASSET VALUE	<u>4,630,615</u>
UNITHOLDER'S FUNDS	
Unitholders' capital	4,624,506
Retained earnings	<u>6,109</u>
NET ASSET ATTRIBUTABLE TO UNITHOLDERS	
- MYR NGDBFM CLASS	2,946,829
- USD NGDBFU CLASS	1,683,786
	<u>4,630,615</u>
UNITS IN CIRCULATION	
- MYR NGDBFM CLASS	12,127,796
- USD NGDBFU CLASS	1,677,521
	<u>13,805,317</u>
NET ASSET VALUE PER UNIT IN USD	
- MYR NGDBFM CLASS	<u>0.2430</u>
- USD NGDBFU CLASS	<u>1.0037</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES	
- MYR NGDBFM CLASS	<u>0.9945</u>
- USD NGDBFU CLASS	<u>1.0037</u>

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2021

	Unitholders' capital USD	Retained earnings USD	Total USD
Balance as at 2 February 2021	-	-	-
Movement in unitholders' contribution:			
Creation of units from applications			
- MYR NGDBFM CLASS	2,942,048	-	2,942,048
- USD NGDBFU CLASS	1,682,458	-	1,682,458
Total comprehensive income for the financial period	-	6,109	6,109
Balance as at 30 April 2021	<u>4,624,506</u>	<u>6,109</u>	<u>4,630,615</u>

NOMURA GLOBAL DYNAMIC BOND FUND

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2021**

	Financial period from 2-2-2021 to 30-4-2021 USD
CASH FLOWS FROM OPERATING	
Net loss on foreign exchange	(3,624)
Purchase of instruments	(4,488,850)
Management fee paid	(1,487)
Trustee's fee paid	(90)
Payment for other fees and expenses	<u>(227)</u>
Net cash used in operating activities	<u>(4,494,278)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Cash proceeds from creation of units	<u>4,539,482</u>
Net cash generated from financing activities	<u>4,539,482</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	45,204
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>45,204</u></u>
Cash and cash equivalents comprise:	
Cash at banks	<u><u>45,204</u></u>