Nomura Global Dynamic Bond Fund

Annual Report and Audited Financial Statements For The Financial Period from 2 February 2021 (Launch Date) to 31 January 2022

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

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

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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 incidental and 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 31 January 2022

	1 Month (31/Dec/21-31/Jan/22)	**3 Months** (31/Oct/21 – 31/Jan/22)	**6 Months** (31/Jul/21 – 31/Jan/22)	**1 Year** (31/Jan/21– 31/Jan/22)	**3 Year** (31/Jan/19– 31/Jan/22)	**Since Commencement** (09/Feb/21 – 31/Jan/22)*
Fund – Class MYR	(0.88)	(0.30)	(1.95)	N/A	N/A	0.89
Fund – Class USD*	(1.37)	(1.37)	(1.16)	N/A	N/A	(0.18)

Source of Fund and Benchmark Returns: Refinitiv Lipper

*There were no units in circulation for Class USD during the period from 09 February 2021 to 05 March 2021. Hence, the since commencement performance calculation commenced from 08 March 2021 for the Class USD as shown above.

Volatility as at 31 January 2022

	3-Year
Fund – Class USD	N/A
Fund – Class MYR	N/A

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 (9 February 2021 to 31 January 2022)

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

Performance Review of the Target Fund (9 February 2021 to 31 January 2022)

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.

Inflation fears impacted equity markets over the month of May, impacting convertible bond valuations negatively, particularly in sectors such as Technology, Utilities, Consumer, and Telecoms. Some of the Target Fund's convertible bond positions in these areas featured amongst the strongest negative contributors over the month. However, this was more than offset by positives elsewhere, with Egyptian hard currency and Bahrain hard currency bonds among the Emerging market positions that performed strongly. There were also positive contributions from a broad range of the more subordinated Financials positions within the Target Fund and Convertible bonds, most notably the exposure to French luxury brand house, Kering. The Target Fund also saw a strong positive contribution from the Italian inflation-linked exposure.

The decision to short the front end of the US yield curve was highly beneficial for the Target Fund's performance through the month of June, with futures sold on the 2 and 5 year points of the US yield curve accounting for almost half of the total Target Fund's performance. With both spreads (generally) narrowing and yields decreasing at the long end in the US, several Emerging Market allocations were amongst the larger contributors, including our Russia and Bahrain sovereign holdings. Performance was also forthcoming from holdings in some Convertibles, amid considerable dispersion, and some of the more subordinated Financials credits.

The short position at the front end of the US yield curve was the primary cause of negative performance over the month of July, reversing the Target Fund's positive contribution in June. It is, however, a strategic position that the Target Fund has been seeking to build over time, and the move lower in yields gave a further opportunity to add to the position during the month. Exposure to Russian local currency sovereign bonds was positive once again. The Central Bank of Russia moved proactively to control rising inflation by raising interest rates 100bps in July, but the move was already priced-in. A (much smaller) exposure to Peru Local Currency Sovereign bonds was a minor negative, as leftist ministerial appointments by new President Pedro Castillo unnerved markets. Small negative contributions resulted from exposure to the convertible bonds of a number of Chinese companies, with shopping platform Meituan Danping and cloud services provider Weimob amongst the detractors. The Chinese government crackdown on education providers and recently US-listed taxi/delivery firm Didi had broad implications for valuations.

Overall, cash bond holdings contributed positively to the performance for the month of August. Yield curve positioning was a strong positive contributor to returns, with positive contributions from the Target Fund's outright short position in both 2 year and 5 year yields. As for Emerging Markets positions, South African and Egyptian sovereign debt were in positive territory while Russian were amongst the holdings to suffer. More idiosyncratically, the appointment of left-wing candidates to ministerial positions in the Peruvian government caused local currency sovereign bonds to sell off, and the Target Fund's small allocation (0.5%) detracted from returns. A number of individual securities also contributed to positive returns, particularly within the Target Fund's Financials and Convertibles holdings. Amongst the positive contributors were payments service Afterpay (a takeover for the firm was announced during the month of August) and Umicore (materials). Also Subordinated Financial names, especially Spanish names, contributed positively.

Amongst the detractors from performance during the month of September, the Target Fund's Emerging Market positions in Egypt (-10bps) and South Africa (-30bps) featured prominently. The latter is a local currency position protected from currency depreciation by option strategies, but short term volatility can still impact the position through both curve moves and currency moves whilst the time to expiry of the options is still significant. Detractors in the High Yield and Financials segments were comparatively small individually, but were nonetheless a factor when considered in aggregate. The rise in US yields led the Target Fund's futures and options positions to add just under 50bps to Fund performance over the month of September.

The Target Fund's positions in US Treasury 2 year and 5 year yields helped the Target Fund to actively gain from significant volatility in fixed income markets during the month of October. The Target Fund had sold futures on 2 year and 5 year futures, effectively creating a negative position at these points of the curve. As bonds sold off, this position contributed very positively to performance. Options-based positions were less successful. The Target Fund had established an additional negative position by buying put options on US Treasuries (5 and 10 year). This position was funded by selling more US Treasury puts further from the money. This type of position, referred to as a "ratio put spread" is effective only if there are modest rises in yields. The move in yields was so fast and significant that the position ultimately detracted from performance. Amongst the Target Fund's Emerging Market holdings, Russian local currency sovereign bonds were the largest detractor from performance. The currency held up well, but yields moved higher on inflation concerns. Egypt hard currency bonds were a smaller detractor, impacted by higher US yields. Active hedging of the Target Fund's South African Rand exposures contributed positively. Amongst positive contributors to performance over the month of October, a number of the Target Fund's Convertible bonds featured prominently, with diverse names such as Cloudflare (US web infrastructure), EDF (French energy supplier), Splunk (US data software) and Glencore (Anglo-Swiss commodity trading) all contributing.

The risk-off move understandably hit a number of the Target Fund Manager's Emerging Markets holdings in particular. Russia and Egypt were negative. It was yields moving higher that did the damage – currency was not the major driver here – Egypt exposure is hard currency and Rouble exposure was hedged. Investors familiar with the portfolio might have expected a negative contribution from South Africa, but these bonds were almost flat in price terms (after some significant volatility) and the currency exposure was (over)hedged. The volatility impacted other risk areas too – HY, Coco and Converts exposures each experienced negative returns, but of course the impact to the Target Fund was heavily muted by the large allocation to short-dated Treasuries. Duration exposure was very actively managed throughout the month, with profit-taking on the short US 2 year exposure when the yield moved above 60bps. For this reason, the move lower in US yields at the end of the month was of reduced impact, whilst option-based hedging against 5 and 10 year yield volatility was positive for returns.

The largest single contributors to the positive performance in December were from the Target Fund Manager's short positions in both US 2 year and German 5 year yields. Emerging Market positions were also strongly beneficial – South African Local Currency bonds in particular, despite the currency risk of the bonds being largely hedged. Egyptian Hard Currency bonds also performed well. Smaller positive contributions were derived from taking profits on an inflation swap position that was built in November when 10 year US breakevens were close to 3% (the position was exited with the breakeven nearer 2.7%) and option-based hedging against US 10 year yields moving higher. On the negative side, the Target Fund's holdings in Russian Local Currency Sovereign debt led to slight negative contributions as tensions around Ukraine persisted.

Although many of the Target Fund's risky asset positions were impacted by the volatility in January, the largest single contributor was the exposure to Russia. It is the Target Fund Manager's belief that President Putin's aims are to discourage NATO membership on his borders and to bring Nordstream II online. The Target Fund Manager continue to believe that large-scale invasion of Ukraine is unlikely, that the tensions will subside and that, when inflationary pressures in Russia moderate later this year, the Central Bank will be in a strong position to cut rates. Russia remains a conviction position. Elsewhere in Emerging Markets, positives were to be found – the Target Fund Manager's South African local currency sovereign delivered positive returns to the portfolio. Likewise the short position in 2 year US Treasuries was highly beneficial as the yield curve rose and flattened.

Source: Nomura Asset Management U.K. Ltd

Summary of Asset Allocation

	31 January 2022
Target Fund	97.55%
Cash and Others#	2.45%
Total	100.00%

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

Review of Market (9 February 2021 to 31 January 2022)

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.

Surely the greatest topic amongst market participants in May was the outlook for (and reality of) inflation. US CPI was revealed at a Year-on-Year figure of 4.2%, well above consensus forecasts. Yet US yield curves finished lower by a few basis points. The Federal Reserve, and seemingly many other market participants, assumed that the inflation was at least partially driven by temporary factors associated with the re-opening of economies and supply shortages. Risk markets overall moved upward, but there was significant dispersion amongst returns, with some more growth-oriented sectors showing weakness – investors assign more weight to the long term value of companies with such characteristics, so a higher discount rate has a disproportionate impact. On the other hand, Financials, Energy and Materials sectors performed well. Credit markets showed modest positive returns, as did global sovereign bonds. The US dollar weakened against most major currency pairs, the exception being the Japanese Yen, against which it was broadly flat. Oil and other commodity prices were sharply higher during the month.

The Delta Variant of Covid 19 continued to spread, prompting increased restrictions in some areas and a pause in the planned economic re-openings across Europe. Vaccinations continued apace in developed markets however, and the vaccines appeared to offer strong protection against severe disease. Equity markets continued to test all-time highs and credit spreads tightened further, whilst US bond yields fell at the long end and rose a little at the front end.

It certainly appeared that market inflation fears were waning, and 10 year breakevens fell, reinforcing this impression. US CPI again printed high, however, at 5.0% YoY, and the oil price (WTI) climbed well above $70 per barrel. The USD was weaker against almost all global peers. 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.

All eyes were on the Federal Reserve on the run-in to the Jackson Hole meeting of central bankers. A number of Federal Open Market Committee ("**FOMC**") members appeared to do their best to reduce any potential shock from that meeting by discussing the tapering of Fed quantitative easing later in the year. The minutes of the July FOMC meeting also poured cold water on Jackson Hole surprise, revealing that a majority of participants could see tapering later in 2021 as appropriate, subject to the economy continuing to perform in line with their expectations. The minutes seemed at pains to highlight that conditions for rate rises were far from being met. On the employment side, non-farm payrolls was slightly above expectations, and inflation also remained elevated at 5.4% YoY (CPI), whilst retail sales and surveys of consumer confidence were more muted than of late – possibly pushed lower by both higher prices and the rise in Covid Delta variant cases. US Treasury yields did rise slightly along most of the curve, but only by a few basis points. Other developed market rates were generally stable. Data from China was generally weak and expectations rose of the People's Bank of China reducing bank reserve ratio requirements. The prospect of regulatory action weighed against a number of debt and equity sectors, with luxury firms in particular suffering. In politics, President Biden's stimulus bill passed the Senate and made substantial progress through the House of Representatives. The US withdrawal from Afghanistan proved to be chaotic but, whilst scenes from Kabul were distressing, they did not move markets. Equity markets marched relentlessly higher, whilst credit returns were far more muted. Oil gave back some recent gains to below $70. As for currencies, the USD was strong against major peers while some EM currencies were appreciated against USD.

China featured heavily in headlines over the month of September. On the positive side, the release of Huawei's Chief Financial Executive from house arrest in Canada prompted the release of Canadian detainees in China. This event had little market impact but potentially allows other negotiations with the West to proceed more smoothly. Concerns over the Chinese property sector grew during the month of September as major developer Evergrande defaulted on debt interest payments. The Chinese government stepped-in to encourage banks and state-owned enterprises to take on Evergrande's projects and ensure an orderly default and prevent contagion into the broader housing market or financial system. Into this backdrop stepped a more hawkish FOMC, which responded to inflationary concerns from continuing supply shortages by preparing the market for a tapering of quantitative easing which would conclude in the middle of 2022 – faster than the majority of market participants expected. Further, the FOMC members moved forward their expectations for interest rate rises, with exactly half of the Committee predicting a lift-off in 2022, earlier than previously signalled. Nowhere were supply shortages more evident than in the UK, where a lack of qualified truck drivers led to fears that petrol stations could run short of fuel. This in turn led to panic-buying by consumers which fulfilled the prophesy – many petrol stations closed as they ran out of fuel. This backdrop of uncertainty led risk assets to sell off sharply towards month end, including EM bonds, currencies and equities. Japan alone bucked the trend of weaker equity markets after it performed very strongly in the first half of the month. The USD was stronger against all global peers. Credit markets were generally weak and there was a significant move higher in the US yield curve in response to the Fed. Other global bond yields followed the US curve higher; UK Gilt yields moved sharply higher, whilst moves in other major curves were more modest.

Inflationary concerns gathered momentum, whilst strong earnings releases evidenced companies' power to pass on costs to consumers. The latter supported equity markets (Japan was a notable exception), but bond markets came under significant pressure, with Treasury yields moving sharply higher at the front end of the curve, whilst dropping at the long end. The Bank of Canada ceased Quantitative Easing purchases, New Zealand raised rates and the Bank of England signalled imminent hikes. Spreads generally were under pressure too, with Peripheral Europe and credit (investment grade or otherwise) all producing negative returns. Emerging markets showed volatility and mixed results. Yield curves were under upward pressure. The two currencies most relevant to the Fund's positioning were ZAR (which initially showed strength before declining prior to month end) and RUB which (which followed a similar pattern but was stronger overall). Many developed market currencies gained against the USD, but JPY was an exception, and the EUR was almost flat. Commodities were broadly positive over the month, with oil (WTI) climbing to over $83 per barrel.

Bond yields continued to track higher due to rising inflation concerns and an expectation of tighter monetary policy from the Federal Reserve, but this move stalled close to month end with the emergence of a new variant of Covid 19, "Omicron" that appeared to show a high degree of transmissibility. European nations (that were already suffering from higher case rates) introduced further restrictions to limit the spread of the virus, including severely limiting travel to and from Southern African nations. Risk markets sold off, safe havens rallied and the move was exacerbated by (newly reappointed Fed Chair) Jerome Powell adopting a distinctly more hawkish tone. Oil plummeted close to 20% over the month of November, equity indices fell and credit spreads (particularly in high yield markets) widened. The US dollar strengthened, and emerging market and oil-related currencies fell more than most.

In December, risk markets recovered from a brief November-end hiccup caused by the "omicron" variant of Covid-19. Data gradually emerged that the variant was (as suspected) highly transmissible but that incidences of severe disease were more limited than for previous variants. Cases in many countries mounted and restrictions on travel were tightened in some countries. Inflation figures continued to daunt central banks. The Federal Reserve announced that its "tapering" of quantitative easing would be accelerated, asset purchases falling each month by $30bn. This brought the projected end of Federal Reserve quantitative easing forward to March 2022. The ECB also announced an extremely gradual tapering of its asset purchases. It announced that the Pandemic Emergency Purchase Program ("PEPP") would end as expected in March 2022, but the Asset Purchase Program ("APP") would continue, reducing from a monthly €40bn in Q2 2022 to €30bn in Q3 and €20bn thereafter. The Bank of England meanwhile put up interest rates by an almighty 15bps from 10bps to 25bps in response to its own inflationary concerns. Sterling climbed. Equity markets sailed higher, regardless. Oil recovered some of the ground lost in November. Credit spreads tightened on the run into the holiday season, and US Treasury yields moved higher along the curve but particularly at the front end, dragging other government bonds with them (the German 30 year yield moved positive once more). The Yen weakened against major peers, whilst commodity-sensitive currencies performed strongly and the Euro gained a little against the US dollar.

Two themes dominated capital markets in the month of January – monetary policy and Ukraine. Markets increasingly priced-in multiple rate hikes by the Federal Reserve in both 2022 and 2023, with a lift-off expected in March 2022. Inflation continued at elevated levels globally, with US CPI printing at 7% year on year and Eurozone CPI above 4%. The presence of Russian troops near the Ukrainian border was interpreted by some as a threat of invasion, and led to the US and UK, amongst others, evacuating the families of diplomatic staff and discussing the potential for various sanctions on Russia and its leaders. With significant dependency of European powers on Russian gas supplies, much of which are piped through Ukraine, politicians in Continental Europe have been keen to negotiate and reluctant to threaten action against Russia. The situation surrounding Ukraine remained tense at month end, with negotiations continuing. Both themes weighed on risk markets, with equity markets meaningfully lower and credit spreads higher. Oil prices rose significantly. The US yield curve moved substantially both higher and flatter, dragging both global government and investment grade credit returns negative. In currency markets, the US dollar strengthened once more against major peers. Amongst Emerging Market currencies, South African Rand was markedly strong – the South African Reserve Bank hiked rates in January.

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 500,000	1	444,459.43
500,000 - to 1,000,000	-	-
1,000,001 to 5,000,000	-	-
5,000,001 to 10,000,000	-	-
10,000,001 to 15,000,000	-	-
15,000,001 to 20,000,000	-	-
20,000,001 and above	-	-
Total	1	444,459.43

Fund - Class MYR

Size of holdings (units)	No. of unitholders	No. of units held*
Less than 500,000	1	10,000.00
500,000 - to 1,000,000	1	513,233.62
1,000,001 to 5,000,000	-	-
5,000,001 to 10,000,000	-	-
10,000,001 to 15,000,000	-	-
15,000,001 to 20,000,000	-	-

Size of holdings (units)	No. of unitholders	No. of units held*
20,000,001 and above	1	22,213,792.70
Total	3	22,737,026.32

** Note: Excluding Manager's Stock.*

INCOME DISTRIBUTION

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

FUND DATA

As at 31 January 2022*	Class USD	Class MYR
Total NAV (USD)	442,745	5,482,732
NAV per Unit	0.9961	1.0089
Unit in Circulation	444,460	22,737,026
Highest NAV	1.0133	1.0346
Lowest NAV	0.9947	0.9840

** All information is in its respective class currency unless otherwise stated.*

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

NOMURA GLOBAL DYNAMIC BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021
(DATE OF LAUNCH) TO 31 JANUARY 2022

NOMURA GLOBAL DYNAMIC BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

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NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021
(DATE OF LAUNCH) TO 31 JANUARY 2022

	Note	Financial period from 2.2.2021 (date of launch) to 31.1.2022 USD
INVESTMENT INCOME		
Net gain on financial assets at fair value through profit or loss ("FVTPL")	3	26,653
		26,653
OTHER INCOME		
Net loss on foreign currency exchange		(3,255)
		(3,255)
EXPENSES		
Management fee	4	(69,865)
Trustee fee	5	(1,555)
Auditors' remuneration		(2,489)
Tax agent's fee		(1,336)
Other expenses		(525)
		(75,770)
LOSS BEFORE TAXATION		(52,372)
TAXATION	6	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		(52,372)
Decrease in net assets attributable to unitholders is made up of the following:		
Realised amount		(18,091)
Unrealised amount		(34,281)
		(52,372)

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2022

	Note	As at 31.1.2022 USD
ASSETS		
Cash and cash equivalents	7	101,238
Financial assets at fair value through profit or loss ("FVTPL")	3	5,780,157
Amount due from Manager	8	27,833
Amount due from Provider	9	790,854
TOTAL ASSETS		6,700,082
LIABILITIES		
Amount due to Manager	10	771,068
Amount due to Trustee		168
Auditors' remuneration		2,489
Tax agent's fee		880
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		774,605
NET ASSET VALUE OF THE FUND		5,925,477
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		5,925,477

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2022 (CONTINUED)

	Note	As at 31.1.2022 USD
REPRESENTED BY		
FAIR VALUE OF OUTSTANDING UNITS (USD)		
MYR Class		5,482,732
USD Class		442,745
NUMBER OF UNIT IN CIRCULATION (UNITS)		
MYR Class	11(a)	22,737,026
USD Class	11(b)	444,460
NET ASSET VALUE PER UNIT (USD)		
MYR Class		0.2411
USD Class		0.9961
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
MYR Class		1.0089
USD Class		0.9961

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

	Financial period from 2.2.2021 (date of launch) to 31.1.2022 USD
Net assets attributable to unitholders at the date of launch	-
Movement due to units created and cancelled during the financial period:	
Creation of units from applications	
MYR Class	6,681,532
USD Class	1,682,458
	8,363,990
Cancellation of units	
MYR Class	(1,144,077)
USD Class	(1,242,064)
	(2,386,141)
Decrease in net assets attributable to unitholders during the financial period	(52,372)
Net assets attributable to unitholders at the end of financial period	5,925,477

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

	Note	Financial period from 2.2.2021 (date of launch) to 31.1.2022 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceed from sale of investments		1,130,848
Purchase of investments		(7,733,622)
Management fee paid		(62,039)
Rebate on management fee		30,584
Trustee fee paid		(1,387)
Tax agent fee paid		(456)
Payment for other fees and expenses		(525)
Net realised foreign exchange loss		(2,460)
Net cash used in operating activities		(6,639,057)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units		8,363,990
Payments for cancellation of units		(1,623,695)
Net cash generated from financing activities		6,740,295
NET INCREASE IN CASH AND CASH EQUIVALENTS		101,238
EFFECTS OF FOREIGN CURRENCY EXCHANGE		-
CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH		-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	101,238

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of Nomura Global Dynamic Bond Fund (the "Fund") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

(i) Standards and amendments to existing standards effective 1 January 2021.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Fund.

(ii) New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B PRESENTATION AND FUNCTIONAL CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency").

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in United States Dollar ("USD") primarily due to the following factors:

i) Significant portion of the net asset value ("NAV") is invested in the form of collective investment scheme denominated in USD.
ii) Significant portion of the Fund's expenses are denominated in USD.

The financial statements are presented in USD, which is the Fund's presentation and functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

C INCOME RECOGNITION

For collective investment scheme ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year.

E CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021
(DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and amount due from Provider as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee, auditor's remuneration and tax agent's fee as financial liabilities measured at amortised cost.

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit of loss are measured at fair value.

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are recognised in the statement of comprehensive income with net gain or loss on financial assets at fair value through profit or loss in the financial year in which they arise.

Collective investment scheme is valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

(iii) Impairment

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

G UNITHOLDERS' CAPITAL

The unitholders' contribution to the Fund meet the definition of puttable instruments classified as financial liability under MFRS132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in two classes of units, known respectively as the USD Class and MYR Class, which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Information Memorandum and Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. The units are classified as financial liabilities.

Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholders exercise the right to put back the unit to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 2 FEBRUARY 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

H AMOUNT DUE FROM/TO PROVIDER

Amounts due from/to Provider represent receivables for collective investment scheme sold and payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from provider at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the Provider, probability that the Provider will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Provider as any contractual payment which is more than 30 days past due.

Any contractual payment which is more than 90 days past due is considered credit impaired.

I MANAGEMENT FEE REBATE

Management fee rebate derived from the Manager on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

J INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

1 INFORMATION ON THE FUND

Nomura Global Dynamic Bond Fund (the "Fund") was constituted pursuant to the execution of a Master Deed (the "Deed") dated 19 November 2020 entered into between Nomura Asset Management Malaysia Sdn Bhd (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 2 February 2021 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 25 of the Deed.

The Fund may invest in one (1) collective investment scheme, deposits and money market instruments, derivatives instruments including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes, and any other form of investments as may be determined by the Manager from time to time that is in line with the Fund's 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.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

As at 31.1.2022	Note	Financial assets at amortised cost USD	Financial assets at fair value through profit or loss USD	Total USD
Cash and cash equivalents	7	101,238	-	101,238
Financial assets at fair value through profit or loss ("FVTPL")	3		5,780,157	5,780,157
Amount due from Manager	8	27,833	-	27,833
Amount due from Provider	9	790,854	-	790,854
Total		919,925	5,780,157	6,700,082

All current liabilities are financial liabilities which are carried at amortised cost.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Fund is exposed to a variety of risks which include liquidity risk, credit risk, capital risk, market risk (inclusive of price risk and currency risk), country risk, concentration risk and fund management risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Liquidity risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by the unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days. The Fund aims to reduce its liquidity risk by maintaining a prudent level of liquid assets.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
As at 31.1.2022			
Accrued management fees	7,827	-	7,827
Amount due to Manager	763,241	-	763,241
Amount due to Trustee	168	-	168
Other payables and accruals	-	3,369	3,369
Net assets attributable to unitholders	-	5,925,477	5,925,477
Contractual cash out flows	771,236	5,928,846	6,700,082

* Outstanding units are redeemed on demand at the unitholders' option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit or principals payment on the maturity date. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund. In the case of the Fund, the Manager will endeavor to minimise the risk by selecting only licensed financial institutions with acceptable credit ratings.

For amount due from Manager, the settlement terms of units receivable from the Manager are governed by the SC guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Analysis of deposits with licensed financial institutions and bank balances by rating agency designation are as follows:

	Bank balances USD	Amount due from Provider USD	Amount due from Manager USD	Total USD
As at 31.1.2022				
Financial institutions				
- AA1	101,238	-	-	101,238
- Not Rated	-	790,854	27,833	818,687
	101,238	790,854	27,833	919,925

The financial assets of the Fund are neither past due or impaired.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of USD 5,925,477. The amount of net assets attributable to unitholder can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Market risk

(a) Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from currency risk).

The Fund's overall exposures to price risk are as follows:

	As at 31.1.2022 USD
Financial assets at fair value through profit or loss:	
Collective investment scheme	5,780,157

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of investments at the end of each reporting year. The analysis is based on the assumptions that the price of the investments fluctuates by 5% with all other variables held constant.

	Change in price of investments %	Market value USD	Impact on profit after tax and net asset value USD
As at 31.1.2022			
Financial assets at fair value through profit or loss:			
- Collective investment scheme	+ 5	6,069,165	289,008
	- 5	5,491,149	(289,008)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(b) Currency risk

Currency risk is associated with investments denominated in Ringgit Malaysia. When the foreign currency fluctuates in an unfavorable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/loss. The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest differentials, balance of payments position, debt levels, and technical chart of considerations.

The following tables set out the foreign currency risk concentrations and counterparties of the Fund:

	Ringgit Malaysia USD	Total USD
2022		
Financial assets		
Cash and cash equivalents	67,170	67,170
Financial liabilities		
Amount due to manager	763,241	763,241
Auditor's remuneration	2,489	2,489
Tax agent's fee	880	880
Net assets attributable to unitholders	5,482,732	5,482,732

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(b) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in a foreign exchange rate, having regard to historical volatility of this rate. Any increase/ (decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholder by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive and negative.

	% Change in foreign exchange rate	Impact on profit after tax and NAV 2022 USD	
Ringgit Malaysia	+/- 5	(309,109)	309,109

Country Risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is possibility that the NAV of the Fund may be adversely affected.

Concentration Risk

The Fund, as a feeder fund, invests significantly all its assets in a CIS, any adverse effect on the CIS will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the CIS. This risk may be mitigated as the Manager is allowed to take temporary defensive positions in response to adverse market conditions. The Manager is also able to substitute the CIS with another fund with similar objective of the Fund if, in the Manager's opinion, the CIS no longer meets the Fund's objective subject to the unitholders' approval.

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective fund. With close monitoring by various relevant internal parties, investment management system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of the unitholders.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets and liabilities traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodology and assumptions:

(i) For bank balance, the carrying value is a reasonable estimate of fair value.

(ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short term nature.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31.1.2022				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	5,780,157	-	-	5,780,157

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment scheme. The Fund does not adjust the quoted prices for these instruments.

The carrying values of cash and cash equivalents, amount due from Manager, amount due from Provider and all current liabilities are reasonable approximation of the fair value due to their short-term nature.

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	2022 USD
At FVTPL:	
- Collective investment scheme – foreign	5,780,157

	Financial period from 2.2.2021 (date of launch) to 31.1.2022 USD
Net gain on financial assets at FVTPL	
- realised gain on sale of investments	1,722
- unrealised loss	(33,486)
- management fee rebate on collective investment scheme #	58,417
	26,653

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in collective investment scheme have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the NAV of the collective investment scheme.

Collective investment scheme – foreign as at 31 January 2022 is as follows:

	Quantity Units	Aggregate Cost USD	Fair Value USD	Percentage of NAV %
Nomura Funds Ireland - Global Dynamic Bond Fund (Class A USD)	50,648	5,813,643	5,780,157	97.55

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 1.40% per annum of the NAV of each Class of the Fund calculated and accrued on a daily basis.

For the financial period from 2 February 2021 (date of launch) to 31 January 2022, the management fee is recognised at a rate of 1.40% per annum on the NAV of each Class of the Fund, calculated on a daily basis for the financial period.

There will be no further liability to the Manager in respect of the management fee other than the amounts recognised above.

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.03 % per annum of the NAV of each Class of the Fund but total trustee fee is subject to a minimum fee of RM 12,000 (equivalent to USD 2,868) per annum (excluding foreign sub-custodian fees and charges).

For the financial period from 2 February 2021 (date of launch) to 31 January 2022, the Trustee fee is recognised at a rate of 0.03 % per annum on the NAV of the Fund, exclusive of foreign sub-custodian fees and charges, calculated on a daily basis for the financial period.

There will be no further liability to the Trustee in respect of the trustee fee other than the amounts recognised above.

6 TAXATION

	Financial period from 2.2.2021 (date of launch) to 31.1.2022 USD
Current taxation – local	-

The numerical reconciliation between loss before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	Financial period from 2.2.2021 (date of Launch) to 31.1.2022 USD
Loss before taxation	(52,372)
Taxation at Malaysian statutory rate of 24%	(12,569)
Tax effect of:	
Investment income not subject to tax	(414)
Investment loss not deductible for tax purpose	8,818
Expenses not deductible for tax purposes	1,155
Restriction on tax deductible expenses for Wholesale Funds	3,010
Taxation	-

7 CASH AND CASH EQUIVALENTS

	As at 31.1.2022 USD
Cash and bank balances	101,238

8 AMOUNT DUE FROM MANAGER

	As at 31.1.2022 USD
Creation of units	-
Rebate on management fee	27,833
	27,833

9 AMOUNT DUE FROM PROVIDER

	As at 31.1.2022 USD
Sale of investments	790,854

10 AMOUNT DUE TO MANAGER

	As at 31.1.2022 USD
Cancellation of units	763,241
Management fee	7,827
	771,068

11 NUMBER OF UNITS IN CIRCULATION

	As at 31.1.2022 No. of units
(a) MYR CLASS	
At beginning of the financial year	-
Creation of units during the financial year arising from applications	27,461,223
Cancellation of units	(4,724,197)
At end of the financial year	22,737,026

11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

(b) USD CLASS	As at 31.1.2022 No. of units
At beginning of the financial year	-
Creation of units during the financial year arising from applications	1,677,521
Cancellation of units	(1,233,061)
At end of the financial year	444,460

12 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the provider of the CIS for the financial year ended 31 January 2022 is as follows:

Name of Provider	Value of trade USD	Percentage of total trade %
Brown Brothers Harriman and Co.	9,655,324	100

The financial institution above is not related to the Manager.

13 MANAGEMENT EXPENSE RATIO ("MER")

	Financial period from 2.2.2021 (date of launch) to 31.1.2022
	%
MER	0.35

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E) \times 100}{F}$$

A = Management fee (net of management fee rebate)
B = Trustee's fee
C = Audit fee
D = Tax agent's fee
E = Other expenses
F = Average NAV of Fund calculated on daily basis

The average NAV of the Fund for the financial period from 2 February 2021 (date of launch) to 31 January 2022 calculated on a daily basis is USD5,004,034.

14 PORTFOLIO TURNOVER RATIO ("PTR")

	Financial period from 2.2.2021 (date of launch) to 31.1.2022
PTR (times)	0.97

PTR is derived from the following calculation:

$$\frac{\text{(Total acquisition for the financial period + total disposal for the financial period)} \div 2}{\text{Average NAV of the Fund for the financial period calculated on daily basis}}$$

Where: total acquisition for the financial year = USD7,733,622
total disposal for the financial year = USD1,921,702

15 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related party of and its relationship with the Fund are as follows:

Related party	Relationship
Nomura Asset Management Malaysia Sdn Bhd	The Manager

There were no units held by the Manager and parties related to the Manager.

16 COMPARATIVES

There are no comparative figures as this is the first set of annual financial statements prepared since the launch of the Fund.

17 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's NAV/unit in future periods.

The Manager is monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

18 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 30 March 2022.

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT BY THE MANAGER

We, Leslie Yap Kim Loong and Atsushi Ichii, being two of the Directors of Nomura Asset Management Malaysia Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 1 to 26 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 January 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period from 2 February 2021 (date of launch) to 31 January 2022 in accordance with the Malaysian Financial Reporting Standards, and International Financial Reporting Standards.

For and on behalf of the Manager,
NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD

LESLIE YAP KIM LOONG
Managing Director

ATSUSHI ICHII
Director

Kuala Lumpur

30 MAR 2022

Deutsche Trustees Malaysia Berhad
Registration No: 200701005591 (763590-H)

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8 Jalan Sultan Ismail
50250 Kuala Lumpur

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TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF NOMURA GLOBAL DYNAMIC BOND FUND

We have acted as Trustee for Nomura Global Dynamic Bond Fund (the "Fund") for the financial period from 02 February 2021 (date of launch) to 31 January 2022. To the best of our knowledge, for the financial period under review, Nomura Asset Management Malaysia Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:-

(a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework, the Capital Markets and Services Act and other applicable laws;

(b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and

(c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Jiva Munusamy
Head, Client Management

Kuala Lumpur

30 MAR 2022

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INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA GLOBAL DYNAMIC BOND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Nomura Global Dynamic Bond Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 January 2022, and of its financial performance and its cash flows for the financial period from 2 February 2021 (date of launch) to 31 January 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 January 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial period from 2 February 2021 (date of launch) to 31 January 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 26.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
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INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA GLOBAL DYNAMIC BOND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA GLOBAL DYNAMIC BOND FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

(d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern

(e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA GLOBAL DYNAMIC BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401 –LCA & AF 1146
Chartered Accountants

Kuala Lumpur
30 March 2022