

Nomura Global Dynamic Bond Fund - Class USD

April 2023

Fund Commentary and Strategy

During the month, the Fund was mainly invested in the Target Fund.

Commentary from the Target Fund Manager

Markets in April: Inflation fell, but probably not by enough to deter the Federal Reserve (Fed) from hiking in May, the US economy showed further signs of slowing, Organization of the Petroleum Exporting Countries (OPEC) cut production and First Republic Bank was absorbed by JPM. Risk assets with the exception of Emerging Markets were positive, the US curve was higher at the very front end, but generally lower further out.

The whole Financials exposure was positive, not just the AT1s/ coco allocation. Emerging Markets exposures were mixed – Egypt, South Africa negative, Brazil, CEE positive. High Yield and Converts allocations made modest positive contributions too. Credit default swap (CDS) and equity puts were a slight drag.

An increase in protective hedging is the major shift in portfolio allocation over the month. The team's view is that the banking volatility will lead to a tightening in financial conditions. This in turn makes a recession more likely than before. And the banking volatility is unlikely to be at an end, given that deposit outflows could well continue.

Expectation of further volatility in risk assets, combined with a substantial drop in the pricing of volatility, led the team to increase hedging. Total CDS protective positions (against Investment Grade, HY and Financial spreads moving wider) had a notional size equivalent to 25% of the Target Fund by month end. This was allied to equity put hedging (S&P, Nikkei, Eurostoxx indices) with a delta-adjusted size equivalent to 4% of the Target Fund. This degree of hedging is very meaningful. In addition, the Target Fund's duration is elevated to 7.76 at month end - this also reflects confidence in bond markets which should perform strongly with a weaker economic tone.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	6 Month
	31/12/2022	31/3/2023	31/1/2023	31/10/2022
	To	To	To	To
	30/4/2023	30/4/2023	30/4/2023	30/4/2023
Fund	2.68	0.68	-2.19	6.59

Cumulative Fund Returns (%)

	1 Year	Since Commencement
	30/4/2022	08/03/2021
	To	To
	30/4/2023	30/4/2023
Fund	-4.18	-12.53

Calendar Year Returns (%)

	2022	2021
Fund	-15.82	1.20

Source: Refinitiv Lipper

Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

There were no units in circulation for the period from 2 February 2021 to 5 March 2021. As such, the Fund's performance figures are only available from 8 March 2021 onwards. Calendar year returns for 2021 are measured from 8 March 2021.

FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

Fund Objectives

The Fund aims to achieve long term capital growth by investing in Nomura Funds Ireland – Global Dynamic Bond Fund ("Target Fund") which invests primarily in foreign fixed income securities.

Target Fund

Nomura Funds Ireland – Global Dynamic Bond Fund

Benchmark

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

Distribution Policy

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.

Key facts

Launch Date	2-Feb-2021
Fund Category	Bond Feeder (Wholesale)
Year End	31 January
Fund Size	USD 3.78 million
Class Size	USD 0.30 million
Units in Circulation (Class USD)	0.35 million
NAV per Unit (Class USD)	USD 0.8729
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	Within 10 business days

Application fee

Up to 3.00% of the NAV per Unit.

Management fee

Up to 1.40% per annum of the NAV of the Class.

Trustee fee

Up to 0.03% per annum of the NAV of the Fund, subject to a minimum yearly fee of RM12,000.00.

Asset Allocation (%)

Target Fund	99.63
Cash and Others*	0.37

* Included in 'Cash and Others' are cash on hand and net current assets / liabilities. Net current liabilities include amounts which are accrued (but not due and payable)

Rating Profile (%)

AAA	18.66
AA	0.51
A	9.20
BBB	22.98
BB	25.90
B	9.39
Cash & other	13.37

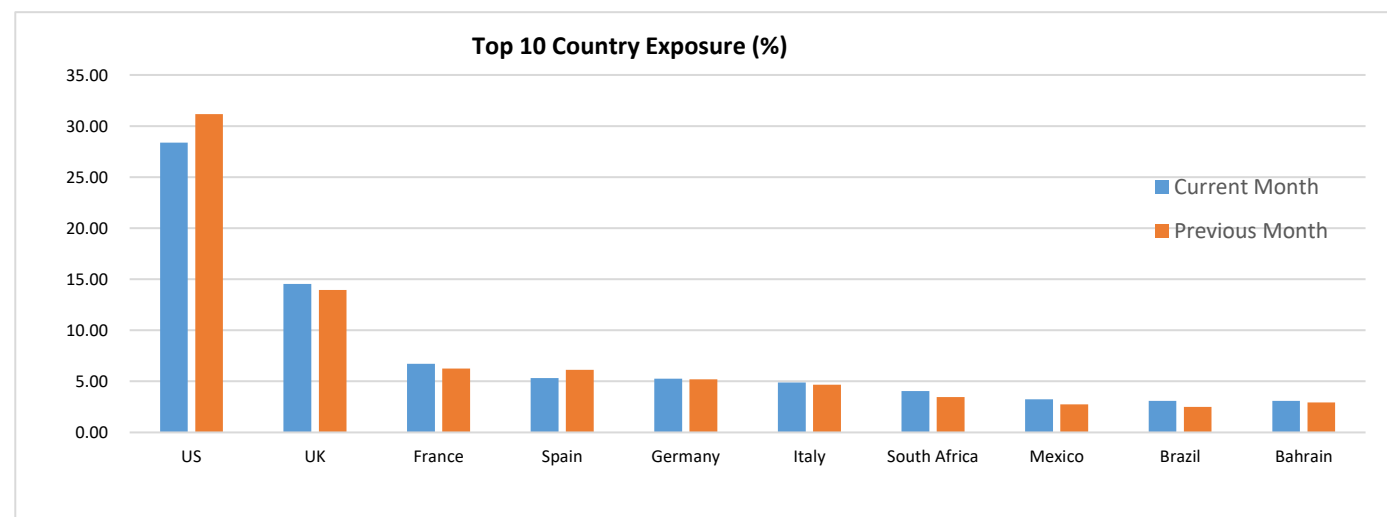
Top 5 Holdings of Target Fund (%)

US TREAS 2.875% 05/15/32	7.44
US TREAS NTS 3.62 03/31/28	4.88
US TREAS 3.25% 05/15/42	3.60
US TREAS 2.375% 03/31/29	2.74
REPUBLIC OF S 9% 01/40	1.68

Maturity Profile in years (%)

0-1	2.35
1-3	9.59
3-5	20.01
5-7	9.32
7-10	14.90
10-15	5.06
+15	34.20
Cash & Other	4.57

Top 10 Country Exposure of Target Fund (%)



All data presented are as of 28 April 2023 unless otherwise specified.

Data in relation to the Target Fund is sourced from Nomura Asset Management U.K. Ltd.

Percentages may not add up to 100% due to rounding.

Disclaimer:

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