

Nomura Global Dynamic Bond Fund

Quarterly Report and Financial Statements
for the Period Ended 31 October 2023

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

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.

Fund Type

Growth

Benchmark

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

Performance as at 31 October 2023 (%)

	3 Months (01/Aug/23 – 31/Oct/23)	6 Months (01/May/22 – 31/Oct/23)	1 Year (01/Sep/22– 31/Oct/23)	Since Commencement (09/Feb/21 – 31/Oct/23)*
Fund – Class MYR	2.96	4.25	4.79	-1.82
Fund – Class USD*	-2.56	-2.42	4.02	-14.64

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 October 2023 (%)

	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 Sdn. Bhd. (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 (1 August 2023 to 31 October 2023)

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

Performance Review of the Target Fund (1 August 2023 to 31 October 2023)

In August, Areas of the portfolio that held up relatively well include HY, Convertibles (despite sharply negative index returns) and some EMs, including Brazil. Credit Default Swap (CDS) hedging also helped to mitigate the downside. Areas that detracted included Egypt, Mexico, AT1s (despite the vast majority of these securities continuing to be called at the first available date, including some of the Target Fund's positions) and duration, given the yield curve move. The Target Fund's duration has been biased toward the 5-7 year point of European and US curves, with a proportion implemented through options, limiting the downside. Nonetheless, the Target Fund Manager estimate that duration exposure throughout the portfolio drove approximately half of the negative move in August.

In September, the negative return of the Target Fund in September was almost entirely due to duration - sensitivity to bond yields moving higher. The impact was mitigated to a degree by a reduction in duration sensitivity following the Fed's "hawkish pause".

Exposure to EM and Convertibles were also marginally negative, whilst there were some (perhaps surprising) areas of strength in the portfolio, including High Yield, cocos / AT1s and Egypt sovereign exposure.

Convertibles detracted 10bps from performance; our relatively conservative positioning within the asset class helping to limit losses. Cocos / AT1s contributed positively a few basis points, despite the asset class as a whole giving negative returns over the month. Some EM exposures (Brazil, Egypt) held up well amidst the gloom, but exposure to Mexico detracted approximately 15bps. CDS-based hedging contributed a few bps positively, but index spread levels remained stubbornly low.

In October, Holdings in Egypt detracted 2bps, Bahrain 10bps. Egypt was volatile, but recovered strongly in the latter half of the month. Duration was again negative, remaining approx. 5.5 at month end. Convertibles exposures were also unsurprisingly negative but by less than 20bps. On the positive side, the CDS positions contributed 7bps, our AT1 holdings did very well, contributing 12bps, and HY holdings were also positive 7bps despite the backdrop.

Source: Nomura Asset Management U.K. Limited

Summary of Asset Allocation

	<u>31 October 2023</u>	<u>31 July 2023</u>
Target Fund	99.77%	98.47%
Cash and Others [#]	0.23%	1.53%
Total	100.00%	100.00%

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

Review of Market (1 August 2023 to 31 October 2023)

In August, Bond yield curves moved higher and steeper. Equity markets were generally negative, Emerging Markets (EMs) were particularly weak, credit spreads widened. High Yield (HY) markets performed relatively well, supported by the coupon.

In September, September was another brutal month for bond markets, with US Treasury yields surging higher and steeper and pushing almost all bond market returns negative. To an extent the driver was “higher for longer” rate expectations from the Federal Reserve and more optimism that the US could avoid a recession in the near term, but there was also a sense towards month end of large-scale position changing and a lack of buyers.

In October, Equity markets sold off, dragging other risk markets with them, whilst US Treasury yields were extremely volatile; generally trending higher but with a significant move down. European government bond curves were similarly volatile but ultimately moved much less.

Source: Nomura Asset Management U.K. Limited

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.

INCOME DISTRIBUTION

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

FUND DATA

As at 31 October 2023*	Class USD	Class MYR
Total NAV (USD)	295,190	3,791,049
NAV per Unit	0.8518	0.9818
Unit in Circulation	346,542	18,388,463
Highest NAV	0.8743	0.9821
Lowest NAV	0.8473	0.9554

* 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 ENDED 31 OCTOBER 2023

NOMURA GLOBAL DYNAMIC BOND FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023

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NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Financial period from 1-8-2023 to 31-10-2023 USD	Financial period from 1-8-2022 to 31-10-2022 USD
INVESTMENT LOSS		
Net loss on financial assets at fair value through profit or loss ("FVTPL")	(77,911)	(221,037)
Net (loss)/income on foreign currency exchange	(6,329)	353
Gross Loss	<u>(84,240)</u>	<u>(220,684)</u>
EXPENSES		
Management fee	13,284	10,672
Trustee's fee	713	766
Audit fee	628	607
Tax agent's fee	290	249
Other expenses	67	111
	<u>14,982</u>	<u>12,405</u>
LOSS BEFORE TAXATION	(99,222)	(233,089)
TAXATION	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(99,222)</u>	<u>(233,089)</u>
Loss after taxation is made up as follows:		
Realised amount	(27,957)	(47,837)
Unrealised amount	<u>(71,265)</u>	<u>(185,252)</u>
	<u>(99,222)</u>	<u>(233,089)</u>

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2023

	31-10-2023 USD	31-10-2022 USD
ASSETS		
Financial assets at fair value through profit or loss ("FVTPL")	4,076,738	2,789,184
Amount due from Manager	4,078	2,820
Cash and cash equivalents	14,243	32,243
TOTAL ASSETS	4,095,059	2,824,247
LIABILITIES		
Accrued management fee	4,842	3,324
Amount due to Trustee	240	258
Other payables and accruals	3,738	3,421
TOTAL LIABILITIES	8,820	7,003
NET ASSET VALUE	4,086,239	2,817,244
UNITHOLDER'S FUNDS		
Unitholders' capital	4,791,359	3,615,742
Accumulated losses	(705,120)	(798,498)
NET ASSET ATTRIBUTABLE TO UNITHOLDERS		
- CLASS MYR	3,791,049	2,533,445
- CLASS USD	295,190	283,799
	4,086,239	2,817,244
UNITS IN CIRCULATION		
- CLASS MYR	18,388,463	12,779,417
- CLASS USD	346,542	346,542
	18,735,005	13,125,959
NET ASSET VALUE PER UNIT IN USD		
- CLASS MYR	0.2062	0.1982
- CLASS USD	0.8518	0.8189
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- CLASS MYR	0.9818	0.9369
- CLASS USD	0.8518	0.8189

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Unitholders' capital USD	Accumulated losses USD	Total USD
Balance as at 1 August 2022	3,826,035	(565,409)	3,260,626
Movement in unitholders' contribution:			
Creation of units from applications			
- CLASS MYR	22,671	-	22,671
Cancellation of units			
- CLASS MYR	(232,964)	-	(232,964)
Total comprehensive loss for the financial period	-	(233,089)	(233,089)
Balance as at 31 October 2022	<u>3,615,742</u>	<u>(798,498)</u>	<u>2,817,244</u>
Balance as at 1 August 2023	4,289,474	(605,898)	3,683,576
Movement in unitholders' contribution:			
Creation of units from applications			
- CLASS MYR	714,583	-	714,583
Cancellation of units			
- CLASS MYR	(212,698)	-	(212,698)
Total comprehensive loss for the financial period	-	(99,222)	(99,222)
Balance as at 31 October 2023	<u>4,791,359</u>	<u>(705,120)</u>	<u>4,086,239</u>

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2023

	Financial period from 1-8-2023 to 31-10-2023 USD	Financial period from 1-8-2022 to 31-10-2022 USD
CASH FLOWS FROM OPERATING		
Proceeds from sale investments	152,173	250,450
Net (loss)/gain on foreign exchange	(6,269)	358
Purchase of investments	(690,654)	(67,359)
Management fee paid	(12,812)	(11,175)
Rebate on management fee	10,841	9,494
Trustee's fee paid	(713)	(766)
Payment for other fees and expenses	(67)	(112)
	<u>(547,501)</u>	<u>180,890</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash proceeds from creation of units	752,746	33,907
Payments for cancellation of units	(215,118)	(232,964)
	<u>537,628</u>	<u>(199,057)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(9,873)	(18,167)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>24,116</u>	<u>50,410</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>14,243</u>	<u>32,243</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>14,243</u>	<u>32,243</u>