

# **Nomura Global Dynamic Bond Fund**

Quarterly Report and Financial Statements  
For the Period Ended 31 July 2024

**MANAGER:**

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

**TRUSTEE:**

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

## Table of Contents

MANAGER'S REPORT .....	i-iii
SOFT COMMISSIONS RECEIVED FROM BROKERS .....	iv
INCOME DISTRIBUTION .....	iv
FUND DATA .....	iv

### Appendix

STATEMENT OF COMPREHENSIVE INCOME.....	1
STATEMENT OF FINANCIAL POSITION .....	2
STATEMENT OF CHANGES IN NET ASSET VALUE.....	3
STATEMENT OF CASH FLOWS .....	4

## 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 July 2024 (%)

	3 Months (01/May/24 – 31/Jul/24)	6 Months (01/Feb/24 – 31/Jul/24)	1 Year (01/Aug/23– 31/Jul/24)	3 Year (01/Aug/21– 31/Jul/24)	Since Commencement (09/Feb/21 – 31/Jul/24)*
Fund – Class MYR	-1.51	-0.42	9.04	1.05	3.98
Fund – Class USD*	2.32	2.51	7.02	-7.16	-6.24

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 July 2024 (%)

	3-Year
Fund – Class USD	6.35
Fund – Class MYR	6.33

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 May 2024 to 31 July 2024)

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

### Performance Review of the Target Fund (1 May 2024 to 31 July 2024)

In May, the large allocation to Financials contributed the majority of the positive return seen over the month, with a number of emerging markets positions (Mexico, Bahrain, Egypt) also adding to positive returns. Financials contributed 70bps to Fund performance, with AT1s accounting for almost half of the total return contribution. Mexico, Bahrain and Egypt sovereign exposures contributed a combined 24bps. The CDS index protection in total detracted 22bps – credit markets simply continued to perform.

A combination of French politics and cooling US data led to core duration markets rallying in June, which bolstered Fund performance. Credit allocations, including the dominant allocation to Financials, suffered from the credit spread component of their yield make-up, but underlying duration exposure offset the impact. Credit hedging, meanwhile, was strongly positive. The Fund's exposure to Emerging Markets fared well, driven by an allocation to South Africa, which benefited from the various political parties negotiating towards a coalition after the elections.

In July, the US Treasury market responded to cooling inflation and employment data with greater expectations of imminent rate cuts by the Federal Reserve and that sent bond yields lower globally. There was some relief from political concerns in Europe when the far right finished third in the French parliamentary elections – this helped to support risk assets, including European credit spreads. The Fund's Financials positions were the primary driver of positive returns, with Emerging Markets exposures also contributing positively. CDS-based hedging proved negative, acting as a drag on returns, whilst US Treasury and Bund options added only at the margin, as the positive impact of yields moving down towards their strike levels was eroded to a degree by the "time value" of the options decreasing.

*Source: Nomura Asset Management U.K. Limited*

### Summary of Asset Allocation

	<u>31 July 2024</u>	<u>30 April 2024</u>
Target Fund	99.25	99.64
Cash and Others <sup>#</sup>	0.75	0.36
Total	100.00%	100.00%

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

## Review of Market (1 May 2024 to 31 July 2024)

In May, the Swedish Riksbank joined the Swiss in the central bank early rate cutters club, but the Fed, ECB and BoE remained on hold as expected. Expectations for the Fed were essentially “higher for longer” whilst the ECB continued to guide to a June cut and the BoE’s Monetary Policy Committee reported a split vote with 2 of the 9 members voting for a cut. US Treasury yields fell along most of the curve, however, amidst some evidence of a slowdown in consumer spending, whilst European government yields were generally higher. Risk markets continued to climb higher regardless, with equity markets reaching all-time highs and credit spreads moving narrower across many markets. The oil price did fall, however, despite the ongoing conflict in the Middle East. Japan intervened in the currency markets after yen weakness. Over the month as a whole, the USD moved lower against major peers.

Politics impacted markets in June. Far right parties performed strongly in the European elections, and French President Emmanuel Macron called a snap parliamentary election. The prospect of a government with significant power wielded by either the far right or the far left (as part of a broad coalition) led to fears over fiscal spending. French government bond spreads widened significantly to bunds as the latter delivered strong performance mid-month, before selling off once more prior to month end. Perhaps more importantly for global markets, data in the US continued to cool, with evidence of increasing pressures on consumers. US inflation, as measured by CPI, showed no increase month on month, whilst the year on year figure of 3.3% remained well above the Federal Reserve’s target. Earlier in June, the ECB had cut rates by 25bps – a move they had signalled – but raised their forecast of inflation in both 2024 and 2025, leading to speculation that further rate cuts would be slow to materialise. Core sovereign bonds were very sensitive to the US inflation figures in particular, moving lower immediately upon their release before moving a little higher towards month end. Credit spreads in Europe were impacted by the political volatility, but US markets were more assured, producing positive returns. Equity markets showed a similar pattern, with weakness in Europe and strong positive returns elsewhere.

In July, markets were swayed by political and economic events over the month of July. On the political side, the attempted assassination of presumptive (and now confirmed) Republican Presidential nominee Donald Trump led polls to swing in his favour. This, and a series of faltering public appearances led the presumptive Democratic nominee Joe Biden to stand aside in favour of the current Vice President Kamala Harris. Ms Harris’ entry to the race appears to have tightened the race for the Whitehouse significantly. Meanwhile in France, the French far right National Rally finished third in the parliamentary elections behind both centrist and leftist coalitions. The immediate choice of a Prime Minister was postponed until after the conclusion of the Olympics. However, the expected political stalemate in the aftermath of the elections was reassuring to investors in both French sovereign debt and indeed European credit investors in general, as they had previously feared potentially fiscally profligate policies from either a far left or far right majority. Economic data from the US continued to cool, with headline CPI moving marginally negative month on month and unemployment ticking marginally higher. Speculation grew that the Federal Reserve would acquire sufficient confidence in the future path of inflation moving lower to begin its interest rate cutting cycle in September and moving again before year end. This put downward pressure on US Treasury yields and other global bond markets. The USD moved lower against most major peers, but particularly against the Japanese Yen and, as the Yen strengthened, Japanese equities provided a rare negative return amongst risk markets.

*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 July 2024*	Class USD	Class MYR
Total NAV (USD)	380,078	2,705,182
NAV per Unit	0.9356	1.0398
Unit in Circulation	406,235	11,946,188
Highest NAV	0.9356	1.0584
Lowest NAV	0.9149	1.0398

\* 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 JULY 2024**

## **NOMURA GLOBAL DYNAMIC BOND FUND**

### **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2024**

<b>CONTENTS</b>	<b>PAGE(S)</b>
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN NET ASSET VALUE	3
STATEMENT OF CASH FLOWS	4



**NOMURA GLOBAL DYNAMIC BOND FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2024**

	01.05.2024- 31.07.2024 USD	01.05.2023- 31.07.2023 USD
<b>INVESTMENT INCOME</b>		
Net gain on financial assets at fair value through profit or loss ("FVTPL")	91,622	18,706
Net (loss)/gain on foreign currency exchange	(420)	783
	<u>91,202</u>	<u>19,489</u>
<b>EXPENSES</b>		
Management fee	11,991	13,143
Trustee's fee	640	713
Audit fee	564	628
Tax agent's fee	260	290
Other expenses	288	144
	<u>13,743</u>	<u>14,918</u>
<b>PROFIT BEFORE TAXATION</b>	77,459	4,571
<b>TAXATION</b>	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>77,459</u>	<u>4,571</u>
Increase in net assets attributable to unitholders is made up as follows:		
Realised amount	(7,117)	(18,800)
Unrealised amount	84,576	23,371
	<u>77,459</u>	<u>4,571</u>

**NOMURA GLOBAL DYNAMIC BOND FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2024**

	<u>31.07.2024</u>	<u>31.07.2023</u>
	USD	USD
<b>ASSETS</b>		
Financial assets at fair value through profit or loss ("FVTPL")	3,084,343	3,627,363
Amount due from Manager		
- creation of units	2,278	38,256
Amount due from Manager of Target Fund		
- management fee rebate receivable	3,380	3,724
Amount due from broker	89,845	-
Cash and cash equivalents	24,375	24,116
	<u>3,204,221</u>	<u>3,693,459</u>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Accrued management fee	3,895	4,369
Amount due to Manager	112,222	2,454
Amount due to Trustee	215	240
Other payables and accruals	2,629	2,820
	<u>118,961</u>	<u>9,883</u>
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		
<b>NET ASSET VALUE OF THE FUND</b>	<u>3,085,260</u>	<u>3,683,576</u>
<b>NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS</b>	<u>3,085,260</u>	<u>3,683,576</u>
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>		
- Class MYR	2,705,182	3,380,643
- Class USD	380,078	302,933
	<u>3,085,260</u>	<u>3,683,576</u>
<b>NUMBER OF UNIT IN CIRCULATION (UNITS)</b>		
- Class MYR	11,946,188	15,978,538
- Class USD	406,235	346,542
	<u>12,352,423</u>	<u>16,325,080</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- Class MYR	0.2264	0.2116
- Class USD	0.9356	0.8742
	<u>0.9356</u>	<u>0.8742</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- Class MYR	1.0398	0.9536
- Class USD	0.9356	0.8742
	<u>0.9356</u>	<u>0.8742</u>

**NOMURA GLOBAL DYNAMIC BOND FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2024**

	01.05.2024- <u>31.07.2024</u> USD	01.05.2023- <u>31.07.2023</u> USD
<b>Net assets attributable to unitholders at the beginning of the financial period</b>	3,425,031	3,778,292
<b>Movement due to units created and cancelled during the financial period:</b>		
<b>Creation of units from applications</b>		
MYR Class	188,578	46,995
USD Class	<u>149,232</u>	<u>21,347</u>
	<u>337,810</u>	<u>68,342</u>
<b>Cancellation of units</b>		
MYR Class	(521,996)	(146,220)
USD Class	<u>(233,044)</u>	<u>(21,409)</u>
	<u>(755,040)</u>	<u>(167,629)</u>
<b>Increase in net assets attributable to unitholders during the financial period</b>	<u>77,459</u>	<u>4,571</u>
<b>Net assets attributable to unitholders at the end of financial period</b>	<u><u>3,085,260</u></u>	<u><u>3,683,576</u></u>

**NOMURA GLOBAL DYNAMIC BOND FUND**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2024**

	01.05.2024- <u>31.07.2024</u> USD	01.05.2023- <u>31.07.2023</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	506,872	143,162
Net realised foreign exchange (loss)/gain	(445)	724
Purchase of investments	(225,886)	-
Management fee paid	(1,794)	(1,918)
Trustee's fee paid	(634)	(705)
Payment for other fees and expenses	<u>(2,780)</u>	<u>(144)</u>
Net cash generated from operating activities	<u>275,333</u>	<u>141,119</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash proceeds from creation of units	338,492	31,423
Payments for cancellation of units	<u>(642,818)</u>	<u>(165,209)</u>
Net cash used in from financing activities	<u>(304,326)</u>	<u>(133,786)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(28,993)	7,333
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	<u>53,368</u>	<u>16,783</u>
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u>24,375</u>	<u>24,116</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>24,375</u>	<u>24,116</u>