

Nomura Global Dynamic Bond Fund

Annual Report and Audited Financial Statements for the
Financial Year Ended 31 January 2025

MANAGER:

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

TRUSTEE:

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

AUDITOR:

Pricewaterhouse Coopers PLT
Business Registration No.: LLP0014401-LCA & AF1146

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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 January 2025

	1 Month (01/Jan/25- 31/Jan/25)	3 Months (01/Nov/24 – 31/Jan/25)	6 Months (01/Aug/24 – 31/Jan/25)	1 Year (01/Feb/24– 31/Jan/25)	3 Year (01/Feb/22– 31/Jan/25)	Since Commencement (09/Feb/21 – 31/Jan/25)*
Fund – Class MYR	0.43	2.65	-0.59	-1.01	2.46	3.37
Fund – Class USD*	0.83	0.93	2.59	5.16	-3.64	-3.82

Source of Fund 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 2025

	3-Year
Fund – Class USD	7.63
Fund – Class MYR	7.61

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 (1 February 2024 to 31 January 2025)

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

Performance Review of the Target Fund (1 February 2024 to 31 January 2025)

In the first half of 2024, the spread-driven component of returns was negative, but this was more than offset by a combination of carry and duration. Credit hedging using various broad iTraxx CDS indices contributed more to the Fund as spreads widened. The allocation to South Africa benefited from both capital return and high carry.

During the third quarter, September, Mexico was the largest of the Emerging Markets (“**EM**”) sovereign contributors, adding approximately 20bps. South Africa, Egypt, Bahrain and our Eastern European exposures were also in firmly positive territory. Convertibles also contributed an outsized 35bps. Amongst the biggest contributors were a number of Chinese domestically-focused names – the related equity prices took off from depressed valuations as the government announced stimulus measures. Call option structures on German Bunds also contributed a few basis points, whilst Credit Default Swap-based (“**CDS**”) hedging detracted just over 10bps.

In the fourth quarter, allocations to the financials sector performed strongly, generating almost 30bps of positive performance, with AT1s (co cos) more than two thirds of this. Duration exposure was negative. The Fund's total duration was just above 5 throughout the month and, as global bond yields pushed higher, exposures to EU and US duration were negative. The risk-off tone of the markets also negatively impacted some of our EM exposures. South Africa in particular gave back some of its exceptional performance for the Fund, detracting approximately 15bps. The contribution of the risk hedging of the portfolio was limited. The CDS protection contributed a handful of bps, whilst the equity puts cost 6bps, as the time to maturity eroded and European stock markets held up relatively well due to expectations of European Central Bank (“**ECB**”) rate cuts.

Coming into the month January 2025, risk allocations contributed to returns and the large financials allocation was once again the largest contributor to the performance seen; 60bps in total with more than half of that due to our AT1 (co co) holdings. Emerging market allocations were also positive (in general). Romania was an exception, costing 5bps, but allocations to Egypt, Mexico, Bahrain, South Africa and Turkey all contributed a few basis points each. Convertible bonds were also a positive, contributing 30bps through strong security selection – an allocation to food preparation specialist Middleby Corporation proving particularly strong as the company responded to the concerns of activist investors. Hedging proved unnecessary in January, and was therefore a slight drag on returns, with the CDS positions costing 15bps, and equity puts a further 7bps.

Source: Nomura Asset Management U.K. Limited.

Summary of Asset Allocation

	<u>31 January 2025</u>	<u>31 January 2024</u>
Target Fund	88.31%	100.21%
Cash and Others [#]	11.69%	-0.21%
Total	100.00%	100.00%

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

Review of Market (1 February 2024 to 31 January 2025)

During first half of 2024, markets were largely impacted by politics. 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 2024, 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.

During second half 2024, in the face of the upward move in US Treasury yields, it is perhaps worth remembering that the FOMC actually cut rates by 25bps. However, their inflation predictions were revised up, the number of cuts forecast for 2025 was revised down, and there was some disagreement amongst the members as to whether rates should be cut in December at all. No such doubt was apparent at the ECB, which also cut rates by 25bps – several ECB members wanted a 50bp cut, and (core) EU economic data continues to be sufficiently weak to justify their action. The Swiss National Bank took that very step – they cut rates by 50bps. In a review of December's events it seems churlish not to mention both the seismic fall of the Assad regime and the impeachment of South Korea's President (after he unsuccessfully called for martial law to be imposed), even if the market impact of these events was limited. Elsewhere, and relevant to the Fund, Romania's defence of its democracy, annulling the result of the Presidential election after interference from Russian actors, helped to stabilise their bond market. Romania has become part of Europe's Schengen Area as of the beginning of 2025.

In January 2025, US employment and consumer data continued to look strong, reinforcing expectations that the Fed would keep rates on hold (which they did). European economic data continued to look very weak, increasing expectations of ECB cuts (which they delivered). However, just for a change, it was not the central banks that moved markets in January. Instead, that honour fell to Donald Trump and a Chinese (supposed) low cost large language model that appeared to undermine the rampant AI spending of US megacap tech companies. The former took office and immediately began to implement his agenda of tariffs, anti-immigration policies and isolationism. Withdrawal from the World Health Organization, the Paris Climate Agreement, suspension of USAID programs, the end of birthright citizenship and the declaration of a border emergency all dropped on inauguration day. Tariffs had to wait a little longer, but by month end Canada and Mexico were being threatened with a blanket 25% tariff on exports to the US, whilst China faced a 10% tariff.

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 year under review, the Manager did not receive any soft commission.

INCOME DISTRIBUTION

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

FUND DATA

As at 31 January 2025*	Class USD	Class MYR
Total NAV (USD)	389,890	1,993,066
NAV per Unit	0.9598	1.0337
Unit in Circulation	406,235	8,580,334
Highest NAV	0.9681	1.0616
Lowest NAV	0.9065	0.9612

* 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 YEAR ENDED 31 JANUARY 2025

NOMURA GLOBAL DYNAMIC BOND FUND

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

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NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

	<u>Note</u>	<u>2025</u> USD	<u>2024</u> USD
INVESTMENT INCOME			
Net gain on financial assets at fair value through profit or loss ("FVTPL")	6	208,818	196,088
Net loss on foreign currency exchange		(3,549)	(20,513)
		<u>205,269</u>	<u>175,575</u>
EXPENSES			
Management fee	3	(40,132)	(52,580)
Trustee's fee	4	(2,544)	(2,829)
Audit fee		(2,243)	(2,492)
Tax agent's fee		(1,035)	(1,149)
Other expenses		(721)	(532)
		<u>(46,675)</u>	<u>(59,582)</u>
PROFIT BEFORE TAXATION		158,594	115,993
TAXATION	5	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>158,594</u>	<u>115,993</u>
Increase in net assets attributable to unitholders is made of the following:			
Realised amount		17,110	(123,431)
Unrealised amount		141,484	239,424
		<u>158,594</u>	<u>115,993</u>

The accompanying material accounting policy information 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 2025

	<u>Note</u>	<u>2025</u> USD	<u>2024</u> USD
ASSETS			
Cash and cash equivalents	7	18,112	36,304
Financial assets at fair value through profit or loss ("FVTPL")	6	2,104,418	2,988,572
Amount due from Manager		264,920	14,812
Amount due from Manager of Target Fund - management fee rebate receivable		1,904	3,114
Amount due from Provider		-	18,849
TOTAL ASSETS		<u>2,389,354</u>	<u>3,061,651</u>
LIABILITIES			
Amount due to Manager		571	71,863
Accrued management fee	3	2,333	3,685
Amount due to Trustee	4	216	240
Auditor's remuneration		2,243	2,492
Tax agent's fee		1,035	999
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>6,398</u>	<u>79,279</u>
NET ASSET VALUE OF THE FUND		<u>2,382,956</u>	<u>2,982,372</u>
NET ASSET ATTRIBUTABLE TO UNITHOLDERS		<u>2,382,956</u>	<u>2,982,372</u>
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
Class MYR		1,993,066	2,666,083
Class USD		<u>389,890</u>	<u>316,289</u>
NUMBER OF UNIT IN CIRCULATION (UNITS)			
Class MYR	8(a)	8,580,334	12,069,100
Class USD	8(b)	<u>406,235</u>	<u>346,542</u>

The accompanying material accounting policy information 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 2025 (CONTINUED)

	<u>2025</u> USD	<u>2024</u> USD
NET ASSET VALUE PER UNIT (USD)		
Class MYR	0.2323	0.2209
Class USD	<u>0.9598</u>	<u>0.9127</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
Class MYR	1.0337	1.0442
Class USD	<u>0.9598</u>	<u>0.9127</u>

The accompanying material accounting policy information 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 YEAR ENDED 31 JANUARY 2025

	<u>2025</u> USD	<u>2024</u> USD
Net assets attributable to unitholders at the beginning of financial year	2,982,372	3,652,146
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
Class MYR	1,452,649	1,210,757
Class USD	315,541	21,837
	<u>1,768,190</u>	<u>1,232,594</u>
Cancellation of units		
Class MYR	(2,263,334)	(1,996,952)
Class USD	(262,866)	(21,409)
	<u>(2,526,200)</u>	<u>(2,018,361)</u>
Increase in net assets attributable to unitholders during the financial year	<u>158,594</u>	<u>115,993</u>
Net assets attributable to unitholders at the end of financial year	<u><u>2,382,956</u></u>	<u><u>2,982,372</u></u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL DYNAMIC BOND FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

	<u>Note</u>	<u>2025</u> USD	<u>2024</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceed from sale of investments		2,377,485	1,928,955
Purchase of investments		(1,299,745)	(1,139,689)
Management fee paid		(41,484)	(53,186)
Rebate on management fee		35,291	45,285
Trustee fee paid		(2,568)	(2,847)
Tax agent fee paid		(999)	(1,164)
Payment for other fees and expenses		(3,213)	(2,939)
Net realised foreign exchange gain/(loss)		1,002	(20,526)
Net cash generated from operating activities		<u>1,065,769</u>	<u>753,889</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		1,518,082	1,217,782
Payments for cancellation of units		(2,597,492)	(1,951,341)
Net cash used in financing activities		<u>(1,079,410)</u>	<u>(733,559)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(13,641)</u>	<u>20,330</u>
EFFECTS OF FOREIGN CURRENCY EXCHANGE		<u>(4,551)</u>	<u>13</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>36,304</u>	<u>15,961</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	<u><u>18,112</u></u>	<u><u>36,304</u></u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL DYNAMIC BOND FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

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 have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and International Financial Reporting Standards 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 judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note K to the financial statements.

- (i) Standards, amendments to published standards and interpretations that are applicable and effective:

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 February 2024 that have a material effect on the financial statements of the Fund.

- (ii) Standards and amendments that have been issued that are applicable to the Fund but not yet effective:

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026):
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition.).
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

NOMURA GLOBAL DYNAMIC BOND FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

- (ii) Standards and amendments that have been issued that are applicable to the Fund but not yet effective : (continued)
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
 - The new MFRS introduces a new structure of profit or loss statement.
 - (a) Income and expenses are classified into 3 new main categories:
 - i. Operating category which typically includes results from the main business activities;
 - ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - iii. Financing category that presents income and expenses from financing liabilities.
 - (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards 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"). The financial statements are presented in United States Dollar ("USD"), which is the Fund's presentation and 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 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.

NOMURA GLOBAL DYNAMIC BOND FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

B PRESENTATION AND FUNCTIONAL CURRENCY (CONTINUED)

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 income 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.

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 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 contractual cash flows of the Fund's securities are solely principal and income. 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.

NOMURA GLOBAL DYNAMIC BOND FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

Investments in collective investment scheme 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, amount due from Manager of Target Fund 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, accrued management fees, amount due to Trustee, auditor remuneration and tax agent fee as financial liabilities measured at amortised cost.

(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 or 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 de-recognised 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 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.

NOMURA GLOBAL DYNAMIC BOND FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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 CREATION AND CANCELLATION OF UNITS

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

The Fund issues cancellable units, in two classes of units, known respectively as the Class MYR and Class USD, 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.

NOMURA GLOBAL DYNAMIC BOND FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

H AMOUNT DUE FROM/TO PROVIDER

Amount due from/to Provider represent receivables/payable for investments sold/purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from/to Provider balance is held for collection. Refer to Note F for accounting policy on recognition and measurement.

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

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.

I MANAGEMENT FEE REBATE

Management fee rebate derived from the Target Fund 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.

K CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgement to be exercised.

L REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised amount in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

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.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds and asset management including providing fund management services to private clients.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	Financial asset at fair value through profit or loss USD	Financial asset at amortised cost USD	Total USD
<u>2025</u>			
<u>Financial assets</u>			
Cash and cash equivalents	-	18,112	18,112
Amount due from Manager	-	264,920	264,920
Amount due from Manager of Target Fund - management fee rebate receivable	-	1,904	1,904
Financial assets at fair value through profit or loss ("FVTPL")	2,104,418	-	2,104,418
Total	2,104,418	284,936	2,389,354
<u>Financial liabilities</u>			
Amount due to Manager	-	571	571
Accrued management fee	-	2,333	2,333
Amount due to Trustee	-	216	216
Auditor's remuneration	-	2,243	2,243
Tax agent's fee	-	1,035	1,035
Total	-	6,398	6,398

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

Financial instruments are as follows: (continued)

	Financial asset at fair value through <u>profit or loss</u> USD	Financial asset at <u>amortised cost</u> USD	<u>Total</u> USD
<u>2024</u>			
<u>Financial assets</u>			
Cash and cash equivalents	-	36,304	36,304
Amount due from Provider	-	18,849	18,849
Amount due from Manager	-	14,812	14,812
Amount due from Manager of Target Fund - management fee rebate receivable	-	3,114	3,114
Financial assets at fair value through profit or loss ("FVTPL")	2,988,572	-	2,988,572
Total	2,988,572	73,079	3,061,651
<u>Financial liabilities</u>			
Amount due to Manager	-	71,863	71,863
Accrued management fee	-	3,685	3,685
Amount due to Trustee	-	240	240
Auditor's remuneration	-	2,492	2,492
Tax agent's fee	-	999	999
Total	-	79,279	79,279

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

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

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 exposure to price risk are as follows:

	<u>2025</u> USD	<u>2024</u> USD
<u>Financial assets at fair value through profit or loss</u>		
Collective investment scheme	2,104,418	2,988,572

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.

<u>% Change in price</u>	<u>Market value</u> USD	Impact on profit after tax/NAV USD
<u>2025</u>		
+5%	2,209,639	105,221
-5%	1,999,197	(105,221)
<u>2024</u>		
+5%	3,138,001	149,429
-5%	2,839,143	(149,429)

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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:

	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2025</u>			
<u>Financial assets</u>			
Malaysian Ringgit	23	264,920	264,943
	Other <u>liabilities</u> # USD	Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>			
Malaysian Ringgit	3,849	1,993,066	1,996,915
	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>2024</u>			
<u>Financial assets</u>			
Malaysian Ringgit	13,489	14,812	28,301

Other liabilities consists of amount due to Manager, auditor's remuneration and tax agent's fee.

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

Market risk (continued)

(b) Currency risk (continued)

	Other liabilities# USD	Net assets attributable to unitholders USD	Total USD
<u>2024</u> (continued)			
<u>Financial liabilities</u>			
Malaysian Ringgit	75,354	2,666,083	2,741,437

Other liabilities consists of amount due to Manager, auditor's remuneration and tax agent's fee.

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/NAV USD
<u>2025</u>		
Ringgit Malaysia	5	(86,599)
<u>2024</u>		
Ringgit Malaysia	5	(135,657)

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

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 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
<u>2025</u>			
Amount due to Manager	571	-	571
Accrued management fee	2,333	-	2,333
Amount due to Trustee	216	-	216
Auditor's remuneration	-	2,243	2,243
Tax agent's fee	-	1,035	1,035
Net assets attributable to unitholders*	2,382,956	-	2,382,956
Contractual cash out flows	2,386,076	3,278	2,389,354
	Between Less than 1 month USD	1 month to 1 year USD	Total USD
<u>2024</u>			
Amount due to Manager	71,863	-	71,863
Accrued management fee	3,685	-	3,685
Amount due to Trustee	240	-	240
Auditor's remuneration	-	2,492	2,492
Tax agent's fee	-	999	999
Net assets attributable to unitholders*	2,982,372	-	2,982,372
Contractual cash out flows	3,058,160	3,491	3,061,651

* 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.

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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 interest 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.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Credit risk arising from bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

The following table sets out the credit risk concentration of the Fund:

	Cash and cash <u>equivalents</u> USD	Other <u>assets#</u> USD	<u>Total</u> USD
<u>2025</u>			
Financial institutions			
- AAA	18,112	-	18,112
Other			
- Not Rated	-	266,824	266,824
	<u>18,112</u>	<u>266,824</u>	<u>284,936</u>
	Cash and cash <u>equivalents</u> USD	Other <u>assets#</u> USD	<u>Total</u> USD
<u>2024</u>			
Financial institutions			
- AA1	36,304	-	36,304
- A+	-	18,849	18,849
Other			
- Not Rated	-	17,926	17,926
	<u>36,304</u>	<u>36,775</u>	<u>73,079</u>

Other assets consists of amount due from Manager, amount due from Manager of Target Fund and amount due from Provider.

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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 USD2,382,956 (2024: USD2,982,372). 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.

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.

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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) The carrying value is a reasonable estimate of fair value for cash and cash equivalent.
- (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.

Fair value hierarchy

The Fund adopted MFRS 13 "Fair Value Measurement" in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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).

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

Fair value hierarchy (continued)

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:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2025</u>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	2,104,418	-	-	2,104,418

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2024</u>				

Financial assets at fair value through profit or loss:				
- Collective investment scheme	2,988,572	-	-	2,988,572

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 Manager of Target Fund, amount due from Provider and all current liabilities are reasonable approximation of the fair value due to their short-term nature.

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

3 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 year ended 31 January 2025, the management fee is recognised at a rate of 1.40% (2024: 1.40%) per annum on the NAV of each Class of the Fund, calculated on a daily basis for the financial year.

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

4 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, subject to a minimum fee of RM12,000 (equivalent to USD2,697) per annum (excluding foreign sub-custodian fees and charges).

For the financial year ended 31 January 2025, the Trustee fee is recognised at a rate of 0.03% (2024: 0.03%) per annum on the NAV of the Fund, including local custodian fees and charges but excluding foreign sub-custodian fees and charges, calculated on a daily basis for the financial year, subject to a minimum fee of RM12,000 (equivalent to USD2,697) per annum.

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

5 TAXATION

	<u>2025</u> USD	<u>2024</u> USD
Current taxation - local	-	-

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

5 TAXATION (CONTINUED)

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

	<u>2025</u> USD	<u>2024</u> USD
Profit before taxation	158,594	115,993
Tax at applicable rate of 24% (2024: 24%)	38,063	27,838
Tax effect of:		
Investment income not subject to tax	(50,116)	(57,462)
Investment loss not deductible for tax purposes	852	26,060
Expenses not deductible for tax purposes	1,031	2,268
Restriction on tax deductible expenses for wholesale fund	10,170	1,296
Taxation	-	-

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

	<u>2025</u> USD	<u>2024</u> USD
Financial assets at FVTPL:		
- Collective investment scheme – foreign	2,104,418	2,988,572
Net gain on financial assets at FVTPL comprised:		
- Net realised gain/(loss) on sale of financial assets at FVTPL	28,702	(88,056)
- Net unrealised gain on changes in fair values	146,035	239,411
- Management fee rebate on collective investment scheme #	34,081	44,733
	208,818	196,088

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme has been considered as part of its NAV. In order to prevent the double charging of management fee, management fee charged on the Fund's Investment in a collective investment scheme has 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 2025 is as follows:

	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
Nomura Funds Ireland – Global Dynamic Bond Fund (Class A USD)	19,002	2,050,004	2,104,418	88.31
Total collective investment scheme	<u>19,002</u>	<u>2,050,004</u>	<u>2,104,418</u>	<u>88.31</u>
UNREALISED GAIN ON CHANGES IN FAIR VALUE		<u>54,414</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,104,418</u>		

Collective investment scheme – foreign as at 31 January 2024 is as follows:

	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
Nomura Funds Ireland – Global Dynamic Bond Fund (Class A USD)	28,540	3,080,193	2,988,572	100.21
Total collective investment scheme	<u>28,540</u>	<u>3,080,193</u>	<u>2,988,572</u>	<u>100.21</u>
UNREALISED LOSS ON CHANGES IN FAIR VALUE		<u>(91,621)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,988,572</u>		

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

Target Fund's top 10 holdings are as follows:

	Percentage of Target Fund's NAV %
<u>2025</u>	
US Treasury 5 08/31/25	3.23
Mexican Bonos 8 07/31/53	3.06
Treasury Bill 04/25/24	2.56
South Africa 8 01/31/44	2.13
United Kingdom Gilt 4 10/22/31	2.09
Bulgaria Government International Bond 4 1/4 09/05/44	1.90
South Africa 8 3/4 01/31/48	1.57
South Africa 10 3/4 03/31/38	1.38
Romania 5.625 05/30/37	1.33
Barclays Plc 8 7/8 Perpetual Corp	1.29
	<u>20.54</u>
	Percentage of Target Fund's NAV %
<u>2024</u>	
United Kingdom Gilt 4 10/22/63	4.80
Mexican Bonos 8 07/31/53	3.21
US Treasury 5 08/31/25	1.72
Treasury Bill 04/25/24	1.69
Brazil Notes do Tesouro Nacional Serie F 10 01/01/27	1.48
Mexican Bonos 7 3/4 05/29/31	1.43
Treasury Bill 06/06/24	1.38
Barclays Plc 8 7/8 Perpetual Corp	1.25
Bahrain Government International Bond 6 1/4 01/25/51	1.20
Bulgaria Government International Bond 4 7/8 05/13/36	1.09
	<u>19.25</u>

7 CASH AND CASH EQUIVALENTS

	<u>2025</u> USD	<u>2024</u> USD
Bank balances	<u>18,112</u>	<u>36,304</u>

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

8 NUMBER OF UNITS IN CIRCULATION

	<u>2025</u> No. of units	<u>2024</u> No. of units
(a) <u>Class MYR</u>		
At beginning of the financial year	12,069,100	15,475,313
Creation of units during the financial year arising from applications	6,431,599	5,723,989
Cancellation of units	(9,920,365)	(9,130,202)
	<u>8,580,334</u>	<u>12,069,100</u>
At end of the financial year	<u>8,580,334</u>	<u>12,069,100</u>
	<u>2025</u> No. of units	<u>2024</u> No. of units
(b) <u>Class USD</u>		
At beginning of the financial year	346,542	346,542
Creation of units during the financial year arising from applications	341,730	24,608
Cancellation of units	(282,037)	(24,608)
	<u>406,235</u>	<u>346,542</u>
At end of the financial year	<u>406,235</u>	<u>346,542</u>

9 TRANSACTIONS WITH PROVIDER

Details of transactions with the provider of the CIS as follows:

	<u>Value of trade</u> USD	<u>Percentage</u> <u>of total trade</u> %
<u>2025</u>		
Brown Brothers Harriman and Co.	<u>3,658,382</u>	<u>100.00</u>
<u>2024</u>		
Brown Brothers Harriman and Co.	<u>3,087,494</u>	<u>100.00</u>

The provider above is not related to the Manager.

The above transactions with provider do not involve any commission or brokerage.

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

10 TOTAL EXPENSE RATIO ("TER")

	<u>2025</u> %	<u>2024</u> %
TER	<u>0.44</u>	<u>0.40</u>

TER is derived from the following calculation:

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

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 year calculated on daily basis is USD2,866,536 (2024: USD3,755,624).

11 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2025</u>	<u>2024</u>
PTR (times)	<u>0.64</u>	<u>0.41</u>

PTR is derived from the following calculation:

(Total acquisition for the financial year + total disposal for the financial year) ÷ 2

Average NAV of the Fund for the financial year calculated on daily basis

Where: total acquisition for the financial year = USD1,299,745 (2024: USD1,139,689)
total disposal for the financial year = USD2,358,636 (2024: USD1,947,805)

NOMURA GLOBAL DYNAMIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONTINUED)

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

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

<u>Related party</u>	<u>Relationship</u>
Nomura Asset Management Malaysia Sdn Bhd	The Manager
Senior Management of the Manager	Director(s) of the Manager

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

13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 21 March 2025.

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 Directors of the Manager, the accompanying financial statements set out on pages 1 to 28 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 2025 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 January 2025 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
21 March 2025



Deutsche Trustees Malaysia Berhad
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50250 Kuala Lumpur
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TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF NOMURA GLOBAL DYNAMIC BOND FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 January 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

A handwritten signature in black ink, appearing to read 'Ng Hon Leong'.

Ng Hon Leong
Head, Fund Operations

A handwritten signature in black ink, appearing to read 'Jiva Munusamy'.

Jiva Munusamy
Head, Client Management

Kuala Lumpur
21 March 2025



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 2025, and of its financial performance and its cash flows for the financial year then ended 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 2025, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 28.

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.

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.



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 terminate the Fund, or has no realistic alternative but to do so.

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.



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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.



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

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
PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
21 March 2025