

**SHINING A LIGHT ON THE.....  
Nomura Global Dynamic Bond Fund**

**AT A GLANCE**

<b>Investment Objective</b>
To provide a combination of income and growth through investing principally in debt securities with fixed or variable rates of income.

<b>Inception Date</b>	30 <sup>th</sup> January 2015
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000VB9B">http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000VB9B</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Richard Hodges	30 <sup>th</sup> January 2015

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 28<sup>th</sup> February 2021:

	2016	2017	2018	2019	2020	2021
<b>Nomura Global Dynamic Bond Fund</b>	6.51%	5.95%	-1.37%	15.18%	10.64%	-0.33%
<b>Vanguard Global Bond Index</b>	3.51%	2.00%	-0.11%	6.63%	5.54%	-2.31%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
<b>Nomura Global Dynamic Bond Fund</b>	8.03%	24.49%	43.80%	35.47%
<b>Vanguard Global Bond Index</b>	0.01%	10.96%	13.19%	15.45%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

Tracking Error	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Credit Quality
5.75	110.89	57.47	72.22	1.03	5.24	Medium/Low

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Volatility Measurements	
3-Yr Std Dev (volatility)	7.44%
3-Yr Mean Return (average)	7.57%

Credit Quality	
AAA	30.62%
AA	0.86%
A	4.50%
BBB	16.74%
BB	21.27%
B	13.33%
Below B	0.50%
Not Rated	12.17%

Top 5 Holdings – 165 bond holdings, 89 other holdings		
United States Treasury Notes 0.12%	-	24.32%
United States Treasury Notes 0.25%	-	8.80%
Russian Federation 7.1%	-	1.70%
United States Treasury Notes 0.88%	-	1.69%
Deutsche Bank AG New York Branch	-	1.18%

Fixed Income	
Effective Maturity	5.67
Effective Duration	-

## UPDATE....

Dickie had run the same strategy at L&G before joining Nomura in 2014. He admits he is not an economist and focuses on asset values, looking for opportunities across the fixed income asset market.

He has a top-down view – for example QE and its impact, zero rate environment, vaccination programme, inflation, no normalisation of interest rates and volatility. Within all this there are risks which include economies being slower to reopen, Governments being unwilling or unable to offset the economic damage and that sentiment turns bearish.

To navigate this Dickie believes this can only be done through active management and performance has supported this. Taking data from trust net he has outperformed his peer group across all markets 80% of the time.

In terms of how the fund is positioned, some of the key positions are:

- Russian Local Currency (2.8%) – yielding 6% with very low default risk
- Co Cos (12%) – yielding between 4 and 8% with little probability of bank defaults
- High yield (19%) – focused on European bonds with zero risk of default
- US treasuries (30%) – this is the liquidity part of the fund
- Risk hedging – there are some hedges to protect on the downside risk

The strategy is not running on maximum risk capacity and they expect this to increase if things improve during the summer.

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In summary, this is a global actively managed bond fund. We have followed the team for some time and performance has been strong. Investors may therefore wish to compare and consider against other similar strategies.

*The source of information in this note has been provided by Nomura and is correct as at March 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*