

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

AT A GLANCE

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

Inception Date	30 th January 2015
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000VB9B

Management	
Manager Name	Start Date
Richard Hodges	30 th January 2015

FUND PERFORMANCE

Performance from 1st January 2016 to 31st August 2021:

	2016	2017	2018	2019	2020	2021
Nomura Global Dynamic Bond Fund	6.51%	5.95%	-1.37%	15.18%	10.64%	1.21%
Vanguard Global Bond Index	3.51%	2.00%	-0.11%	6.63%	5.54%	-0.91%

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

	1 year	3 years	5 years	Since launch
Nomura Global Dynamic Bond Fund	6.54%	27.16%	35.44%	37.55%
Vanguard Global Bond Index	0.42%	12.14%	10.33%	17.11%

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
6.35	147.03	48.28	66.67	1.26	3.61	Low/Low

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Volatility Measurements	
3-Yr Std Dev (volatility)	7.36%
3-Yr Mean Return (average)	8.34%

Credit Quality	
AAA	24.93%
AA	0.68%
A	2.52%
BBB	8.31%
BB	23.20%
B	12.24%
Below B	0.11%
Not Rated	28.03%

Top 5 Holdings – 115 bond holdings, 166 other holdings		
United States Treasury Notes 0.12%	-	15.92%
United States Treasury Bills	-	4.79%
United States Treasury Notes 0.12%	-	4.78%
United States Treasury Bonds 2.38%	-	3.84%
Italy (Republic Of) 0.15%	-	2.28%

Fixed Income	
Effective Maturity	6.56
Effective Duration	-

UPDATE....

This was a brief update. As a reminder this is a global and flexible total return strategy which invests in the debt market and uses an active hedge overlay to protect on the downside.

We discussed concerns around inflation, and they feel that the focus is on the wrong place. The focus should be on monetary policies. There are two events which will happen at some point – easing back on QE (tapering), and interest rates rising. The key is whether the Fed respond at the right time.

They still believe that asset prices are fully priced, and any correction will open opportunities to invest. Currently around 40% of the strategy is in liquid assets which they can use to invest if / when the market corrects.

The balance of the fund is invested in emerging markets, high yield and CoCos. In terms of High Yield, these are short date bonds due to kick out in the next couple of years, creating more liquidity for the strategy. Although the CoCos might be perceived as high risk, these are due to called in the next 2 years. It is likely they will be paid out as the yields are higher than the banks would get if they refinanced the debt.

In terms of emerging markets, they have exposure to Egypt, South Africa and Russia

In summary, for investors looking for a global / flexible bond strategy then this might be one to consider. Performance remains strong and it focuses purely on the credit market and does not hold equities. It does use a hedge overlay to protect on the downside.

The source of information in this note has been provided by Nomura and is correct as at September 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.