

**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 October 2021:

	2016	2017	2018	2019	2020	2021
Nomura Global Dynamic Bond Fund	6.51%	5.95%	-1.37%	15.18%	10.64%	1.37%
Bloomberg Global Aggregate TR Hdg GBP	3.66%	1.93%	0.10%	6.46%	4.96%	-1.79%

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

	1 year	3 years	5 years	Since launch
Nomura Global Dynamic Bond Fund	6.90%	28.90%	36.07%	37.76%
Bloomberg Global Aggregate TR Hdg GBP	-1.03%	11.52%	10.29%	15.77%

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
6.32	149.47	24.63	69.44	1.20	4.68	-

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Volatility Measurements	
3-Yr Std Dev (volatility)	7.30%
3-Yr Mean Return (average)	8.83%

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 – 119 bond holdings, 227 other holdings		
United States Treasury Notes 0.125%	-	14.18%
United States Treasury Notes 0.125%	-	7.24%
United States Treasury Bills	-	5.33%
United States Treasury Bills	-	5.33%
United States Treasury Bonds 2%	-	3.65%

Fixed Income	
Effective Maturity	4.77
Effective Duration	-

UPDATE....

This was a quarterly update from the team. By their own admission the returns this year have not been wonderful but this was deliberate as they felt the credit market would take a pull back. The credit markets had a mini taper tantrum in October and the strategy has remained positive whilst many others including the index are negative, and this is what they had been waiting for.

They believe that inflation is sticky not transitory and had a large exposure to US treasuries to protect against the market coming to this conclusion. As the market has come to realise that inflation is sticky, they have started to reduce their holdings in US treasuries.

The strategy has around 18% in CoCos and High Yield which are due to pay out during 2022 and 2023, and they believe the cash coming back to the fund will be perfect timing. They feel interest rates will be rising and the market will pull back which will enable them to “go shopping”! They have around 40% in gilts so around 60% of the fund will be liquid during this time, which they feel places them in a strong position.

The strategy has benefited from holdings in financials. They have been reducing their risk connected with High Yield, and Emerging Markets has been weak for the strategy. They see value in Emerging Markets and have been adding to this on the weakness. They believe good news will flow from China and this will benefit these positions. They have increased their exposure to Russia to 6%.

The fund has around 13% in CoCos, 14% in High Yield and 40% in Treasuries and Gilts.

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In summary, for investors looking for a global / flexible bond strategy then this might be one to consider. Performance was behind the market for most of this year but as credit markets have dropped back the defensive approach has benefited this and it remains positive for this year.

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