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/snapsho	
	t/snapshot.aspx?id=F00000VB9B	

Management		
Manager Name	Start Date	
Richard Hodges	30 th January 2015	

FUND PERFORMANCE

Performance from 1st January 2017 to 28th February 2022:

	2017	2018	2019	2020	2021	2022
Nomura Global Dynamic	5.95%	-1.37%	15.18%	10.64%	1.43%	-4.53%
Bond Fund						
Bloomberg Global	1.93%	0.10%	6.46%	4.96%	-1.54%	-2.87%
Aggregate TR Hdg GBP						

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

	1 year	3 years	5 years	Since launch
Nomura Global Dynamic Bond Fund	-2.85%	20.02%	27.05%	31.61%
Bloomberg Global Aggregate TR Hdg GBP	-2.33%	5.96%	8.63%	12.73%

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
6.50	76.60	36.59	69.44	1.26	3.43	-

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Volatility Measurements			
3-Yr Std Dev (volatility)	7.33%		
3-Yr Mean Return (average)	8.65%		

Credit Quality	
AAA	16.00%
AA	8.91%
A	2.20%
BBB	9.45%
BB	21.87%
В	13.80%
Below B	0.00%
Not Rated	27.77%

Top 5 Holdings – 110 bond holdings, 244 other holdings			
United States Treasury Notes 0.125%	-	11.40%	
United States Treasury Notes 1%	-	9.09%	
United States Treasury Bills	-	4.64%	
United States Treasury Notes 0.125%	-	4.02%	
South Africa (Republic of) 9%	-	2.30%	

Fixed Income		
Effective Maturity	4.78	
Effective Duration	-	

UPDATE....

We have always been positive about this strategy and the manager. The fund has suffered from underperformance for the first time for many years. The fund had a large weighting to Russia, and this accounted for around a 6% loss on the fund. The holding has been written down to zero and therefore there should be no further pain from these holdings.

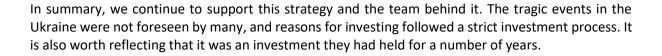
They explained that they had invested in Russia for the last 5 to 6 years and have been re-investing the income into other assets. Because they cannot trade the debt, they had no choice but to write this down. They don't see any recovery coming from these assets in the near term but there is the potential for the prices to rise when markets re-open and then they can sell out of the assets.

In terms of outlook, they believe the market is focused on inflation and not recession fears. They have a short-dated position in US treasuries, which is effectively cash, which they can use to participate in markets when they need to. They have increased exposure to South Africa to around 5%, these are local currency bonds and one of the only markets to deliver positive returns this year. They also have around 3.7% in Egypt which is delivering attractive yields.

Other areas are CoCos (around 16%) and High Yield (14%).

The asset allocation hasn't changed much although EM exposure has come down slightly due to the write down in Russia.

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The source of information in this note has been provided by Nomura and is correct as of March 2022. 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.