

Nomura Global Dynamic Bond Fund hits its fifth anniversary with over \$1bn under management

London, 5th February 2020: The Nomura Global Dynamic Bond Fund (“the Fund”) reached its five-year anniversary on 31st January, having now grown to over \$1.1bn

Nomura Funds Ireland – Global Dynamic Bond Fund - Annualised Performance since inception

	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)
Global Dynamic Fund	1.41	17.11	8.46	5.57

Source: Nomura Asset Management U.K. Ltd. as at 31/01/2019. Data shown for the Nomura Fds Ireland Plc Global Dynamic Bond Fund I USD share class, net of fees in USD. Performance greater than 1 year has been annualised.

Managed by Richard “Dickie” Hodges, Head of Unconstrained Fixed Income, the Fund has used its flexible, dynamic investment strategy to participate in the strong performance of fixed income markets whilst containing downside risk through highly active and efficient risk management.

Speaking about the fund's anniversary, Dickie Hodges, Head of Unconstrained Fixed Income, said: “There are two important episodes in our 5-year journey that demonstrate our ability to provide downside protection to the portfolio as well as generate positive returns in a risk-on environment:

“In 2018, not only had the Federal Reserve begun a rate-hiking cycle, they had also begun the first steps to reduce their balance sheet. With interest rates moving higher, and projected to continue rising in 2019, investors could not be certain what discount rate to apply to future cash flows.

“Equity markets fell more than 17% in 2018.

“Unusually for a fixed income fund, through highly active asset allocation throughout the year and the purchase of put options on US Treasuries, the Global Dynamic Bond Fund generated positive returns, even as interest rates moved higher. Moreover, in the final quarter of 2018, judicious hedging of the risky allocations through equity put options helped to mitigate volatility. The Fund finished 2018 up 0.5% - near the top of its peer group and a welcome source of stability for investors in tough times.

“2019 was a time to take risk and allocate with conviction.

“It became clear that the Federal Reserve would not continue to tighten monetary policy. Trade tensions were ratcheting up, growth figures remained anaemic in the US and very weak in the rest of the world, whilst inflation was subdued.

“This was the cue for a worldwide rally in risk assets, particularly those most likely to benefit directly from US interest rates on hold, and the ECB return to quantitative easing.

“As a result, the Fund finished 2019 with a total return (net of fees) of 17.3%.”

Peter Ball, Head of EMEA Distribution at Nomura Asset Management UK, says: “Nomura Asset Management’s fixed income offering currently has over \$50bn of assets under management in active fixed income accounts globally.

“The Global Dynamic Bond Fund managers have achieved excellent absolute performance while employing robust risk management strategies despite the geo-political turmoil and monetary policy shifts, which is vital for any medium to longer-term investor.

“Going into 2020 we are seeing increased demand for this actively managed strategy. It backs positions with conviction whilst hedging against downside risks as they have done throughout the Fund’s history.”

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Notes to Editors:

Lead Portfolio Manager

- Richard Hodges joined NAM in November 2014 to launch the Global Dynamic Bond Fund.
- Prior to joining NAM, Dickie held the role of Head of High Alpha Fixed Income at Legal & General Investment Management (LGIM), managing its “Dynamic Bond Trust” – an unconstrained fixed income fund. He managed the Dynamic Bond Trust from its inception in 2007 until April 2014.
- Before LGIM, Dickie spent 18 years at Gartmore Investment Management, where he was Head of Pan European Portfolio Construction with responsibility for the Gartmore SICAV European Corporate Bond Fund and the Gartmore SICAV European Bond Fund. He also co-managed Arrakis Fund Ltd, a European Credit Hedge Fund.
- He began his career in 1986 at Chase Manhattan Bank in Fixed Income operations, before joining Natwest Investment where he was responsible for management of a number of specialist investment funds employing derivatives and cash instruments to implement quantitative strategies

Unconstrained by benchmark allocations, the Fund seeks to maximise total return while reducing volatility through allocation to a wide range of bond sectors.

The Fund employs top-down analysis of macroeconomic and market themes to establish a strategic core portfolio of cash bonds, accounting for at least 80 per cent of the assets within the strategy. Allocations seek to benefit from expected changes in markets, with the Fund's diversification allowing greater flexibility to invest across all fixed income assets, including convertible bonds and local currency instruments.

The management of risk plays a crucial role in this strategy. The team uses derivatives to provide cost effective hedging strategies to mitigate specific shorter-term risks to both credit and interest rates and position the Fund to benefit from short-term market movements and shocks.

The Nomura Asset Management Group is a leading global investment manager. Headquartered in Tokyo, Nomura has additional investment offices throughout the world including London, Singapore, Malaysia, Hong Kong, Shanghai, Taipei, Frankfurt and New York. With a global workforce of over 1,200 employees it has been operating in Europe for the past 30 years. Today Nomura Asset Management provides its clients with a wide range of innovative investment strategies including global, regional and single country equities, high yield bonds, alternative investments and global fixed income strategies.

*Source: Nomura Asset Management U.K. Ltd. Performance results are cumulative and shown for the Nomura Funds Ireland – Global Dynamic Bond Fund. Our returns are presented in USD (I share class) and are shown net of fees.

Performance inception date: 30th January 2015. Performance presented to 31st January 2018 based on Net Asset Value per share.

The Nomura Funds Ireland - Global Dynamic Bond Fund is a sub-fund of Nomura Funds Ireland plc. which is authorised and supervised by the Central Bank of Ireland as an open-ended umbrella investment company with variable capital.

The Fund may invest in Emerging Market or High Yield debt securities. Emerging markets debt securities tend to be more volatile than those of more developed capital markets and can carry a higher risk of default. Therefore, any investment is at greater risk. High Yield securities also tend to experience higher levels of volatility and default than investment grade securities; again, therefore, any investment is at greater risk. The strategy may invest in derivatives including (but not limited to futures, forwards, options, swaps and swaptions). Some of these securities are exchange traded, others are not.

Derivatives traded on an exchange are guaranteed by the exchange. Derivatives that are not exchange traded carry risk of default by the counterparty. In almost all cases (other than long positions in options), the derivatives used may result in losses greater than the amount of the original investment. Investors in the Nomura Global Dynamic Bond Fund cannot experience losses greater than the amount invested.

Nomura Asset Management U.K. Ltd. is authorised and regulated by the Financial Conduct Authority.