

Nomura Fixed Income Risk Premia UCITS Fund - Class S EUR

Nomura Alternative Investment Management France

31 January 2020

Investment Objective

- The Nomura Fixed Income Risk Premia UCITS Fund aims to provide investors with:
 - the performance of risk premia strategies across major interest rate and credit curves
 - a flexible, regulated and transparent framework

Key Facts

Share Class	Class S EUR
Regulated	UCITS
Domicile	Ireland
Format	ICVC
Listing	Irish Stock Exchange
Manager	Nomura Alternative Investment Management France S.A.S.
Fund Inception Date	02 July 2018
Share Class Inception Date	27 September 2019
Fund AUM	\$293.16 m
Maturity	Open ended
Recommended Investment Horizon	Minimum of 2 years
Liquidity	Daily
Deadline for NAV(T)	5:00 p.m. Dublin (T-1)
Settlement for NAV(T)	T+3
Base Currency	USD
Minimum Initial Investment	\$50,000,000
Management Fees ²	0.50%
Administrative Costs ^{2,3}	0.08%
Subscription Charge ⁴	Up to 5%
Redemption Charge ⁴	Up to 3%
ISIN	IE00BF51ZF20
Bloomberg	NOMFISE ID Equity

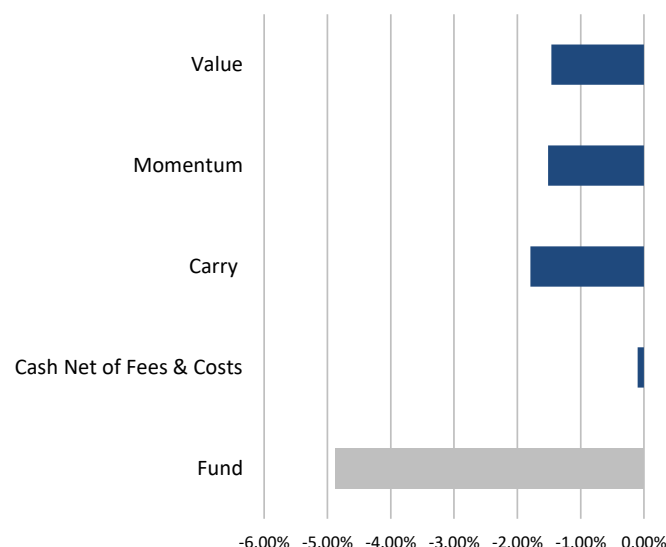
Public Registration	Austria, Belgium, Finland, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom
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Performance¹

	NAV	1M	6M	12M	YTD
Class S EUR	97.50	-4.87%	-	-	-4.87%

Monthly Performance Contribution⁵

The following chart shows the month on month performance contribution of the Fund and its constituents



Risk Indicators⁶

Value-at-Risk	-1.71%
Volatility	9.09%
Bond Portfolio Duration	0.29

Risk and reward profile



Source: NAIM, Bloomberg. As of the date of this factsheet. Past performance is not indicative of future results.

1., 2., 3., 4., 5., 6. Please refer to the disclaimer on the next page.

For professional investors only. Country-specific selling restrictions apply. Please refer to the list of countries where the fund is publicly available in key facts. Important risk warnings, selling restrictions and disclaimers at: www.nomuranow.com/naim/naimdisclaimer

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Performance Summary¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Return
2019									-0.33%	-1.21%	1.63%	2.43%	2.49%
2020	-4.87%												-4.87%

Portfolio Management Commentary

The New Year began with a further escalation in geopolitical tensions following the assassination of Iranian General Soleimani by the US and subsequent retaliation by Iran. However, risky assets were not dramatically impacted and continued the positive trends from the previous month. Some strong economic data and the broad risk-on sentiment following the signing of phase one of the US-China trade deal continued to buoy up the SPX pushing it above 3,300 for the first time. However, the story of a new Coronavirus outbreak in China unfolded throughout the month and during the latter half markets encountered several sell-off days and flights-to-quality as concern grew about its potential to spread globally and the threat it could pose to economic growth. The Fed, ECB and BOJ all kept their respective policy rates unchanged during the month. Citing a cautiously optimistic picture of global growth the Fed left the funds target range at 1.5-1.75%. However, the US ISM Manufacturing Index continued to contract in December for the fifth consecutive month, finishing at 47.2, which is the lowest level since June 2009. In the Eurozone, ECB President Lagarde highlighted signs of economic stabilisation and a modest increase in inflation. The Eurozone Flash Manufacturing Purchasing Managers' Index (PMI) rose from 46.3 in December to 47.8 in January. In Japan, President Kuroda kept the policy rate unchanged over concern about overseas risks potentially threatening momentum in Japan's economy. In equity markets, the S&P 500 lost 0.04% during the month. The Euro Stoxx 50 index lost 2.66% and, in Japan, the Nikkei lost 1.48%. Average volatility on US equities in January was 13.93, below the 2019 average of 15.43 and lower in comparison to January 2019 when it averaged 19.52. In currency markets, the US Dollar rose dramatically against most G10 currencies with the DXY Index up +1.04%. WTI Crude fell by 15.56% during the month, as Coronavirus fears pointed to likely reductions in travel, manufacturing and projected economic growth whereas gold rose by +4.74%, as a safe-haven asset. Swap curves in the US, Euro area and Japan all went down in response to the global risk-off sentiment and investors looking for low-risk assets. Notably, the US Treasury curve inverted on the last day of the month as the 10-year yield fell below the 3-month. The fund posted a performance of -4.65% this month. Value contributed -1.46%. The Rates Value strategy positioning remained quite stable over the month. It continued to hold core short positions in GB 10y and 20y and long JP 5y and 10y tenors. The strategy suffered mainly from the GB rates, albeit partially offset by small gains in the JP positions. Momentum posted -1.51%. Rates Momentum generated -0.43%. Over the period the trend in rates across EU and JP curves remained negative with short positioning in the four JP tenors, as well as EU 1y and 2y. On the other hand, the GB curve experienced a positive trend leading to full long positions across all GB tenors. The strategy performance suffered mainly from EU and JP long positions. Credit Momentum posted -1.08%. The strategy kept its long positioning in the four underlying credit markets over the month and suffered from an increase of volatility and spread-widening on US & European Investment Grade and High Yield. Carry produced -1.79%. Rates Carry returned -0.53% continuing to maintain long positions on EU 5y and 10y tenors. Short positioning switched gradually from US 5y to GB 5y tenor. The strategy benefited from the EU rates move but suffered from a more pronounced rates decline across US and GBP curves. Credit Carry contributed -0.59%. The strategy remained long High Yield Credit and short Beta-Weighted Investment Grade. Spreads widened in Europe and US across segments. Rates Volatility Carry posted -0.68%. Over the period rates implied volatility increased for 10y and 30y tails. The positioning in 3m expiries for both 10y and 30y tails largely explained the negative performance of the strategy.

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Source: NAIM, Bloomberg. As of the date of this factsheet. Past performance is not indicative of future results.

1. Performance shown from share class inception date to present reflects actual Fund performance net of all fees and costs.
2. Management and Administrative Fees (as defined in the current Prospectus) in percentage per annum. For the avoidance of doubt, Administrative Costs does not include Swap Costs and other Transaction Costs.
3. The lower of (a) the estimate of administrative fees based on the average AuM and charges incurred over the last 12 months and (b) the cap of 0.25% p.a.
4. Optional, for Distributors only. Subscription charge – upfront only; Redemption charge – on redemption only.
5. Performance contribution shown for the share class reflects live performance net of all fees and costs, where the return of each strategy is calculated using the daily compounded performance and the actual weight of the exposure to each strategy over the month. For further calculation information please contact NAIM.
6. Risk indicators: Value-at-Risk at 99% over a 1-day period, based on the fund underlying strategies' historical data. Volatility is annualised and calculated on actual Fund daily returns from share class inception date to the date of this factsheet. Modified duration of the bond positions as of date of this material.

Capital at risk: Investment in the funds is suitable only for professional investors and requires financial ability and willingness to accept the risks inherent in an investment in the funds as stated in the prospectus. Investors must be prepared to bear such risks for an indefinite period of time. No assurance can be given that the funds' investment strategies or objectives will be achieved or that investors will receive a return of all or part of their commitment. Investment in the Portfolio may be suitable for an investor seeking long term capital appreciation over a mid-to-long term horizon, typically a minimum of two years. The investor should be prepared to accept periods of market volatility and the risks of investment in pursuit of long term goals.

For more information on the Fund please refer to the Nomura Investment Solutions plc Prospectus. The prospectus is not available in French language at this time. This material has been prepared by Nomura Alternative Investment Management France S.A.S., 7 place d'Iéna, 75116 Paris, France. NAIM, NAIM France and Nomura Alternative Investment Management France stand for Nomura Alternative Investment Management France S.A.S (Société par Actions Simplifiée). NAIM France is authorised and regulated by the French Financial Markets Authority (AMF) under registration number GP-19000003. Nomura Investment Solutions Plc, is an investment company with variable capital incorporated in Ireland on 24 July 2009 under registration number 473498 and authorized by the Central Bank of Ireland as a UCITS pursuant to the UCITS Regulations. The information contained herein is believed to be accurate in all respects, but no representation or warranty, expressed or implied, as to its accuracy or completeness is made by any party.