

Nomura Asset Management launches Alternative Alpha Fund

London, 8th October 2019: Nomura Asset Management U.K. Ltd. (NAM UK) has announced the launch of its Alternative Alpha Fund (the Fund).

The fund seeks to provide investors access to returns uncorrelated to major asset classes, targeting a return of 10% per annum with an average volatility of below 10%. Using a combination of derivative and volatility sub-strategies, we believe this fund will be of interest as a differentiated source of alpha, and as the volatility risk premium component of an alternative risk premia portfolio.

The portfolio will primarily make use of listed options and futures across the major equity and volatility indices, as well as bond futures. This allows us to rapidly take advantage of new opportunities in fast-changing markets and offer clients transparency and daily liquidity. With a quantitative approach to risk and premium analysis and qualitative flexibility in execution and implementation, the strategy aims to bridge the gap between quantitative investment strategies (QIS) and relative value hedge funds.

The Ireland-domiciled UCITS fund is managed from Tokyo by Senior Portfolio Manager David Latto and his team.

David Latto, Senior Portfolio Manager, commented: “The changing macroeconomic backdrop in the last decade has led to a shift in the global investment industry. The Nomura Funds Ireland - Alternative Alpha Fund aims to achieve stable returns and daily liquidity via its unique approach of combining yield enhancement and derivative strategies with tail-hedge strategies. The fund will actively invest in options and futures to benefit from market inefficiencies and structural imbalances.”

Commenting on the launch, Peter Ball, Managing Director at NAM UK said: “The Nomura Alternative Alpha Fund launch marks a further extension of the Nomura Funds Ireland Plc. range of funds, which currently has \$8.3 billion of assets under management. The fund provides investors with an innovative approach to investing to navigate an uncertain geopolitical landscape and low interest rate environment.”

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David Latto – Senior Portfolio Manager, Nomura Asset Management Co. Ltd.

David has over 13 years' experience in derivatives, starting his career at BNP Paribas as an options trader before running the Nikkei flow and semi-exotics book at Calyon in 2008. He then joined the European Investment Bank as a quantitative analyst before being employed at Nomura and UBS as an exotics structurer working on complex payoffs and quantitative strategies. David then joined Unigestion and built out its derivatives and alternatives solutions platform where he co-ran the Absolute Return fund and implemented volatility, dividend and tail hedge strategies.

Nomura Asset Management

The Nomura Asset Management Group (NAM) is a leading global investment manager. Headquartered in Tokyo, NAM 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 1,300 employees it has been operating in Europe for the past 30 years. Today NAM 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.

The Nomura Funds Ireland – Alternative Alpha 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 and segregated liability between its sub-funds, established as an undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011.

Nomura Asset Management U.K. Ltd. is the Investment Manager and Distributor of Nomura Funds Ireland plc and is authorised and regulated by the Financial Conduct Authority.