

Nomura Asset Management launches new US High Yield Bond Fund

London, 31 October 2016: Nomura Asset Management U.K. Ltd. has launched a second US High Yield Bond strategy. The Select US High Yield Bond Fund focusses on the lower-risk segment of the High Yield universe, with a minimum credit rating of B3/B- and in so doing differentiates itself from its top-performing US High Yield sister fund, managed in the same umbrella. The latter, launched in 2009 has consistently outperformed both the benchmark its peers.

The new fund's objective is to deliver current yield and capital gains, but it will avoid CCC and distressed debt names, offering investors a more conservative, quality-driven investment approach. The fund's overall performance target is benchmark +1 per cent per annum.

The Select US High Yield Bond Fund will be managed by Nomura's analyst-driven investment boutique Nomura Corporate Research and Asset Management (NCRAM), which specialises in credit research. The UCITS fund, domiciled in Ireland, will be led by NCRAM's Amy Yu Chang and supported by 12 credit analysts. The team is focused on taking a total return, bottom up approach, complemented by a top-down view based on criteria including default rate expectations, monetary and fiscal policy and overall health of the capital markets.

Amy Yu Chang, CFA, Executive Director and Portfolio Manager, NCRAM, added:

"It is a particularly appropriate time to launch this Fund as we believe that the US High Yield market offers an attractive yield in a low yield world. We currently expect a slow growth environment coupled with an accommodative Fed and global central bank stimulus, which are supportive for high yield. Additionally, we expect defaults, which were mostly concentrated in the Oil & Gas and Metals & Mining sectors, to decline from their recent peak.

"With the Select US High Yield Bond Fund, we aim to capture the high yield bond market's attractive total returns. NCRAM's decision-making approach is based on identifying and investing in 'Strong Horse' companies across the rating spectrum that can carry their debt load through the economic cycle, while also seeking to minimize losses. These companies generally have a positive ability to de-lever their balance sheet by generating strong cash flows that are sustainable over time."

Andreas Körner, Head of Marketing and Client Relations, EMEA, said:

"Our new Select US High Yield Bond Fund complements the current range of NCRAM's High Yield strategies, demonstrating a more conservative approach to investing in this asset class."

The launch of the Select US High Yield Bond Fund marks a further extension of the Nomura Funds Ireland Plc. range of funds, with over \$5 billion of assets under management.

Established in 1991 in New York, NCRAM manages \$17.6 billion in total assets, including \$12.7 billion in US Total Return High Yield strategies – its flagship strategy managed for the past 25 years.

- Ends -

Fund Benchmark: Bank of America Merrill Lynch BB-B US Cash Pay High Yield Constrained Index

Performance target: 1% above benchmark

US dollar, euro and sterling, hedged and un-hedged share class are available

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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.

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

NCRAM is an SEC registered investment adviser in the U.S. and a subsidiary of Nomura Holding America Inc.

The Nomura Funds Ireland Select US High Yield Bond Fund is a sub-fund of Nomura Funds Ireland plc. Which is authorised and supervised by the Central Bank of Ireland. The fund is a sub-fund of Nomura Funds Ireland plc, which is authorised 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.