

Nomura Cross Asset Momentum UCITS Fund Outperforms in Volatile Year

London, March 31, 2017—One year on from the launch of the Nomura Cross Asset Momentum (CAM) UCITS Fund, demand remains strong for trend-following strategies that seek to capture the momentum of financial instruments. Sustained high correlations between asset classes such as equities and bonds means it is difficult for investors to have a truly diversified portfolio via traditional asset allocation, especially when interest rates start to rise.

Long/short trend-following strategies can offer an alternative to investors looking to mitigate the risks of their long-only portfolios, usually without sacrificing as much as when buying protection.

Unfortunately for investors, trying to capture momentum efficiently, with transparency and at an affordable price can be difficult. Operational complexities or regulatory reasons often prevent investors from implementing momentum strategies themselves. Investing in trend-following funds can lead to management and performance fees, which may further drag on sometimes disappointing net performance.

The CAM Fund, which is UCITS compliant, has reached USD 270 million in Assets under Management. It implements momentum strategies through the use of liquid alternatives to outsource their execution rather than implementing directly on each instrument (more than 50). This allows the investment manager to focus on the on-going allocation between the momentum strategies and on the risk monitoring of the portfolio, whilst retaining total flexibility on the underlying instruments (such as equities, interest rate swaps, commodities or Emerging Market FX).

Mr. Jean-Philippe Royer, CEO of Nomura Alternative Investment Management (Europe) Ltd commented on the success of the product: “The Nomura Cross Asset Momentum UCITS Fund is a unique and disruptive product for the asset management industry. Investors want to access diversified momentum within a transparent, liquid and regulated fiduciary fund. We manage to keep costs down but without compromising on the quality of the fund’s exposure or its performance.”

NAIM brings new funds to market using risk premia investment strategies such as carry, value or momentum, to offer innovative solutions to investors aiming to address the challenging market environment.

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