

Nomura Asset Management UK Limited

NOMURA



*Awarded to Strategic Value Open, our Japan domiciled Fund

The Japan Strategic Value Strategy

Celebrating a decade of outperformance in Japan

Nomura Asset Management UK Ltd.
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September 2011

The Japan Strategic Value Strategy

*In February 2011, Nomura's Strategic Value Open Fund (SVO) won Morningstar's prestigious "Fund of the Year 2010" award in Japan. The fund was awarded first prize in their "Domestic Stock Fund" division.

657 open-ended mutual funds in Japan were under consideration for the award, however, the judges selected SVO based on its unique quantitative and qualitative analysis.

SVO is Nomura's Japan domiciled vehicle open for investment to Japanese clients.

- We currently manage \$2.6 bn in a strategy called “Japan Strategic Value” (JSV) which, in the past, has only been available to Japan based investors.
 - The strategy was launched in July 2000 (Bloomberg code – 01311007JP) and operates off our extensive buy side research platform in Tokyo.
 - This strategy is now available to international investors and offers the same approach as that for domestic Japanese investors.
- The strategy is managed by Kentaro Takayanagi CMA, a Senior Fund Manager with 17 years experience, together with his three colleagues.
- It is a “bottom-up” stock picking approach with no sector constraints where the quality of company selection is paramount.
- We use proprietary quantitative management techniques, based on earnings yield, PBR & M&A ratio together with high quality in-house qualitative research to identify and assess company potential.
- **Impressive results have been achieved, our track record has delivered 6.8%* annualised alpha since inception***

Please note that unless stated, all data and statistics used in this presentation have been taken from our Japan based mutual fund, ‘Strategic Value Open’ on the basis that this fund is fully representative of the overall strategy and our recently launched Ireland based Japan Strategic Value Fund. The Strategic Value Open Fund is quoted on Bloomberg (code 01311007JP) and is managed by NAM Tokyo, as is the Nomura Funds Ireland Japan Strategic Value Fund.

* In JPY terms. Source: NAM Global as at 31 August 2011

Investment Results

To 31st August 2011 versus TOPIX (*):

- 1 year + 4.83% excess return
- 3 years + 4.10%**
- 5 years + 4.13%**
- 7 years + 4.57%**
- 10 years + 6.11%**

**Annualised excess return

Calendar Year Excess Returns:

2010	+ 5.39%	2005	+ 3.89%
2009	+ 7.97%	2004	+ 4.88%
2008	+ 0.49%	2003	+ 22.68%
2007	+ 3.37%	2002	+ 6.27%
2006	+ 11.00%	2001	+ 3.34%

Source: Nomura Asset Management Global (NAM Global), Stat Pro Interactive. Returns are presented in Japanese Yen terms and are shown gross of fees. NAM Global has prepared and presented this performance summary in compliance with the GIPS® standards and has been independently verified since January 2005 by Ashland Partners & Company LLP. Prior to January 2005, Nomura Asset Management UK Ltd. and Nomura Asset Management Co., Ltd. had been verified separately in accordance with GIPS® standards. Copies of the verification reports are available upon request. The TOPIX reference index is presented on a dividend re-invested basis. Please see important disclosures regarding GIPS compliance in the appendix of this presentation.

Quarterly Performance Analysis

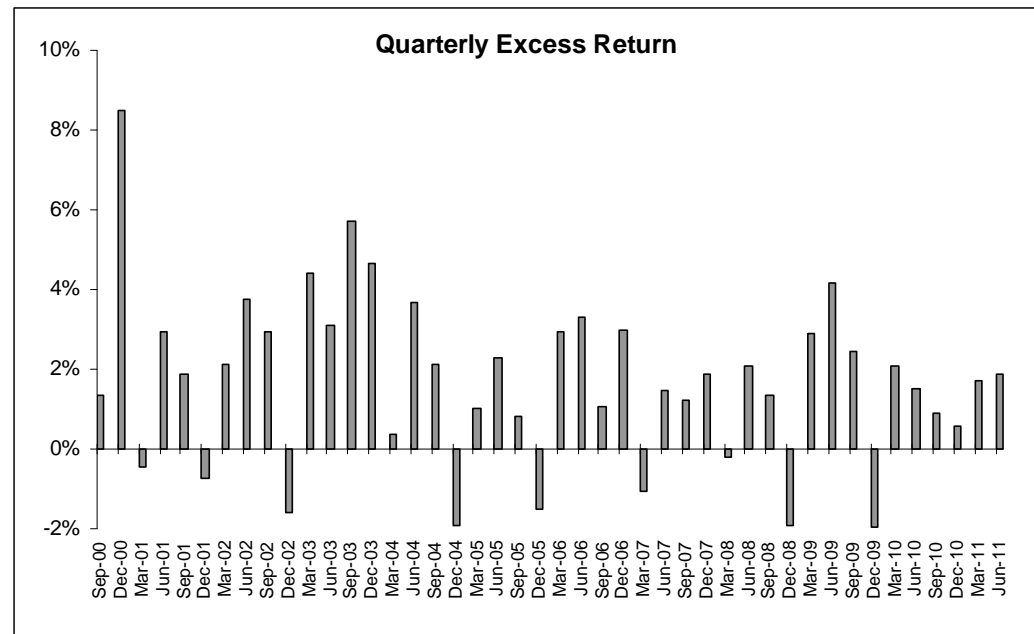
Up & down analysis

- 35 Up quarters (79%)
- 9 Down quarters (21%)

- 6.77% average 3-year rolling annualised excess return since inception.

- There have never been two successive quarters of underperformance.

Japan Strategic Value – Quarterly Excess Returns



- Our longest period of outperformance was 7 quarters of excess returns: (Mar '03 – Sept '04)

Source: Nomura Asset Management Global (NAM Global), Stat Pro Interactive. Returns are presented in Japanese Yen terms and are shown gross of fees. NAM Global has prepared and presented this performance summary in compliance with the GIPS® standards and has been independently verified since January 2005 by Ashland Partners & Company LLP. Prior to January 2005, Nomura Asset Management UK Ltd. and Nomura Asset Management Co., Ltd. had been verified separately in accordance with GIPS® standards. Copies of the verification reports are available upon request. The TOPIX reference index is presented on a dividend re-invested basis. Please see important disclosures regarding GIPS compliance in the appendix of this presentation.

Investment Characteristics

A completely “bottom-up” stock picking approach with no sector constraints

■ Target Excess Return (Gross of fees)	+3% pa versus the TOPIX ¹
■ Investment horizon	3 to 5 years
■ Maximum single stock weight	10%
■ Number of Holdings	100 – 200
■ Average Portfolio Turnover (Actual) ²	20 - 30% p.a.
■ Expected Tracking Error Range	2% - 7% ³

¹The TOPIX is a reference benchmark for the strategy only, measured over rolling 3 year periods

²Based on sales + Purchases/ 2 x average net assets.

³Tracking error expectation assumes normal market conditions

Attribution Analysis

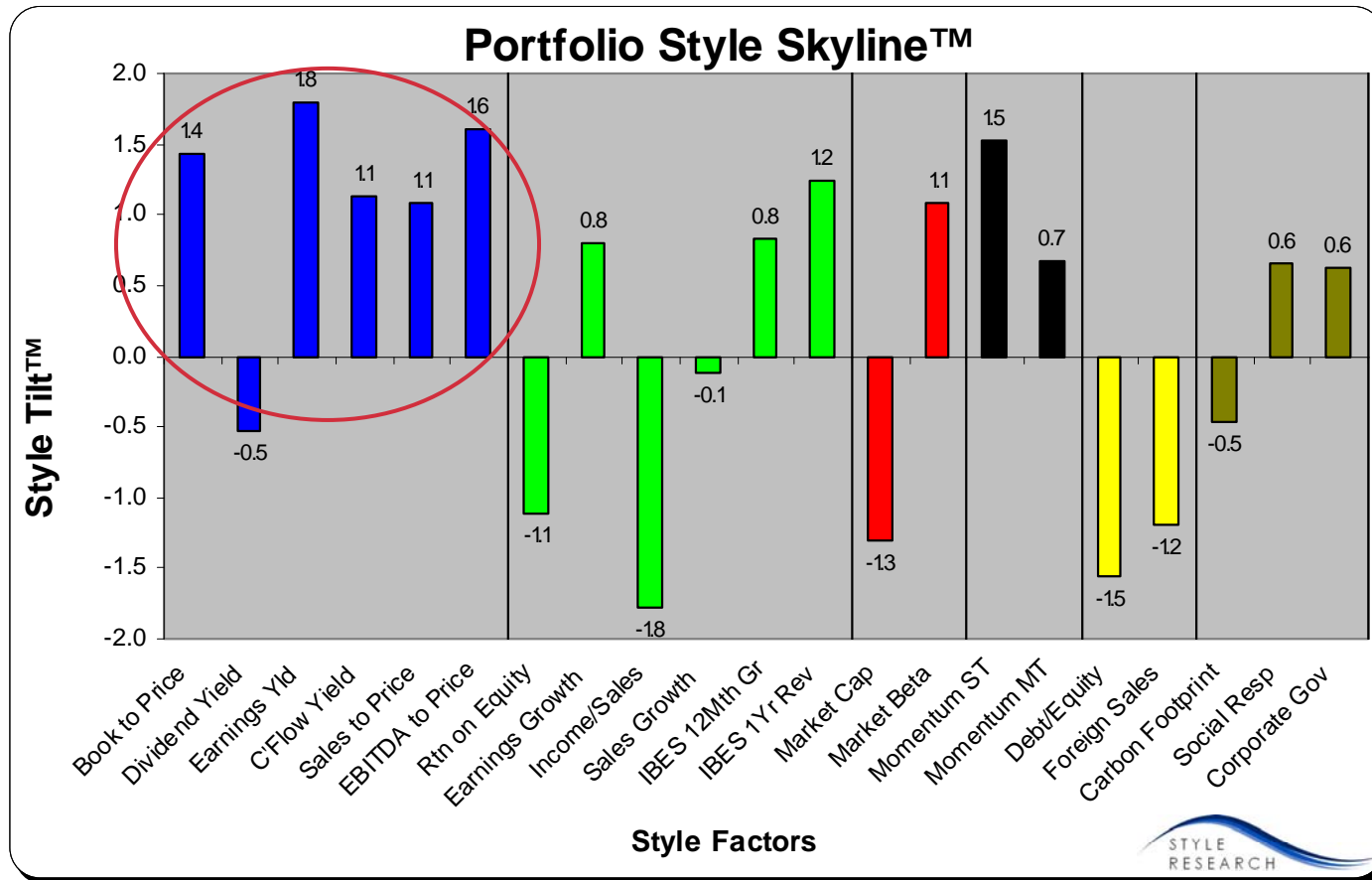
Year	Sector Allocation	Stock Selection	Total
2001	-0.46%	3.81%	+3.35%
2002	-0.16%	6.43%	+6.28%
2003	6.44%	16.19%	+22.63%
2004	1.32%	3.55%	+4.87%
2005	1.75%	2.10%	+3.85%
2006	4.83%	6.18%	+11.01%
2007	1.60%	1.78%	+3.38%
2008	-0.58%	1.08%	+0.49%
2009	3.77%	4.06%	+7.83%
2010	1.58%	3.81%	+5.39%
H1 2011	2.14%	1.27%	+3.41%

As at 30 June 2011 based on the Strategic Value Master Fund which uses the TOPIX as a reference benchmark. Data provided in JPY, attribution analysis includes transaction costs and cash returns.

Source: Nikkei Portfolio Master.

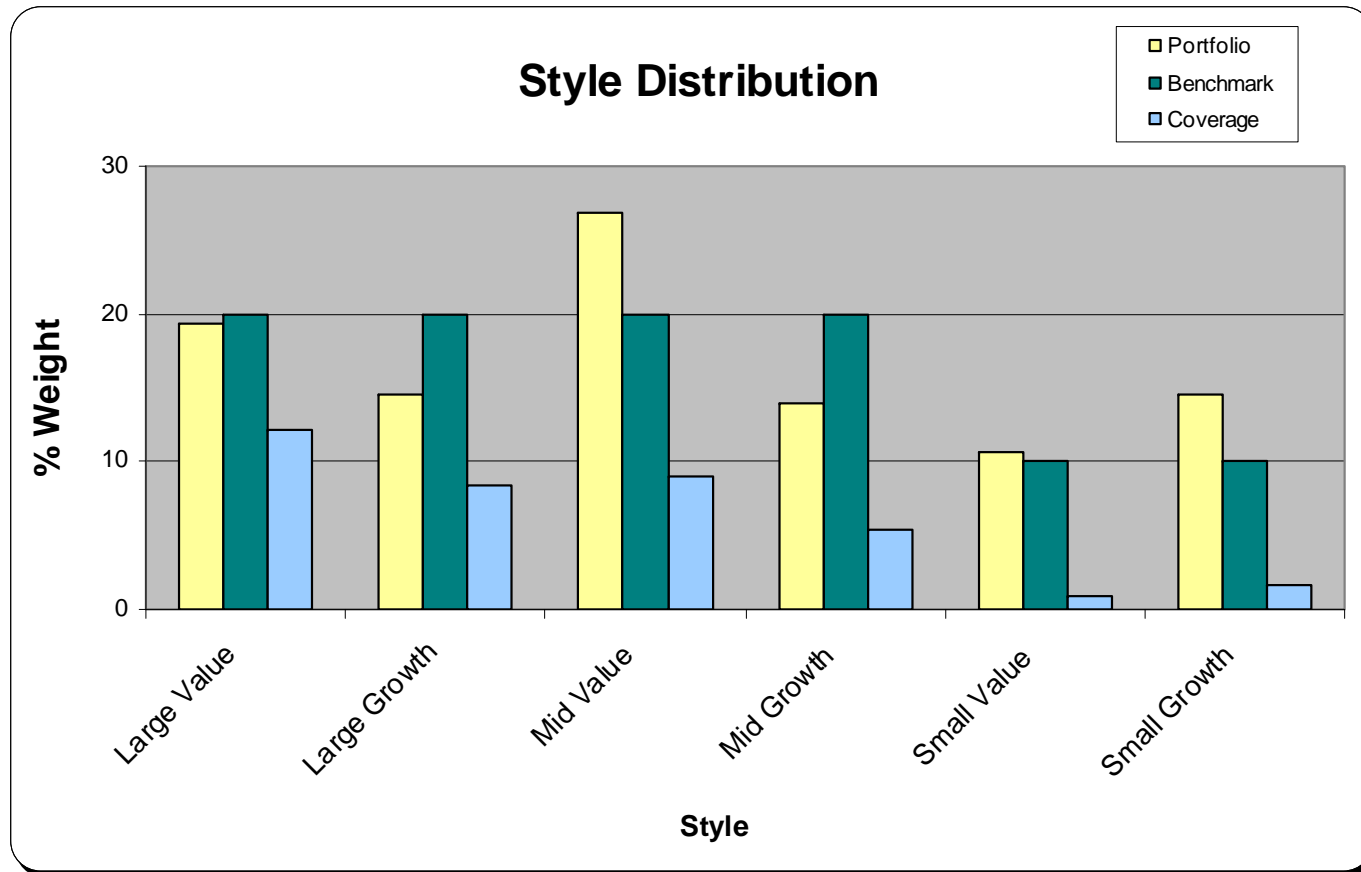
The investment style

Style analysis indicates our approach has a strong value emphasis...



Source: Style Research. Data as at 30 June 2011 based on the portfolio of the Strategic Value Open fund

The investment style (cont'd)



Source: Style Research. Data as at 30 June 2011 based on the Strategic Value Open fund

Portfolio Snapshot

Your portfolio would look like this:

	<u>Portfolio</u>	<u>TOPIX</u>
■ Number of stocks	170	1,672
■ Cash	0.9%	0.0%
■ Largest stock exposure	4.48%	3.71%
■ Largest 10 stocks represent	26.43%	18.72%
■ Beta vs. TOPIX	1.00	1.0
■ Average P/E	12.7	14.5
■ Average P/B	0.96	1.06
■ Active Share	62.30%	
■ Biggest relative (*) overweight	+3.22%	(Nippon Telegraph & Telephone)
■ Biggest relative (*) underweight	-2.98%	(Toyota)
■ Tracking error (*)	3.39%	(3 years annualised)
■ Turnover (+)	32.98%	(Jan - Jun 2011 annualised)

As at 30 June 2011 based on the Japan Strategic Value fund. (*) All data is relative to the TOPIX reference benchmark.

(+) Based on the lesser of purchases or sales as a proportion of market value. Tracking error is ex-ante Barra Active Risk.

Investment Philosophy, Process and Team

Our Philosophy and Approach

Philosophy

- The Japanese market is not efficient and active management, based on fundamental research, can add value.
- We believe periods of economic uncertainty, or corporate restructuring, produce stock valuation anomalies which can be exploited for the benefit of investors.

Approach

- To invest in undervalued stocks (undervalued relative to their intrinsic value) that have potential, based on our judgemental assessment.
- To use a combination of quantitative and qualitative assessments to help identify opportunities.

Equity Research Team – Tokyo

Name	Title	Years of Experience		Name	Title	Years of Experience	
		Investment and Research	with NAM			Investment and Research	with NAM
Yasukazu Nakaguma, CMA	Managing Director	24	14				
■ Sector Analyst ■ <u>COMMODITIES TEAM (5)</u>				■ <u>CONSUMPTION/ PHARMACEUTICALS TEAM (4)</u>			
Mitsuhiro Kimura, CMA	Senior Analyst	20	20	Eiji Ko, CMA	Senior Analyst	17	19
Yoshiaki Ooya, CMA	Senior Analyst	26	5	Yoshiyuki Inagaki, CMA	Senior Analyst	25	13
Akio Ohata, CMA	Senior Analyst	13	6	Yuta Amaike, CMA	Assistant Analyst	4	4
Makoto Yamamoto, CMA	Assistant Analyst	5	5	Yosuke Katano	Assistant Analyst	4	4
Ryohei Jimba, CMA	Assistant Analyst	2	4				
■ <u>MACHINERY/ AUTO TEAM (3)</u>				■ <u>FINANCIALS/ INFRASTRUCTURE TEAM (4)</u>			
Ryuichi Hayashi, CMA	Senior Analyst	17	7	Hideichiro Nishimura, CMA	Senior Analyst	21	13
Yoshinori Eguchi, CMA	Senior Analyst	12	7	Makoto Murahashi	Senior Analyst	21	4
Kosuke Shiotsuki	Assistant Analyst	<1	3	Hidetsugu Hara, CMA	Senior Analyst	15	7
				Tomofumi Hori	Assistant Analyst	2	2
■ <u>ELECTRONICS/ TELECOMMUNICATION TEAM (4)</u>				■ Small-cap Analyst ■ <u>SMALL-CAP. STOCK TEAM (3)</u>			
Mitsuhiro Iso, CMA	Senior Analyst	10	8	Tomohiko Kinugawa, CMA	Senior Analyst	23	16
Shigeru Aiba, CMA	Senior Analyst	24	13	Go Tabata, CMA	Senior Analyst	13	11
Kohei Oba, CMA	Analyst	5	<1	Toshihisa Gamou, CMA	Analyst	6	7
Yuushi Ono, CMA	Analyst	5	8				
				■ Corporate Governance Specialist			
				Naoki Iwata, CMA	Senior Analyst	29	16
				Hideaki Takamoto, CMA	Senior Analyst	14	18
				Yoshitsugu Tanaka, CMA	Analyst	8	10

Source: NAM Tokyo as at September 1, 2011

Research Staff

<u>Person</u>	<u>Title</u>	<u>Responsibility</u>	<u>Years of Experience</u>	
			<u>In Financial Industry</u>	<u>Years with NAM</u>
<u>ECONOMIC RESEARCH</u>				
Toru Takanashi, CMA	Managing Director	Team Management	25	27
Tomohiro Furusawa, CMA	Senior Economist	Developed Markets Economies	16	10
Ayako Fujita	Senior Economist	Emerging Markets Economies	12	3
Tomoya Sekita, CMA	Assistant Economist	Emerging Markets Economies	4	4
Hiroyuki Semba, CMA	Assistant Economist	Japan Market Economy	3	3
Harunobu Fujisaki	Assistant Economist	US Economy	1	1
<u>CREDIT RESEARCH</u>				
Hajime Koshizawa, CMA	Managing Director	Credit analysis	20	10
Shuichi Goto, CMA	Senior Credit Analyst	Credit analysis	14	3
Tomoyuki Nobuhara, CMA	Credit Analyst	Credit analysis	13	13
Hironobu Murata, CMA	Credit Analyst	Credit analysis	8	8
Yu Nunokawa	Assistant Credit Analyst	Credit analysis	4	4
Kento Okabe	Assistant Credit Analyst	Credit analysis	3	3
Kenichi Saita	Assistant Credit Analyst	Credit analysis	<1	<1

Source: NAM Tokyo as at September 1, 2011

Our Equity Research Team

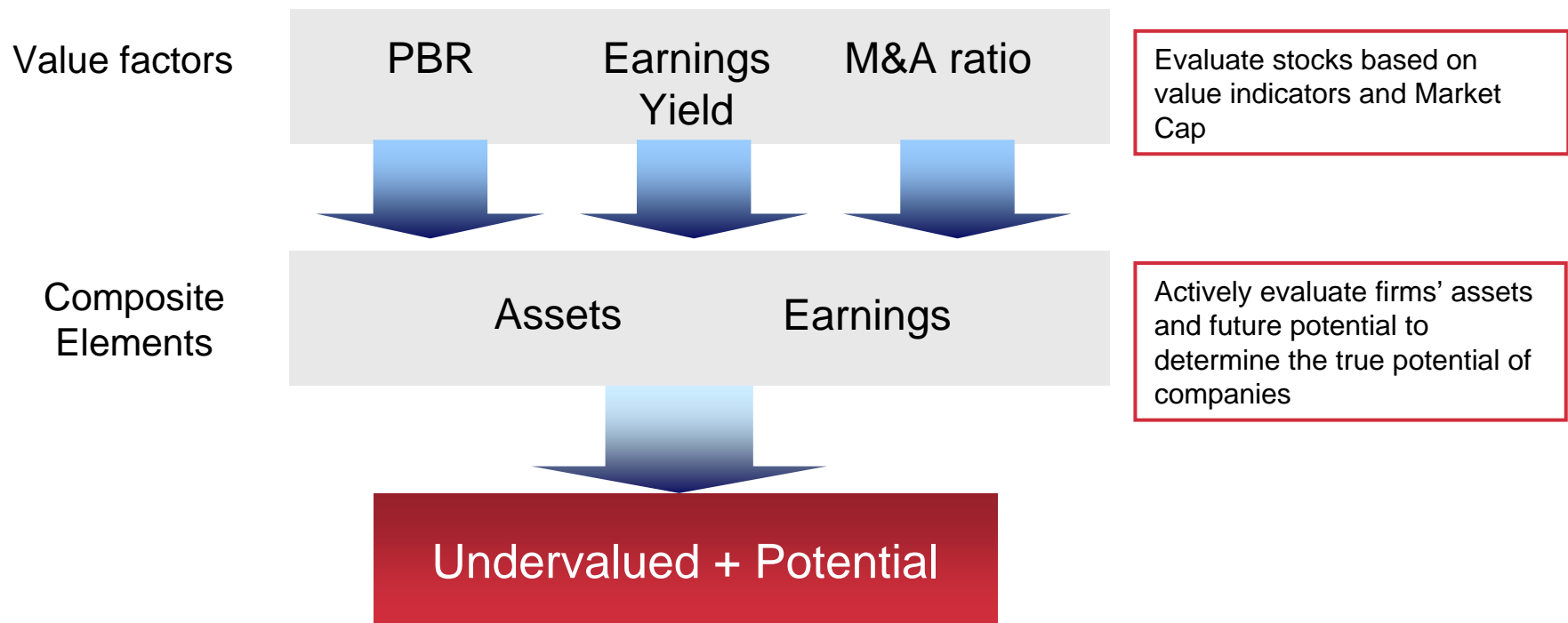
- One of the largest buy side research teams in Japan
- They are career analysts:
 - Our analysts have an average of **13** years of industry experience
 - Our analysts have an average of **8** years with Nomura
- Their appraisal is directly linked to the quality of their recommendations
- They also manage sector based portfolios giving great clarity on their abilities
- The quality of their research is vital to our success
- We are able to keep some 870 stocks on “continuous review”
- Our portfolio managers regularly review and challenge our analysts’ recommendations
- An intensive discussion with the JSV team is made on a quarterly basis
- We completed over 4,654 company meetings in 2010

Our Process

Undervalued + Potential

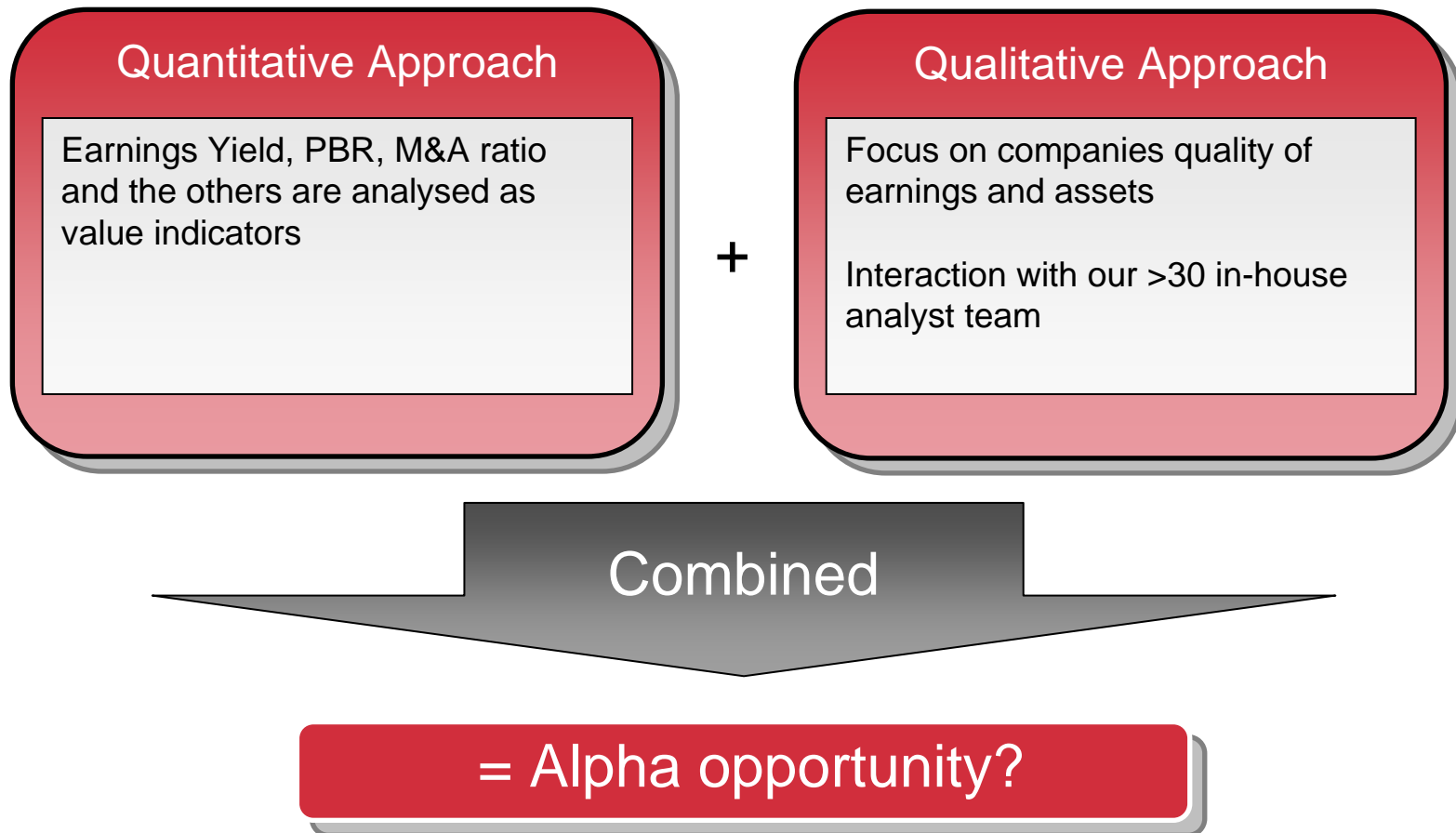
Undervaluation alone is not a sufficient reason for investing...

A stock must also offer potential for future competitiveness.



Research Process

Utilising quantitative and qualitative analyses on firms' fundamentals



Quantitative Process

Value factors for the stock screening:

- **PBR**: Stock Price / Book Value
- **Earnings Yield**: Earnings / Market Cap
- **M&A ratio**: $(\text{Market Cap.} + \text{Liabilities} - \text{Financial assets}) / \text{Operating profit}^*$

*This is a measure of how cheap the company is from an acquirer's point of view. It represents the net cost to the acquirer and dividing it by annual operating income which gives the buyer an idea of how many years it would take to earn back what would be spent acquiring the company.

Qualitative Process

Factors analysed:

■ Focus on quality of assets and earnings

- Details of corporate assets
- Attitude toward shareholders
- Business development plan
- Management credibility
- Competitive advantage in the sector
- Profitability, sustainability, and restructuring

Stock Selection Process – Summary

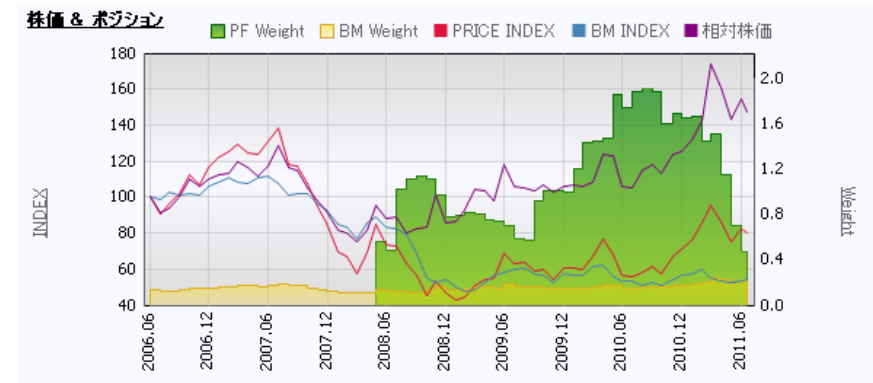
Value added primarily through stock selection

- Looking for stocks trading below their ‘intrinsic value’ – an assessment of the true value of the company based upon its current valuation set against its long-term prospects
- Valuation and prospects determined by a combination of:
 - **Quantitative Approach** – stock screening combining PER, PBR, M&A Ratio
 - **Qualitative Approach** – assessment of competitiveness and future earnings potential
- Resources include one of Japan’s largest and best buy side equity research teams

Stock Example – Kawasaki Heavy Industries

The company was considered to be undervalued from both PER and PBR perspectives.

- In May 2008, the manager initially bought this stock. In addition to the price depreciation, the manager was convinced by its inherent strength of its comprehensive infrastructure business.
- Up until late 2009, the manager maintained its weightings at around 75bp regardless of its out performance, because the manager negatively focused on its unprofitable motorcycle business in the U.S.A.
- Since Sep 2009, the manager increased the weightings of the stock due to the rising conviction on its railway business strength and the supportive business circumstances. Besides, its motorcycle business seemed bottoming out.
- Since early this year, however, the manager started to reduce the weighting. This was attributable to the facts that 1) the stock price soared on the back of strong demands for its hydraulic equipments for construction machineries in China, and 2) the potential of its railway business seemed to be fading globally.



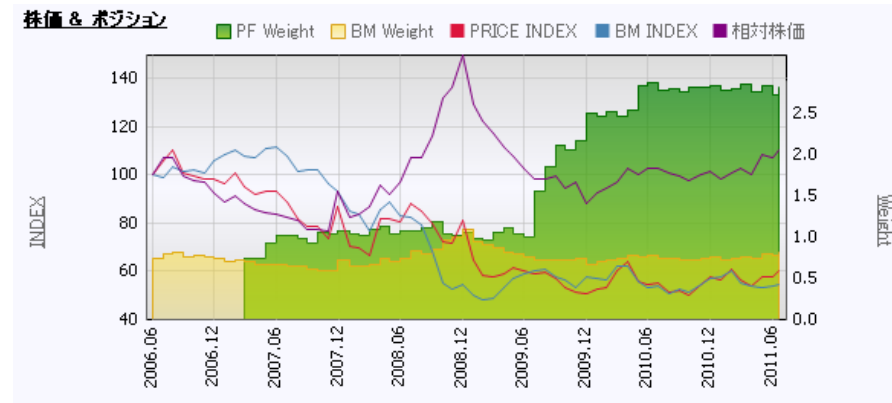
Source: NAM Tokyo, 30th June 2011

Chart : Green bar is the weight of the stock in the portfolio. Purple line is relative stock price to TOPIX (indexed)

Stock Example – Seven & I Holdings

On top of its strong convenience store business, the valuation looked attractive in terms of all three screening factors.

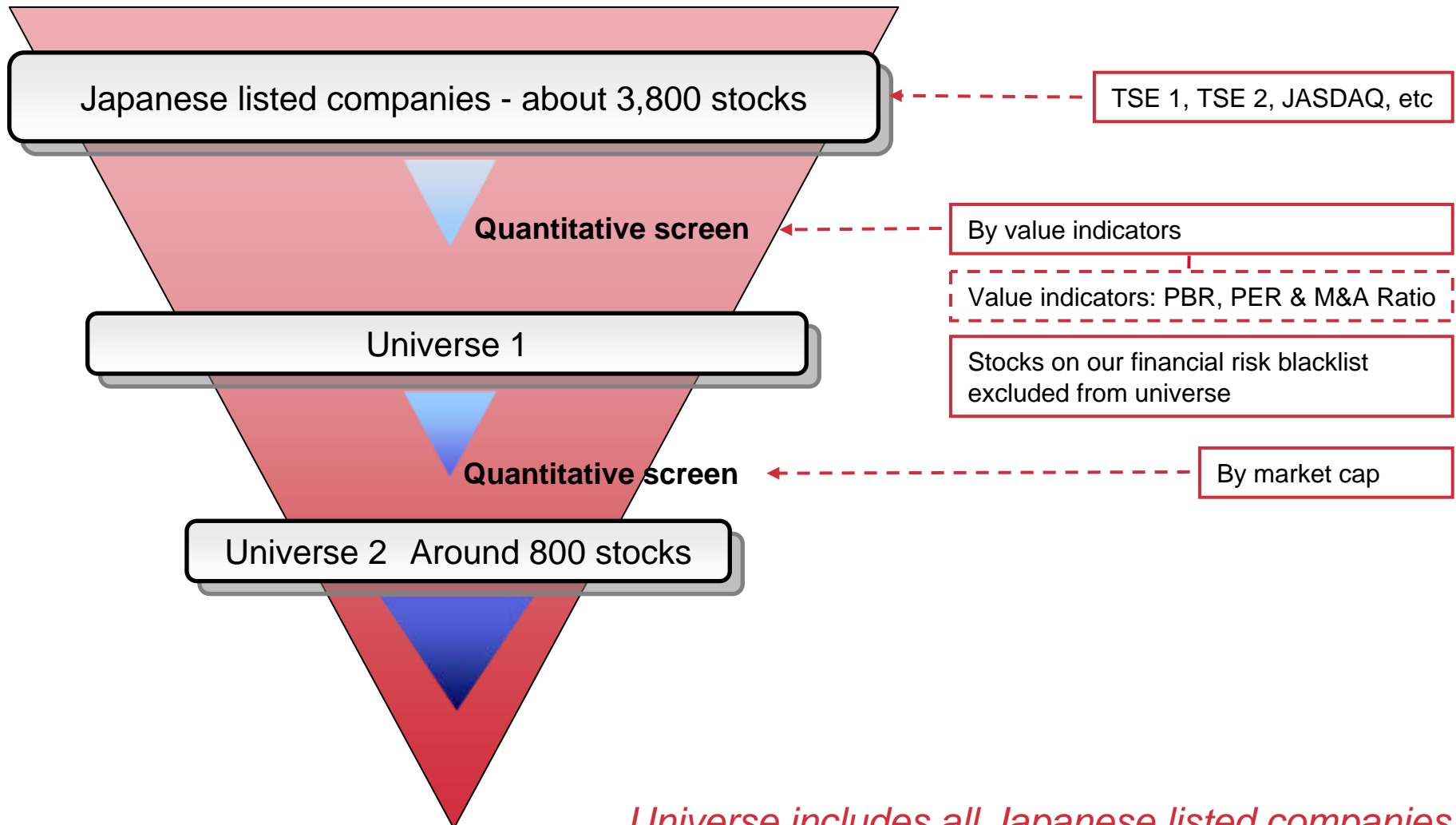
- In March 2007, the stock was put into the fund as all the valuation factors became attractive due to stock price depreciation. Additionally, the manager confirmed and positively evaluated that its domestic convenience store business was solid and very profitable.
- In 2008, Tobacco sales in existing convenience stores rose, as the regulation was tightened for tobacco vending machine business. The stock price outperformed TOPIX as a result. It became relatively weak afterwards as its positive effect came to end.
- In 2009, the manager increased its weightings as he confirmed with a research analyst the positive news on overseas business of its convenience stores, including good business result from the existing stores in the US, a recovery in gross profits, the expected increase in royalty through rise in number of franchise stores in the Asian region, as well as expectations on cut in company loss for domestic department store business.



Source: NAM Tokyo , 30th June 2011

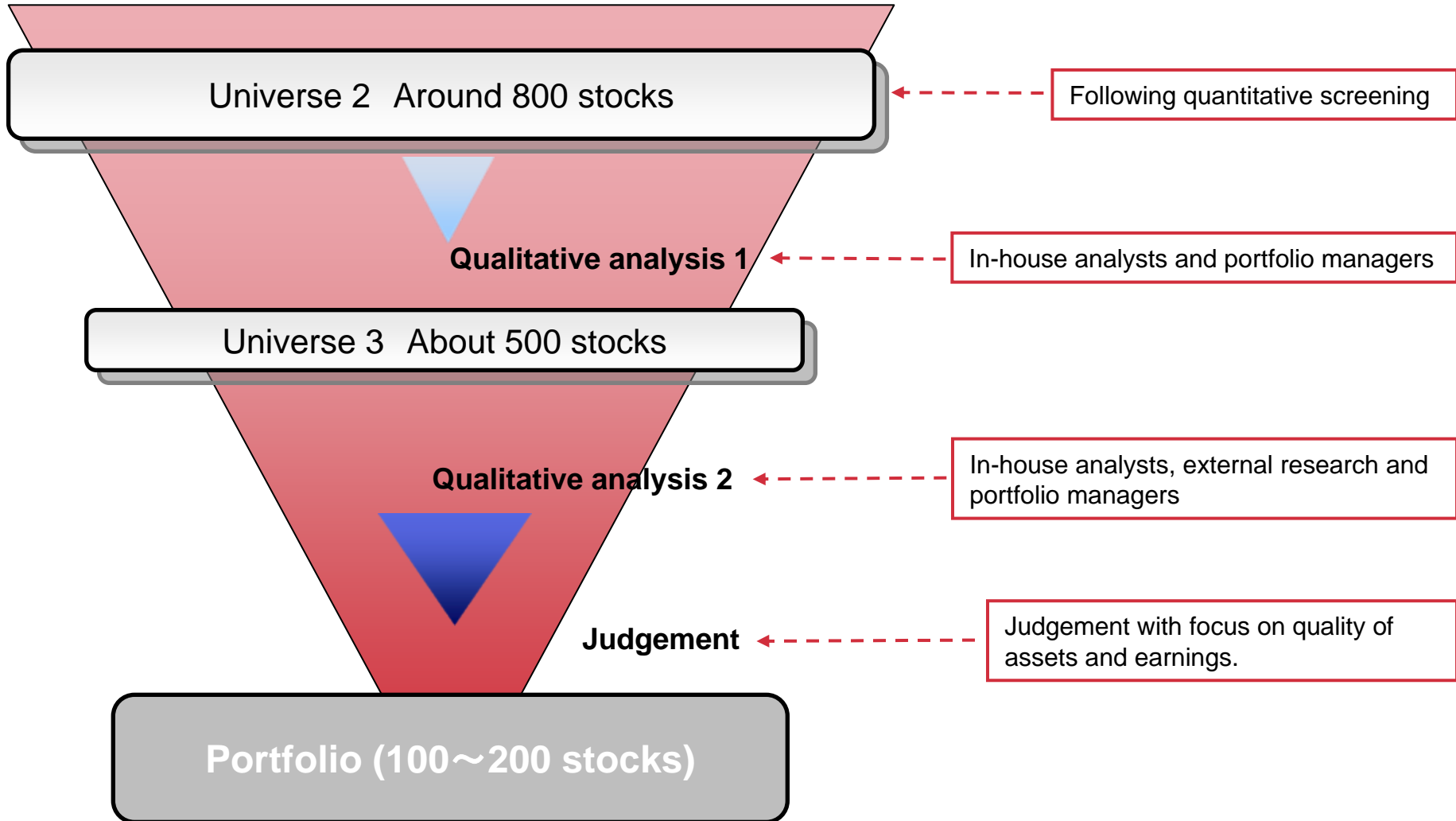
Chart : Green bar is the weight of the stock in the portfolio. Purple line is relative stock price to TOPIX (indexed)

Portfolio Construction. I



Universe includes all Japanese listed companies

Portfolio Construction. II



Our “sell” discipline

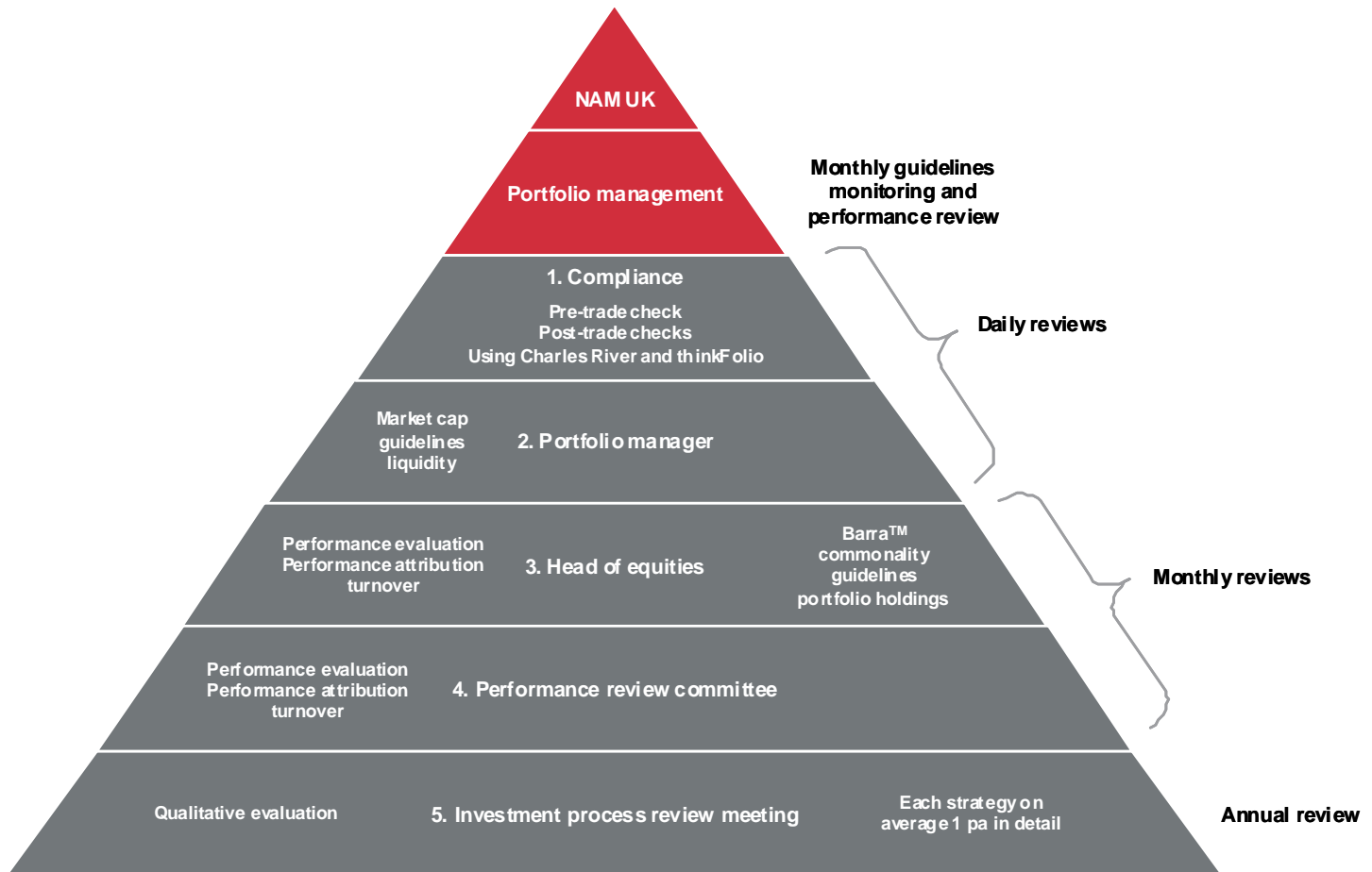
Key Sell Signals

- Loss of Attractiveness
 - Due to the appreciation of the stock price, “attractiveness” is fully discounted.
 - Unexpected deterioration in earnings expectations or occurrence of substantial loss which impairs net assets of the company i.e. no longer undervalued from valuation perspectives such as PER or PBR.
 - Diminishing “potential” as a result of declining competitiveness due to a change of business environment, or failure of business strategy etc.

- Identification of More Attractive Alternatives

Risk Control


We have a multi-layered risk approach that includes portfolio managers, the head of equities and an independent team that focuses on risk monitoring. The organisation chart below shows the relationship between each department responsible for risk control.



Risk Parameters & Risk Control

We reclassify the 33 TOPIX market sectors into 7 sectors according to the major share price drivers – e.g. interest rates, commodity prices, exports, etc.

33 TOPIX market sectors	33 TOPIX market sector classification	JSV 7 sector reclassification
16	Fishery, agriculture and forestry	4
5	Mining	1
22	Construction	6
15	Foods	4
1	Textiles and apparels	1
2	Pulp and paper	1
3	Chemicals	1
17	Pharmaceutical	4
4	Oil and coal products	1
11	Rubber products	2
6	Glass and ceramics products	1
7	Iron and steel	1
8	Non-ferrous metals	1
24	Metal products	6
9	Machinery	2
12	Electric appliances	3
10	Transportation equipment	2
13	Precision instruments	3
14	Other products	3
25	Electric power and gas	6
26	Land transportation	6
27	Marine transportation	6
28	Air transportation	6
29	Warehousing and harbor transportation services	6
20	Information and communication	5
18	Wholesale trade	4
19	Retail trade	4
30	Banks	7
31	Securities and commodity futures	7
32	Insurance	7
33	Other financing business	7
23	Real estate	6
21	Services	5

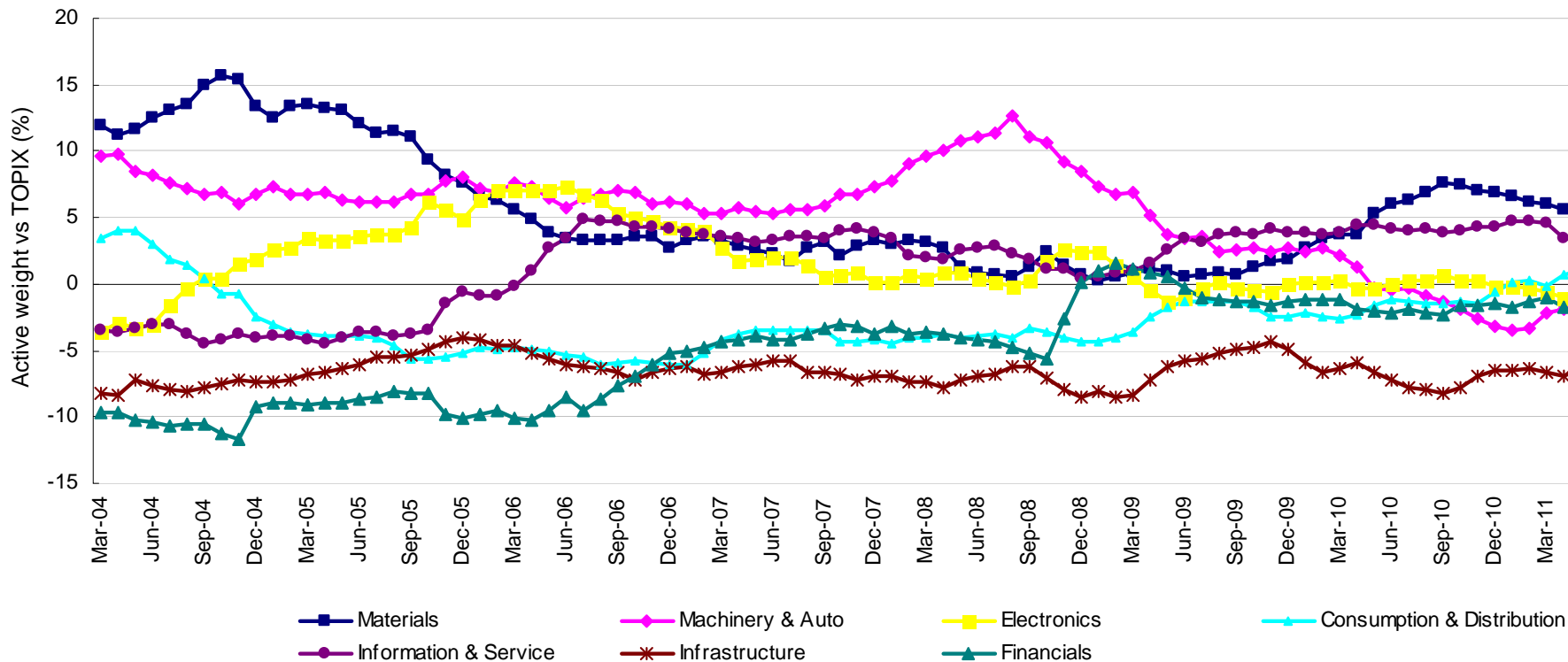


JSV – 7 sectors	JSV – 7 sector reclassification
1	Materials
2	Machinery and automobiles
3	Electronics
4	Consumption and distribution
5	Information and services
6	Infrastructures
7	Financials

Which provides us with an indication of the “tilts” in the portfolio

7 Sectors Allocation

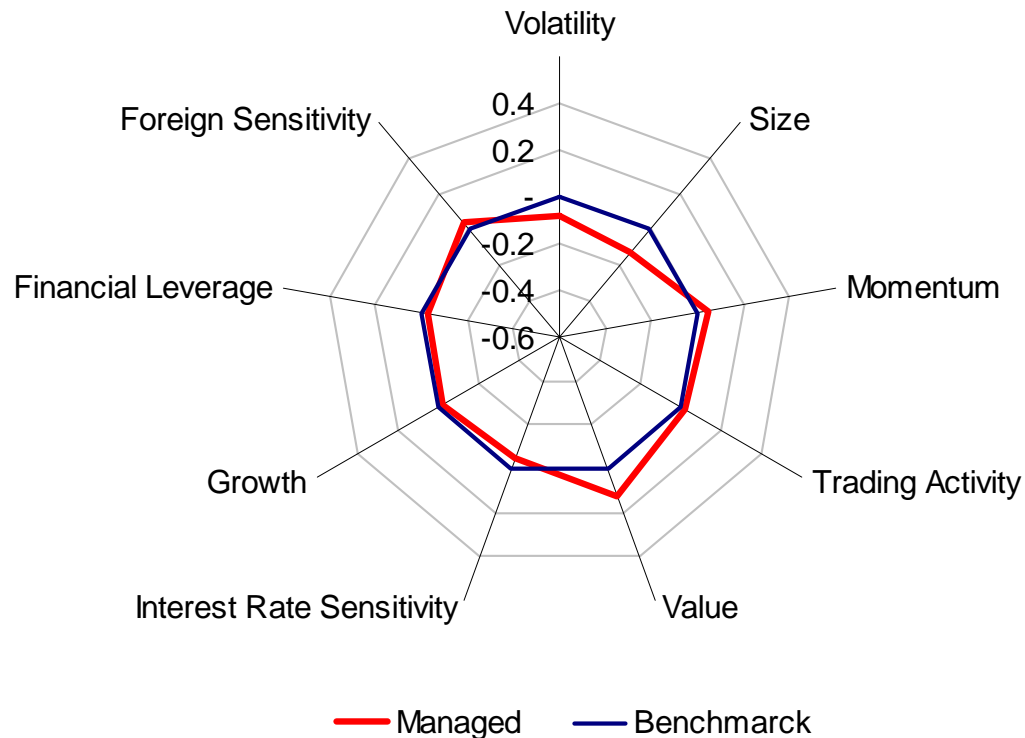
March 2004 to June 2011



Source: Nomura Asset Management as of 30 June 2011

Risk Monitoring – Barra™ Analysis

Barra™ model utilised for risk control measures



Source: Barra™ as at 30 June 2011

Strategy vs. TOPIX (Including dividends) used as reference Benchmark.

Ex-ante tracking error monitoring

Top Stock Holdings

No.	Code	Name	TOPIX Sector	Portfolio Weight	TOPIX Weight
1	9432	NIPPON TELEGRAPH AND TELEPHONE CORPORATION	INFORMATION & COMMUNICATION	4.48%	1.25%
2	8306	MITSUBISHI UFJ FINANCIAL GROUP, INC.	BANKS	3.83%	2.55%
3	8316	SUMITOMO MITSUI FINANCIAL GROUP, INC.	BANKS	2.85%	1.62%
4	5802	SUMITOMO ELECTRIC INDUSTRIES, LTD.	NONFERROUS METAL	2.83%	0.38%
5	3382	SEVEN & I HOLDINGS CO., LTD.	RETAIL TRADE	2.74%	0.78%
6	6501	HITACHI, LTD.	ELECTRIC APPLIANCES	2.33%	0.93%
7	2802	AJINOMOTO CO., INC.	FOODS	2.28%	0.25%
8	8766	TOKIO MARINE HOLDINGS, INC.	INSURANCE	1.87%	0.74%
9	7011	MITSUBISHI HEAVY INDUSTRIES, LTD.	MACHINERY	1.81%	0.55%
10	9064	YAMATO HOLDINGS CO., LTD.	LAND TRANSPORTATION	1.43%	0.22%

Source: NAM Tokyo as at 30 June 2011
Equity weightings only.

Sector Allocation

No.	TOPIX Sector	Portfolio Weight	TOPIX Sector Weight
1	Electric Appliances	15.60%	14.67%
2	Chemicals	10.54%	6.09%
3	Information & Communication	9.21%	5.98%
4	Banks	9.17%	9.11%
5	Retail Trade	8.85%	3.77%
6	Transportation Equipment	7.31%	10.49%
7	Wholesale Trade	4.34%	5.34%
8	Machinery	4.24%	5.43%
9	Nonferrous Metals	4.18%	1.39%
10	Foods	3.37%	3.12%

Source: NAM Tokyo as of 30 June 2011
Equity weightings only.

Fund Management Team



Kento Takayanagi, CMA, Senior Fund Manager

- Bachelor of Engineering from Waseda University
- Joined Nomura Securities Investment Trust Management Co, Ltd. (currently NAM) in 1991 and started his career as a system engineer in NAM's System Development Dept.
- Managed Japanese equity funds at Nomura Asset Management Co., Ltd. (NAM) since December 1993.
- Lead manager of the original "Strategic Value Open" fund since its inception in 2000.
- Previously managed various types of Japanese equity funds in 1990's.



Yoshihiro Miyazaki, CMA, Senior Fund Manager

- Master's degree in statistics from Science University of Tokyo.
- Joined the Nomura Securities Investment Trust Management Co., Ltd in 1995.
- Started career building a fundamental equity database for Japanese equity for five years.
- Has managed three types of quantitative active funds including GTAA fund and Japanese market neutral fund, and been developed quantitative investment models.
- Joined Mr. Takayanagi's team in 2005 to help co-manage.



Mitsunari Kawano, CMA, Senior Fund Manager

- Obtained B.A. in commerce from Hitotsubashi University in 1996.
- Joined Nomura Securities Co., Ltd. in 1996
- Analyst, Nomura Asset Management Co., Ltd. in 2005
- Fund Manager, Equity Investment Dept.



Shoko Inada, CMA, Assistant Fund Manager

- Joined the JSV Investment Team in 2011
- Joined the Foreign Equity Investment Trust Team, Equity Investment Dept., NAM, in 2008
- Obtained a B.A. in International Liberal Studies, Waseda University in 2008



Andrew McCagg, Assistant Fund Manager

- Joined the JSV Investment Team in 2011
- Joined the FoF Alternative Products Team, Advisory Fund Management Dept., NAM, in 2010
- Joined the Equity Based Products Team, Advisory Fund Management Dept., NAM, in 2008
- Obtained a B.A. in Liberal Arts, International Christian University in 2008

Our JSV Strategy – in a nutshell

Essentially we follow a judgement approach:

- It's very much bottom-up with a strong value emphasis
 - Sector considerations are a residual of stock selection, although attention is paid to sector diversification
 - The market cap of the stock is a proxy of liquidity
 - The valuation factors are monitored with a sense of balance and flexibility
- As far as stocks are concerned:
 - We seek to leverage our considerable internal research resources
 - We don't set price targets
 - We use the benchmark as a reference point however:
 - We are much more focused on the absolute weight in the portfolio than the benchmark weight
 - If we don't like a stock we don't hold it!

The Strategic Value Japan Fund – our vehicle

- A Dublin based UCITS III pooled fund
 - Targeting +3% p.a. over a 3 – 5 year investment horizon versus the TOPIX (as a reference benchmark)
 - US\$3m minimum initial investment, \$1m subsequently
 - Daily priced
 - Daily liquidity
 - Custody and administration by BBH in Dublin
- Fees:
 - Flat fee of 0.85% p.a. for I-class institutional clients
 - A-class wholesale fee of 1.40% p.a. (with initial charge available)
 - Performance fee scale available on a case-by-case basis

■ ISIN identifiers:

Share Class	Class Currency	ISIN Code
A	EUR	IE00B3XFBR64
A	GBP	IE00B46MHT58
A	JPY	IE00B3VTHJ49
A	USD	IE00B3XBYN16
I	EUR	IE00B3YQ1K12
I	GBP	IE00B3W35Q81
I	JPY	IE00B3VTL690
I	USD	IE00B3YZ8K73

Why select Nomura for Japanese Equities...

Why Nomura?

- Well established locally based Japanese equity firm
 - Strong long term commitment to the asset class
 - Large dedicated research resource and infrastructure focused on Japan
 - Japanese equities is our flagship product
 - Dedicated London based client service team with access to Investment Specialist

Why Japan Strategic Value?

- Stable & consistent team delivering strong returns for over a decade!
 - Apply an approach that is well suited to exploiting inefficiencies within Japan
 - Proven ability to consistently exceed target (BM +3%p.a.)
 - Additional benefit of low risk adjusted numbers = IR of 1.69% since inception.
 - Strategy available via a Dublin based UCITS structure

So, why choose Nomura?

■ Commitment to the asset class

- A “live or die” competence
- Significant resources to support our activities

■ Robust, disciplined, yet repeatable investment process

- Unchanged since inception
- Proven in widely varying market conditions
- It derives compelling advantage from our approach & resource base
- Team based approach

■ Performance

- Strong long-term performance track record

■ Client service and administration proposition

- Long-standing client relationships
- Commitment to high level of client service – London and Tokyo
- Willingness to tailor reporting
- Offer of the transition management service if desired

We would like the opportunity to prove it!

Strategic Value Open received “Fund of the Year 2010” award



■ In February 2011, Nomura’s Strategic Value Open Fund (SVO) won Morningstar’s prestigious “Fund of the Year 2010” award in Japan. It was awarded “Best Fund” in their “Domestic Stock Fund” category.

■ This award recognises strong and consistent peer group performance over one year as well as the longer term.

■ 657 open-ended mutual funds in Japan were eligible for entry.

■ Morningstar considered funds based on a combination of quantitative and qualitative analysis.

■ Whilst SVO is available for investment only by Japanese investors, our Dublin domiciled pooled fund is managed on the same basis by the same fund management team in Tokyo.

References to any specific securities do not constitute an offer to buy or sell securities. Those awarded funds based upon the past performance cannot guarantee their future performance. Data or statements are obtained from sources Morningstar Japan believed to be reliable but are not guaranteed as to accuracy or completeness. All information is the property of Morningstar Japan or Morningstar, Inc. and protected by copyright and intellectual property laws. All rights reserved.

Appendix

Investment Team

Chief Investment Officer
Yoshihiro Namura

**Managing Director,
 Equity Investment Dept.**
Masahiro Umemori

JSV Investment Team

Kentaro Takayanagi
 Senior Fund Manager

Yoshihiro Miyazaki
 Senior Fund Manager

Mitsunari Kawano
 Fund Manager

Shoko Inada
 Assistant Fund Manager

Andrew McCagg
 Assistant Fund Manager

Supporting Departments

Research

Risk Management / Quant Analysis

Centralised Trading Desk

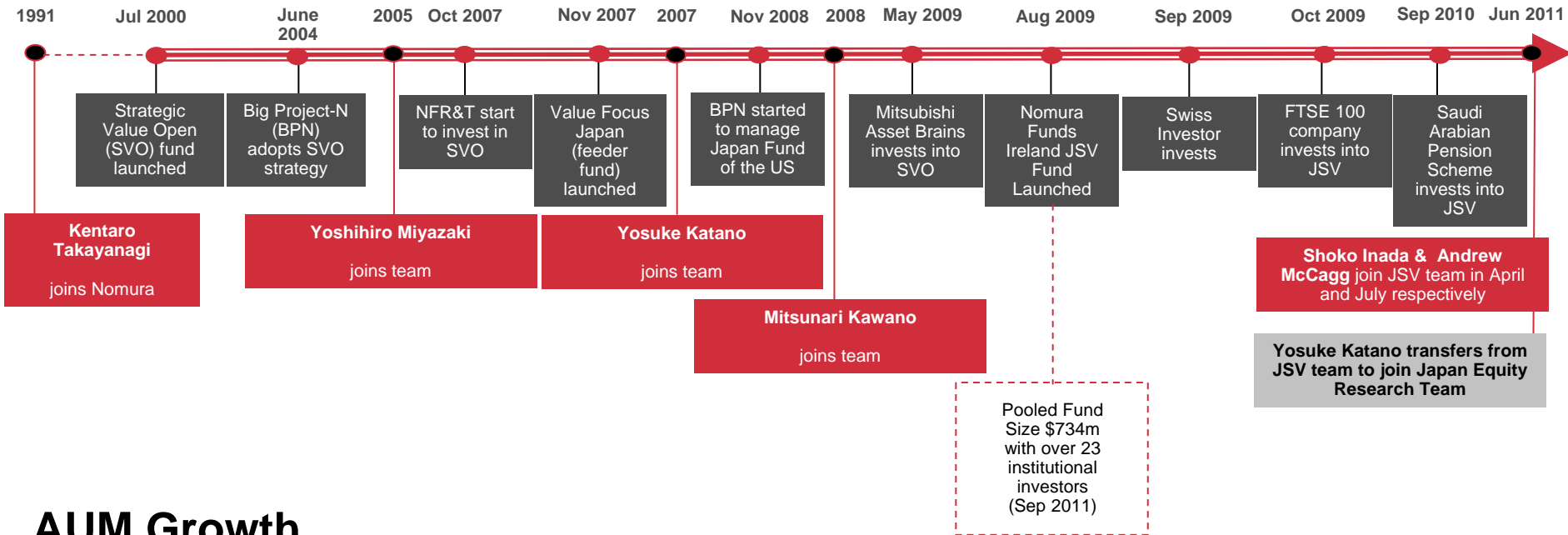
Product & Inv. Process Management

Senior Product Manager, Eiko Matsubara, CMA in Tokyo

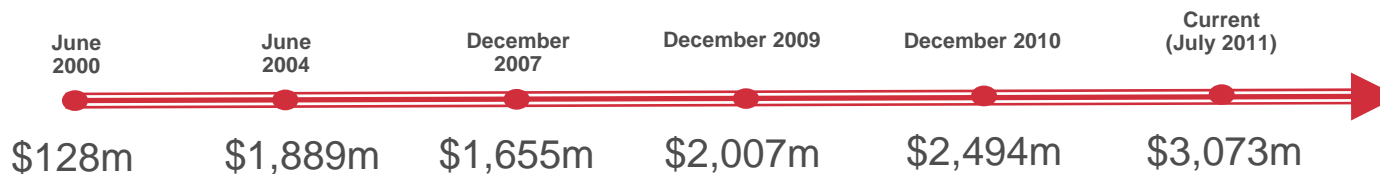
Investment Specialist Support, Peter Jenkins in London

Evolution of the strategy

History of JSV



AUM Growth



JSV Performance vs. MSCI Japan Value Index

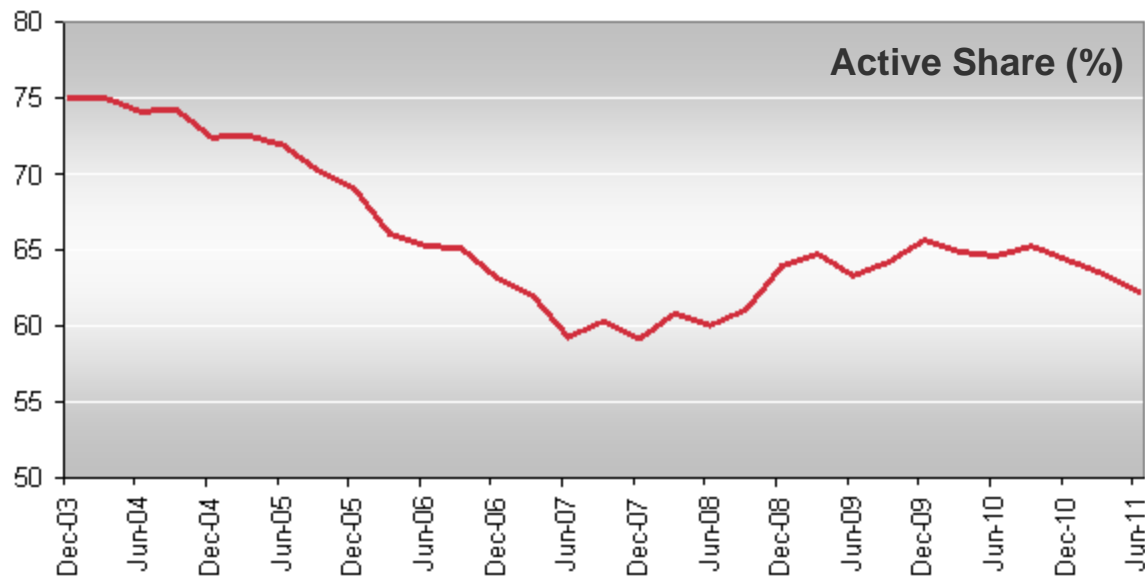
Strategy performance vs. MSCI Value Index											
Calendar Years	H1 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Japan Strategic Value	-0.94	6.35	15.59	-40.12	-7.74	14.02	49.12	16.22	47.87	-11.23	-15.57
MSCI Japan Value Index	-5.71	0.41	13.10	-38.06	-11.21	14.90	41.56	16.07	31.21	-17.57	-19.79
Excess Return	4.77	5.94	2.49	-2.06	3.47	-0.88	7.56	0.15	16.66	6.34	4.22
MSCI Japan Index	-5.09	0.71	9.26	-42.50	-10.13	7.35	44.68	10.87	22.97	-18.62	-18.84
TOPIX	-3.88	0.97	7.63	-40.62	-11.11	3.02	45.22	11.33	25.21	-17.50	-18.90

Source: Nomura Asset Management Global (NAM Global), Stat Pro Interactive. Returns are presented in Japanese Yen terms and are shown gross of fees. NAM Global has prepared and presented this performance summary in compliance with the GIPS® standards and has been independently verified since January 2005 by Ashland Partners & Company LLP. Prior to January 2005, Nomura Asset Management UK Ltd. and Nomura Asset Management Co., Ltd. had been verified separately in accordance with GIPS® standards. Copies of the verification reports are available upon request. The TOPIX reference index is presented on a dividend re-invested basis. Please see important disclosures regarding GIPS compliance in the appendix of this presentation.

JSV has outperformed the MSCI Japan Value Index in all but two years

Active Share

Active share of the JSV portfolio over time



Source: GAMMA, NAM as at 30 June 2011

Strategy vs. TOPIX (Including dividends) used as reference Benchmark.

Active share measures the divergence of stocks in the strategy vs. benchmark.

Analyst Output – Proprietary Interview Sheet

Strategic value team analyst interview sheet

Median (50 percentile) valuation of TSE 1st section. Proprietary calculation

Per (rec prof)
7.75
Per
14.02

Median
1.39
5.95
12.90%
7.10%

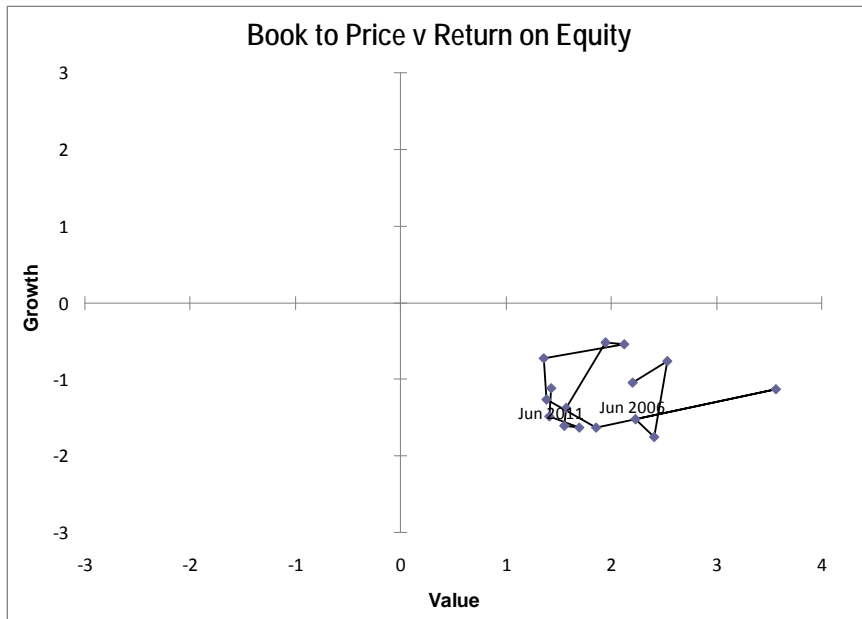
	1	2	3	4	5	6	7
Soundness	Growth	Competitiveness	Restructuring	Mgt strategy	Mgt reliability	Rewards to shareholders	
Is there any hidden loss?	Does the company have any source of growth?	Market share in the industry will	Due to restructuring profitability will	Are you comfortable with the management strategy?	Is the management trustworthy?	The attitude towards dividend increase	
1 No 2 Not certain 3 Yes 9 NA	1 Yes 2 Not certain 3 No 9 NA	1 Rise 2 Remain the same 3 Decline 9 NA	1 Improve a lot 2 Tend to improve 3 Stagnant / decline 9 NA	1 Comfortable 2 Not sure 3 Not comfortable 9 NA	1 Trustworthy 2 Not sure 3 Not trustworthy 9 NA	1 Positive 2 Somewhat positive 3 Not positive 9 NA	

Analyst	No	Code	Company	PBR	MAR	RecProf yield	Earnings yield	Market value	Price	1	2	3	4	5	6	7
Aiba	1	9437	NTT Docomo, Inc.	1.33	7.24	13.40%	7.33%	7,553,673	167,900	1	2	2	3	2	2	1
Aiba	2	9432	Nippon Telegraph and Telephone	1.00	6.21	18.73%	7.92%	7,382,627	469,000	1	1	2	3	3	3	1
Aiba	3	9433	KDDI Corp	1.57	5.23	20.29%	11.85%	2,641,558	589,000	1	2	2	3	2	2	2
Aiba	4	6501	Hitachi Ltd	1.12	5.02	18.61%	4.55%	Highlighted in red. Appraisal by analyst has risen since previous interview		2	2	2	3	3	3	3
Aiba	5	6503	Mitsubishi Electric Corp	1.45	2.73	20.22%	13.48%			1	1	2		2	1	3
Aiba	6	6502	Toshiba Corp	1.59	5.19	17.12%	8.56%	1,460,159	451	2	1	2	2	2	2	2
Aiba	7	9984	Soft Bank Corp	3.83	5.79	26.32%	9.30%	1,451,540	1,343	3	1	2	2	1	2	3
Aiba	8	6702	Fujitsu Ltd	1.28	3.56	19.06%	9.94%	1,206,821	583	2	1	2	2	2	2	3
Aiba	9	7731	Nikon Corp	2.47	4.36	19.55%	12.03%	982,261	2,455	1	2	2	2	2	2	1
Aiba	10	6701	NEC Corp	0.91	3.25	15.12%	5.04%	893,082	440	2	2	2	2	2	2	3
Aiba	11	8035	Tokyo Electron Ltd	1.57	6.02	13.07%	8.32%	841,647	4,660	1	2	1	2	2	2	3
Aiba	12	6963	ROHM Co Ltd	0.90	3.54	10.32%	6.19%	678,356	5,710	1	2	2	2	2	2	2
Aiba	13	8036	Hitachi High-Technologies Corp	1.24	3.97	19.99%	12.03%	2,851,199	2,070	1	2	2	2	2	2	2
Aiba	14	6723	NES Electronics Corp	1.16	13.76	3.79%	2.28%	263,673	2,135	1	2	2	2	2	2	3
Aiba	15	7701	Shimadzu Corp	1.66	5.73	14.97%	9.36%	249,883	844	1	2	1	2	1	1	3
Aiba	16	6665	Elipda Memory, Inc.	0.72	11.43	14.05%	14.05%	249,112	1,919	1	2	1	1	1	2	3
Aiba	17	6925	Ushio, Inc.	1.50	5.31	13.92%	9.17%	240,222	1,719	1	2	2	2	2	1	3
Aiba	18	8056	Nithon Unisys Ltd	1.64	6.71	16.62%	9.16%	140,808	1,284	2	2	2	2	2	2	3
Aiba	19	6728	Ulvac, Inc.	1.43	[5.73]	23.31%	14.10%	124,856	2,910	1	2	2	2	2	2	3
Aiba	20	6146	Dico Corp	1.16	3.42	22.84%	13.64%	103,346	3,040	1	1	2	2	2	2	2
Aiba	21	6856	Horiba Ltd	1.25	5.79	14.55%	8.37%	100,368	2,360	1	2	2	2	1	1	2
Aiba	22	7735	Dainippon Screen Mfg Co Ltd	0.71	3.58	20.45%	12.38%	85,589	337	1	2	1	2	1	2	3
Aiba	23	8140	Ryosan Co Ltd	0.67	3.07	13.38%	7.95%	79,205	2,170	1	3	2	2	2	2	1
Aiba	24	6756	Hitachi Kokusai Electric, Inc.	0.59	0.36	18.56%	11.16%	66,289	630	1	2	2	2	2	2	3
Aiba	25	7729	Tokyo Seimitsu Co Ltd	0.92	5.44	17.74%	10.45%	50,733	1,261	2	2	2	2	2	2	2
Aiba	26	6641	Nissin Electric Co Ltd	0.94	5.95	15.60%	8.79%	45,505	422	1	2	2	2	2	2	3
Aiba	27	6676	Melco Holdings, Inc.	1.50	3.62	18.84%	10.90%	44,055	1,905	2	2	2	2	1	1	3
Aiba	28	9436	Okinawa Cellular Telephone Com	1.30	1.04	22.65%	14.49%	43,966	160,800	1	2	2	2	2	2	2
Aiba	29	7631	Macnica, Inc.	0.44	3.63	15.33%	8.87%	24,793	1,369	1	2	2	2	2	2	2

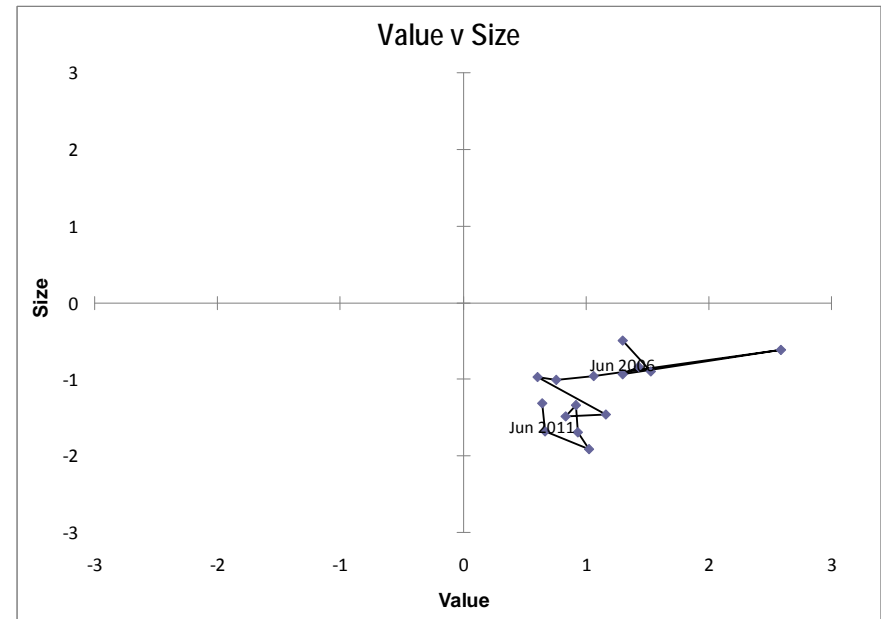
Highlighted in blue. Appraisal for the growth potential has declined since previous analyst interview

Consistency of Investment Style

Book to price vs return on equity



Value vs size



Source: Style Research. Data as at 30 June 2011 based on the portfolio of the Strategic Value Open fund.

Client Reporting

Quarterly Report Content

Performance Summary

- Performance Review- including performance attribution
- Portfolio Activity- main purchases and sales
- Market Review
- Economic and Market Outlook
- Investment Strategy
- Portfolio Characteristics
 - Sector positioning
 - 10 largest holdings
 - 10 top positive contributors
 - 10 top negative contributors

- Client relationship managed from our European offices in London

Looking at Japan

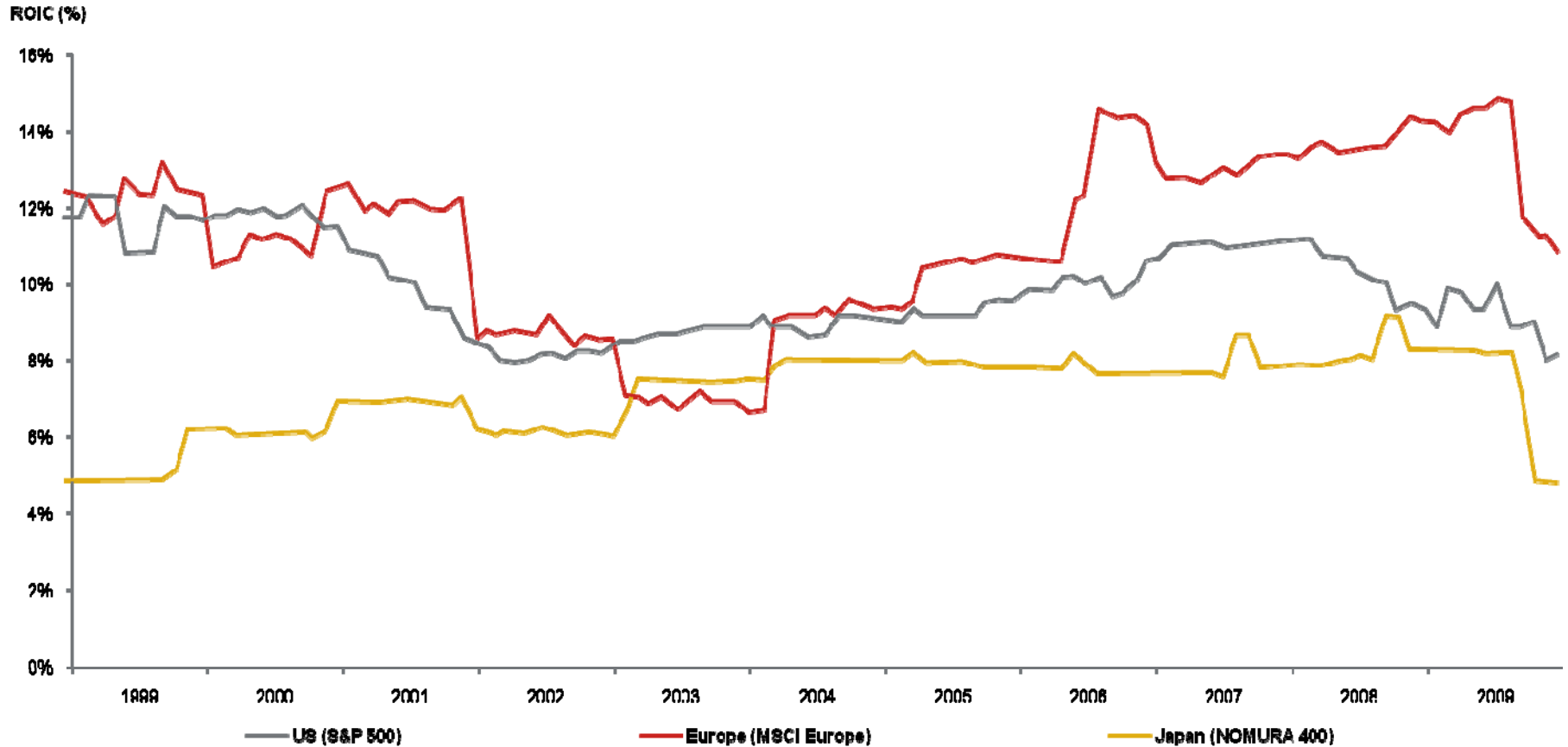
Value is clearly apparent – Over 50% of companies are trading at a PBR of less than 1

- But Japan has been a classic “value trap” for many years:
 - In the past, the triggers and initiatives to unlock the value have been absent or insufficient
- The main issues?
 - Too much cash on balance sheets/too little M&A in the past
 - The pace of corporate governance reform has been slow
 - CEOs have not regarded shareholder value as their highest priority
 - Unprofitable or non-core business have been retained, not sold
- So what has changed?
 - The catalysts are different, better and hence more powerful than ever before (the “**Why Japan?**”) and
 - The timing is good – from a Japan only perspective – but also relative to other markets (the “**Why Now?**”)

Our evidence to support these contentions?

Returns in Japan need to improve

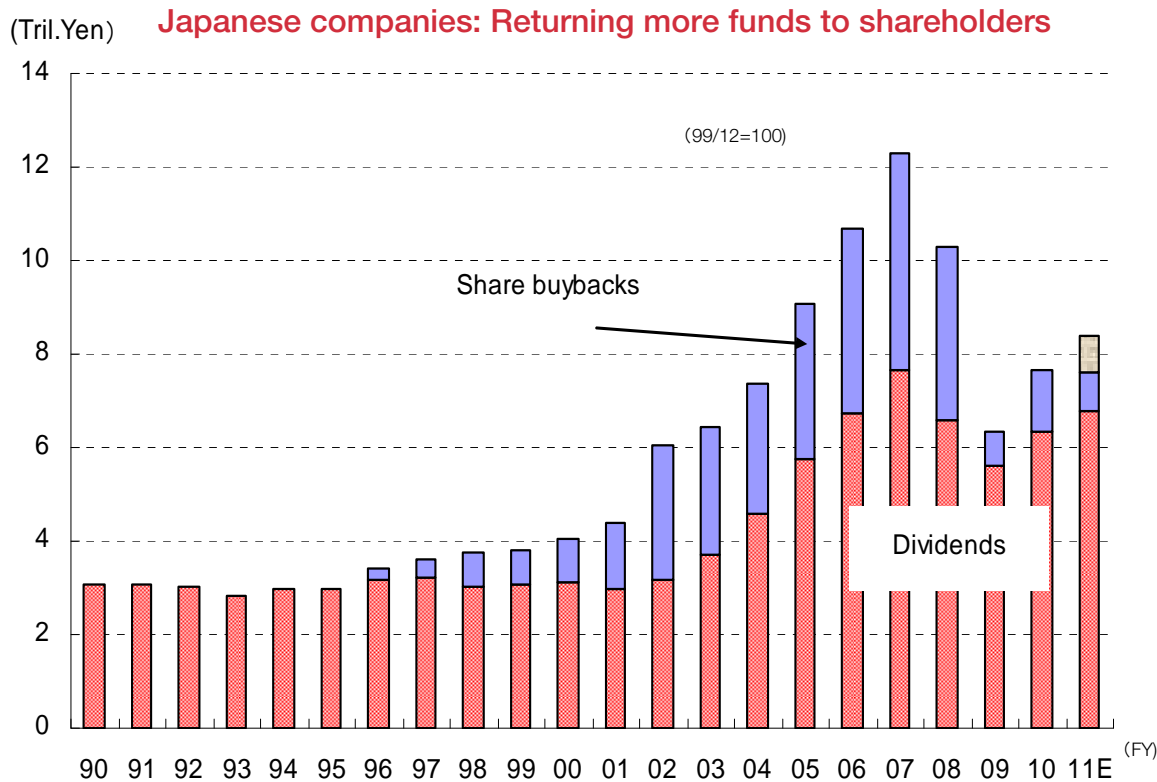
ROIC around the world



Source: Nomura Securities

Corporate Sector: Focusing more on shareholder returns

Japanese companies have started increasing payouts to shareholders, although the trend seems to have been interrupted by the credit crisis. Meanwhile, they are expected to increase both dividend and share buybacks following the earnings recovery trend.



Source: Nomura Securities, Share buyback in FY11 shows the actual figures for the first half and same amount for the second half.

Shareholder Value is becoming more important

- May 2008: Asian Corporate Governance Association study criticises Japanese companies for low shareholder returns. This immediately prompts the Japanese government to meet to discuss ways to improve returns and make Japan more attractive for foreign investment.
- May 2008: Shareholder activists led by US-based Steel Partners have successfully expelled board members of Japanese wig maker Aderans after a vote at the AGM. First time shareholders have remove incumbent management. Over next 3 months the share price of Aderans outperforms TOPIX by 4.5%.
- August 2008: President of restaurant chain Skylark replaced by company's two leading shareholders, Nomura Private Finance & CVC Capital of the UK. Citing lack of progress in restructuring.
- Japan's Pension Fund Association, which invests \$120 billion on behalf of 27m members, has said that it will oppose the reappointment of directors at firms that earn a return on equity of less than 8% for three consecutive years and will vote for dividend increases should it feel companies are holding onto too much cash.

Corporate Governance – an improving picture:

■ Our own efforts:

- In the 12 months to June 2011, we voted on 7,394 resolutions .
- The resolutions which were voted against consisted of 16.5% of the total.

■ Reasons for voting against management resolutions:

- Poison pill proposals defences (on basis they give too much discretion to the board).
- Auditor proposals (on basis auditors were not regarded as independent to the corporate).
- Director re-appointment proposals (mainly on back of poor corporate performance).
- “Cash rich” companies who did not propose to increase their dividends.

Unprofitable or Non-Core Businesses are being sold or restructured

- NEC Electronics, the semi conductor maker, after two years of engagement by Perry Capital (a US fund) saw results as the company committed at its AGM to cutting costs, focusing on profitable product areas and improving operating profit margins from 1.5% to 5% in the year ending March 2010.
- NEC, Casio Computers and Hitachi have agreed to merge their mobile phone handset-manufacturing operations by April 2010 in a bid to cut costs and improve overall competitiveness.
- Restructuring continues apace in the financial sector. The latest development concerns Sumitomo Trust Bank which is understood to be exploring the possibility of a merger with Chuo Mitsui Trust Bank (October 2009).
- In November 2009 Mitsubishi Chemical, Japan's biggest chemical company, announced that it is to buy synthetic fibre maker Mitsubishi Rayon, for around \$2.4 billion, reuniting the two companies almost 60 years after they split. Mitsubishi Chemical's largest ever purchase will help it expand into products ranging from acrylics and composite materials to golf-club shafts and water purification systems.

Annual Performance Disclosure

Nomura Asset Management Global Investment Performance

C110015

1. Composite name: Japan Equity/Strategic Value(TOPIX with Div)
2. Inception Date: 2000/8
3. Currency Name: JPY
4. Investment performance and etc.

Note 1: Calendar year end return and cumulative return are geometrically linked with existence of asset.

CY	Asset (mil. JPY) (End of December)			Number of portfolios	Period covered for this composite
	Firm-wide (1)	Composite (2)	(2)/(1) (%)		
2005	20,602,631	1,864	0.01	<=5	2005/1 - 2011/6
2006	24,418,065	1,863	0.01	<=5	
2007	27,811,776	38,215	0.14	<=5	
2008	18,960,929	51,695	0.27	<=5	
2009	22,261,954	74,346	0.33	<=5	
2010	22,935,372	87,024	0.38	<=5	
YTD	24,228,409	103,868	0.43	<=5	

CY	Gross Return (%)			Dispersion among accounts (Note 2)		
	Composite (A)	Benchmark (B)	(A) - (B)	Average return	Standard deviation	Number of portfolios
2005	49.12	45.23	3.89	49.12	N/A	<=5
2006	14.02	3.02	11.00	14.02	N/A	<=5
2007	-7.74	-11.11	3.37	N/A	N/A	<=5
2008	-40.12	-40.62	0.49	-40.12	N/A	<=5
2009	15.59	7.62	7.97	15.44	N/A	<=5
2010	6.35	0.96	5.39	6.33	N/A	<=5
YTD	-0.93	-4.36	3.43	-0.88	N/A	<=5

Note 2: Dispersion statistics include only those portfolios that have been part of the composite for a full year, and they are calculated on an asset-weighted basis. Dispersion statistics are not shown if there are five or fewer portfolios in the composite over the full year.

Past cumulated (Note: 3)	Cumulative gross return (%) (per annum)			Standard deviation in the time series (per annum)		
	Composite (A)	Benchmark (B)	(A) - (B)	Composite	Benchmark	
1 Year	2010.1 ~ 2010.12	6.35	0.96	5.39	20.00	19.59
2 Years	2009.1 ~ 2010.12	10.87	4.24	6.64	20.08	19.22
3 Years	2008.1 ~ 2010.12	-9.71	-13.59	3.88	24.87	23.57
4 Years	2007.1 ~ 2010.12	-9.22	-12.97	3.75	22.06	20.99
5 Years	2006.1 ~ 2010.12	-4.99	-9.99	5.00	20.59	19.61
6 Years	2005.1 ~ 2010.12	2.43	-2.52	4.94	20.02	19.41

Note 3: Only the composite which has the past performance data with the end as the starting point of December 2011 is displayed.

5. For the purpose of compliance with GIPS from January 2005 to December 2010, Nomura Asset Management defines itself as all assets covered by and corresponding to investment management contracts and agreements in which any of the following entities are identified as the investment manager, or advisor (Collectively, "Nomura Asset Management Global"): Nomura Asset Management Co., Ltd. (NAM Tokyo), Nomura Asset Management U.S.A. Inc. (NAM USA), Nomura Global Alpha LLC, (NGA), Nomura Asset Management U.K. Limited (NAM UK), Nomura Asset Management Singapore Limited (NAM SG), Nomura Asset Management Hong Kong Limited (NAM HK), Nomura Asset Management Malaysia Sdn.Bhd (NAM ML), Nomura Islamic Asset Management Sdn Bhd (NIAM), or Nomura Asset Management Deutschland KAG mbH (NAM D).
6. Effective 1 January 2010, the firm definition was broadened to include offices and operations in Global, i.e. NAM Tokyo, NAM USA, NGA, NAM UK, NAM SG, NAM HK, NAM ML, NIAM, and NAM D in accordance with GIPS recommendations.
7. NAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. NAM has been independently verified for the periods from January 2005 through December 2010. A copy of the verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.
8. A list and the details of the description of all composites can be shown at any time upon request.
9. Description of the composite:
This composite invests in Japanese equity with value style targeting excess return through active investment. It includes all "Strategic Value Open" portfolios.
10. This composite was created on 2010/08.
11. The standard fee schedule is referred to other exhibit.
12. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
13. Performance currency of this composite is JPY.
14. Performance calculated before deducting management fee and any other fees.
15. Performance calculated before deducting withholding tax from interest and dividend income, and capital gain tax.
And all tax rates are applied for each individual country's tax law.
16. The benchmark of this composite:
TOPIX with Div
17. Fee schedule is available on after the supplement page.

Nomura Asset Management Global Investment Performance

C110015

1. Composite: Japan Equity/Strategic Value
2. Inception Date: 2000/8
3. Currency Name: JPY
4. Period covered for this composite
2005/1 - 2011/6

5. Investment performance and etc. Excess Return, Tracking Error, and Information Ratio are presented as supplemental information.

Note 4: Calendar year end return and cumulative return are geometrically linked with existence of asset.

CY	Gross return (%)			T.E. (C)	I.R. (X) ÷ (C)
	Composite (A)	Benchmark (B)	(A) - (B) = (X)		
2005	49.12	45.23	3.89	3.99	0.98
2006	14.02	3.02	11.00	2.97	3.71
2007	-7.74	-11.11	3.37	3.03	1.11
2008	-40.12	-40.62	0.49	4.36	0.11
2009	15.59	7.62	7.97	3.34	2.39
2010	6.35	0.96	5.39	2.09	2.57
YTD	-0.93	-4.36	3.43	N/A	N/A

Past cumulated (Note: 5)	Cumulative gross return (%) (per annum)			T.E. (C)	I.R. Information Ratio	
	Composite (A)	Benchmark (B)	(A) - (B) = (X)			
1 Year	2010.1 ~ 2010.12	6.35	0.96	5.39	2.09	2.57
2 Years	2009.1 ~ 2010.12	10.87	4.24	6.64	2.74	2.42
3 Years	2008.1 ~ 2010.12	-9.71	-13.59	3.88	3.38	1.15
4 Years	2007.1 ~ 2010.12	-9.22	-12.97	3.75	3.27	1.15
5 Years	2006.1 ~ 2010.12	-4.99	-9.99	5.00	3.25	1.54
6 Years	2005.1 ~ 2010.12	2.43	-2.52	4.94	3.37	1.47

Note 5: Only the composite which has the past performance data with the end as the starting point of December 2011 is displayed.

CY	36 months Rolling Standard Deviation (per annum.)		
	Accounts Dispersion	Benchmark	Composite
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	13.70	13.11
2008	N/A	19.64	20.67
2009	N/A	21.52	22.78
2010	N/A	23.57	24.87

NAM Definitions

<p>“NAM Group”</p> <p>“NAM”</p> <p>“Our”</p> <p>“We”</p>	<p>These references relate to the whole Nomura Asset Management organisation and will generally be used when referring to matters such as investment philosophy, style, company structure and other policies which are consistent across the Group.</p>
<p>“NAM UK”</p>	<p>This refers to Nomura Asset Management U.K. Limited, the UK based subsidiary of NAM Tokyo. NAM UK will typically be appointed as investment manager and will retain responsibility for the management, control and servicing of the client portfolio and relationship. Some responses within this document will refer specifically to practices and procedures undertaken within the NAM UK office.</p>
<p>“NAM Tokyo”</p>	<p>This refers to Nomura Asset Management Co., Ltd., the Head Office of the NAM Group based in Tokyo, Japan. Consequently, some responses within this document may refer to practices at NAM Tokyo where we believe this to be relevant to the question.</p>
<p>“TOPIX”</p>	<p>This refers to the Tokyo Stock Price Index.</p>

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