

NOMURA FUNDS

An Investment Company
(Société d'Investissement à Capital Variable)

with one active Sub-Fund

CHINA OPPORTUNITIES

R.C.S Luxembourg B 107 078

organised under the Laws of
the Grand Duchy of Luxembourg

UNAUDITED FINANCIAL STATEMENTS

for the period ended June 30, 2012

No subscription can be received solely on the basis of financial statements. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the audited latest financial statements and the most recent unaudited semi-annual financial statements, if published thereafter.

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Management and Administration

BOARD OF DIRECTORS

Chairman

Tamon WATANABE (until June 11, 2012)

Chairman

Nomura Asset Management U.K. Limited

Shigeru SHINOHARA (from June 11, 2012)

Chairman

Nomura Asset Management U.K. Limited

Directors

Hajime USUKI

President and Managing Director

Nomura Bank (Luxembourg) S.A.

Koichi SUDO

General Manager,

Nomura Bank (Luxembourg) S.A

Yoshikazu CHONO

Managing Director,

Nomura Asset Management Co., Ltd

Management Company

RBS (Luxembourg) S.A.

33, rue de Gasperich

L - 5826 Hesperange

Grand-Duchy of Luxembourg

Investment Manager

Nomura Asset Management U.K. Limited,

1, Angel Lane,

London EC4R 3AB

United Kingdom

Custodian

Nomura Bank (Luxembourg) S.A.,

Bâtiment A - 33, rue de Gasperich

L - 5826 Hesperange

Grand-Duchy of Luxembourg

Administrator, Domiciliary, Registrar and Transfer Agent

Nomura Bank (Luxembourg) S.A.,

Bâtiment A - 33, rue de Gasperich

L - 5826 Hesperange

Grand-Duchy of Luxembourg

Cabinet de révision agréé

Deloitte Audit

Société à responsabilité limitée

560, rue de Neudorf,

L - 2220 Luxembourg

Grand-Duchy of Luxembourg

Legal Advisors

in Luxembourg

Elvinger, Hoss & Prussen,

2, Place Winston Churchill,

L - 1340 Luxembourg

Grand-Duchy of Luxembourg

Distributor for China Opportunities

Nomura Asset Management U.K. Limited,

1, Angel Lane,

London EC4R 3AB

United Kingdom

Shareholder's Information

Nomura Funds (the "Fund") is an open-ended investment fund and an umbrella fund. As of June 30, 2012, the Fund comprised the following active sub-fund: China Opportunities.

Unaudited semi-annual reports and audited annual reports are available at the registered office of the Company, 33, rue de Gasperich L - 5826 Hesperange.

The annual general meeting of shareholders of the Fund will be held at the registered office of the Fund in Luxembourg normally on the last Monday in June at 11:00 a.m. in each year or, if any such day is not a bank business day in Luxembourg, on the next following bank business day. Notices of all general meetings will be given to the extent required by Luxembourg law by publication in the legal gazette *Mémorial* and in such other newspapers as the Board of Directors shall determine.

The Net Asset Value per Share of each Class, as well as the Subscription Price and Redemption Price, may be obtained from the registered office of the Fund. The combined financial statements are presented in Euro.

Report of the Board of Directors - China Opportunities

To Our Shareholders

We hereby present the semi-annual report of the Nomura Funds China Opportunities (the “Sub-Fund”) for the period ended June 30, 2012.

The Net Asset Value per Share (NAV) of the Sub-Fund as of June 29, 2012 was USD 112,954 which is an increase of 125.91% from the initial subscription price of USD 50,000 and a increase of 3.20% from the Net Asset Value per Share (NAV) of the Sub-Fund as of December 30, 2011 of USD 109,455. Total net assets of the Sub-Fund on the same date were USD 43,763,306 and the total number of shares outstanding was 387.44268.

Below are some considerations from the Investment Manager of the Sub-Fund on past performance and market outlook:

Performance Review

The objective of the Sub-Fund is to achieve long-term capital growth. During the period from 31 December 2011 to 30 June 2012, the Sub-Fund’s unit NAV increase 3.20% relative to the 3.90% return of the MSCI China Total Return Index, underperforming it by 0.70%. Stock selection made a positive contribution to the fund’s performance during the period, as contribution from the telecommunications and consumer staples sectors were positive. However, sector allocation made a negative contribution to the fund’s performance during this period, as the portfolio was overweight in the underperforming energy sectors. In terms of sector weighting, the portfolio increased its exposure to the industrials and material sectors for the period, largely at the expense of the financial sectors.

Investment Outlook

The global economic environment has deteriorated appreciably. Growth in Europe is waning due to the imposition of fiscal austerity measures, and could see a marginal contraction in 2012, while the ongoing household sector balance sheet adjustment in the US is resulting in sub-par growth. This backdrop is generally unhelpful for worldwide stock markets and creates volatility, although it does suggest that monetary policy will remain extremely accommodative, with interest rates staying at historically low levels and the potential for further quantitative easing measures.

The official PMI came in slightly weaker than expected at 50.1 in July, practically unchanged from June’s 50.2. Export and import growth moderated to 11.3% year on year and 6.3% year on year respectively from 15.3% and 12.7% in May. Trade growth remained weak in June which was mainly driven by the slowdown of the US shipment. The Export growth to the US moderated to 10.6% year on year in June from 23.0% in May and import from the US decelerated to 15.7% year on year in June from 21.1% in May. Trade surplus in June came in at US\$31.7bn. CPI inflation fell sharply to 2.2% year on year in June from 3.0% in May. Lower food price inflation was the main driver. Meanwhile, PPI inflation fell to -2.1% year on year in June from -1.4% in May. Diminishing growth in the US and Euro zone economies remains the overriding concern and external demand is likely to remain sluggish, which could continue to impact China’s export growth. On the upside, the bigger-than-expected fall in CPI inflation in the second quarter could allow more room for policy easing. The government is likely to start more projects and to make project financing easier by cutting reserve requirement ratios (RRR) or official interest rates.

Valuations in China are close to their lowest ever and many investors seem to have capitulated. Whilst we still believe economic growth will disappoint those expecting a significant rebound in the second half of 2012, it will be due mainly to a smaller than expected fiscal stimulus. Consumption meanwhile will remain strong, driven by buoyant wage growth, while interest rates are likely to fall further in China. We continue to be more prudent and position the fund to balance between growth and defensiveness.

Investment Strategy

Our investment strategy choices within sectors will be dictated by bottom-up decisions and will focus on the value plays in each industry. We also prefer companies which, due to their competitive positions and management quality, have clear strategies to take advantage of the economic growth in China. We have selected the Industrials and Healthcare sectors to be overweight within the Fund for the time being.

Statement of Net Assets
as at June 30, 2012
(expressed in US Dollars)

	Notes	<i>Nomura China Opportunities (in USD)</i>	<i>Nomura Funds (in EURO)</i>
ASSETS			
Investment in securities at market value <i>(at cost: USD 41,412,685)</i>		42,165,859	33,009,127
Cash at banks		931,683	729,359
Due from brokers		129,253	101,184
Accrued income		694,821	543,934
		<hr/>	<hr/>
Total Assets		43,921,616	34,383,604
LIABILITIES			
Accrued expenses		158,310	123,931
		<hr/>	<hr/>
Total Liabilities		158,310	123,931
		<hr/>	<hr/>
NET ASSETS		43,763,306	34,259,673
		<hr/>	<hr/>
Number of Shares Outstanding		387.44268	
Net Asset Value per Share		112,954	

The accompanying notes form an integral part of these financial statements.

**Statement of Changes in Shares Outstanding
for the period ended June 30, 2012**

(Unaudited)

Number of shares at the beginning of the period	333.51518
Number of shares issued	83.17675
Number of shares repurchased	<u>(29.24925)</u>
Number of shares outstanding at the end of the period	<u><u>387.44268</u></u>

Statement of Investments
as at June 30, 2012
(expressed in US Dollars)

Ccy	Quantity	Description	Cost	Market Value	In % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING					
BERMUDA					
ORDINARY SHARE					
HKD	430,000	KUNLUN ENERGY CO LTD	708,406	684,062	1.57
HKD	472,000	CHINA FOODS LTD	472,021	463,061	1.06
HKD	324,000	COSCO PACIFIC LIMITED	475,726	438,577	1.00
HKD	176,500	SMARTONE TELECOMMUNICATIONS	338,559	339,034	0.77
HKD	410,000	NINE DRAGONS PAPER HOLDINGS	293,951	227,810	0.52
HKD	1,092,000	GOME ELECTRICAL APPLIANCES HLDS LTD	330,031	143,593	0.33
			2,618,694	2,296,137	5.25
		Total BERMUDA	2,618,694	2,296,137	5.25
CAYMAN ISLANDS					
ORDINARY SHARE					
HKD	67,000	TENCENT HOLDINGS LTD	1,081,683	1,952,067	4.47
HKD	113,000	HENGAN INTL GROUP CO LTD	1,033,490	1,091,846	2.49
HKD	384,000	BELLE INTERNATIONAL HOLDINGS	702,179	649,496	1.48
HKD	652,500	KWG PROPERTY HOLDING LTD	409,132	409,658	0.94
HKD	521,500	SOHO CHINA LTD	366,969	396,660	0.91
HKD	408,000	CHINA STATE CONSTRUCTION INTL	355,230	381,338	0.87
HKD	830,000	UNITED LABORATORIES	343,698	343,475	0.78
HKD	415,000	CHINA SHANSHUI CEMENT GROUP	302,692	280,879	0.64
HKD	67,600	SANDS CHINA LTD	247,122	213,513	0.49
HKD	412,000	SINO BIOPHARMACEUTICAL LTD	125,455	148,188	0.34
HKD	450,000	GCL POLY ENERGY HOLDINGS LTD	157,221	97,462	0.22
HKD	833	SHUI ON LAND LTD	0	337	0.00
			5,124,871	5,964,919	13.63
		Total CAYMAN ISLANDS	5,124,871	5,964,919	13.63
CHINA					
ORDINARY SHARE					
HKD	4,313,270	CHINA CONSTRUCTION BANK H	3,031,268	2,941,534	6.73
HKD	2,134,000	PETROCHINA CO LTD H	2,308,935	2,737,341	6.26
HKD	4,394,650	IND & COMM BANK OF CHINA LTD H	2,917,398	2,430,487	5.55
HKD	1,748,000	CHINA PETROLEUM & CHEMICAL CORP H	1,455,297	1,550,392	3.54
HKD	176,500	PING AN INSURANCE GROUP CO H	1,567,050	1,403,917	3.21
HKD	378,000	CHINA SHENHUA ENERGY CO LTD H	1,620,556	1,318,168	3.01
HKD	3,445,000	BANK OF CHINA LTD H	1,296,536	1,305,714	2.98
HKD	2,971,000	AGRICULTURAL BANK OF CHINA H	1,489,651	1,183,512	2.70
HKD	422,000	CHINA LIFE INSURANCE CO LTD H	1,108,707	1,085,887	2.48
HKD	966,000	HUANENG POWER INTL H	623,517	724,789	1.66
HKD	1,001,000	BANK OF COMMUNICATIONS CO LTD H	804,656	669,751	1.53
HKD	334,000	DONGFENG MOTOR GP CO H	634,152	512,395	1.17
HKD	521,000	CHINA MINSHENG BANKING CORP H	503,049	461,430	1.05
HKD	205,500	CITIC SECURITIES CO LTD H	404,598	430,769	0.98
HKD	301,200	HAITONG SECURITIES CO LTD H	421,934	418,587	0.96
HKD	124,600	CHINA PACIFIC INSURANCE CO LTD H	404,167	399,971	0.91
HKD	456,000	CHINA COMMUNICATION CONSTRUCTION H	355,342	397,984	0.91

The accompanying notes form an integral part of these financial statements.

Statement of Investments (continued)
as at June 30, 2012
(expressed in US Dollars)

Ccy	Quantity	Description	Cost	Market Value	In % of Net Assets
CHINA (CONTINUED)					
ORDINARY SHARE (CONTINUED)					
HKD	294,930	CHINA VANKE CO LTD B	314,363	386,300	0.88
HKD	804,500	CHINA COSCO HOLDINGS CO LTD H	367,720	354,702	0.81
HKD	588,000	AIR CHINA LIMITED H	374,862	344,148	0.79
HKD	642,000	CHINA CITIC BANK CORP H	410,616	326,922	0.75
HKD	474,000	ZHEJIANG EXPRESSWAY CO LTD H	348,381	312,256	0.71
HKD	86,000	ZHUZHOU CSR TIMES ELECTRIC H	217,533	232,271	0.53
HKD	116,500	GREAT WALL MOTOR CO LTD H	205,023	230,990	0.53
HKD	79,200	SINOPHARM GROUP CO LTD H	210,352	217,479	0.50
HKD	436,800	CHINA COMMUNICATIONS SVCS CORP H	216,813	215,109	0.49
HKD	188,000	PICC PROPERTY & CASUALTY H	255,306	210,130	0.48
HKD	64,500	ANHUI CONCH H	200,245	174,203	0.40
HKD	428,000	CHINA NATIONAL MATERIALS CO LTD H	210,243	131,320	0.30
HKD	99,400	ZOOMLION HEAVY INDUSTRY -H	128,749	125,453	0.29
HKD	87,500	ZHAOJIN MINING INDUSTRY CO. LTD H	108,869	113,931	0.26
HKD	196,000	CHINA BLUECHEMICAL LTD H	159,671	111,178	0.25
			24,675,559	23,459,020	53.60
	Total CHINA		24,675,559	23,459,020	53.60
HONG KONG					
ORDINARY SHARE					
HKD	321,500	CHINA MOBILE LTD	2,580,080	3,512,629	8.04
HKD	1,286,000	CNOOC LTD	2,307,614	2,553,132	5.83
HKD	456,000	CHINA OVERSEAS LAND&INVEST LTD	828,515	1,056,979	2.42
HKD	622,000	LENOVO GROUP LTD	492,511	524,421	1.20
HKD	86,500	BEIJING ENTERPRISES HOLDINGS	508,712	518,538	1.18
HKD	664,000	XINYI GLASS HOLDINGS LTD	397,135	351,821	0.80
HKD	469,500	SINOTRUK HONG KONG LTD	265,393	279,634	0.64
HKD	146,000	SJM HOLDINGS LTD	237,565	268,777	0.61
HKD	72,000	CHINA MERCHANTS HOLDINGS INT CO LTD	259,116	217,664	0.50
HKD	106,000	CN RESOURCES POWER HOLDING	177,772	217,277	0.50
HKD	294,000	GUANGDONG INVESTMENT LTD	172,003	211,492	0.48
HKD	61,000	BOC HONG KONG HOLDINGS LTD	174,208	185,590	0.42
HKD	44,000	ENN ENERGY HOLDINGS LTD	137,513	153,721	0.35
HKD	108,000	CHINA UNICOM HONG KONG LTD	183,142	135,889	0.31
HKD	36,000	WHEELOCK & CO LTD	126,946	135,518	0.31
HKD	174,000	GIORDANO INTL LTD	145,336	122,701	0.28
			8,993,561	10,445,783	23.87
	Total HONG KONG		8,993,561	10,445,783	23.87
	Total TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING		41,412,685	42,165,859	96.35
	TOTAL		41,412,685	42,165,859	96.35

The accompanying notes form an integral part of these financial statements.

**Economic and Geographical Division of Investments
as at June 30, 2012**

Economic and Geographical Division	In % of Net Assets
BERMUDA	
Energy	1.57
Consumer Staples	1.06
Industrials	1.00
Telecommunication Services	0.77
Materials	0.52
Information Technology	0.33
	5.25
CAYMAN ISLANDS	
Information Technology	4.47
Health Care	3.61
Consumer Discretionary	1.97
Financials	1.85
Materials	1.51
Utilities	0.22
	13.63
CHINA	
Financials	30.23
Energy	13.07
Industrials	6.47
Utilities	1.66
Materials	0.65
Consumer Discretionary	0.53
Health Care	0.50
Telecommunication Services	0.49
	53.60
HONG KONG	
Telecommunication Services	8.35
Energy	5.83
Financials	5.31
Information Technology	2.00
Consumer Discretionary	0.92
Utilities	0.85
Industrials	0.61
	23.87
Total Investments	96.35

Notes to the Financial Statements as at June 30, 2012**Note 1 - Organisation**

NOMURA FUNDS (the "Fund") was incorporated as an open-ended investment company (Société d'Investissement à Capital Variable – SICAV) with multiple compartments on April 6, 2005. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. The initial capital on incorporation was JPY 5,000,000. On incorporation all the shares representing the initial capital were subscribed for and were fully paid. The Fund has designated a management company subject to chapter 15 of the Luxembourg law of December 17, 2010 regarding undertakings for collective investment as amended.

The Articles of Incorporation were published in the *Mémorial C, Recueil des Sociétés et Associations* on April 18, 2005. The Articles of Incorporation are on file with the *Registre de Commerce et des Sociétés* of Luxembourg. The notice required by Luxembourg law relating to the issue of Shares in the Fund has been deposited with the *Registre de Commerce et des Sociétés* of Luxembourg.

The Fund is designed to offer investors, within the same investment vehicle, a choice between several Sub-Funds, which are managed separately and are distinguished principally by their specific investment policy and/or by the currency in which they are denominated.

The Fund is registered under Part I of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment as amended.

The Fund is operated in compliance with the Association of the Luxembourg Fund Industry (ALFI) Code of Conduct.

At June 30, 2012, the Fund comprised one active Sub-Fund, the China Opportunities which has been established for an indefinite period of time.

The Sub-Fund's investment objective is to achieve long term capital growth through investment in an actively managed portfolio of Chinese securities, including primarily equities issued by companies based in or listed/dealt on Regulated Markets in the People's Republic of China (PRC), comprising Hong Kong SAR ("Special Administrative Region"). The Sub-Fund may also invest in companies carrying out a preponderant part of their business activities in the PRC.

Note 2 - Significant Accounting Policies

The Fund maintains the books and records of China Opportunities Sub-Fund in its respective currency, U.S. Dollar and prepares combined financial statements in Euro.

The financial statements are prepared in accordance with Luxembourg regulations relating to investment funds, including the following significant accounting policies:

INVESTMENTS IN SECURITIES

(a) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available closing price; in the event that there should be several such markets, on the basis of the last available closing price of the main market for the relevant security. Should the last available closing price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales prices which the Board of Directors deems is prudent to assume;

(b) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available closing price. Should the last available closing price for a given security not truly reflect its fair market value, then that security is valued by the Board of Directors on the basis of the probable sales price which the Board of Directors deems is prudent to assume;

(c) Shares or units in underlying open-ended investment funds are valued at their last available net asset value;

(d) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;

Notes to the Financial Statements as at June 30, 2012 (continued)**Note 2 - Significant Accounting Policies (continued)***INVESTMENTS IN SECURITIES (CONTINUED)*

(e) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received is deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Board of Directors may, at their discretion, prudently and in good faith follow other methods of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice in order to achieve a fair valuation of the assets of the Fund.

INVESTMENT TRANSACTIONS AND INVESTMENT INCOME

Security transactions are recorded on the trade date. Realised profits and losses on sales of portfolio securities are calculated on a weighted-average cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the basis of interest accrued, premiums amortised and discounts earned. Dividend income is recorded net of withholding tax.

FOREIGN CURRENCY TRANSLATION

The market value of securities as well as other assets and liabilities stated in currencies other than the reporting currency of the respective Sub-funds have been translated at the exchange rates prevailing at the date of the annual accounts. Income and expenses not denominated in the reporting currency of the respective Sub-Funds have been translated at the rate prevailing at the date of transaction.

For the preparation of combined financial statements in Euro, the statements of each Sub-Fund denominated in currencies other than Euro have been translated at the exchange rates prevailing at the year-end.

The following exchange rate was used:

1 EUR = 1.2574 USD

FORMATION EXPENSES

The cost incurred in the setting-up of the Fund and the Sub-Funds are amortised on a straight-line basis over 5 years from the date on which the Fund and the Sub-Funds commenced business.

COMBINED FINANCIAL STATEMENTS

The Fund's total net assets are expressed in EUR and correspond to the difference between the total assets and the total liabilities of the Fund. In order to calculate this value, the net assets of each Sub-Fund are, unless they are already expressed in EUR, converted into EUR and added together.

Note 3 - Management and Investment Management Fees

The Management Company is entitled to a maximum management fee at an annual rate of 0.15% of the average net assets of the Fund for the provision of its services.

Funds managed by the Management Company: the list of the funds managed by the Management Company, may be obtained, on simple request, at the registered office of the Management Company.

The active Sub-Funds and Classes will incur an annual investment management fee payable to the Investment Manager, which reflects all expenses related to the investment management of the Sub-Funds and Classes. The investment management fee which is expressed as a percentage of the Net Asset Value is specified in the relevant Annex of the Prospectus as follows:

Notes to the Financial Statements as at June 30, 2012 (continued)**Note 3 - Management and Investment Management Fees (continued)***CHINA OPPORTUNITIES*

The Investment Manager is entitled to receive out of the monies of this Sub-Fund, an investment management fee accrued daily and payable quarterly, not exceeding 1 % per annum of the average total net assets of the Sub-Fund attributable to Class I.

The Investment Adviser is paid by the Investment Manager.

Note 4 - Custodian, Administrator, Domiciliary, Registrar and Transfer Agent Fees

The Custodian, Administrator, Registrar and Transfer Agent are entitled to receive out of the monies of each Sub-Fund a combined fee in accordance with usual practice in Luxembourg for custody, administration, domiciliary, registrar and transfer agent services. Such fee is based on the total net assets of the Sub-Fund and is payable quarterly, in arrears.

In addition, the Custodian will be reimbursed for the reasonable out-of-pocket expenses relating to the services thereto.

Note 5 - Subscription and Redemption of Shares*CHINA OPPORTUNITIES***Classes of Shares**

Class I Shares are available for subscription and are reserved to institutional investors as defined from time to time by the Luxembourg Supervisory Authority. The minimum subscription and minimum holding amounts are of USD 3 million and the subsequent minimum investment amounts are USD 1 million unless the Board of Directors resolve otherwise.

Class A Shares are currently not available. The minimum subscription and minimum holding amounts are of USD 50,000.

Subscriptions

Investors should be aware that subscription to the Shares may be made directly through the Registrar and Transfer Agent as described in the Chapter on Subscriptions.

The Initial Offering Period commenced on May 10, 2005 and has closed on June 6, 2005. During the Initial Offering Period, Class I Shares were subscribed at a price of USD 50,000 plus the applicable subscription charge. Following the close of the Initial Offering Period, Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 8 a.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Subscription proceeds must be received by the Custodian on an account of the Fund no later than the fifth Business Day following the relevant Valuation Day. Applications for Shares received by the Registrar and Transfer Agent after 8 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

A subscription charge, not exceeding 5 per cent of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Subscription Price, may be added for the purpose of compensating financial intermediaries and other agents who assist in placing the Shares. This charge is to be considered a maximum rate and the intermediaries and other agents may decide at their discretion to waive this charge in whole or in part. No subscription charge was charged on subscriptions recorded during the year under review.

Redemptions

Shares are redeemable at the option of the Shareholders. Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 8 a.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Redemption requests received by the Registrar and Transfer Agent after 8 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day. No Redemption Charge will be levied for the Sub-Fund.

Payment of redemption proceeds will normally be made within six Business Days after the relevant Valuation Day.

Notes to the Financial Statements as at June 30, 2012 (continued)

Note 6 - Distribution policies*CHINA OPPORTUNITIES*

The Sub-Fund offers the Shares in the form of accumulation shares. The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains were accumulated and did not increase the Net Asset Value of the Shares of the Sub-Fund.

Note 7 - Taxation

Under current law and practice the Fund is not liable to any Luxembourg income tax, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a subscription tax of 0.05 per cent per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the Fund at the end of the relevant quarter. The reduced tax d'abonnement rate of 0.01 per cent per annum will be applicable to the Classes of Shares which are exclusively held by Institutional Investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Fund except for an initial tax of EUR 1,250 which was paid upon incorporation.

Under current law and practice, it is anticipated that no Luxembourg capital gains tax will be payable on the realised or unrealised capital appreciation of the assets of the Fund.

Note 8 - Accrued expenses

	<i>Nomura China Opportunities (in USD)</i>	<i>Nomura Funds (in EURO)</i>
Investment Management fees	111,448	87,246
Administrator, Domiciliary, Registrar and Transfer Agent fees	14,479	11,334
Custodian fees	16,721	13,090
Management Company fees	5,393	4,222
Out-of-pocket expenses	2,232	1,747
Professional fees	6,862	5,372
Subscription tax	1,175	920
Accrued expenses	158,310	123,931

Note 9 - Statement of changes in the investment portfolio

The statement of changes in the investment portfolio for the period ended June 30, 2012 for each active Sub-Fund is available free of charge at the Registered Office of the Company.

Note 10 – Transactions costs

Transactions paid by the Sub-Fund during the period ended June 30, 2012 to brokers amounted to:

	<i>Nomura China Opportunities</i>
USD	223,500

Report Log

NOMURA

Fund Name:CHINA OPPORTUNITIES						
OLY Code: 0022683						
Report type UNAUDITED FINANCIAL STATEMENTS:						
NAV Date: June 30, 2012						
Report ID: Report				Version #: 1929		
<u>Report</u>	<u>Doc File Name</u>	<u>Maker</u>	<u>Date (DD/MM/YY)</u>	<u>Checker</u>	<u>Date (DD/MM/YY)</u>	<u>Comment</u>
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