Nomura Funds Ireland Plc

NOMURA

Global Emerging Markets Fund

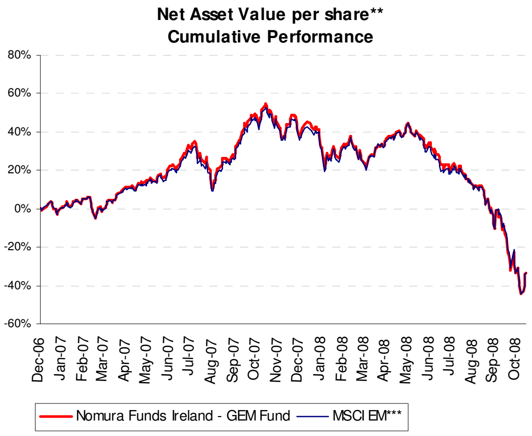
October 2008

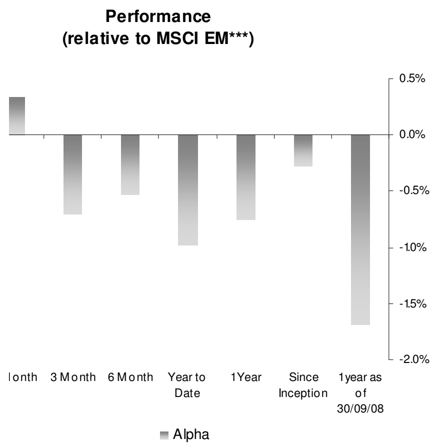
Emerging markets experienced extraordinary declines in October, to valuations that can only be explained by forced deleveraging and extreme risk aversion. Expectations of a significant market rally are, however, tempered with fears of further negative economic newsflow. Coordinated government actions to cut interest rates and provide liquidity to stressed financial systems found favour with investors in both the developed and emerging world, and the emerging markets rallied strongly just prior to month end. However, the rally was not sufficient to offset earlier falls and the MSCI Emerging Market Index ended the month 27.4% down. Our sub-managers had mixed results; the Latin American sub-fund underperformed its benchmark by 0.3%, the Emerging EMEA sub-fund underperformed by 2.5%, but the Emerging Asia sub-fund outperformed its benchmark by 2.1%.

Overall, the Fund returned –27.0% in October, outperforming its benchmark by 0.4%.

Performance for share class B (USD basis) to 31st October 2008

	1 Month	3 Month	6 Month	Year to Date	1 Year	Since Inception*	1 year as of 30/09/08
Nomura GEM Fund	-27.0%	-45.6%	-51.9%	-54.2%	-57.1%	-33.4%	-34.9%
MSCI EM***	-27.4%	-44.9%	-51.4%	-53.2%	-56.3%	-33.2%	-33.2%





*Inception date: 18th December 2006. **Net Asset Value per share (NAVps) is calculated by Brown Brothers Harriman Fund Administration Services (Ireland) Ltd. according to the prospectus and market standards in Ireland. ***MSCI EM is the Morgan Stanley Capital International Emerging Markets Total Net Return Index in US Dollars. Source: Nomura Asset Management U.K. Ltd.
Source: Bloomberg, Nomura Asset Management

Nomura Asset Management Singapore

Monthly Performance Review: Emerging Asia

In October, the MSCI Emerging Markets Asia Index fell by 24.1% while the Asian sub-fund outperformed the benchmark by 2.1%.

Numerous countries around Emerging Asia implemented steep rate cuts in efforts to ensure liquidity in their banking systems and to boost confidence. The reserve bank of India slashed interest rates by 100 basis points and the government offered a repo window of INR200 billion for banks to meet the liquidity needs of mutual funds. South Korea also cut interest rates by a record 75 bps to 4.25% and pledged extra tax cuts, while China cut its benchmark lending rates by 27 bps and the reserve requirement ratio by 50 bps.

In response to the liquidity crisis, governments around the world showed greater urgency in efforts to shore up their banking systems. Britain led the way by unveiling a plan to partially nationalise some of its biggest banks. American authorities followed suit by providing US$250 billion for bank recapitalisation; half will go to nine major banks. In Emerging Asia, Taiwan and Malaysia provided full guarantees on domestic and foreign currency deposits. South Korea also opted to provide a US$100 billion guarantee of lenders' foreign currency debts and all external debts by Korean-owned institutions. The Federal Reserve opened up US$30 billion in swap lines jointly to Korea and the advanced emerging nation of Singapore citing that the arrangement aims to mitigate the spread of difficulties in obtaining US dollar funding for fundamentally sound and well-managed economies. Market indices started to rebound strongly towards the end of October on news of the government rescue deals.

Both country allocation and stock selection effects were positive with stock selection effects in South Korea, India, and Taiwan contributing the most. A tactical position of approximately 5% in cash was also positive. In South Korea, our overweight positions in KT & G and Samsung Electronics were positive contributors. Exposure to Indonesia was most negative for the fund and this was mainly attributed to our overweight exposure in Bumi Resources. Bumi Resources was suspended from trading for almost the whole month in October, as Bakrie Group negotiated the sale of its 35% stake in the company, which was reported to have been sold to venture capital firm Northstar.

Investment Objective

To achieve long term capital growth through investment in an actively managed portfolio of Global Emerging Market equity, and equity related, securities listed on Recognised Exchanges of countries listed in the Morgan Stanley Capital International ("MSCI") Emerging Market ("EM") Index. In addition the fund may invest in equity securities listed in non-Index countries provided that the business activities of the issuers of such securities are in the Index countries or in other emerging market countries. The fund will invest in a range of market capitalisations, small to large cap. The fund will aim to outperform the Benchmark [being the MSCI EM Total Return (Net Dividends Reinvested) Index].

Launch date:	18th December 2006
Base Currency:	US Dollars
ISIN Code:	IE00B1GNW703
Bloomberg Code	NOMGEMB equity (or index)

Total Net Assets 31/10/08: USD 65.3m

NAV per Share 31/10/08: USD 66.6

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Market Outlook and Portfolio Strategy: Emerging Asia

After one of the worst months ever for stock market performance our central premise is that Asian markets are due for a significant rally. This is due to a number of factors including the prospect of further aggressive cuts in global interest rates; various capital market support measures likely to be introduced; the fact that we are now entering a seasonally strong period for Asian equities, and the very attractive valuations that currently apply. Furthermore, this rebound could last into early 2009. However, we will also use this rally to reduce cyclical markets and sectors in favour of more defensive stocks, because we also expect Asian markets to face some renewed difficulties in the New Year.

As has been obvious for some time now, the Asian markets are currently going through a period of extremely volatility. And as we highlighted earlier in the year, this makes country and sector allocation decisions very challenging. Consequently, we have limited our investment activity to just a few minor changes. We intend to reduce the Korea exposure. The market has rebounded strongly on co-ordinated support from the Korean government and domestic institutions and provided us with an opportunity to liquidate holdings.

Although we underweight Indonesia, it should be noted that the majority of stocks we hold there are high beta. Therefore any recovery should enable us to outperform.

Charlemagne Capital

Monthly Performance Review and Market Outlook: EMEA

Amid steep Developed and Emerging market falls, EMEA stockmarkets sold off sharply once more in October, held back by a poor performance from Russia and Eastern Europe, though helped by the relative stability of Africa and the Gulf markets. Distressed credit markets pointed towards deteriorating economic prospects and risk aversion continued to dominate trading. Against this backdrop the Emerging EMEA sub-fund saw its value fall by 32.4% over the month, whereas the MSCI Emerging EMEA index returned -29.9%.

Local currencies also tended to fall sharply, further depressing returns, as the US dollar gained from its safe haven status and other currencies faltered where current account or other financial weaknesses were perceived to exist. Hungarian markets were particularly weak, with the central bank raising interest rates by 300 basis points. In Russia, the haemorrhaging of local credit markets saw expectations for GDP growth next year pared back significantly, with companies in the real economy having difficulty in accessing working capital, despite action by the authorities to add liquidity to the financial system.

As local currencies weaken, companies with US dollar debt and local currency cash flow have come under pressure. This affected some of the mobile operators with, for example, the Russian MTS down 30.1% on the month. Even though the Russian authorities appeared to be maintaining the value of the rouble, and spent a significant proportion of their foreign exchange reserves in defending the currency over October, MTS should be able to increase prices and cut operating and capital expenditure to offset any impact on its revenues of a weaker currency. Telecommunication companies in general appear well placed to weather the current financial storm, with high free cash flow yields and dividend yields, strong balance sheets and secure growth markets. Indeed, the Emerging EMEA sub-fund added holdings in Bezeq Israel Telecom, the South African company Telkom and the Russian stock VimpelCom over the month.

Over the course of the month, a number of other changes were made to the composition of the Emerging EMEA sub-fund with a view to reducing risk. These included the decision to sell the Turkish newspaper group Hurriyet, given increasing concern over the dispute between its parent company Dogan Holding and the ruling AKP. Other holdings to be divested included Wimm-Bill-Dann, the dairy products manufacturer and Mechel, the steel company, both in Russia.

One bright spot was Surgut, the Russian oil and gas company, which outperformed on the suggestion of an interest from Rosneft. The company also has over USD 10 billion on its balance sheet, and is subject to persistent rumours that this may be distributed to shareholders in some way.

The exposure to commodities has been allowed to fall in line with falling share prices, which in some cases have been significant. Shares in such companies as Orsu Metals have fallen to levels which appear to discount the worst of all possible outcomes. Although the short-term outlook remains difficult, the longer term structural case remains compelling. However, the holding in Katanga Mining, the copper miner based in the Democratic Republic of Congo, was sold (prior to the escalation of violence and political unrest in the country). All our commodity holdings have now been revalued on a worst case scenario, assuming the most bearish of price forecasts and no access to capital for those companies that require it. On this basis, the continued holding of Katanga could no longer be justified, given its funding requirements for 2009. Management changes also counted against the company. Although the company continues to have great potential, this potential now comes at too high a risk. The holding in Katanga Mining has been replaced with one in First Quantum Mining, another copper miner active in the DRC but with operations in Zambia and Mauritania as well, which has no funding requirement at present. The longer term outlook for the copper miners remains good, as marginal production is shut down in response to falling prices, leading to the possibility of a significant shortage of copper in the years ahead and a corresponding later price response.

The outlook for EMEA markets remains uncertain over the short term. The actions taken by governments to recapitalise the financial sector and restore liquidity are to be welcomed but may not have an immediate and lasting impact on stockmarkets, with sentiment at such a low ebb. Over the longer term however, once market conditions normalise, we remain confident that emerging markets, as a result of their enormous potential for growth, can once again deliver an attractive return for investors.

Gartmore Investment Limited

Monthly Performance Review: Latin America

Latin equities fell sharply as the price of oil and commodities weakened; materials and energy underperformed, while health care and consumer staples proved most defensive. Against this background the Latin American sub-fund returned -31.9%, underperforming the MSCI Latin America index return of -31.6%. The perception of heightened risk encouraged investors back to the US dollar, at the expense of regional currencies such as the Brazilian real and the Mexican peso. The price of oil declined again, ending the month at USD 67 a barrel. Benchmark crude has now fallen by almost 45% in USD terms in the last three months.

Our stock picking in Brazil detracted in October, with some industrials, such as the oil services company Lupatech, falling sharply. Our overweight in Mexico detracted, particularly our lack of position in consumer staples. Other detractors from performance included the Peruvian zinc producer Minera Atacocha. Its shares declined by over two thirds in value in a single month, before it announced that it would be selling a majority stake to Votorantim of Brazil. Vale, the Brazilian index giant, proved more resilient, posting record third quarter results which helped to give the stock some support. As a result, our underweight detracted. Lack of position in Grupo Televisa also weighed on returns. Key contributors included our underweight in Petrobras. Its shares weakened, matching the decline in the oil price. Groupo Mexico gained - its bid to regain control of its bankrupt subsidiary Arsaco appeared more likely after deteriorating market conditions forced its rival, Sterlite of India, to withdraw its bid. Our holding in the Brazilian utility, Aes Tiete, also helped returns. The company is seen to have the most defensive business model within its peer group.

Market Outlook and Strategy: Latin America

We reduced exposure to cyclical materials stocks again in October. At country level, we continue to allocate the most significant weightings to the more established markets of Brazil and Mexico. In Brazil, underweights in index heavyweights Petrobras and CVRD contribute to an underweight at country level. The Latin American sub-fund is overweight Mexico.

We are underweight in the smaller markets of Peru and Colombia. The Latin American sub-fund has no exposure to equities in Venezuela.

The rapid depreciation of local currencies has left some companies exposed, particularly those with a high proportion of dollar-denominated debt. Brazil left its benchmark lending rate unchanged at 13.75% in October, although inflation continues to run ahead of its target range. This may place pressure on consumption. Mexico's central bank has indicated that it is more concerned about prospects for growth, rather than inflation. The government has cut its growth forecasts for 2008 and 2009 to 2.0% and 1.8% respectively.

We have reduced exposure to cyclical materials companies, to reflect expectations of slower global growth in the coming months. We exited from two companies controlled by Eike Batista - the iron ore mining company, MMX Mineracao, and the energy generating company, MPX Energia. The latter had weighed on returns in recent months. In contrast, we added exposure to companies notable for more defensive characteristics. These included opening a new position in the Brazilian utility, Energias Do Brasil. In October the company's Chief Financial Officer stated that it should be able to continue with its expansion plans supported by Brazil's development bank, BNDES. We also increased our overweighting of the Mexican mobile operator, America Movil, based on the company's geographical diversity, low beta and ability for strong cash generation.

The MSCI Emerging Markets Latin America Index is trading at a significant discount to developed markets. We will continue to seek positions in companies with strong franchises at attractive prices, as opportunities arise.

Portfolio characteristics

Total Fund

Top 10 Holdings

	Company	Country	%
1	CHINA MOBILE LTD	CHINA	4.1
2	SAMSUNG ELECTRONICS	SOUTH KOREA	3.8
3	PETROBRAS ON	BRAZIL	3.5
4	GAZPROM OAO (RUB5(REGD	RUSSIA	3.0
5	AMERICA MOVIL, S. A. B. DE C. V.	MEXICO	2.6
6	POSCO	KOREA	2.3
7	CHUNGHWA TELECOM CO.	TAIWAN	2.2
8	ICBC LTD	CHINA	2.0
9	KT&G CORP	KOREA	1.7
10	HYUNDAI MOBIS	KOREA	1.5

Sector exposure

	Top 5 Sectors in the Fund	weight %	relative weight %
1	Financials	18.4	-3.3
2	Energy	15.9	-0.5
3	Telecommunication Services	15.8	2.8
4	Materials	13.1	0.2
5	Information Technology	10.2	-2.2

	Top 5 Sectors relative to the Index	weight %	relative weight %
1	Telecommunication Services	15.8	2.8
2	Consumer Staples	6.4	1.1
3	Utilities	4.5	0.8
4	Consumer Discretionary	5.4	0.3
5	Materials	13.1	0.2

Regional allocation	Portfolio (%)	MSCI EM (%)
Nomura Asset Management (Emerging Asia)	56.1	53.6
Charlemagne (EMEA)	21.6	24.2
Gartmore (Latin America)	22.3	22.3

Note: Weight of the fund relative to the MSCI EM. GICS Industry classification based on BarraOne
Source: BarraOne and BBH Fund Administration Services (Ireland) Ltd as of end October 2008

Emerging Asia Portfolio

Top 5 Active weights

	Company	Active weight
1	HYUNDAI MOBIS	2.81
2	KT&G CORP	2.49
3	CHINA MOBILE LTD	2.47
4	CHUNGHWA TELECOM CO.	2.35
5	DELTA ELECTRONIC INC.	1.87

Bottom 5 Active weights

	Company	Active weight
1	CHINA PETROLEUM & CHEM	-0.99
2	CHINA UNICOM LIMITED	-0.90
3	MEDIATEK INC.	-0.86
4	BANK OF CHINA LIMITED	-0.81
5	HIGH TECH COMPUTER CO	-0.76

Source: Nomura Asset Management Singapore. Data as of end October 2008

EMEA Portfolio

Top 5 Active weights

	Company	Active weight
1	Gazprom	3.07
2	Aveng	2.47
3	Anglogold Ashanti	2.27
4	Garanti Bank	2.10
5	Telecom Egypt	2.01

Bottom 5 Active weights

	Company	Active weight
1	Teva Pharmaceutical	-2.38
2	Norilsk Nickel	-1.86
3	Impala Platinum Holdings	-1.71
4	PKO Bank Polski	-1.46
5	Bank Pekao	-1.28

Source: Charlemagne Capitial. Data as of end October 2008

Latin America Portfolio

Top 5 Active weights

	Company	Active weight
1	America Movil	3.85
2	Gpo Fin Banorte	2.82
3	Aes Tiete	2.51
4	Gpo Mexico	2.51
5	Cia De Concessoes	2.23

Bottom 5 Active weights

	Company	Active weight
1	CVRD	-3.94
2	Gpo Televisa	-2.24
3	Cia De Bebidas	-1.84
4	Itausa	-1.78
5	Bco Itau Holding	-1.59

Source: Gartmore Investment Management Limited. Data as of end October 2008

Description of Strategy

This is a Nomura Asset Management U.K. Limited ("NAM") owned and managed strategy employing a unique, regional specialist approach to managing global emerging market equities. NAM has appointed Nomura Asset Management Singapore Limited to manage the Emerging Asia region and has appointed two specialist external managers following competitive tendering exercises as follows:

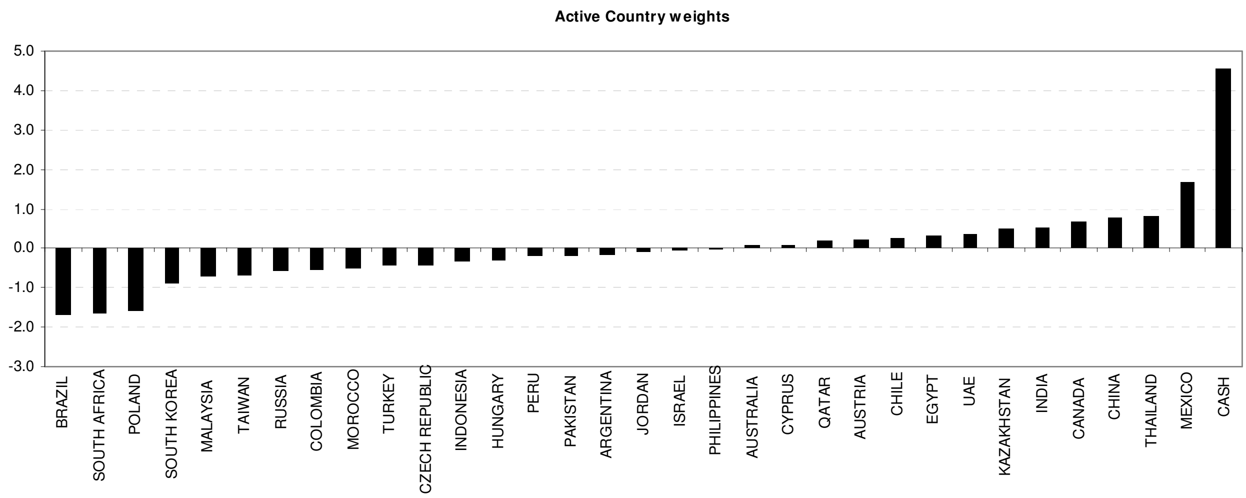
- Charlemagne Capital Limited manage the EMEA region while
- Gartmore Investment Limited manage Latin America.

As NAM manage the overall strategy, investors will benefit from having 3 regional experts but only deal with one manager.

In addition to a comprehensive set of investment guidelines, the strategy will seek to maintain a neutral regional allocation between the three main regions, with rebalancing back to neutral benchmark positions occurring only if month end deviations from the MSCI EM benchmark weight exceed 3%.

Sub Managers	NAM Singapore "NAMS" - Asia	Charlemagne - EMEA	Gartmore – Latin America
Lead Fund Managers	Jolly NG (21 years exp.)	Gabor Sitanyi (16 years exp.)	Chris Palmer (20 years exp.)
AUM as at 31/03/08	$2.0bn in Asian EM Equities	$5.5bn in EM Equities	$4.1bn in EM Equities
Firm Description	NAM Singapore, formerly known as "Nomura Capital Management (Singapore) Ltd." was established in April, 1988 under the laws of Singapore. It was merged on 1 October, 1997 with Nomura Asset Management Singapore Limited. NAM Singapore is regulated by the Monetary Authority of Singapore, the U.S. Securities and Exchange Commission and Securities and Exchange Board of India. As at 31 December 2007, NAM Singapore held approximately US$13 billion of assets under management. NAMS philosophy is founded on the belief that capital markets are not fully efficient. They identify stocks that are trading at less than their historic fair value by relative value analysis and fundamental research. Style described as 'core' or 'flexible', designed to add value in all market conditions. Much of the value-add is derived from stock selection, and this is facilitated by a disciplined stock selection process.	Charlemagne is an independent investment management group with extensive experience and expertise in emerging markets. Established in 1997 in the Isle of Man and is regulated by the Isle of Man Financial Services Commission and the U.S. Securities and Exchange Commission. Charlemagne's primary goal is to deliver superior risk adjusted returns within the Emerging Markets universe. Their approach aims to exploit the inefficiencies in the market via focused stock selection. They employ a rigorous bottom-up stock picking process that is subject to a disciplined risk management process.	Gartmore is a successful and innovative investment management house with assets under management of £27 billion. Gartmore offers a broad array of High Alpha and Absolute Return products. Headquartered in London, and with offices in Boston, Frankfurt, Madrid and Tokyo, Gartmore has a robust and disciplined investment process, generating alpha through skilled stock and country selection. Gartmore combine shrewd judgement with skilled risk management and integrate a qualitative and quantitative research process. Gartmore is authorized and regulated by the Financial Services Authority, the U.S. Securities and Exchange Commission. Note: non-US clients do not receive SEC protection.

Country Exposure



Source: Nomura Asset Management, BarraOne and Brown Brothers Harriman Fund Administration Services (Ireland) Ltd as of end October 2008

Note: due to ADRs, GDRs and international listing, exposure to developed markets refers to underlying assets operating in emerging economies. This might mean minor deviations between the relative weights for the countries highlighted above and those mentioned in the commentary.