

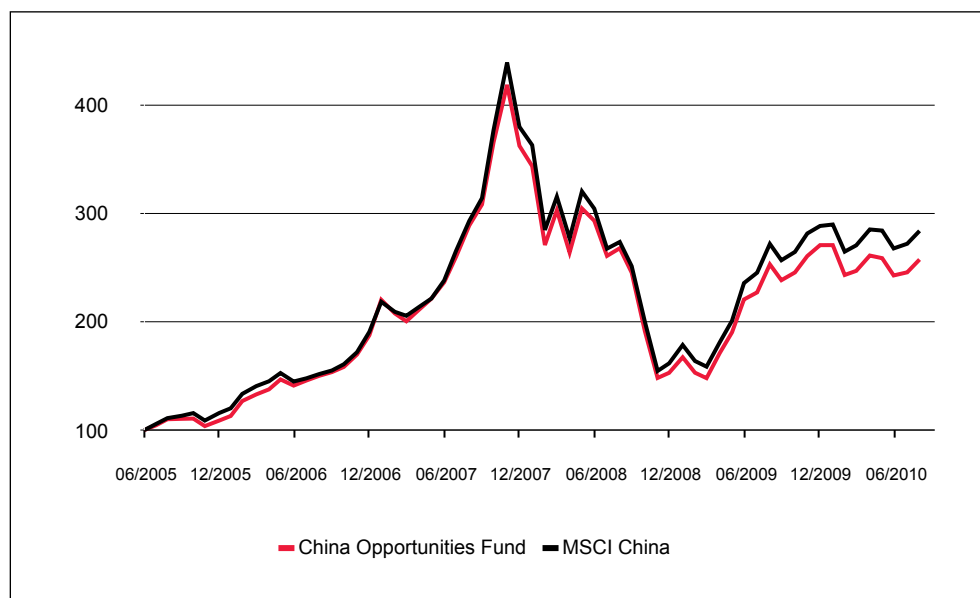
## China Opportunities Fund

## Fund Review

The Fund outperformed the benchmark by 0.45% during July. Chinese equity markets rebounded in July. H-shares was up 3.8%, red chips up 5.3%, Shanghai B-shares up 13.7% and Shenzhen B-shares up 16.1% respectively. Together with the unexpectedly strong interim results of China A-share companies, expectations that the government might start to relax its tightening policies helped to bolster Chinese equity markets, in spite of economic data suggesting a slower pace of growth in the US.

Within the portfolio, sector allocation made a negative contribution to the fund performance during the month, primarily because the portfolio was overweight in the underperforming Utilities sector. Our overweight position in the outperforming Financial and Materials sectors contributed positively. Meanwhile, the stock selection contributions from Consumer, Financial and Materials stocks were positive. In terms of sector weighting, the portfolio increased its exposure to the Consumer, Material, IT and Financial sectors.

## Performance of USD 100 since inception against Benchmark



## Cumulative performance in USD (%) of Class I shares

	1 Mth	3 Mth	YTD	1 Yr	3 Yr	Since inception
Fund	4.82	-0.48	-4.91	1.77	-10.88	157.49
Benchmark	4.37	-0.10	-2.03	4.42	-3.13	183.92

## Standardised performance as at 30 June 2010 in USD (%) of Class I shares

	2010/2009	2009/2008	2008/2007	2007/2006
Fund	8.16	-12.92	0.26	78.51
Benchmark	10.89	-8.30	0.72	79.75

Source: Nomura Asset Management U.K. Ltd based on Net Asset Value per share calculated by Nomura Bank Luxembourg, in USD.

## July 2010

## Investment Objective

To achieve long-term capital growth through investment in an actively managed portfolio of Chinese securities, including Hong Kong.

## Investment Style

- Active Management using Fundamental Research
- Primarily bottom up approach with secondary top down overlay
- Relative value approach to stock selection

## Benchmark

MSCI China (net total return)

## Key Facts

Launch Date	2nd June 2005
Fund Type	SICAV
Domicile	Luxembourg
Base Currency	USD
NAV Currencies	USD
Year End	31 December
Morningstar Sector	China & HK Eq
Bloomberg (A)	n/a
Bloomberg (I)	NOMCHIO
ISIN Code (A)	n/a
ISIN Code (I)	LU0217998409
Trading cutoff	08:00 CET
Trading frequency	Daily
Valuation frequency	Daily
Valuation time	09:00 CET
Settlement	T+5 (S)/T+6 (R)
Fund Size	USD 58.1 m
Number of holdings	57
NAV (A Share)	n/a
NAV (I Share)	USD 128,746

## Risk Statistics

	Fund	Index
Alpha	-0.16%	0.00%
Beta	1.00	1.00
Information Ratio	-4.46	-
Tracking Error	3.57%	-
Standard Deviation	9.20%	9.11%

China Opportunities Fund

**Top 10 Holdings**

	% weight
China Mobile	9.77
China Construction Bank	7.56
Ind & Comm Bank of China	7.46
China Life Insurance	6.88
CNOOC	4.70
PetroChina	4.48
Dongfeng Motor	4.01
Bank of China	3.84
Sinopec	3.14
Tencent Holdings	2.61

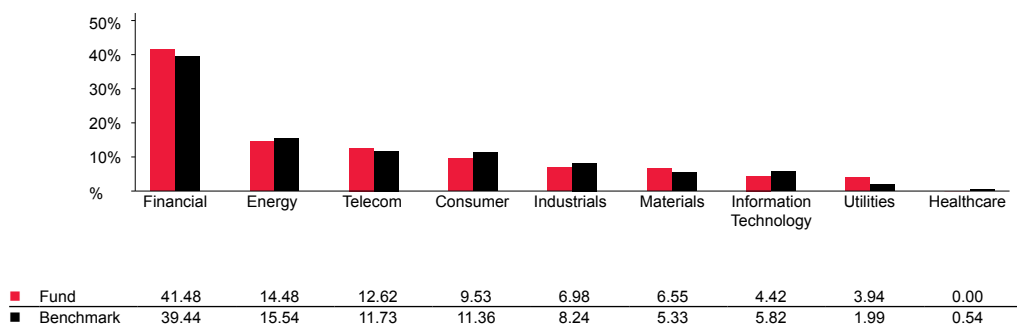
**Top 10 Overweight**

	% active weight
Dongfeng Motor	3.00
HongKong Electric	2.40
China Agri Ind	2.14
China Life Insurance	1.76
China Mobile	1.60
China Railway Const	1.52
Huaneng Power Intl	1.40
China Construction Bank	1.32
Kingboard Chemcial	1.25
Jiangsu Expressway	1.24

**Top 10 Underweight**

	% active weight
Ping An Insurance	-2.49
China Shenhua Energy	-1.84
China Unicom	-1.40
Bank of China	-1.24
Belle International	-1.10
Want Want China Holdings	-0.85
China Res Enterprise	-0.79
China Yurun Food	-0.75
Tencent Holdings	-0.75
Tingyi Holding Corp	-0.74

**Sector Breakdown**



**Fund Dealing**

Fund Administration  
 Nomura Bank (Luxembourg) S.A.  
 33, Rue de Gasperich  
 L-5826 Hesperange  
 Grand Duchy of Luxembourg  
 Telephone: 352-46-38-88-372  
 Fax: 352-47-43-41

**Investment Manager**

Nomura Asset Management Hong Kong Ltd

**Fund Manager**

Kingston Lee has over 16 years of investment experience and has been at Nomura since 2004.



**Share Class Details**

	Class A	Class I
Management Fee	2.00%	1.00%
Min Initial Sub	\$50,000	\$3m
Min Further Sub	\$50,000	\$1m
Initial Commission	Max 5.00%	0.00%

**Registered for sale**

Chile, Germany, Luxembourg, United Kingdom

This newsletter was prepared by Nomura Asset Management U.K. Ltd. The comments of this report are not intended in any way to indicate or guarantee future investment results as the value of investments may go down as well as up. Values may also be affected by exchange rate movements and investors may not get back the full amount originally invested. Before purchasing any investment fund or product, you should read the related prospectus and documentation in order to form your own assessment and judgement and, to make an investment decision. The prospectus is available upon request from the Nomura Asset Management U.K. Ltd website. Nomura Asset Management U.K. Ltd. is authorised and regulated by the Financial Services Authority. Portfolio data source: Nomura Asset Management U.K. Ltd