

NOMURA FUNDS

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

with three active Sub-Funds

JAPAN EQUITY
CHINA OPPORTUNITIES
JAPAN ACTIVE OPEN

organised under the Laws of
the Grand-Duchy of Luxembourg

AUDITED ANNUAL REPORT

For the year ended December 31, 2007

This report shall not constitute an offer or a solicitation of an offer to buy shares of the Fund. Subscriptions are to be made only on the basis of the current Prospectus, accompanied by the latest available annual report and accounts of the Fund and the latest semi-annual report if published thereafter.

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Organisation of the Fund
 R.C.S Luxembourg B 107 078
 Registered office: 33, rue de Gasperich, L - 5826 Hesperange

BOARD OF DIRECTORS**Chairman**

Toshihiko Matsunaga, Chief Executive & Managing Director,
 Nomura Asset Management U.K. Limited

Directors

Yoshikazu CHONO
 President and Managing Director
 Nomura Bank (Luxembourg) S.A.

Koichi SUDO
 Director, General Manager,
 Nomura Bank (Luxembourg) S.A.

Takashi KAWAZOE (appointed on June 25, 2007)
 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,
 Nomura House
 1, St Martin's-le-Grand,
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 United Kingdom

Investment Adviser to Japan Equity, Japan Active Open and Nomura Japan Fund Sub-Funds

Nomura Asset Management Co.,Ltd.,
 12-1 Nihonbashi 1-chome, Chuo-ku,
 Tokyo 103-8260, Japan

Investment Adviser to China Opportunities Sub-Fund

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 8 Finance Street, Central
 Hong Kong

Custodian

Nomura Bank (Luxembourg) S.A.,
 33, rue de Gasperich
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 Grand-Duchy of Luxembourg

Administrator, Domiciliary, Registrar and Transfer Agent

Nomura Bank (Luxembourg) S.A.,
 33, rue de Gasperich
 L - 5826 Hesperange
 Grand-Duchy of Luxembourg

Auditor

Deloitte S.A.
 560, rue de Neudorf,
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 Grand-Duchy of Luxembourg

Legal Advisors in Luxembourg

Elvinger, Hoss & Prussen,
 2, Place Winston Churchill,
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 Grand-Duchy of Luxembourg

Distributors**Distributor for China Opportunities, Japan Equity and Japan Active Open Sub-Funds**

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 London EC1A 4NT
 United Kingdom

Distributor for Japan Active Open Sub-Fund

Nomura International Plc,
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 United Kingdom

Distributor for Nomura Japan Fund Sub-Fund

Nomura Bank (Luxembourg) S.A.,
 33, rue de Gasperich
 L - 5826 Hesperange
 Grand-Duchy of Luxembourg

Shareholders' Information

Nomura Funds (the "Fund") is an open-ended investment company and an umbrella company. As of December 31, 2007, the Fund comprised the following sub-funds: Japan Equity, China Opportunities, Japan Active Open and Nomura Japan Fund.

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 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 - Japan Equity

To Our Shareholders

We hereby present the annual report of the Nomura Funds Japan Equity (the "Sub-Fund") for the year ended December 31, 2007.

The Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2007 was JPY 124,549, which is an increase of 24.55% from the initial subscription price of JPY 100,000 but a decrease of 16.73% from the Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2006 of JPY 149,582. Total net assets of the Sub-Fund on the same date were JPY 1,827,138,952, and the total number of shares outstanding was 14,669.99362.

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

Performance Review

The equity portfolio underperformed the MSCI Japan Index by 456 basis points for the calendar year 2007. Although our sector positions were well suited to the overall investment environment, negative stock selection results caused the overall underperformance. Steady growth in the global economy contrasted with the lackluster domestic macroeconomic conditions, and our overweight exposure to export oriented manufacturing sectors including Machinery and Commodities resulted in the positive sector allocation contribution. Meanwhile, several of our preferred holdings produced disappointing performances, resulting in a negative stock selection result. In the Electronics sector, semiconductor stocks, including our holdings Elpida Memory, Tokyo Seimitsu, and Dainippon Screen, weakened along with sharp declines in prices of memory chips. Funai Electric also dropped on the back of depressed earnings momentum, as competition among LCD TV manufacturers intensified while material prices increased. In the Financials sector, major money centre banks languished along with the decline in the global financial stocks, although Japanese banks have limited exposure to dollar denominated sub-prime loans, and our exposure to major banks worked against us.

Market Outlook and Strategy

Given the degree of uncertainty arising from the turmoil in the US housing and financial sectors, the record high level of crude oil prices, and upward pressure on the Japanese yen, we expect the Tokyo equity market to remain volatile for some time to come. Although our twelve-month forecast level for the TOPIX remains unchanged at around 1650, we will probably have to wait for signs that the US economy is stabilizing before we see a sustainable rebound of equity prices to this target level.

Meanwhile, concerns over the economic and corporate earnings outlook will probably result in some market overreactions that could present attractive trading opportunities over the coming months. The overall structure of the portfolio will be maintained, with overweight positions in the export-oriented manufacturing sectors as beneficiaries of continuing global economic growth in the medium term. We will also keep the underweight position in the domestic non-manufacturing sectors due to waning domestic demand.

Report of the Board of Directors - China Opportunities

To Our Shareholders

We hereby present the annual report of the Nomura Funds China Opportunities (the "Sub-Fund") for the year ended December 31, 2007.

The Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2007 was USD 171,882, which is an increase of 243.76% from the initial subscription price of USD 50,000 and an increase of 56.06% from the Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2006 of USD 110,138. Total net assets of the Sub-Fund on the same date were USD 156,154,914 and the total number of shares outstanding was 908.50316.

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 2006 to 31 December 2007, the Sub-Fund's unit NAV rose 56.06% relative to the 66.24% return of the MSCI China Total Return Index, underperforming it by 10.17%. Sector allocation made a negative contribution to the Sub-Fund's performance during this year, as the portfolio was underweight in the outperforming telecom sector, due to guideline restrictions. Moreover, the stock contribution from the industrial sector was negative. This resulted in a negative performance for the portfolio overall for the year. In terms of sector weighting, the portfolio increased its exposure to the energy and materials sector for the year, largely at the expense of the other sectors.

Market Outlook & Strategy

The Chinese Government continues to introduce monetary tightening measures in order to manage the pace of economic growth, we believe, rather than to suppress economic growth itself. We also assume that such selective tightening measures will continue for the time being, with their focus being to address structural imbalances in the system. We further assume that prudent fiscal and monetary policies will remain in place. Agricultural reforms are scheduled to improve incomes in rural areas. While concerns about inflation are increasing overseas, the Chinese government remains in control of inflation within China: it stood at 6.9% in November and we expect it to fall in 2008. In addition, M2 money supply grew 18.5% (year on year) in November, which is a remarkable rebound from the low of 13.5% (year on year) recorded in October 2004.

Our choice of sectors will be dictated by bottom-up decisions and will focus on the leading plays in each industry. We still 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 picked three sectors to be overweight within the Sub-Fund: materials, energy plays and utilities.

Report of the Board of Directors – Japan Active Open

To Our Shareholders

We hereby present the annual report of the Nomura Funds Japan Active Open (the “Sub-Fund”) for the year ended December 31, 2007.

The Net Asset Value per Share (NAV) of the yen share class of the Sub-Fund as of December 31, 2007 was JPY 97,504, which is a decrease of 2.50% from the initial subscription price of JPY 100,000 and a decrease of 13.38% from the Net Asset Value per Share (NAV) of the yen share class of the Sub-Fund as of December 31, 2006 of JPY 112,565. Total net assets of the of the yen share class of the Sub-Fund on the same date was JPY 6,325,751,543 and the total number of shares outstanding was 64,876,6671.

The Net Asset Value per Share (NAV) of the US Dollar share class of the Sub-Fund as of December 31, 2007 was USD 1,032.90, which is an increase of 3.29% from the initial subscription price of USD 1,000 but a decrease of 8.93% from the Net Asset Value per Share (NAV) of the US Dollar share class of the Sub-Fund as of December 31, 2006 of USD 1,134.24. Total net assets of the of the US Dollar share class of the Sub-Fund on the same date was USD 5,456,026 and the total number of shares outstanding was 5,282.

The total number of shares of the Euro share class of the Sub-Fund was totally redeemed during the year ended December 31, 2007.

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

Performance in calendar year 2007

The Sub-Fund underperformed the TOPIX benchmark by 227 basis points for the year ended December 31, 2007. Although sector allocation contributed positively to the fund's performance, stock selection had a large negative impact. With regards to sector allocation, the fund was overweight economically-sensitive sectors, as we expected corporate earnings to expand on the back of continued economic growth. In particular, overweight positions in both the Commodities and Machinery sectors had a positive impact on performance. Increased sales and higher profits in the Commodities sector were supported by the rise in natural resource prices, while robust capital investment-related demand from both domestic and overseas markets lifted both revenue and earnings in the Machinery sector. As a result, stock prices in both sectors outperformed the TOPIX index. As for stock selection, issues undervalued with respect to earnings formed the core of the portfolio. Exposure to general trading companies like Mitsui & Co. and Mitsubishi Corporation contributed positively to the Sub-Fund performance, as did steel sector stocks like Nippon Steel Corporation and JFE Holdings, which we sold during the year. However, these positive factors were outweighed by the negative impact on Sub-Fund performance from certain stocks whose share prices fell significantly following downward revisions to earnings. Such stocks included DOWA Holdings, Kajima Corporation, Haseko Corporation, Tokyo Seimitsu., Taiheiyo Cement, and Zeon Corporation. Financial stocks including Mizuho Financial Group and Orix also had a negative impact on the Sub-Fund's relative performance, as their share prices fell sharply in conjunction with the global sell-off in financial stocks triggered by the sub-prime loan problem. The Sub-Fund's performance was also hurt by the lack of exposure to Nintendo, which advanced significantly due to strong sales of game consoles.

Market Outlook and Strategy

With the ongoing housing market correction and overall tightening of banks' lending standards, we believe U.S. economic growth will be limited to approximately 1% from the last quarter of 2007 through the first half of 2008. We also expect the Federal Reserve to lower the federal funds rate by an additional 75 basis points by June. During 2007, firm exports and strong production allowed the Japanese economy to absorb the weakness in housing investment, but we look for the economy to enter a correction phase in the first half of 2008 as demand for exports slows. However, we think Japan's economy will recover in the second half of the year as a result of a pickup in housing investment and a recovery in export demand in conjunction with a U.S. economic recovery. The Japanese stock market has experienced a larger correction than the other developed stock markets in the U.S. and Europe. With the drop in both long-term interest rates and share prices, the market has been performing as if the economy was in the midst of a recession. However, the corporate earnings outlook remains strong. As of December, the forecast for the Nomura 400 (excluding financials) for FY2007 shows a 7.2% increase in consolidated revenues and a 10.6% rise in consolidated ordinary income. The forecast for FY2008 is also firm, with consolidated revenues expected to increase by 4.9% and consolidated ordinary income to grow by 8.7%. Looking at the current investment environment, which is clouded by concerns about stagflation in the U.S. along with the strengthening yen, it is difficult to have a positive outlook, but we believe Japanese stocks are currently undervalued in relation to the apparent strength of projected corporate earnings.

Report of the Board of Directors – Japan Active Open (continued)**Market Outlook and Strategy (continued)**

Our sector allocation strategy will remain overweight in the Machinery and Commodities sectors, both of which feature many stocks with strong corporate earnings but which are undervalued. In terms of stock selection, we will keep the portfolio centered on stocks that are undervalued with respect to earnings forecasts, but we would also like to include some stocks of companies with promising growth prospects. This would include firms achieving growth through M&A and/or aggressive capital investment plans, as well as companies that can expand profits based on increased sales to emerging countries.

Independent Auditor's Report

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To the Shareholders of
NOMURA FUNDS (Société d'Investissement à Capital Variable)
Luxembourg

Following our appointment by the annual general meeting of the shareholders of the SICAV dated June 25, 2007, we have audited the accompanying financial statements of NOMURA FUNDS and each of its Sub-Funds, which comprise the statement of net assets and the statements of investments as at December 31, 2007 and the statement of operations and of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Board of Directors' of the SICAV responsibility for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the auditor

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des Réviseurs d'Entreprises. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the auditor, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors of the SICAV, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of NOMURA FUNDS and each of its Sub-Funds as of December 31, 2007, and of the results of their operations and changes in their net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

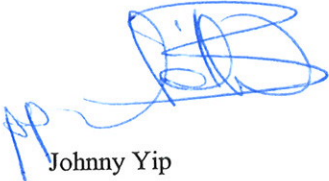
Deloitte.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the Standards described above. Consequently, we express no opinion on such information. We have no observation to make concerning such information in the context of the financial statements taken as a whole.

Deloitte S.A.

Réviseur d'entreprises



Johnny Yip

Partner

March 5, 2008

**Combined Statement of Net Assets
at December 31, 2007**

	<i>Japan Equity</i>	<i>China Opportunities</i>	<i>Japan Active Open</i>	<i>Combined</i>
	<i>(in JPY)</i>	<i>(in USD)</i>	<i>(in JPY)</i>	<i>(in Euro)</i>
ASSETS				
Investment in securities at market value	1,812,222,400	154,364,871	6,852,559,600	157,182,356
Cash at banks	14,279,130	1,822,673	239,375,065	2,772,686
Formation expenses (note 2)	3,056,813	51,996	22,856,152	192,230
Receivable from brokers	48,063,227	3,521,207	79,539,000	3,161,161
Accrued securities lending income	225,905	--	91,069	1,920
Accrued income	1,089,960	4,494	2,560,476	25,160
Total Assets	<u>1,878,937,435</u>	<u>159,765,241</u>	<u>7,196,981,362</u>	<u>163,335,513</u>
LIABILITIES				
Payable for redemptions	--	600,964	227,075,254	1,783,074
Accrued expenses (note 8)	12,206,637	632,056	27,241,992	667,641
Payable to brokers	39,591,846	2,377,307	--	1,852,211
Total Liabilities	<u>51,798,483</u>	<u>3,610,327</u>	<u>254,317,246</u>	<u>4,302,926</u>
TOTAL NET ASSETS	<u>1,827,138,952</u>	<u>156,154,914</u>	<u>6,942,664,116</u>	<u>159,032,587</u>
NUMBER OF SHARES OUTSTANDING				
Japan Equity Class I Shares	14,669.99362			
China Opportunities Class I Shares		908.50316		
Japan Active Open Class I - JPY			64,876.6671	
Japan Active Open Class I - USD			5,282	
NET ASSET VALUE PER SHARE				
Japan Equity Class I Shares	124,549			
China Opportunities Class I Shares		171,882		
Japan Active Open Class I - JPY			97,504	
Japan Active Open Class I - USD			1,032.90	

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

**Combined Statement of Operations and of Changes in Net Assets
for the year ended December 31, 2007**

	<i>Japan Equity</i>	<i>China Opportunities</i>	<i>Japan Active Open</i>	<i>Combined</i>
	<i>(in JPY)</i>	<i>(in USD)</i>	<i>(in JPY)</i>	<i>(in Euro)</i>
Net assets at the beginning of the year	7,580,072,404	348,110,592	6,328,387,405	353,319,667
INCOME				
Dividends received	57,809,239	2,855,240	101,277,665	2,900,189
Securities lending income	5,979,859	--	398,153	38,634
Interest on bank accounts	207	155,563	84,403	105,511
Total Income	<u>63,789,305</u>	<u>3,010,803</u>	<u>101,760,221</u>	<u>3,044,334</u>
EXPENSES				
Management and advisory fees	31,476,862	2,006,881	54,143,172	1,879,781
Custodian fees	3,250,952	512,326	5,953,754	403,237
Other expenses	311,048	2,577	34,350,233	210,134
Correspondent bank fees	3,180,201	215,555	4,724,231	194,078
Administrator, Domiciliary, Registrar and Transfer Agent fees (note 4)	6,089,631	--	12,254,323	111,116
Printing and publication fees	--	--	15,062,628	92,809
Agent company fees	--	--	12,575,153	76,172
Formation expenses	370,743	18,438	6,906,791	56,588
Out-of-pocket expenses	788,468	36,331	1,679,808	39,592
Professional fees	2,164,742	17,422	2,408,067	39,515
Subscription tax	345,896	16,705	882,246	18,769
Legal fees	--	--	2,616,228	15,847
Interest on bank overdraft	--	--	260,323	1,066
Total Expenses	<u>47,978,543</u>	<u>2,826,235</u>	<u>153,816,957</u>	<u>3,138,704</u>
NET INVESTMENT INCOME/(LOSS)	<u>15,810,762</u>	<u>184,568</u>	<u>(52,056,736)</u>	<u>(94,370)</u>
Net realised profit on investments	893,210,022	150,935,720	57,952,461	108,132,469
Net realised loss on foreign currencies, forward foreign exchange contracts	<u>(7,873)</u>	<u>(648)</u>	<u>(6,773,374)</u>	<u>(41,516)</u>
NET REALISED PROFIT FOR THE YEAR	<u>893,202,149</u>	<u>150,935,072</u>	<u>51,179,087</u>	<u>108,090,953</u>
Net unrealised result on investments	(1,392,072,882)	(102,996,570)	(1,282,848,948)	(86,059,538)
Net unrealised result on forward foreign exchange contracts	--	1,630	--	1,106
NET UNREALISED LOSS FOR THE YEAR	<u>(1,392,072,882)</u>	<u>(102,994,940)</u>	<u>(1,282,848,948)</u>	<u>(86,058,432)</u>
(DECREASE)/INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	<u>(483,059,971)</u>	<u>48,124,700</u>	<u>(1,283,726,597)</u>	<u>21,938,151</u>

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

**Combined Statement of Operations and of Changes in Net Assets
for the year ended December 31, 2007 (continued)**

	<i>Japan Equity</i>	<i>China Opportunities</i>	<i>Japan Active Open</i>	<i>Combined</i>
	<i>(in JPY)</i>	<i>(in USD)</i>	<i>(in JPY)</i>	<i>(in Euro)</i>
(DECREASE)/INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	<u>(483,059,971)</u>	<u>48,124,700</u>	<u>(1,283,726,597)</u>	<u>21,938,151</u>
Proceeds from subscription of units	1,003,759,861	19,267,302	13,540,580,156	101,168,051
Payments for redemption of units	<u>(6,273,633,342)</u>	<u>(259,347,680)</u>	<u>(11,642,576,848)</u>	<u>(284,425,245)</u>
	<u>(5,269,873,481)</u>	<u>(240,080,378)</u>	<u>1,898,003,308</u>	<u>(183,257,194)</u>
Exchange movement(*)				(32,968,037)
NET ASSETS AT THE END OF THE YEAR	<u>1,827,138,952</u>	<u>156,154,914</u>	<u>6,942,664,116</u>	<u>159,032,587</u>

(*) The Exchange movement represents the difference arising from the conversion of the Combined Net assets at the beginning of the year at prevailing exchange rates as at December 31, 2006 and the conversion at prevailing exchange rates as at December 31, 2007.

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

**Statement of Changes in the Number of Shares Outstanding
for the year ended December 31, 2007**

	<i>Japan Equity</i> Class I Shares	<i>China</i> <i>Opportunities</i> Class I Shares	<i>Japan Active</i> <i>Open</i> Class I -EUR	<i>Japan Active</i> <i>Open</i> Class I -JPY	<i>Japan Active</i> <i>Open</i> Class I -USD
Number of shares at the beginning of the year	50,675.07026	3,160.68546	8,678	38,200.1942	4,400
Number of shares issued	6,673.40688	139.00401	1,406	123,055.8233	882
Number of shares redeemed	<u>(42,678.48352)</u>	<u>(2,391.18631)</u>	<u>(10,084)</u>	<u>(96,379.3504)</u>	<u>--</u>
Number of shares outstanding at the end of the year	<u>14,669.99362</u>	<u>908.50316</u>	<u>--</u>	<u>64,876.6671</u>	<u>5,282</u>

Statistical Information

	December 31, 2007	December 31, 2006	December 31, 2005
<i>Japan Equity Class I Shares (in JPY)</i>			
Net Assets at the end of the year	1,827,138,952	7,580,072,404	5,218,340,343
Net Asset Value per share at the end of the year	124,549	149,582	141,130
<i>China Opportunities Class I Shares (in USD)</i>			
Net Assets at the end of the year	156,154,914	348,110,592	202,766,472
Net Asset Value per share at the end of the year	171,882	110,138	56,430
<i>Japan Active Open Class I – EUR (in EUR)</i>			
Net Assets at the end of the year	--	9,165,818	--
Net Asset Value per share at the end of the year	--	1,056	--
<i>Japan Active Open Class I – JPY (in JPY)</i>			
Net Assets at the end of the year	6,325,751,543	4,300,016,716	--
Net Asset Value per share at the end of the year	97,504	112,565	--
<i>Japan Active Open Class I – USD (in USD)</i>			
Net Assets at the end of the year	5,456,026	4,990,636	--
Net Asset Value per share at the end of the year	1,032.90	1,134.24	--

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

NOMURA FUNDS-JAPAN EQUITY
Statement of Investments at December 31, 2007
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
JAPAN				
ORDINARY SHARE				
68,000	MITSUBISHI UFJ FINANCIAL GROUP	90,360,364	71,196,000	3.90
65,000	ITOCHU CORP	71,187,736	70,980,000	3.88
80	SUMITOMO MITSUI FINANCIAL GROUP INC	83,061,020	66,960,000	3.66
6,200	ROHM CO LTD	67,194,235	60,450,000	3.31
8,300	TOYOTA MOTOR CORP	63,718,926	50,132,000	2.74
232	NTT DOCOMO	44,166,792	43,152,000	2.36
43,000	TOSHIBA CORP	35,758,599	35,991,000	1.97
42,000	DOWA HOLDINGS CO LTD	47,082,616	32,928,000	1.80
5,600	JFE HOLDINGS INC	30,335,901	31,696,000	1.73
31,000	SHIMADZU CORP	30,793,805	31,155,000	1.71
1,590	ORIX CORP	38,747,179	30,353,100	1.66
3,600	TDK CORP	36,044,558	29,952,000	1.64
4,600	DAIKIN INDUSTRIES LTD	17,269,835	28,796,000	1.58
47,000	MAZDA MOTOR CORP	32,995,175	26,226,000	1.44
6,700	ELPIDA MEMORY INC	29,848,517	25,996,000	1.42
9,900	YAMAHA CORP	21,413,723	25,294,500	1.38
25,000	SUMITOMO CHEMICAL CO LTD	21,106,575	24,925,000	1.36
28,000	NIPPON YUSEN KK	25,541,555	24,864,000	1.36
8,000	CREDIT SAISON CO LTD	31,221,227	24,480,000	1.34
3,400	SHIN-ETSU CHEMICAL CO LTD	25,918,005	23,868,000	1.31
19,000	NISSAN MOTOR CO LTD	24,039,448	23,370,000	1.28
25,000	NIPPON OIL CORP	24,176,836	22,725,000	1.24
23,000	AMADA CO LTD	28,822,591	22,586,000	1.24
43,000	TOKYO GAS CO LTD	23,791,782	22,489,000	1.23
3,600	SONY CORP	22,764,623	22,320,000	1.22
21,000	TOKYO TATEMONO CO LTD	31,144,964	22,218,000	1.22
29,000	FUJITSU LTD	23,511,352	21,837,000	1.20
8,400	HITACHI CHEMICAL CO LTD	22,369,172	21,630,000	1.18
3,300	MURATA MANUFACTURING CO LTD	28,456,260	21,384,000	1.17
32	JAPAN TOBACCO INC	17,772,978	21,376,000	1.17
14,000	KOITO MANUFACTURING CO LTD	21,748,591	21,364,000	1.17
4,400	MAKITA CORPORATION	18,974,305	20,856,000	1.14
2,600	FAST RETAILING CO LTD	23,306,805	20,748,000	1.14
3,500	T&D HOLDINGS INC	25,954,288	20,195,000	1.11
19,000	SUMITOMO HEAVY IND	22,753,893	19,570,000	1.07
31,000	DAINIPPON SCREEN MFG CO LTD	30,115,942	19,375,000	1.06
20	CENTRAL JAPAN RAILWAY CO	22,250,327	19,060,000	1.04
4,000	AISIN SEIKI CO LTD	14,050,283	18,640,000	1.02
38,000	DENKI KAGAKU KOGYO	18,626,609	18,506,000	1.01
3,800	ASTELLAS PHARMA INC	19,384,154	18,506,000	1.01
32,000	NIPPON EXPRESS	23,397,067	18,400,000	1.01
12,900	NIHON UNISYS LTD	20,025,361	18,330,900	1.00
11,500	DAIFUKU CO LTD	18,666,992	18,285,000	1.00

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

NOMURA FUNDS-JAPAN EQUITY
Statement of Investments at December 31, 2007 (continued)
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (continued)				
JAPAN (continued)				
ORDINARY SHARE (continued)				
9,000	SHIONOGI & CO LTD	15,883,036	17,775,000	0.97
2,900	SECOM CO LTD	16,342,228	17,719,000	0.97
42,000	SHOWA DENKO KK	15,770,033	16,800,000	0.92
32,000	SUMITOMO METAL INDUSTRIES LTD	14,938,738	16,608,000	0.91
5,300	KOMATSU LTD	18,592,754	16,112,000	0.88
21,000	SUMITOMO TRUST & BANKING CO LTD	21,900,455	15,708,000	0.86
18,000	DAIDO STEEL CO LTD	12,297,303	15,102,000	0.83
5,300	SANTEN PHARMACEUTICAL CO LTD	15,746,993	14,654,500	0.80
18,000	KAMIGUMI CO LTD	17,232,086	14,562,000	0.80
8,100	JS GROUP CORP	18,044,410	14,490,900	0.79
3,500	TREND MICRO INC	12,983,444	14,000,000	0.77
37,000	KAJIMA CORP	19,637,452	13,505,000	0.74
4,800	TOKYO SEIMITSU CO LTD	20,348,725	13,128,000	0.72
2,700	FUNAI ELECTRIC	24,687,922	13,122,000	0.72
17,000	MINEBEA CO LTD	12,219,222	12,189,000	0.67
7,300	AEON CO LTD	15,011,396	11,957,400	0.65
5,400	MORI SEIKI CO LTD	14,256,582	11,664,000	0.64
6,000	SUMITOMO METAL MINING CO LTD	12,495,511	11,460,000	0.63
17,000	ZEON CORPORATION	21,080,514	11,458,000	0.63
2,400	BENESSE CORP	8,952,812	11,448,000	0.63
4,500	NOK LTD	10,253,644	10,687,500	0.58
1,200	NIDEC CORPORATION	8,751,026	9,936,000	0.54
7,900	TOKYO STEEL MANUFACT CO LTD	15,134,770	9,843,400	0.54
10,000	NTN CORP	9,170,804	9,710,000	0.53
14,000	JUKI CORP	9,874,898	9,618,000	0.53
2,600	KONAMI CO LTD	7,512,508	9,516,000	0.52
9,400	SUMITOMO RUBBER INDUSTRIES LTD	12,940,307	9,381,200	0.51
3,800	HITACHI HIGH-TECH LTD	11,056,175	9,291,000	0.51
3,400	OMRON CORP	10,663,927	9,061,000	0.50
6,000	HITACHI METALS LTD	6,771,799	9,048,000	0.50
6,000	DAIWA HOUSE INDUSTRY CO LTD	8,586,606	8,658,000	0.47
11,000	KAKEN PHARMACEUTICAL CO LTD	9,253,444	8,624,000	0.47
11,000	SEKISUI CHEMICAL CO LTD	10,445,139	8,283,000	0.45
14,000	mitsubishi RAYON CO LTD	11,654,241	7,602,000	0.42
2,000	EXEDY CORP	6,654,832	7,580,000	0.41
22,000	DAIKYO INC	7,205,720	7,172,000	0.39
3,600	BRIDGESTONE CORP	8,618,653	7,156,800	0.39
2,300	LEOPALACE21 CORPORATION	8,698,677	6,923,000	0.38
3,300	TIS INC	9,610,895	6,408,600	0.35
5,000	AJINOMOTO CO INC	6,629,626	6,355,000	0.35
49	NET ONE SYSTEMS CO LTD	8,882,314	6,174,000	0.34
9,000	DAICEL CHEMICAL INDUSTRIES LTD	5,949,122	6,030,000	0.33

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

NOMURA FUNDS-JAPAN EQUITY
Statement of Investments at December 31, 2007 (continued)
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (continued)				
JAPAN (continued)				
ORDINARY SHARE (continued)				
5,700	UTD ARROWS LIMITED	10,561,686	5,939,400	0.33
12,000	GUNZE LIMITED	8,268,348	5,916,000	0.32
15,000	MAEDA CORP	7,846,078	5,745,000	0.31
17,000	HOKUHOKU FINANCIAL GROUP INC	6,783,737	5,525,000	0.30
2,800	CHIYODA CO LTD	7,259,026	5,454,400	0.30
9	WEST JAPAN RAILWAY COMPANY	5,096,750	4,995,000	0.27
18,000	TAIHEIYO CEMENT CORP	5,155,110	4,806,000	0.26
2,000	mitsui & CO LTD	4,619,123	4,730,000	0.26
8,400	NIPPON SUISAN KAISHA LTD	4,472,493	4,704,000	0.26
2,600	ALPEN CO LTD	5,271,565	4,485,000	0.25
12	TOKYO STAR BANK LTD	4,477,232	4,212,000	0.23
4,000	DAIHATSU MOTOR CO LTD	4,423,724	4,204,000	0.23
2,000	CANON MARKETING JAPAN INC	4,315,367	4,160,000	0.23
1,300	SHIMACHU CO., LTD	3,993,780	4,121,000	0.23
3,200	NISHIMATSUYA CHAIN CO LTD	4,887,675	3,942,400	0.22
3,700	PIONEER CORP	4,236,165	3,737,000	0.20
4,000	NICHIHA CORP	6,189,337	3,620,000	0.20
7,000	SEIKO HOLDINGS CORP	5,720,580	3,619,000	0.20
6,000	SANKEN ELECTRIC CO LTD	3,960,858	3,606,000	0.20
3,200	SHOWA CORP	5,613,861	3,315,200	0.18
5,000	KANDENKO CO LTD	3,517,553	3,150,000	0.17
1,800	NAMCO BANDAI HOLDING INC	2,733,039	3,144,600	0.17
1,700	TRUSCO NAKAYAMA CORP	4,115,161	2,781,200	0.15
1,300	FUJI SEAL INTERNATIONAL INC	3,728,404	2,639,000	0.14
4,000	SANYO SHOKAI LTD	2,850,954	2,416,000	0.13
1,900	OSG CORPORATION	3,160,704	2,318,000	0.13
4,000	EPSON TOYOCOM CORP	3,301,954	1,908,000	0.10
128	FAITH INC	4,158,136	1,747,200	0.10
800	KEIHIN CORP	1,829,189	1,595,200	0.09
	Japan Total	<u>2,045,159,298</u>	<u>1,812,222,400</u>	<u>99.18</u>
	SUB-TOTAL	<u>2,045,159,298</u>	<u>1,812,222,400</u>	<u>99.18</u>
OTHER TRANSFERABLE SECURITIES				
JAPAN				
RIGHTS				
177,000	DOWA HOLDINGS CO LTD RIGHTS*	0	0	0.00
	Japan Total	<u>0</u>	<u>0</u>	<u>0.00</u>
	TOTAL INVESTMENTS	<u>2,045,159,298</u>	<u>1,812,222,400</u>	<u>99.18</u>

* The exercise period for the rights issue is from December 1, 2009 to January 29, 2010 and is conditional to a 3-year continuous holding, as from September 30, 2006.

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

NOMURA FUNDS-JAPAN EQUITY
Economic and Geographical Division of Investments at December 31, 2007

Economic and Geographical Division	in % of Net Assets
JAPAN	
AGRICULTURE AND FISHERY	0.26
BANKS & OTHER CREDIT INSTITUTIONS	7.99
BUILDING MATERIALS & TRADE	3.39
CHEMICALS	7.16
COMPUTER HARDWARE & NETWORKING	3.17
ELECTRICAL APPLIANCES & COMPONENTS	1.96
ELECTRONICS & SEMI CONDUCTORS	13.92
FINANCIAL, INVEST & OTHER DIV CO	6.98
FOOD & SOFT DRINKS	0.35
INTERNET & SOFTWARE SERVICES	2.98
MECHANICAL ENGINEERING & IND. EQUIP	8.26
MINING, COAL & STEEL	2.77
MISCELLANEOUS CONSUMERS GOODS	1.38
MISCELLANEOUS SERVICES	1.69
MISCELLANEOUS TRADE COMPANIES	4.80
NON-FERROUS METALS	2.43
PACKAGING INDUSTRY	0.14
PETROLEUM	1.24
PHARMACEUTICALS, COSMETICS & MEDICAL	3.26
REAL ESTATE	1.99
RETAIL TRADE, DEPARTMENT STORES	3.10
RUBBER & TIRES	0.91
TELECOMMUNICATIONS	2.36
TEXTILE, CLOTHING & LEATHER GOODS	0.46
TOBACCO & ALCOHOLIC DRINKS	1.17
TRANSPORTATION	4.48
UTILITIES	1.23
VEHICLES	9.15
WATCH-AND-CLOCK INDUSTRY, JEWELLERY	0.20
	99.18
TOTAL	99.18

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Statement of Investments at December 31, 2007
(expressed in USD DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
BERMUDA				
ORDINARY SHARE				
483,000	NINE DRAGONS PAPER HOLDINGS	996,585	1,220,897	0.78
1,000,000	SINOFERT HOLDINGS LTD	815,871	933,160	0.60
	Bermuda Total	1,812,456	2,154,057	1.38
CAYMAN ISLANDS				
ORDINARY SHARE				
90,000	KINGBOARD CHEMICALS HOLDINGS LTD	359,474	535,285	0.34
74,000	HENGAN INTL GROUP CO LTD	321,981	331,990	0.21
	Cayman Islands Total	681,455	867,275	0.55
CHINA				
ORDINARY SHARE				
2,312,000	CHINA LIFE INSURANCE CO LTD H	1,660,414	11,957,938	7.66
6,456,000	CHINA PETROLEUM & CHEMICAL CORP H	4,967,261	9,748,409	6.24
4,624,000	PETROCHINA CO LTD H	4,639,813	8,238,679	5.28
1,155,000	CHINA SHENHUA ENERGY CO LTD H	3,023,874	6,899,107	4.42
9,582,000	IND & COMM BANK OF CHINA LTD H	4,957,038	6,878,111	4.40
1,684,000	CHINA MERCHANTS BANK H	7,925,493	6,875,060	4.40
7,871,000	CHINA CONSTRUCTION BANK H	3,859,180	6,668,933	4.27
538,000	PING AN INSURANCE GROUP CO-H	1,845,110	5,772,085	3.70
1,514,000	CHINA COSCO HOLDINGS CO LTD	4,816,526	4,182,136	2.68
450,000	ANHUI CONCH H	2,971,450	3,913,698	2.51
1,017,600	GUANGZHOU R&F PROPERTIES CO LTD H	4,406,482	3,626,159	2.32
2,082,000	ZIJIN MINING GROUP CO LTD H	1,202,886	3,229,171	2.07
1,200,000	CHINA SHIPPING DEVELOPMENT CO LTD H	971,428	3,168,644	2.03
1,000,000	CHINA COMMUNICATION CONSTRUCTION H	2,857,541	2,621,309	1.68
892,800	ANGANG STEEL COMPANY LIMITED H	777,910	2,443,301	1.56
708,000	CHINA COAL ENERGY CO H	1,599,969	2,223,434	1.42
1,100,000	YANZHOU COAL MINING CO LTD H	2,184,892	2,179,853	1.40
664,000	HARBIN POWER EQUIPMENT CO LTD H	1,608,431	2,127,811	1.36
210,000	BYD CO LTD-H	1,422,408	1,388,974	0.89
820,000	AIR CHINA LIMITED H	1,172,547	1,221,364	0.78
492,000	JIANGXI COPPER CO LTD H	340,810	1,207,069	0.77
564,000	ALUMINIUM CORP OF CHINA H (CHALCO)	462,797	1,163,938	0.75
700,000	ZHEJIANG EXPRESSWAY CO LTD H	907,564	1,119,793	0.72
1,000,000	DATANG INTL POWER GENER H	1,232,465	892,142	0.57
480,000	PICC PROPERTY & CASUALTY H	408,404	686,642	0.44
225,000	SHANGAI ZHENHUA PORT MACH CORP B	111,743	629,550	0.40
432,000	SHENZHEN EXPRESSWAY CO LTD H	159,504	477,327	0.31
	China Total	62,524,729	101,602,661	65.07

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Statement of Investments at December 31, 2007 (continued)
(expressed in USD DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (continued)				
HONG KONG				
ORDINARY SHARE				
808,500	CHINA MOBILE LTD	4,021,357	14,291,218	9.15
6,272,000	CNOOC LTD	9,441,637	10,676,505	6.84
2,184,500	CHINA OVERSEAS LAND&INVEST LTD	959,115	4,513,797	2.89
1,960,000	CHINA UNICOM LTD	4,144,578	4,497,116	2.88
970,000	CN RESOURCES POWER HOLDING	1,006,730	3,350,854	2.15
486,000	CITIC PACIFIC LTD	2,513,576	2,712,998	1.74
680,000	CHINA EVERBRIGHT LIMITED	1,632,243	2,157,293	1.38
273,000	CHINA MERCHANTS HOLDINGS INT CO LTD	1,236,698	1,697,186	1.09
326,000	BEIJING ENTERPRISES HOLDINGS	1,378,043	1,548,213	0.99
1,600,000	LENOVO GROUP LTD	1,089,662	1,437,682	0.92
1,310,000	CHINA BLUECHEMICAL LTD H	878,149	846,305	0.54
27,000	HONG KONG EXCHANGES & CLEAR	803,891	765,551	0.49
90,000	WEICHAI POWER CO LTD H	552,887	656,417	0.42
54,000	LEE & MAN PAPER MANUFACTURING LTD	73,276	237,071	0.15
110,400	CHINA STATE CONST INTL HLDGS LTD	23,529	174,909	0.11
		29,755,371	49,563,115	31.74
WARRANT				
325,541	CHINA OVERS.LAND&INV.WTS 28/08/08	0	177,763	0.11
		0	177,763	0.11
	Hong Kong Total	29,755,371	49,740,878	31.85
	TOTAL INVESTMENTS	94,774,011	154,364,871	98.85

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Economic and Geographical Division of Investments at December 31, 2007

Economic and Geographical Division	in % of Net Assets
BERMUDA	
CHEMICALS	0.60
FORESTRY, PAPER & FOREST PRODUCTS	0.78
	<u>1.38</u>
CAYMAN ISLANDS	
ELECTRONICS & SEMI CONDUCTORS	0.34
PHARMACEUTICALS, COSMETICS & MEDICAL	0.21
	<u>0.55</u>
CHINA	
BANKS & OTHER CREDIT INSTITUTIONS	13.07
BUILDING MATERIALS & TRADE	2.51
ELECTRICAL APPLIANCES & COMPONENTS	1.36
ELECTRONICS & SEMI CONDUCTORS	0.89
INSURANCES	11.35
INTERNET & SOFTWARE SERVICES	0.04
MECHANICAL ENGINEERING & IND. EQUIP	0.71
MINING, COAL & STEEL	9.45
NON-FERROUS METALS	1.52
PETROLEUM	11.52
REAL ESTATE	2.32
TELECOMMUNICATIONS	0.44
TRANSPORTATION	7.89
UTILITIES	2.00
	<u>65.07</u>
HONG KONG	
BANKS & OTHER CREDIT INSTITUTIONS	0.49
CHEMICALS	0.54
COMPUTER HARDWARE & NETWORKING	0.92
FINANCIAL, INVEST & OTHER DIV CO	5.35
MECHANICAL ENGINEERING & IND. EQUIP	0.42
PETROLEUM	6.84
REAL ESTATE	3.11
TELECOMMUNICATIONS	12.03
UTILITIES	2.15
	<u>31.85</u>
TOTAL	<u><u>98.85</u></u>

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Statement of Investments at December 31, 2007
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
JAPAN				
ORDINARY SHARE				
66,600	TOYOTA MOTOR CORP	443,430,346	402,264,000	5.79
340	SUMITOMO MITSUI FINANCIAL GROUP INC	350,793,157	284,580,000	4.10
259,000	mitsubishi UFJ FINANCIAL GROUP	334,375,094	271,173,000	3.91
486	MIZUHO FINANCIAL GROUP INC	368,494,737	259,524,000	3.74
79,000	MITSUBISHI CORP	214,007,419	241,740,000	3.48
98,000	MITSUI & CO LTD	203,688,826	231,770,000	3.34
49,400	SEVEN & I HOLDINGS CO LTD	159,863,502	161,044,000	2.32
98,000	YAMATO HOLDINGS CO LTD	172,701,752	157,878,000	2.27
98,000	YASKAWA ELECTRIC CORPORATION	133,139,260	149,352,000	2.15
101,000	MITSUI O.S.K. LINES LTD	125,871,848	144,026,000	2.07
93,000	ASAHI GLASS CO LTD	138,808,310	139,407,000	2.01
96,000	DAIWA HOUSE INDUSTRY CO LTD	161,698,274	138,528,000	2.00
148	EAST JAPAN RAILWAY CO	132,399,209	136,456,000	1.97
13,800	ROHM CO LTD	139,213,399	134,550,000	1.94
81,500	AEON CO LTD	169,908,889	133,497,000	1.92
227	NIPPON TELG & TEL CORP NTT	127,539,715	126,893,000	1.83
19,700	SECOM CO LTD	111,474,983	120,367,000	1.73
234,000	ISUZU MOTORS LTD	127,822,530	118,872,000	1.71
148,000	MARUBENI CORP	145,157,156	117,364,000	1.69
10,600	FANUC LTD	113,077,872	115,328,000	1.66
5,920	ORIX CORP	157,681,628	113,012,800	1.63
111,000	DAIWA SECURITIES GROUP INC	131,137,881	112,776,000	1.62
13,500	TDK CORP	122,796,337	112,320,000	1.62
197	WEST JAPAN RAILWAY COMPANY	102,355,291	109,335,000	1.57
296,000	KAJIMA CORP	141,515,733	108,040,000	1.56
148,000	MINEBEA CO LTD	107,111,350	106,116,000	1.53
27,100	ELPIDA MEMORY INC	121,804,249	105,148,000	1.51
10,300	KYOCERA CORP	100,976,187	102,073,000	1.47
49,400	JTEKT CORP	100,670,733	99,294,000	1.43
24,000	NIKON CORP	86,332,229	92,880,000	1.34
345,000	TAIHEIYO CEMENT CORP	145,427,081	92,115,000	1.33
12,300	SHIN-ETSU CHEMICAL CO LTD	78,392,267	86,346,000	1.24
86,000	SUMITOMO CHEMICAL CO LTD	74,565,073	85,742,000	1.24
86,000	NTN CORP	80,884,945	83,506,000	1.20
111,000	ASAHI KASEI CORPORATION	91,106,511	82,584,000	1.19
44,400	SUMITOMO ELECTRIC IND LTD	80,929,925	78,898,800	1.14
19,700	LAWSON INC	80,033,772	78,012,000	1.12
419	NTT DOCOMO	79,610,000	77,934,000	1.12
419	FUJI TV NETWORK	98,899,682	77,515,000	1.12
28,400	HITACHI CHEMICAL CO LTD	74,126,153	73,130,000	1.05
9,800	TOKYO ELECTRON LTD	78,252,555	67,228,000	0.97

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Statement of Investments at December 31, 2007 (continued)
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (continued)				
JAPAN (continued)				
ORDINARY SHARE (continued)				
44,000	HITACHI METALS LTD	59,280,877	66,352,000	0.96
32,000	RICOH CO LTD	82,624,212	66,080,000	0.95
98,000	DAICEL CHEMICAL INDUSTRIES LTD	76,440,630	65,660,000	0.95
197,000	KAWASAKI HEAVY INDUSTRIES LTD	69,882,408	65,207,000	0.94
14,800	EISAI CO LTD	69,462,566	65,120,000	0.94
333,000	HASEKO CORP	113,200,181	64,269,000	0.93
217	DENTSU	68,130,168	64,232,000	0.93
12,300	ULVAC INC	47,257,289	62,484,000	0.90
24,700	HITACHI HIGH-TECH LTD	73,683,616	60,391,500	0.87
27,100	MORI SEIKI CO LTD	58,536,000	58,536,000	0.84
123,000	NICHIREI CORP	60,455,491	57,195,000	0.82
71,000	DOWA HOLDINGS CO LTD	81,508,922	55,664,000	0.80
123,000	FURUKAWA ELECTRIC CO LTD	64,300,657	53,382,000	0.77
237	ROUND ONE CORP	59,790,490	52,851,000	0.76
24,700	BRIDGESTONE CORP	55,942,838	49,103,600	0.71
22,200	TSUMURA & CO	57,681,907	48,951,000	0.71
148,000	TAISEI CORP	44,735,636	44,696,000	0.64
74,000	RYOBI LTD	53,854,275	44,548,000	0.64
44,400	SUMITOMO RUBBER INDUSTRIES LTD	57,923,581	44,311,200	0.64
24,700	ALPEN CO LTD	54,348,463	42,607,500	0.61
74,000	mitsubishi RAYON CO LTD	42,005,347	40,182,000	0.58
46,000	TOSHIBA CORP	39,238,000	38,502,000	0.55
14,800	HITACHI INFORMATION SYSTEMS	35,713,746	35,594,000	0.51
4,900	TAKEDA PHARMACEUTICAL CO LTD	36,834,364	32,193,000	0.46
24,600	NISHIMATSUYA CHAIN CO LTD	34,963,444	30,307,200	0.44
13,000	KYOWA HAKKO KOGYO CO LTD	15,002,149	15,522,000	0.22
	Japan Total	7,520,873,117	6,852,559,600	98.70
	TOTAL	7,520,873,117	6,852,559,600	98.70

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Economic and Geographical Division of Investments at December 31, 2007

Economic and Geographical Division	in % of Net Assets
JAPAN	
BANKS & OTHER CREDIT INSTITUTIONS	7.16
BUILDING MATERIALS & TRADE	8.47
CHEMICALS	6.47
COMPUTER HARDWARE & NETWORKING	0.55
ELECTRICAL APPLIANCES & COMPONENTS	3.57
ELECTRONICS & SEMI CONDUCTORS	11.95
FINANCIAL, INVEST & OTHER DIV CO	10.16
FOOD & SOFT DRINKS	0.82
INTERNET & SOFTWARE SERVICES	0.51
LODGING, CATERING & LEISURE INDUSTRY	0.76
MECHANICAL ENGINEERING & IND. EQUIP	7.48
MINING, COAL & STEEL	0.96
MISCELLANEOUS SERVICES	2.66
MISCELLANEOUS TRADE COMPANIES	9.38
NON-FERROUS METALS	0.80
PHARMACEUTICALS, COSMETICS & MEDICAL	2.11
RETAIL TRADE, DEPARTMENT STORES	4.09
RUBBER & TIRES	1.35
TELECOMMUNICATIONS	4.07
TRANSPORTATION	7.88
VEHICLES	7.50
	<hr/> 98.70
TOTAL	<hr/> 98.70 <hr/>

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

Notes to the Financial Statements for the year ended December 31, 2007

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 Yen 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 13 of the Luxembourg law of December 20, 2002 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 20, 2002 relating to undertakings for collective investment as amended.

At December 31, 2007, the Fund comprised four Sub-Funds, three of which are active:

- (i) Japan Equity which has been established for an undetermined period.

The Sub-Fund's investment objective is to achieve long term capital growth through investment in an actively managed portfolio of Japanese securities, listed/dealt on Regulated Markets in Japan and to outperform the Benchmark (being the Morgan Stanley Capital International Japan Index).

- (ii) China Opportunities which has been established for a ten year period ending May 31, 2015.

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.

- (iii) Japan Active Open has been established for a period expiring on January 30, 2015.

The Sub-Fund's investment objective is to achieve long term capital growth through investment in an actively managed portfolio of Japanese securities, listed/dealt on Regulated Markets in Japan and to outperform the Benchmark (being the TOPIX). It is anticipated that the Sub-Fund will invest across the entire range of capitalizations (from small cap to large cap).

- (iv) Nomura Japan Fund has been established for an unlimited period.

The Sub-Fund's investment objective is to achieve long term capital growth through investment in an actively managed portfolio of Japanese securities, listed/dealt on Regulated Markets in Japan and to outperform the Benchmark (being the TOPIX). It is anticipated that the Sub-Fund will invest across the entire range of capitalizations (from small cap to large cap).

Although established, the Sub-Fund was not yet available for subscription as at December 31, 2007.

**Notes to the Financial Statements
for the year ended December 31, 2007(continued)**

Note 2 - Significant Accounting Policies

The Fund maintains the books and records of each individual Sub-Fund in its respective currency, Japanese Yen for Japan Equity Sub-Fund and the consolidated Japan Active Open Sub-Fund and U.S. Dollar for China Opportunities Sub-Fund, 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 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 Directors on the basis of the probable sales price which the 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;

(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 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 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.

SECURITY 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.

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

Note 2 - Significant Accounting Policies (continued)

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 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 rates were used:

1 EUR	= 1.4744 USD
1 EUR	= 165.088694 JPY

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 Advisory 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 different 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:

JAPAN EQUITY

The Investment Manager is entitled to receive out of the monies of this Sub-Fund, an investment management fee accrued weekly and payable quarterly, not exceeding 0.65 % per annum of the average total net assets of the Sub-Fund attributable to Class I.

CHINA OPPORTUNITIES

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

JAPAN ACTIVE OPEN

The Investment Manager is entitled to receive out of the monies of this Sub-Fund, an investment management fee accrued weekly and payable quarterly, not exceeding 0.50 % per annum of the average daily total net assets of the Sub-Fund attributable to Class I.

The Investment Advisers are paid by the Investment Manager.

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

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 and registrar and transfer agent services. Such fee is based on the total net assets of each 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

JAPAN EQUITY

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 JPY 350 million and the subsequent minimum investment amounts are JPY 100 million unless the Directors resolve otherwise.

Class A Shares are currently not available. The minimum subscription and minimum holding amounts are of JPY 10,000,000.

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 of the Prospectus.

The Initial Offering Period commenced on April 6, 2005 and has closed on April 11, 2005. During the Initial Offering Period, Class I Shares were subscribed at a price of JPY 100,000 per share plus the applicable subscription charge.

Following the close of the Initial Offering Period, Shares are available for subscription on each Valuation Day. By derogation to the provisions under the section "Subscription" in the main part of the Prospectus, applications for Shares must be received by the Registrar and Transfer Agent by no later than 5 p.m. (Luxembourg time) one Luxembourg business day prior to the 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 Sub-Fund no later than the fifth Business Day following the relevant Valuation Day. Applications for Shares received by the Registrar and Transfer Agent after 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day 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.

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

JAPAN EQUITY (CONTINUED)

Redemptions

Shares are redeemable at the option of the Shareholders.

By derogation to the provisions provided under the section "Redemption" in the main part of the Prospectus, completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 5 p.m. (Luxembourg time) one Luxembourg business day prior to the 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 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day 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 five Business Days after the relevant Valuation Day. A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

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 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 8.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

CHINA OPPORTUNITIES (CONTINUED)

Subscriptions (continued)

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 8.00 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.

JAPAN ACTIVE OPEN

Classes of Shares

Class I EUR Shares are available for subscription and are reserved to Institutional Investors as defined under section "Subscriptions" of this Prospectus. The minimum subscription and minimum holding amounts are of EUR 1 million and the subsequent minimum investment amounts are EUR 10,000 unless the Directors resolve otherwise.

Class I JPY Shares are available for subscription and are reserved to Institutional Investors as defined under section "Subscriptions" of this Prospectus. The minimum subscription and minimum holding amounts are of JPY 100 million and the subsequent minimum investment amounts are JPY 1 million unless the Directors resolve otherwise.

Class I USD Shares are available for subscription and are reserved to Institutional Investors as defined under section "Subscription" of this Prospectus. The minimum subscription and minimum holding amounts are of USD 1 million and the subsequent minimum investment amounts are USD 10,000 unless the Directors resolve otherwise.

Class A Shares are currently not available. The minimum subscription and minimum holding amounts are of JPY 10,000,000.

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

JAPAN ACTIVE OPEN (CONTINUED)

Subscriptions

The Initial Offering Period commenced on June 26, 2006 and closed on July 21, 2006 provided that the Directors may extend the Initial Offering Period in their sole discretion to a maximum of 6 months, in which case the Shareholders will be specifically informed and the Prospectus will be updated accordingly. During the Initial Offering Period, Class I EUR shares may be subscribed at a price of EUR 1,000 plus the applicable subscription, Class I JPY Shares may be subscribed at a price of JPY 100,000 plus the applicable subscription charge and Class I USD shares may be subscribed at a price of USD 1,000 plus the applicable subscription charge.

Subscription proceeds were to be received by the Custodian on an account of the Sub-Fund on July 25, 2006. By derogation to the provisions under the section "Subscription" in the main part of the Prospectus, applications for Shares must be received by the Sub-Registrar and Transfer Agent and subscription proceeds must be paid to the Custodian on an account of the Sub-Fund by no later than 5 p.m. (Luxembourg time) on the last day of the Initial Offering Period.

Following the close of the Initial Offering Period, Shares are available for subscription on each Valuation Day.

By derogation to the provisions under the section "Subscription" in the main part of the Prospectus, applications for Shares must be received by the Sub-Registrar and Transfer Agent by no later than 5 p.m. (Luxembourg time) one Luxembourg business day prior to the 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 Sub-Fund no later than the fifth Business Day following the relevant Valuation Day.

Applications for Shares received by the Sub-Registrar and Transfer Agent after 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day 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 period under review.

Redemptions

Shares are redeemable at the option of the Shareholders. By derogation to the provisions provided under the section "Redemption" in the main part of the Prospectus, completed redemption requests should be sent to the Sub-Registrar and Transfer Agent to be received no later than 5 p.m. (Luxembourg time) one Luxembourg business day prior to the 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 Sub-Registrar and Transfer Agent after 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day 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.

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

JAPAN ACTIVE OPEN (CONTINUED)

Redemptions (continued)

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

A request for a partial redemption of Shares may be treated as a request for the redemption of the entire holding if, as a result of such partial redemption, the total Net Asset Value of the Shares retained by the Shareholder in the Sub-Fund would be less than the minimum holding.

NOMURA JAPAN FUND

Although established, the Sub-Fund is not yet available for subscription as at December 31, 2007.

Note 6 - Distribution policies

JAPAN EQUITY

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 will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

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 will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

JAPAN ACTIVE OPEN

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 will be accumulated and will 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 *taxe d'abonnement* 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 *taxe 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 1,250 Euro 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.

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

Note 8 - Accrued expenses

	<i>Japan Equity (in JPY)</i>	<i>China Opportunities (in USD)</i>	<i>Japan Active Open (in JPY)</i>	<i>Combined (in Euro)</i>
Management and advisory fees	6,777,147	463,576	10,122,380	416,783
Custodian, Administrator, Domiciliary, Registrar and Transfer Agent fees	1,500,011	125,414	3,673,080	116,396
Printing and publication fees	--	--	6,020,724	36,470
Formation expenses	2,825,952	22,327	--	32,261
Other expenses	--		3,286,147	19,905
Agent company fees	--		2,755,434	16,691
Professional fees	958,591	7,362	831,520	15,837
Out-of-pocket expenses	96,882	8,971	368,071	8,901
Subscription tax	48,054	4,406	184,636	4,397
Total Accrued Expenses	<u>12,206,637</u>	<u>632,056</u>	<u>27,241,992</u>	<u>667,641</u>

Note 9 - Statement of changes in the investment portfolio

The statement of changes in the investment portfolio for the year ended December 31, 2007 for each active Sub-Fund is available free of charge at the Registered Office of the Company.

Note 10 - Securities lending

The Fund has appointed Nomura Bank (Luxembourg) S.A. as Securities Lending Agent by an agreement dated October 31, 2005. Security lending income is fixed under such agreement and is recorded on a daily basis in arrears.

JAPAN ACTIVE OPEN

As of December 31, 2007, the Fund had lent securities with a market value of JPY 408,955,204.

QUANTITY	SECURITY NAME	Market Value
26,800	ELPIDA MEMORY INC	103,984,000
16,800	ULVAC INC	85,344,000
177,000	KAJIMA CORP	64,605,000
23,000	HITACHI HIGH-TECH LTD	56,235,000
24,600	AEON CREDIT SERVICE LTD	40,836,000
17,000	TSUMURA & CO	37,485,000
8,800	ALPEN CO LTD	15,180,000
21	ROUND ONE CORP	4,683,000
1,002	RYOBI LTD	603,204
		<u>408,955,204</u>

**Notes to the Financial Statements
for the year ended December 31, 2007 (continued)**

Note 10 - Securities lending (continued)

JAPAN EQUITY

As of December 31, 2007, the Fund had lent securities with a market value of JPY 3,620,000.

QUANTITY	SECURITY NAME	Market Value
4,000	NICHIIHA CORP	3,620,000
		<u>3,620,000</u>