

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

ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS

For the year ended December 31, 2008

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 reports and financial statements and the most recent semi-annual financial statements if published thereafter.

Index

Page

Organisation of the Fund	3
Shareholders' Information	4
Report of the Board of Directors - JAPAN EQUITY	5
Report of the Board of Directors - CHINA OPPORTUNITIES	6
Report of the Board of Directors - JAPAN ACTIVE OPEN	7
Independent Auditor's report	9
Combined Statement of Net Assets	10
Combined Statement of Operations and of Changes in Net Assets	11
Statement of Changes in the Number of Shares Outstanding	13
Statistical Information	13
JAPAN EQUITY	
Statement of Investments	14
Economic and Geographical Division of Investments	18
CHINA OPPORTUNITIES	
Statement of Investments	19
Economic and Geographical Division of Investments	22
JAPAN ACTIVE OPEN	
Statement of Investments	24
Economic and Geographical Division of Investments	26
Notes to the Financial Statements	27

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

BOARD OF DIRECTORS**Chairman**

Shigeru Fujinuma
 (from June 9, 2008 until March 18, 2009)
 Chairman and Director
 Nomura Asset Management U.K. Limited

Toshihiko Matsunaga (until June 9, 2008),
 Chief Executive & Managing Director,
 Nomura Asset Management U.K. Limited

Directors

Yoshikazu CHONO (until September 10, 2008)
 President and Managing Director
 Nomura Bank (Luxembourg) S.A.

Koichi MATSUMOTO (from September 10, 2008)
 President and Managing Director
 Nomura Bank (Luxembourg) S.A.

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

Takashi KAWAZOE
 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,
 London EC1A 4NT
 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

Nomura Asset Management Hong Kong Ltd.,
 30/F, Two International Finance Centre,
 8 Finance Street, Central
 Hong Kong

Custodian

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

Independent Auditor

Deloitte S.A.,
 560, rue de Neudorf,
 L - 2220 Luxembourg
 Grand-Duchy of Luxembourg

Legal Advisors in Luxembourg

Elvinger, Hoss & Prussen,
 2, Place Winston Churchill,
 L - 1340 Luxembourg
 Grand-Duchy of Luxembourg

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

Nomura Asset Management U.K. Limited,
 Nomura House
 1, St Martin's-le-Grand,
 London EC1A 4NT
 United Kingdom

Distributor for Japan Active Open Sub-Fund

Nomura International Plc,
 Nomura House
 1, St Martin's-le-Grand,
 London EC1A 4NT
 United Kingdom

Shareholders' Information

Nomura Funds (the "Fund") is an open-ended investment fund and an umbrella fund. As of December 31, 2008, 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 Board of Directors shall determine.

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

Report of the Board of Directors - 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, 2008.

The Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2008 was JPY 65,439, which is a decrease of 34.56% from the initial subscription price of JPY 100,000 but a decrease of 47.46% from the Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2007 of JPY 124,549. Total net assets of the Sub-Fund on the same date were JPY 959,989,499, and the total number of shares outstanding was 14,669.99362.

We would like to draw the sub-fund shareholder's attention to the note 12 "Subsequent Event".

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 426 basis points for the calendar year 2008, as sector allocation and stock selection results both detracted from the relative return. Amid the extraordinary market conditions during the review period, our underweight positions in domestic or less cyclical sectors, (e.g. Infrastructure), combined with overweight positions in economic-sensitive sectors (e.g. Commodities) failed to add value during a period of excessive risk aversion among investors. Stock selection resulted in negative outcomes within the Electronics and Machinery sectors. In the Electronics sector, semiconductor stocks, including Elpida Memory, Rohm, and Dainippon Screen, tumbled along with sharp declines in prices of memory chips amid prolonged severe competition within the industry. As for the Machinery sector, Juki's share price was punished heavily. This medium-sized sewing machine producer downgraded its earnings projections further due to a slowdown in sales to China. Also, air-conditioner maker Daikin Industries tumbled reflecting the yen's recent strengthening and its weaker-than expected sales trend. In contrast, selection results in the Medical sector helped to alleviate the negative selection effect somewhat, as the main holding Shionogi has continued to outperform strongly on the back of robust sales of its main anti-cholesterol drug, Crestor.

Market Outlook and Strategy

We see no indications of any change to the volatile market conditions, although expectations of policy measures in Japan, the US, and elsewhere could provide some temporary support. Global markets are now facing the worst recessionary period in post-war economic history, where in Japan for example, industrial production is falling at its fastest rate since 1945 and inventory adjustment continues due to the lagging effect of consolidation and a collapse in global demand.

We have observed repeated downward revisions to corporate earnings due to the surging value of the yen and plunging final demand. A 40% drop in corporate earnings for FY2008 has become the consensus and further declines toward FY2009 would no longer be a surprise to the market. Given this earnings outlook, the overall market valuation in terms of its P/E ratio does not look very attractive. Meanwhile, the heavily discounted market P/B ratio of less than 1.0 shows that stocks are trading at a discount and that any recovery in sentiment or economic prospects could trigger a sustained rebound. Other valuation measures, such as dividend yields also suggest some attractive opportunities in the Japanese market.

Amid unfavorable foreign currency fluctuations and further deterioration in global macroeconomic conditions, we have been gradually shifting our sector allocation towards a more conservative position by increasing the exposure to the less economically sensitive sectors and reducing cyclical and external demand oriented sectors. Nevertheless, we remain focused on the relative attractiveness of valuations within these sectors, which should be appreciated under a return to more normal market conditions.

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, 2008.

The Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2008 was USD 83,606, which is a decrease of 67.21% from the initial subscription price of USD 50,000 and a decrease of 51.36% from the Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2007 of USD 171,882. Total net assets of the Sub-Fund on the same date were USD 53,231,852 and the total number of shares outstanding was 636.69621.

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 December 31, 2007 to December 31, 2008, the Sub-Fund's unit NAV fell -51.36% against a fall of -52.24% for the MSCI China 10/40 reference index and -50.83% for the MSCI China Total Return Index. Thus, the Sub-Fund outperformed the MSCI China 10/40 Index by 0.88% and underperformed the MSCI China Total Return Index by -0.53%. Sector allocation made a negative contribution to the fund's performance during the year, as the portfolio was overweight in the underperforming energy and material sectors. However, the stock contribution from the consumer and information technology sectors was positive. This resulted in a positive performance for the portfolio overall for the year. In terms of sector weighting, the portfolio increased its exposure to the financial and consumer sectors during the year, largely at the expense of the other sectors.

Investment Outlook

The Chinese government continues to introduce monetary policies in order to manage the pace of economic growth. We also assume that such selective measures will continue for the time being, with the focus being to address structural imbalances in the system.

For example, China announced a RMB 4 trillion economic stimulus package covering both infrastructure spending and domestic consumption areas (ie low-income housing, healthcare, education, environmental protection and post-disaster reconstructions). The total size of this package equates to 12% of estimated GDP for 2009. The rules for money supply have relaxed continuously since details of the stimulus package were announced. This reflects the government's determination to deal with the slowdown in economic growth. However, as a result of the major impact of the global economic slowdown on China, it still faces considerable uncertainties in the near term. However, in the longer run, we believe that the Chinese economy will continue to grow, largely as a result of continuing productivity improvements and increasing domestic consumption.

We further assume that prudent fiscal and monetary policies will remain in place. Agricultural reforms are scheduled to improve incomes in rural areas. The Chinese government has maintained control of inflation to keep it within its target level. In addition, CPI grew 2.4% (yoy) in November, while M2 money supply grew 14.8% (yoy) in November, a rebound of 1.3% from the low of 13.5% (yoy) recorded in October 2004.

Investment Strategy

Our future sector selection 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 economic growth in China. We have chosen three sectors to be overweight within the Fund for the time being: materials, energy plays and industrial.

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, 2008.

The Net Asset Value per Share (NAV) of the euro share class of the Sub-Fund as of December 31, 2008 was JPY 774.59, which is a decrease of 22.54% from the initial subscription price of EUR 1,000. Total net assets of the of the euro share class of the Sub-Fund on the same date was EUR 774.59 and the total number of shares outstanding was 1.

The Net Asset Value per Share (NAV) of the yen share class of the Sub-Fund as of December 31, 2008 was JPY 56,530, which is a decrease of 43.47% from the initial subscription price of JPY 100,000 and a decrease of 42.02% from the Net Asset Value per Share (NAV) of the yen share class of the Sub-Fund as of December 31, 2007 of JPY 97,504. Total net assets of the of the yen share class of the Sub-Fund on the same date was JPY 3,849,174,625 and the total number of shares outstanding was 68,091.14931.

The Net Asset Value per Share (NAV) of the US Dollar share class of the Sub-Fund as of December 31, 2008 was USD 750.35, which is an decrease of 24.96% from the initial subscription price of USD 1,000 but a decrease of 27.36% from the Net Asset Value per Share (NAV) of the US Dollar share class of the Sub-Fund as of December 31, 2007 of USD 1,032.90. Total net assets of the of the US Dollar share class of the Sub-Fund on the same date was USD 3,963,500.94 and the total number of shares outstanding was 5,282.21541.

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

Performance Review

The Fund underperformed the TOPIX by 140 basis points during 2008. Sector allocation made a positive contribution to the performance; however, the stock selection results were negative.

In terms of sector allocation, we initially held overweight positions in the cyclical sectors amid expectations of continuing economic growth; however, we gradually lowered the overweight cyclical positions as the growth outlook deteriorated. The overweight position in Communication contributed positively to performance. During May 2008, shares of Nippon Telegraph and Telephone Corporation in the Communication sector rebounded following the announcement of a dividend increase and its establishment of a share buyback plan. In the latter half of the year, the stock price of Nippon Telegraph and Telephone Corporation did not fall as much during the adjustment phase of the stock market because it was not significantly influenced by the downturn in the economy. Nevertheless, the overweight position in commodities sectors contributed positively during the first half of the year; but then had a negative impact on the performance during the second half, even though we reduced the overweight exposure during the adjustment phase.

In terms of stock selection, the portfolio continued to hold stocks that were undervalued in terms of their price-earnings ratios since last year. At the beginning of the year, stocks from the Commodities sector contributed positively because of the appreciation of stocks such as Mitsubishi Corporation, Marubeni Corporation, and Mitsui O.S.K. Lines. These stocks appreciated during the first half of the year because of the rise in crude oil and commodity prices; but they contributed negatively during the latter half of the year due to the general fall in stock prices along with the market downturn. Cyclical stocks such as Asahi Glass Co., Ltd. and Yasukawa Electric Corporation also had a negative impact on the performance. On the other hand, defensive stocks such as Tsumura & Co. from the Medical sector and Tokyo Electric Power Company contributed positively to performance.

Investment Outlook and Strategy

The actual GDP growth rate of Japan for the July-September term of 2008 was -1.8%, which was a downward revision from the expected growth rate. The U.S. and Europe, both major export counterparts, also posted negative real GDP growth rates, possibly the worst in the post-war era, during the October-December term of 2008. Moreover, we are expecting an economic slowdown in the emerging markets due to the expansion of the current financial crisis from the U.S. and Europe to the emerging markets such as Central and Eastern Europe, Central and Southern America, and Asia. Thus, Japan is expected to face a substantial drop in mining and manufacturing production, which is often related to exports.

Report of the Board of Directors - JAPAN ACTIVE OPEN (continued)**Investment Outlook and Strategy (continued)**

Nonetheless, the global economy is expected to recover during the latter half of 2009. Announcements of financial policies on an unprecedented scale and countermeasures against the current financial crisis led by both developed and emerging countries will combine with improving terms of trade due to the lower oil and commodity prices.

Japanese equity prices have fallen so far mainly due to global concerns about the economic recession and credit crunch, rapid appreciation of the Japanese yen, and the expected decline in corporate earnings during the current and next quarter. We believe there is now less downside risk, with the market P/B ratio around 0.9 and the dividend yield around 2.6%. We also believe Japanese stocks could post a rebound in the short-term because of increasingly positive expectations of the new U.S. government led by Barack Obama. Nevertheless, we must be wary of the risk that the period of economic recovery could be postponed due to the increased risk of worldwide deflation and a weakened U.S. dollar triggered by an unexpected financial crisis and a deteriorating real economy.

The Fund will hold undervalued stocks in terms of P/E ratio and P/B ratio as planned; however, we will place more importance on the P/B ratio than ever before, since the ability to forecast corporate earnings effectively has been clouded by the current unpredictable environment. Furthermore, we will select stocks while emphasizing qualitative judgments such as companies with technological advantages in reducing greenhouse gases and companies with the ability to increase sales by taking advantage of planned public investments and infrastructure developments in many countries. Meanwhile, we will also select stocks based on business and financial strength.

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 30, 2008, we have audited the accompanying financial statements of NOMURA FUNDS and each of its Sub-Funds, which comprise the combined statement of net assets and the statements of investments as at December 31, 2008 and the combined 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.

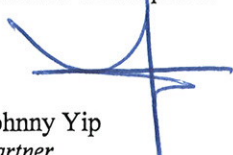
Opinion

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, 2008, 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.

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 30, 2009

**Combined Statement of Net Assets
at December 31, 2008**

	<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	958,523,800	51,922,958	4,019,411,100	76,006,282
Cash at banks	5,473,660	1,071,045	100,100,857	1,590,559
Receivable from subscriptions	--	--	85,315,824	670,694
Receivable from brokers	1,235,333	673,849	--	488,246
Formation expenses (note 2)	2,765,395	40,162	16,477,684	179,797
Accrued income	1,009,980	--	4,331,847	41,994
Prepaid expenses	--	--	2,009,679	15,799
Accrued securities lending income	111,729	--	55,255	1,313
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	969,119,897	53,708,014	4,227,702,246	78,994,684
LIABILITIES				
Accrued expenses (note 8)	7,834,104	217,030	20,762,695	378,933
Payable to brokers	1,296,294	222,659	--	168,312
Payable for redemptions	--	36,461	--	25,893
Unrealized loss on forward foreign exchange contracts (note 11)	--	12	--	9
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	9,130,398	476,162	20,762,695	573,147
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	959,989,499	53,231,852	4,206,939,551	78,421,537
NUMBER OF SHARES OUTSTANDING				
Japan Equity Class I Shares	14,669.99362			
China Opportunities Class I Shares		636.69621		
Japan Active Open Class I - EUR			1	
Japan Active Open Class I - JPY			68,091.14931	
Japan Active Open Class I - USD			5,282.21541	
NET ASSET VALUE PER SHARE				
Japan Equity Class I Shares	65,439			
China Opportunities Class I Shares		83,606		
Japan Active Open Class I - EUR			774.59	
Japan Active Open Class I - JPY			56,530	
Japan Active Open Class I - USD			750.35	

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, 2008**

	<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	1,827,138,95	156,154,914	6,942,664,116	159,032,587
INCOME				
Dividends received	27,265,059	2,179,270	108,713,530	2,616,583
Securities lending income	2,245,361	--	569,564	22,129
Other income	--	--	10,942,400	86,022
Interest on bank accounts	--	5,460	--	3,877
Total Income	29,510,420	2,184,730	120,225,494	2,728,611
EXPENSES				
Management and advisory fees	11,393,567	1,037,736	36,583,344	1,114,112
Custodian fees	2,059,905	256,791	4,077,761	230,611
Correspondent bank fees	1,666,699	120,895	3,554,146	126,897
Administrator, Domiciliary, Registrar and Transfer Agent fees (note 4)	4,000,021	--	9,288,193	104,463
Printing and publication fees	18,660	196	10,506,913	86,985
Agent company fees	--	--	8,465,751	66,552
Formation expenses	291,418	13,791	6,378,468	62,228
Other expenses	341,665	4,855	6,758,354	55,162
Professional fees	1,761,448	25,373	2,079,652	48,215
Legal fees	1,803,646	15,510	1,652,406	38,184
Out-of-pocket expenses	285,951	18,277	1,130,800	24,117
Subscription tax	124,150	7,714	496,239	10,353
Total Expenses	23,747,130	1,501,138	90,972,027	1,967,879
NET INVESTMENT LOSS	5,763,290	683,592	29,253,467	760,732
Net realised loss on investments		1,306,714	(1,461,490,856)	(12,114,816)
Net realised profit on foreign currencies, forward foreign exchange contracts	(40,617)	46,208	(369,618)	29,590
NET REALISED LOSS FOR THE YEAR		1,352,922	(1,461,860,474)	(12,085,226)
Net unrealised result on investments		(70,896,501)	(1,596,022,092)	(68,202,486)
Net unrealised result on forward foreign exchange contracts	--	(12)	--	(9)
NET UNREALISED LOSS FOR THE YEAR	(675,252,534)	(70,896,513)	(1,596,022,092)	(68,202,494)

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, 2008 (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 IN NET ASSETS AS A RESULT OF OPERATIONS	<u>(867,149,453)</u>	<u>(68,859,999)</u>	<u>(3,028,629,099)</u>	<u>(79,526,989)</u>
Proceeds from subscription of units (note 5)	--	2,077,431	3,276,546,233	27,233,237
Payments for redemption of units (note 5)	<u>--</u>	<u>(36,140,494)</u>	<u>(2,983,641,699)</u>	<u>(49,120,576)</u>
	<u>--</u>	<u>(34,063,063)</u>	<u>292,904,534</u>	<u>(21,887,339)</u>
Exchange movement (*)				20,803,278
NET ASSETS AT THE END OF THE YEAR	<u>959,989,499</u>	<u>53,231,852</u>	<u>4,206,939,551</u>	<u>78,421,537</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, 2007 and the conversion at prevailing exchange rates as at December 31, 2008.

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, 2008**

	<i>Japan Equity</i> Class I Shares	<i>China Opportunities</i> Class I Shares	<i>Japan Active Open</i> Class I -EUR	<i>Japan Active Open</i> Class I -JPY	<i>Japan Active Open</i> Class I -USD
Number of shares at the beginning of the year	14,669.99362	908.50316	--	64,876.6671	5,282
Number of shares issued	--	14.86448	1	44,943.4822	--
Number of shares redeemed	--	(286.67143)	--	(41,729.0000)	--
Number of shares outstanding at the end of the year	<u>14,669.99362</u>	<u>636.69621</u>	<u>1</u>	<u>68,091.1493</u>	<u>5,282</u>

Statistical Information

	December 31, 2008	December 31, 2007	December 31, 2006
<i>Japan Equity Class I Shares (in JPY)</i>			
Net Assets at the end of the year	959,989,499	1,827,138,952	7,580,072,404
Net Asset Value per share at the end of the year	65,439	124,549	149,582
<i>China Opportunities Class I Shares (in USD)</i>			
Net Assets at the end of the year	53,231,852	156,154,914	348,110,592
Net Asset Value per share at the end of the year	83,606	171,882	110,138
<i>Japan Active Open Class I – EUR (in EUR)</i>			
Net Assets at the end of the year	774.59	--	9,165,818
Net Asset Value per share at the end of the year	774.59	--	1,056
<i>Japan Active Open Class I – JPY (in JPY)</i>			
Net Assets at the end of the year	3,849,174,625	6,325,751,543	4,300,016,716
Net Asset Value per share at the end of the year	56,530	97,504	112,565
<i>Japan Active Open Class I – USD (in USD)</i>			
Net Assets at the end of the year	3,963,501	5,456,026	4,990,636
Net Asset Value per share at the end of the year	750.35	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, 2008
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING				
JAPAN				
ORDINARY SHARES				
13,300	TOYOTA MOTOR CORP	89,213,924	38,636,500	4.01
199	NTT DOCOMO	37,679,485	35,103,600	3.67
93	SUMITOMO MITSUI FINANCIAL GROUP INC*	87,567,311	34,968,000	3.62
10,400	TOKYO ELECTRIC POWER CO INC	28,928,303	31,200,000	3.25
67,000	ITOCHU CORP	72,526,715	29,681,000	3.08
44,100	MITSUBISHI UFJ FINANCIAL GROUP	58,601,354	24,210,900	2.52
37	KDDI CORP	22,722,375	23,495,000	2.45
9,000	SHIONOGI & CO LTD	15,883,036	20,655,000	2.15
48	WEST JAPAN RAILWAY COMPANY	23,970,838	19,632,000	2.05
4,200	ROHM CO LTD	45,518,675	18,900,000	1.97
14,100	CREDIT SAISON CO LTD	39,546,340	17,159,700	1.79
3,600	SECOM CO LTD	20,060,512	16,560,000	1.73
20,000	KAMIGUMI CO LTD	18,622,121	15,960,000	1.66
8,200	SONY CORP	47,081,414	15,760,400	1.64
17,000	MITSUI & CO LTD	30,393,871	15,317,000	1.60
27,000	SHIMADZU CORP	26,820,409	15,039,000	1.57
6,100	JFE HOLDINGS INC	29,422,625	14,243,500	1.48
5,000	KAO CORP	13,667,082	13,550,000	1.41
14,000	SUMITOMO METAL MINING CO LTD	23,430,217	13,188,000	1.37
4,000	TDK CORP	38,569,590	13,000,000	1.35
43	JAPAN TOBACCO INC	22,555,891	12,685,000	1.32
23,000	NIPPON YUSEN KK	20,980,563	12,535,000	1.31
3,300	ASTELLAS PHARMA INC	16,833,607	11,979,000	1.25
32,000	NIPPON EXPRESS	23,397,067	11,968,000	1.25
8,000	MITSUI FUDOSAN CO LTD	10,474,275	11,688,000	1.22
37,000	KAJIMA CORP	19,637,452	11,470,000	1.19
3,700	SEVEN & I HOLDINGS CO LTD	11,529,120	11,285,000	1.18
4,800	DAIKIN INDUSTRIES LTD	17,160,463	11,112,000	1.16
2,700	SHIN-ETSU CHEMICAL CO LTD	20,581,945	10,989,000	1.14
11,000	KAKEN PHARMACEUTICAL CO LTD	9,253,444	10,868,000	1.13
3,500	TREND MICRO INC	11,438,761	10,815,000	1.13
11,000	AJINOMOTO CO INC	12,432,842	10,681,000	1.11
2,850	T&D HOLDINGS INC	20,361,774	10,545,000	1.10
24,000	AMADA CO LTD	29,413,715	10,320,000	1.08
2,060	ORIX CORP	43,562,146	10,279,400	1.07
45,000	DENKI KAGAKU KOGYO	20,836,345	9,765,000	1.02
3,600	SANTEN PHARMACEUTICAL CO LTD	10,696,071	9,756,000	1.02
1,700	IDEMITSU KOSAN CO LTD	18,080,998	9,690,000	1.01

* Shares quotation suspended between December 25, 2008 to December 31, 2008 pending split.

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

NOMURA FUNDS - JAPAN EQUITY
Statement of Investments at December 31, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING (CONTINUED)				
JAPAN (CONTINUED)				
ORDINARY SHARES (CONTINUED)				
24,000	TOKYO TATEMONO CO LTD	30,450,859	9,672,000	1.01
18,000	SUMITOMO TRUST & BANKING CO LTD	18,771,819	9,288,000	0.97
12,700	NIHON UNISYS LTD	19,718,490	9,271,000	0.97
9,000	DAIWA HOUSE INDUSTRY CO LTD	11,946,540	7,785,000	0.81
17,000	FUJITSU LTD	13,782,516	7,293,000	0.76
3,700	MAKITA CORPORATION	15,955,666	7,277,900	0.76
9,100	SUMITOMO RUBBER INDUSTRIES LTD	12,527,318	7,079,800	0.74
20,000	SUMITOMO HEAVY IND	23,167,288	7,000,000	0.73
9	CENTRAL JAPAN RAILWAY CO	10,012,648	6,993,000	0.73
46,000	MAZDA MOTOR CORP	28,495,454	6,854,000	0.71
1,060	YAMADA DENKI CO LTD	8,091,360	6,550,800	0.68
9,500	KONICA MINOLTA HOLDINGS INC	11,256,793	6,479,000	0.67
4,400	HITACHI HIGH-TECH LTD	12,320,057	6,252,400	0.65
11,000	TOTO LTD	7,937,467	6,138,000	0.64
11,000	KOITO MANUFACTURING CO LTD	17,088,178	6,039,000	0.63
2,100	MITSUI SUMITOMO INSURANCE GP HLD	3,706,295	5,848,500	0.61
11,000	BANK OF YOKOHAMA LTD	4,311,856	5,731,000	0.60
6,100	TOKYO STEEL MANUFACT CO LTD	11,686,342	5,685,200	0.59
33,000	DAINIPPON SCREEN MFG CO LTD	31,033,493	5,676,000	0.59
26,000	SUMITOMO METAL INDUSTRIES LTD	12,137,725	5,642,000	0.59
44,000	SHOWA DENKO KK	16,270,441	5,588,000	0.58
6,000	HITACHI CHEMICAL CO LTD	15,616,545	5,532,000	0.58
13,000	DAICEL CHEMICAL INDUSTRIES LTD	8,223,295	5,499,000	0.57
16	SONY FINANCIAL HOLDING INC	4,751,470	5,408,000	0.56
15,000	MAEDA CORP	7,846,078	5,400,000	0.56
4,000	BRIDGESTONE CORP	8,629,247	5,308,000	0.55
4,700	KOMATSU LTD	16,487,914	5,254,600	0.55
17,000	MINEBEA CO LTD	12,219,222	5,185,000	0.54
17,000	ZEON CORPORATION	21,080,514	5,151,000	0.54
14,000	TOSHIBA CORP	11,642,334	5,124,000	0.53
53,000	HASEKO CORP	5,469,805	4,982,000	0.52
8,800	ELPIDA MEMORY INC	33,914,707	4,734,400	0.49
2,700	ALPEN CO LTD	5,461,977	4,722,300	0.49
7,000	TAKASHIMAYA CO LTD	6,303,709	4,718,000	0.49
2,800	CHIYODA CO LTD	7,259,026	4,690,000	0.49
19,000	FUJI HEAVY INDUSTRIES LTD	10,908,662	4,541,000	0.47
8,000	SEKISUI CHEMICAL CO LTD	7,596,465	4,448,000	0.46
13,000	DOWA HOLDINGS CO LTD	14,573,190	4,225,000	0.44
6,100	UTD ARROWS LIMITED	10,862,522	4,209,000	0.44

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

NOMURA FUNDS - JAPAN EQUITY
Statement of Investments at December 31, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING (CONTINUED)				
JAPAN (CONTINUED)				
ORDINARY SHARES (CONTINUED)				
37,000	ISUZU MOTORS LTD	14,136,341	4,181,000	0.44
2,300	GLORY LTD	5,210,485	4,006,600	0.42
300	FAST RETAILING CO LTD	2,689,246	3,894,000	0.41
2,800	IT HOLDINGS CORP	8,154,699	3,878,000	0.40
2,100	FUNAI ELECTRIC	19,201,717	3,853,500	0.40
13,000	GUNZE LIMITED	8,752,196	3,822,000	0.40
14,000	DAIDO STEEL CO LTD	9,564,569	3,738,000	0.39
5,400	MORI SEIKI CO LTD	14,256,582	3,726,000	0.39
17,000	HOKUHOKU FINANCIAL GROUP INC	6,783,737	3,570,000	0.37
5,000	KANDENKO CO LTD	3,517,553	3,540,000	0.37
4,300	YAMAHA CORP	9,300,909	3,530,300	0.37
2,300	MITSUMI ELECTRIC CO LTD	3,496,192	3,523,600	0.37
2,700	AISIN SEIKI CO LTD	9,483,942	3,334,500	0.35
4,000	PANASONIC ELECTRIC WORKS CO LTD	3,276,402	3,152,000	0.33
900	NIDEC CORPORATION	6,563,269	3,096,000	0.32
18,000	TAIHEIYO CEMENT CORP	5,155,110	3,060,000	0.32
3,700	NISHIMATSUYA CHAIN CO LTD	5,314,770	3,037,700	0.32
3,200	STAR MICRONICS CO LTD	4,654,387	3,014,400	0.31
7,000	HITACHI METALS LTD	8,585,937	2,877,000	0.30
4,000	H2O RETAILING CORP	3,116,866	2,692,000	0.28
5,000	OBAYASHI CORP	2,821,332	2,650,000	0.28
300	ORIENTAL LAND CO LTD	2,095,399	2,220,000	0.23
3,500	NOK LTD	7,975,056	2,194,500	0.23
28,000	DAIKYO INC	8,773,931	2,156,000	0.22
4,000	NICHIHA CORP	6,189,337	2,108,000	0.22
1,400	CANON MARKETING JAPAN INC	3,020,757	2,014,600	0.21
4,000	TAIYO YUDEN CO LTD	4,149,203	2,000,000	0.21
500	BENESSE CORP	1,865,169	1,965,000	0.20
1,700	TRUSCO NAKAYAMA CORP	4,115,161	1,958,400	0.20
1,300	FUJI SEAL INTERNATIONAL INC	3,728,404	1,869,400	0.19
2,100	EXEDY CORP	6,792,522	1,862,700	0.19
6,000	NTN CORP	5,502,483	1,602,000	0.17
16,000	JUKI CORP	10,777,244	1,488,000	0.16
4,000	SANYO SHOKAI LTD	2,850,954	1,416,000	0.15
3,500	SNOW BRAND MILK PRODUCTS CO LTD	1,258,311	1,200,500	0.13
4,500	NIPPON YAKIN KOGYO CO LTD	3,284,453	1,134,000	0.12
4	NET ONE SYSTEMS CO LTD	725,087	721,200	0.08
1,000	HITACHI KOKUSAI ELECTRIC	605,557	472,000	0.05
	Country Total	<u>1,866,713,232</u>	<u>958,523,800</u>	<u>99.85</u>
	SUB-TOTAL	<u>1,866,713,232</u>	<u>958,523,800</u>	<u>99.85</u>

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

NOMURA FUNDS - JAPAN EQUITY
Statement of Investments at December 31, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
OTHER TRANSFERABLE SECURITIES				
JAPAN				
RIGHTS				
177,000	DOWA HOLDINGS CO LTD RIGHTS *	0	0	0.00
	Country Total	<u>0</u>	<u>0</u>	<u>0.00</u>
	SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0.00</u>
	TOTAL INVESTMENTS	<u>1,866,713,232</u>	<u>958,523,800</u>	<u>99.85</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.

NOMURA FUNDS - JAPAN EQUITY
Economic and Geographical Division of Investments at December 31, 2008

Economic and Geographical Division	in % of Net Assets
JAPAN	
FINANCIAL,INVEST & OTHER DIV CO	11.31
ELECTRONICS & SEMICONDUCTORS	8.67
VEHICLES	7.05
TRANSPORTATION	6.99
PHARMACEUTICALS,COSMETICS & MEDICAL	6.96
TELECOMMUNICATIONS	6.10
MECHANICAL ENGINEERING & IND. EQUIP	5.38
BUILDING MATERIALS & TRADE	5.37
MISCELLANEOUS TRADE COMPANIES	4.69
CHEMICALS	4.43
BANKS & OTHER CREDIT INSTITUTIONS	4.42
RETAIL TRADE, DEPARTMENT STORES	3.60
UTILITIES	3.25
ELECTRICAL APPLIANCES & COMPONENTS	2.56
REAL ESTATE	2.45
INTERNET & SOFTWARE SERVICES	2.17
MINING, COAL & STEEL	1.99
MISCELLANEOUS SERVICES	1.93
NON-FERROUS METALS	1.81
TOBACCO & ALCOHOLIC DRINKS	1.32
COMPUTER HARDWARE & NETWORKING	1.29
RUBBER & TIRES	1.29
FOOD & SOFT DRINKS	1.24
PETROLEUM	1.01
PHOTOGRAPHIC & OPTICS	0.67
INSURANCES	0.56
TEXTILE,CLOTHING & LEATHER GOODS	0.55
MISCELLANEOUS CONSUMERS GOODS	0.37
LODGING,CATERING & LEISURE INDUSTRY	0.23
PACKAGING INDUSTRY	0.19
	<hr/>
	99.85
 TOTAL INVESTMENTS	 99.85 <hr/> <hr/>

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

NOMURA FUNDS - CHINA OPPORTUNITIES
Statement of Investments at December 31, 2008
(expressed in U.S. DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING				
BERMUDA				
ORDINARY SHARES				
1,180,000	SINOFERT HOLDINGS LTD	1,009,602	570,958	1.07
200,000	COSCO PACIFIC LIMITED	180,135	204,126	0.38
1,200,000	GOME ELECTRICAL APPLIANCES HLDS LTD	685,793	173,416	0.33
40,000	CHINA YURUN FOOD GROUP	44,852	47,019	0.09
70,000	HUABAO INTERNATIONAL HOLDINGS	47,049	45,883	0.09
	Country Total	1,967,431	1,041,402	1.96
CAYMAN ISLANDS				
ORDINARY SHARES				
220,000	TENCENT HOLDINGS LTD	1,751,485	1,419,331	2.68
362,000	HENGAN INTL GROUP CO LTD	1,190,514	1,163,052	2.18
220,000	CHINA MENGNIU DAIRY CO	242,086	286,137	0.54
50,000	CHINA RESOURCES LAND LTD	60,375	61,289	0.12
50,000	PARKSON RETAIL GROUP LTD	51,741	56,773	0.11
100,000	AGILE PROPERTY HOLDINGS LTD	48,258	52,128	0.10
32,000	LI NING CO LTD	45,260	49,960	0.09
60,000	SHIMAO PROPERTY HOLDING LTD	47,834	41,651	0.08
30,000	CHINA HUIYUAN JUICE GROUP	40,589	37,509	0.07
	Country Total	3,478,142	3,167,830	5.97
CHINA				
ORDINARY SHARES				
8,676,000	IND & COMM BANK OF CHINA LTD H	4,854,821	4,567,419	8.59
6,371,000	CHINA CONSTRUCTION BANK H	4,295,620	3,493,716	6.56
3,824,000	PETROCHINA CO LTD H	3,837,077	3,350,262	6.29
1,071,000	CHINA LIFE INSURANCE CO LTD H	1,748,434	3,254,404	6.12
3,034,000	CHINA PETROLEUM & CHEMICAL CORP H	2,334,367	1,836,029	3.45
340,000	PING AN INSURANCE GROUP CO-H	2,136,475	1,645,134	3.09
713,000	CHINA MERCHANTS BANK H	3,355,628	1,321,098	2.48
612,000	CHINA SHENHUA ENERGY CO LTD H	1,571,518	1,295,050	2.43
3,430,000	CHINA TELECOM CORP LTD H	1,734,959	1,279,037	2.40
4,440,000	BANK OF CHINA LTD H	1,720,587	1,214,535	2.28
1,480,000	CHINA RAILWAY GROUP LTD H	944,322	1,025,480	1.93
735,000	CHINA COMMUNICATION CONSTRUCTION H	2,072,894	906,643	1.70
1,200,500	CHINA COSCO HOLDINGS CO LTD H	2,515,754	834,915	1.57
500,000	CHINA RAILWAY CONSTR CORP -H	576,728	744,504	1.40
670,000	CHINA OILFIELD SERVICES LTD H	1,322,443	540,314	1.02

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

NOMURA FUNDS - CHINA OPPORTUNITIES
Statement of Investments at December 31, 2008 (continued)
(expressed in U.S. DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING (CONTINUED)				
CHINA (CONTINUED)				
ORDINARY SHARES (CONTINUED)				
516,000	CHINA SHIPPING DEVELOPMENT CO LTD H	684,556	512,663	0.96
800,000	ZIJIN MINING GROUP CO LTD H	304,035	485,153	0.91
100,000	ANHUI CONCH H	660,322	459,992	0.86
600,000	HUANENG POWER INTL H	383,495	433,541	0.81
600,000	BANK OF COMMUNICATIONS CO LTD H	466,608	432,767	0.81
780,000	ALUMINIUM CORP OF CHINA H (CHALCO)	496,195	410,625	0.77
700,000	DATANG INTL POWER GENER H	334,770	370,316	0.70
391,000	CHINA COAL ENERGY CO H	481,050	311,281	0.58
376,000	YANZHOU COAL MINING CO LTD H	727,805	276,052	0.52
212,800	ANGANG STEEL COMPANY LIMITED H	185,416	238,058	0.45
322,000	JIANGXI COPPER CO LTD H	223,050	235,991	0.44
250,000	CHINA CITIC BANK CORP H	117,925	85,482	0.16
50,000	CHINA NATIONAL BUILDING H	49,840	60,064	0.11
50,000	GUANGZHOU R&F PROPERTIES CO LTD H	49,474	55,160	0.10
100,000	PICC PROPERTY & CASUALTY H	50,962	53,935	0.10
70,000	JIANGSU EXPRESSWAY CO LTD H	50,236	51,483	0.10
80,000	CHINA COMMUNICATIONS SVCS CORP LTD H	47,484	50,167	0.09
30,000	BYD CO LTD-H	45,124	49,161	0.09
120,000	SHANGHAI ELECTRIC GRP CO LTD H	49,892	48,619	0.09
80,000	ZHEJIANG EXPRESSWAY CO LTD H	46,338	46,967	0.09
100,000	BELLE INTERNATIONAL HOLDINGS H	71,242	43,870	0.08
20,000	TSINGTAO BREWERY CO LTD H	44,389	41,754	0.08
80,000	BEIJING CAPITAL INTL AIRPORT H	61,812	40,154	0.08
78,000	AIR CHINA LIMITED H	84,858	24,154	0.05
	Country Total	40,738,505	32,125,949	60.34
HONG KONG				
ORDINARY SHARES				
469,500	CHINA MOBILE LTD	2,335,222	4,713,096	8.86
2,788,000	CNOOC LTD	4,157,380	2,604,489	4.89
1,484,500	CHINA OVERSEAS LAND&INVEST LTD	1,642,703	2,064,857	3.89
1,144,120	CHINA UNICOM HONG KONG LTD	2,245,129	1,372,921	2.58
400,000	CN RESOURCES POWER HOLDING	415,146	769,020	1.44
2,466,000	DENWAY MOTORS LTD	1,172,379	766,834	1.44
273,000	CHINA MERCHANTS HOLDINGS INT CO LTD	1,236,698	527,674	0.99
260,000	CHINA RESOURCES ENTERPRISE LTD	443,821	453,567	0.85
540,800	CHAODA MODERN AGRICULTURE LTD	644,149	345,409	0.65

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

NOMURA FUNDS - CHINA OPPORTUNITIES
Statement of Investments at December 31, 2008 (continued)
(expressed in U.S. DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING (CONTINUED)				
HONG KONG (CONTINUED)				
ORDINARY SHARES (CONTINUED)				
1,200,000	LENOVO GROUP LTD	836,339	326,704	0.61
80,000	BEIJING ENTERPRISES HOLDINGS	285,836	326,188	0.61
600,000	CHINA AGRI INDUSTRIES LTD	427,748	298,060	0.56
250,000	TINGYI HOLDING CORP	288,628	289,673	0.54
820,000	CNPC HONG KONG LTD	262,842	254,989	0.48
40,000	SHANGHAI INDUSTRIAL HLDG LTD	100,704	91,353	0.17
50,000	CHINA EVERBRIGHT LIMITED	93,380	61,418	0.12
50,000	CHINA HIGH SPEED TRANSMISSION	45,542	60,515	0.11
140,000	GUANGDONG INVESTMENT LTD	48,483	56,180	0.11
36,000	CHINA INSURANCE INTERNATIONAL	56,574	55,369	0.10
100,000	SINO-OCEAN LAND HOLDINGS LTD	46,327	45,161	0.08
110,000	CHINA BLUECHEMICAL LTD H	73,739	45,135	0.08
35,000	CITIC PACIFIC LTD	185,752	37,845	0.07
	Country Total	<u>17,044,521</u>	<u>15,566,457</u>	<u>29.23</u>
	SUB-TOTAL	<u>63,228,599</u>	<u>51,901,638</u>	<u>97.50</u>
OTHER TRANSFERABLE SECURITIES				
HONG KONG				
WARRANT				
15,771	CHINA STATE CONST INTL WTS 27/02/09	0	20	0.00
		<u>0</u>	<u>20</u>	<u>0.00</u>
RIGHTS				
59,380	CHINA OVERSEAS LAND&INVEST LTD RTS	0	21,300	0.04
		<u>0</u>	<u>21,300</u>	<u>0.04</u>
	Country Total	<u>0</u>	<u>21,320</u>	<u>0.04</u>
	SUB-TOTAL	<u>0</u>	<u>21,320</u>	<u>0.04</u>
	TOTAL INVESTMENTS	<u>63,228,599</u>	<u>51,922,958</u>	<u>97.54</u>

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

NOMURA FUNDS - CHINA OPPORTUNITIES
Economic and Geographical Division of Investments at December 31, 2008

Economic and Geographical Division	in % of Net Assets
BERMUDA	
CHEMICALS	1.07
TRANSPORTATION	0.38
COMPUTER HARDWARE & NETWORKING	0.33
FOOD & SOFT DRINKS	0.09
INTERNET & SOFTWARE SERVICES	0.09
	1.96
CAYMAN ISLANDS	
INTERNET & SOFTWARE SERVICES	2.68
PHARMACEUTICALS, COSMETICS & MEDICAL	2.18
FOOD & SOFT DRINKS	0.61
RETAIL TRADE, DEPARTMENT STORES	0.20
MISCELLANEOUS SERVICES	0.12
REAL ESTATE	0.10
BUILDING MATERIALS & TRADE	0.08
	5.97
CHINA	
BANKS & OTHER CREDIT INSTITUTIONS	20.72
PETROLEUM	10.76
INSURANCES	9.31
TRANSPORTATION	4.54
MINING, COAL & STEEL	4.31
BUILDING MATERIALS & TRADE	4.30
TELECOMMUNICATIONS	2.50
UTILITIES	2.09
NON-FERROUS METALS	1.21
ELECTRONICS & SEMICONDUCTORS	0.18
FINANCIAL, INVEST & OTHER DIV CO	0.16
REAL ESTATE	0.10
TEXTILE, CLOTHING & LEATHER GOODS	0.08
TOBACCO & ALCOHOLIC DRINKS	0.08
	60.34
HONG KONG	
TELECOMMUNICATIONS	11.45
PETROLEUM	5.37
REAL ESTATE	4.00
FINANCIAL, INVEST & OTHER DIV CO	2.07
UTILITIES	1.44

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

NOMURA FUNDS - CHINA OPPORTUNITIES
Economic and Geographical Division of Investments at December 31, 2008 (continued)

Economic and Geographical Division	in % of Net Assets
HONG KONG (CONTINUED)	
VEHICLES	1.44
MISCELLANEOUS SERVICES	1.41
AGRICULTURE AND FISHERY	0.65
COMPUTER HARDWARE & NETWORKING	0.61
FOOD & SOFT DRINKS	0.54
INSURANCES	0.10
MECHANICAL ENGINEERING & IND. EQUIP	0.11
CHEMICALS	0.08
	29.27
 TOTAL INVESTMENTS	97.54

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

NOMURA FUNDS - JAPAN ACTIVE OPEN
Statement of Investments at December 31, 2008
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING				
JAPAN				
ORDINARY SHARES				
67,300	TOYOTA MOTOR CORP	402,588,043	195,506,500	4.65
394	NIPPON TELG & TEL CORP NTT*	194,588,250	184,392,000	4.38
299,000	MITSUBISHI UFJ FINANCIAL GROUP	335,165,790	164,151,000	3.90
748	NTT DOCOMO	129,611,452	131,947,200	3.14
498	MIZUHO FINANCIAL GROUP INC*	320,973,542	128,334,600	3.05
336	SUMITOMO MITSUI FINANCIAL GROUP INC*	292,808,780	126,336,000	3.00
99,000	YAMATO HOLDINGS CO LTD	159,114,951	114,840,000	2.73
112,000	mitsui & CO LTD	205,401,908	100,912,000	2.40
79,800	MITSUBISHI CORP	206,400,541	98,792,400	2.35
114,000	DAIWA HOUSE INDUSTRY CO LTD	159,174,576	98,610,000	2.34
59,800	JS GROUP CORP	95,573,779	82,524,000	1.96
266	JAPAN TOBACCO INC	100,909,021	78,470,000	1.87
39,900	SONY CORP	164,015,125	76,687,800	1.82
18,200	SHIN-ETSU CHEMICAL CO LTD	108,353,621	74,074,000	1.76
74,000	AJINOMOTO CO INC	66,889,600	71,854,000	1.71
132,000	mitsui O.S.K. LINES LTD	135,137,119	71,544,000	1.70
64,000	PANASONIC CORP	137,348,117	71,232,000	1.69
174,000	MITSUBISHI HEAVY IND LTD	81,749,856	68,730,000	1.63
199,000	MARUBENI CORP	155,233,616	66,864,000	1.59
17,400	EISAI CO LTD	74,272,560	64,380,000	1.53
17,400	T&D HOLDINGS INC	73,196,781	64,380,000	1.53
124,000	SUMITOMO TRUST & BANKING CO LTD	45,508,000	63,984,000	1.52
167,000	NIPPON EXPRESS	88,505,302	62,458,000	1.48
87,200	SUMITOMO ELECTRIC IND LTD	118,550,877	59,470,400	1.41
44,800	BRIDGESTONE CORP	86,865,926	59,449,600	1.41
49,000	KIRIN HOLDINGS CO LTD	50,225,000	57,624,000	1.37
8,700	KYOCERA CORP	79,239,811	55,506,000	1.32
8,700	FANUC LTD	85,123,093	54,723,000	1.30
139,000	ASAHI KASEI CORPORATION	97,327,255	54,210,000	1.29
16,200	TSUMURA & CO	43,164,822	53,946,000	1.28
174,000	KAJIMA CORP	71,165,966	53,940,000	1.28
27,400	FUJIFILM HOLDINGS CORP	99,845,620	53,430,000	1.27
299	DENTSU*	79,959,912	52,923,000	1.26
62,000	COMSYS HOLDINGS CORP	54,554,171	51,398,000	1.22
34,900	DENSO CORP	103,410,550	51,303,000	1.22
399	FUJI MEDIA HOLDINGS INC	83,049,842	51,111,900	1.21
1,371	YAHOO JAPAN CORP	39,076,438	50,041,500	1.19
144,000	HITACHI LTD	89,893,556	49,680,000	1.18
62,000	KAMIGUMI CO LTD	48,748,679	49,476,000	1.18

* Shares quotation suspended between December 25, 2008 to December 31, 2008 pending split.

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

NOMURA FUNDS - JAPAN ACTIVE OPEN
Statement of Investments at December 31, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING (CONTINUED)				
JAPAN (CONTINUED)				
ORDINARY SHARES (CONTINUED)				
49,000	NGK INSULATORS LTD	42,493,500	48,657,000	1.16
199,000	TAISEI CORP	52,370,951	48,556,000	1.16
94,000	ASAHI GLASS CO LTD	125,175,740	47,376,000	1.13
87,000	KEIO CORP	46,213,371	46,806,000	1.11
149,000	SUMITOMO CHEMICAL CO LTD	99,201,216	44,998,000	1.07
249,000	KAWASAKI HEAVY INDUSTRIES LTD	75,027,583	44,571,000	1.06
57,300	ISETAN MITSUKOSHI HOLDINGS LTD	38,391,000	43,949,100	1.05
62,000	KANDENKO CO LTD	35,526,000	43,896,000	1.04
20,900	DAIICHI SANKYO CO LTD	61,742,024	43,890,000	1.04
99,000	NICHIREI CORP	48,669,337	42,075,000	1.00
32,000	SUMITOMO REALTY & DEV CO LTD	33,696,000	42,048,000	1.00
8,700	SECOM CO LTD	46,720,272	40,020,000	0.95
64,800	YOKOGAWA ELECTRIC CORP	27,864,000	37,713,600	0.90
99,000	TOSHIBA CORP	73,843,284	36,234,000	0.86
99,000	J.FRONT RETAILING CO LTD	32,076,000	36,234,000	0.86
32,000	RICOH CO LTD	72,720,031	35,968,000	0.86
6,980	ORIX CORP	151,619,206	34,830,200	0.83
39,900	YAMAHA CORP	69,966,166	32,757,900	0.78
34,000	KYOWA HAKKO KIRIN CO LTD	26,078,000	31,586,000	0.75
2,740	NIPPON TELEVISION NETWORK CORP	24,416,140	25,893,000	0.62
36,000	KURARAY CO LTD	23,904,000	24,840,000	0.59
7,400	TDK CORP	59,150,801	24,050,000	0.57
12,400	ALPEN CO LTD	26,192,359	21,687,600	0.52
12,400	XEBIO CO LTD	27,967,880	21,538,800	0.51
	Country Total	<u>6,283,746,709</u>	<u>4,019,411,100</u>	<u>95.54</u>
	SUB-TOTAL	<u>6,283,746,709</u>	<u>4,019,411,100</u>	<u>95.54</u>
	TOTAL INVESTMENTS	<u>6,283,746,709</u>	<u>4,019,411,100</u>	<u>95.54</u>

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, 2008

Economic and Geographical Division	in % of Net Assets
JAPAN	
FINANCIAL,INVEST & OTHER DIV CO	17.02
TELECOMMUNICATIONS	9.35
BUILDING MATERIALS & TRADE	8.91
TRANSPORTATION	8.20
ELECTRONICS & SEMICONDUCTORS	7.44
MISCELLANEOUS TRADE COMPANIES	6.85
VEHICLES	5.87
CHEMICALS	4.87
ELECTRICAL APPLIANCES & COMPONENTS	4.77
MISCELLANEOUS SERVICES	3.40
PHARMACEUTICALS,COSMETICS & MEDICAL	2.81
FOOD & SOFT DRINKS	2.71
MECHANICAL ENGINEERING & IND. EQUIP	2.69
BANKS & OTHER CREDIT INSTITUTIONS	2.35
TOBACCO & ALCOHOLIC DRINKS	1.87
RUBBER & TIRES	1.41
PHOTOGRAPHIC & OPTICS	1.27
REAL ESTATE	1.00
COMPUTER HARDWARE & NETWORKING	0.86
MISCELLANEOUS CONSUMERS GOODS	0.78
TEXTILE,CLOTHING & LEATHER GOODS	0.59
RETAIL TRADE, DEPARTMENT STORES	0.52
	<hr/>
	95.54
 TOTAL INVESTMENTS	 <u>95.54</u>

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

Notes to the Financial Statements for the year ended December 31, 2008

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, 2008, 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, 2008.

**Notes to the Financial Statements
for the year ended December 31, 2008 (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 Board of Directors deems is prudent to assume;
- (b) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available closing price. Should the last available closing price for a given security not truly reflect its fair market value, then that security is valued by the Board of Directors on the basis of the probable sales price which the Board of Directors deems is prudent to assume;
- (c) Shares or units in underlying open-ended investment funds are valued at their last available net asset value;
- (d) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;
- (e) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received is deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

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

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, 2008 (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	= 1.408149 USD
1 EUR	= 127.205262 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, 2008 (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, 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 Board of 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.

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.

**Notes to the Financial Statements
for the year ended December 31, 2008 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

CHINA OPPORTUNITIES

Classes of Shares

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

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

Subscriptions

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

The Initial Offering Period commenced on May 10, 2005 and has closed on June 6, 2005. During the Initial Offering Period, Class I Shares were subscribed at a price of USD 50,000 plus the applicable subscription charge. Following the close of the Initial Offering Period, Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 8 a.m. (Luxembourg time) on the relevant Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Subscription proceeds must be received by the Custodian on an account of the Fund no later than the fifth Business Day following the relevant Valuation Day. Applications for Shares received by the Registrar and Transfer Agent after 8.00 a.m. (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

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

Redemptions

Shares are redeemable at the option of the Shareholders. Completed redemption requests should be sent to the Registrar and Transfer Agent to be received no later than 8 a.m. (Luxembourg time) on the relevant Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Redemption requests received by the Registrar and Transfer Agent after 8.00 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 Board of 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 Board of 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 Board of 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, 2008 (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 Board of 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 year 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.

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, 2008.

**Notes to the Financial Statements
for the year ended December 31, 2008 (continued)**

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 EUR 1,250 which was paid upon incorporation.

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

Note 8 - Accrued expenses

	<i>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	1,717,007	133,869	5,922,444	155,124
Custodian, Administrator, Domiciliary, Registrar and Transfer Agent fees	1,499,997	35,602	2,162,668	54,077
Printing and publication fees	--	--	6,633,776	52,150
Professional fees	1,717,864	20,861	1,805,180	42,510
Formation expenses	2,825,952	22,327	--	38,071
Other expenses	--	--	2,229,009	17,523
Agent company fees	--	--	1,685,521	13,250
Out-of-pocket expenses	49,315	2,547	216,708	3,900
Subscription tax	23,969	1,824	107,389	2,328
Total Accrued Expenses	7,834,104	217,030	20,762,695	378,933

**Notes to the Financial Statements
for the year ended December 31, 2008 (continued)**

Note 9 - Statement of changes in the investment portfolio

The statement of changes in the investment portfolio for the year ended December 31, 2008 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. Securities lending income is fixed under such agreement and is recorded on a daily basis in arrears.

JAPAN ACTIVE OPEN

As of December 31, 2008, the Sub-Fund had lent securities with a market value of JPY 620,266,300.

QUANTITY	SECURITY NAME	MARKET VALUE <i>In JPY</i>
394	NIPPON TELEGRAPH & TELEPHONE CORPORATION	184,392,000
464	MIZUHO FINANCIAL GROUP INC.	119,572,800
300	SUMITOMO MITSUI FINANCIAL GROUP	112,800,000
284	DENTSU INC.	50,268,000
1,371	YAHOO JAPAN CORPORATION	50,041,500
84,000	HITACHI LTD	28,980,000
4,500	ORIX CORPORATION	22,455,000
26,000	ISETAN MITSUKOSHI HOLDINGS LTD	19,942,000
100	NTT DOCOMO INC.	17,640,000
1,500	NIPPON TELEVISION NETWORK CORPORATION	14,175,000
		620,266,300

As at December 31, 2008, the Sub-Fund received cash collateral for the above securities for the amount of USD 7,931,536.

As at December 31, 2008 the Japan Equity sub-fund did not have any securities lent.

Note 11 - Forward foreign exchange contracts*CHINA OPPORTUNITIES*

As at December 31, 2008, the Sub-Fund had the following Forward Foreign Exchange Contracts outstanding:

Currency bought	Amount bought	Currency sold	Amount sold	Maturity date	Unrealized loss <i>in USD</i>
USD	40,000	HKD	310,020	7-Jan-09	(12)
					(12)

Realised profits or losses are recognised on settlement as net amount redeemed or paid. Realised profits or losses include cancellation fees on contracts, which have been offset or cancelled with the same counterparty.

Forward foreign exchange transactions are stated at fair value. Unrealised profits are recorded as an asset and unrealised losses as a liability in the Statements of Net Assets. The change in unrealised profits or losses resulting from this valuation is recognised in the Statement of Operations and of Changes in Net Assets.

**Notes to the Financial Statements
for the year ended December 31, 2008 (continued)**

Note 12 - Minimum capital requirements

During the year ended December 31, 2008 the net assets of the Japan Equity sub-fund fell below the EUR 15 million minimum foreseen by Articles 29 of the Fund's Articles of Incorporation.

After year end, the Sub-Fund's net assets fell further following significant redemptions representing 45% of the net assets of the Sub-Fund.

The Board of Directors, held on March 18, 2009, noted that the Japan-Equity Sub-Fund's net assets were under the threshold foreseen in Article 29 (a). Nomura Asset Management U.K. Limited, acting as Manager and Distributor of the Sub-Fund, recommended the Board to liquidate the Sub-Fund. As at the date of this report, no formal decision has yet been taken to liquidate the Sub-fund.