

NOMURA FUNDS
An Investment Company
(Société d'Investissement à Capital Variable)
with two active Sub-Funds

**CHINA OPPORTUNITIES
JAPAN ACTIVE OPEN**

R.C.S. Luxembourg B 107 078

organised under the Laws of
the Grand-Duchy of Luxembourg

**ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS**

For the year ended December 31, 2009

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

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Organisation of the Fund

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

Tamon WATANABE (from June 9, 2009)
 Chairman and Director
 Nomura Asset Management U.K. Limited

Directors

Koichi MATSUMOTO
 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 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**

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, 2009, the Fund comprised the following active sub-funds: China Opportunities and Japan Active Open.

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

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

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

Report of the Board of Directors - China Opportunities

To Our Shareholders

We hereby present the annual report of the Nomura Funds China Opportunities (the "Sub-Fund") for the year ended December 31, 2009

The Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2009 was USD 135,388 which is an increase of 170.78% from the initial subscription price of USD 50,000 and an increase of 61.94% from the Net Asset Value per Share (NAV) of the Sub-Fund as of December 31, 2008 of USD 83,606. Total net assets of the Sub-Fund on the same date were USD 73,458,556 and the total number of shares outstanding was 543.

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 December 31, 2008 to December 31, 2009, the Sub-Fund's unit NAV rose 61.94%, relative to the 62.29% return of the MSCI China Total Return Index, underperforming the benchmark by 0.35%. Sector allocation made a positive contribution to the Sub-Fund's performance during the year, as the portfolio was overweight in the outperforming consumer and energy sectors. However, the stock contribution from the financial and information technology sectors 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 industrial and telecommunications sectors during the year, largely at the expense of the other sectors.

Investment Outlook

Although speculation about potential tightening disturbed the market's rally to some extent during the later part of the fourth quarter 2009, continued optimism about the global economic recovery, strong domestic consumption demand and encouraging macro-economic data for China provided a strong boost to the equity market.

Export markets seem set to deliver a strong recovery in the near future. Macro-economic data has continued to support optimism in the market. The purchasing managers index (PMI) reached 56.6, a 20-month high, in December. Exports increased from -1.2% in November to +17.7% in December, the first increase in 14 months. While Chinese imports also surged to 55.9% in December, the trade surplus remained substantial at US\$ 19.1 billion. CPI was positive at 0.6% (yoy). M2 money supply growth remained strong at 27.7% and M1 stood at 32.4% (yoy). Industrial production climbed 18.5% and retail sales grew 15.8%, while fixed asset investment growth in urban areas reached 24.3%. Meanwhile, utilised FDI (year to date) was US\$ 77.9bn, down 9.9% .

In order to curb speculation in the property market, the Chinese government launched a series of policies aimed at increasing supply and discouraging investment purchases. More policies are expected to be announced in the near future. Furthermore, as well as increasing concern about new IPOs, possible recapitalization by the banks could also cap the market in the near future. As a result, we intend to be more prudent and selective when selecting stocks within the financial sector.

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 stand at overweight within the Fund for the time being: financial, consumer and energy.

Report of the Board of Directors - Japan Active Open

We hereby present the annual report of the Nomura Funds Japan Active Open (the "Sub-Fund") for the year ended December 31, 2009.

The Net Asset Value per Share (NAV) of the Euro share class of the Sub-Fund as of December 31, 2009 was EUR 826.07, which is a decrease of 17.39% from the initial subscription price of EUR 1,000 and an increase of 6.65% from the Net Asset Value per Share (NAV) of the Euro share class of the Sub-Fund as of December 31, 2008 of EUR 774.59. Total net assets of the Euro share class of the Sub-Fund on the same date were EUR 826 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, 2009 was JPY 62,582, which is a decrease of 37.42% from the initial subscription price of JPY 100,000 and an increase of 10.71% from the Net Asset Value per Share (NAV) of the Yen share class of the Sub-Fund as of December 31, 2008 of JPY 56,530. Total net assets of the Yen share class of the Sub-Fund on the same date were JPY 3,225,288,201 and the total number of shares outstanding was 51,537.

The Net Asset Value per Share (NAV) of the US Dollar share class of the Sub-Fund as of December 31, 2009 was USD 814.48, which is a decrease of 18.55% from the initial subscription price of USD 1,000 but an increase of 8.55% from the Net Asset Value per Share (NAV) of the US Dollar share class of the Sub-Fund as of December 31, 2008 of USD 750.35. Total net assets of the US Dollar share class of the Sub-Fund on the same date were USD 3,583,702 and the total number of shares outstanding was 4,400.

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

Performance Review

The Sub-Fund outperformed the benchmark TOPIX Index by 3.09% for the one-year review period to the end of December 2009. While sector allocation had a negative effect, stock selection made a significant positive contribution to the relative performance.

In terms of sector allocation, we extended the underweight exposure to the sectors most sensitive to the economy during the first half of 2009 on the judgement that final demand around the world would remain subdued. However, during the second half of the year, we steadily scaled back this underweight exposure to the same sectors to the extent that we moved to a slightly overweight position by the end of the year. This move was based on our assessment that corporate earnings were improving as a result of cost-cutting efforts as well as through the weaker Japanese yen.

Throughout the course of the year, the underweight positions in the Electronics and Automobiles sectors both detracted from the relative performance. Moreover, the overweight position in the Communication sector also had a negative effect. The underweight position in the Financials sector contributed positively to the relative performance.

Our stock selection mainly concentrated on stocks that we considered undervalued in terms of their P/B ratio (Price to Book Value) during the first half of the year. As the year progressed, we gradually replaced these with stocks that we thought were undervalued in terms of their P/E ratio (Price to Earnings) during the second half of 2009. Stock positions that made the largest contributions to the relative performance included NGK Insulators, Denso, Mitsubishi Corp, and NHK Spring. These are all economic-sensitive stocks with a significant exposure to external demand. At the same time, the lack of holdings in the Pharmaceuticals and Utilities industries contributed positively as well. These are typically domestic-demand related or defensive sectors that have relatively high P/B ratios. Timely investments in Real Estate and Retail stocks, especially department stores, also contributed positively to the relative performance.

Report of the Board of Directors - Japan Active Open (continued)

Investment Outlook and Strategy

The quarterly real GDP growth rate of the Japanese economy for July-September 2009 was revised downward from the preliminary +4.8% to +1.3% (quarter-on-quarter, annualised). This is mainly due to a substantial downward revision to the growth rate of private capital expenditure to -10.6% from +1.6% (quarter-on-quarter, annualised), and also due to the downward revision to the inventory investment contribution from +1.6% points to +0.4% point. Nonetheless, it is worth noting that the real GDP rate posted two consecutive positive quarterly growth figures.

Industrial production continues its improvement, although the growth of production activity is mainly due to the export recovery. The increase in output of automobile and electronics parts is due to exports to the Asian region, while an increase in exports to Europe has also started to make a positive contribution lately.

Generally speaking, earnings estimates of Japanese companies are seeing upward revisions. Although it is still necessary to be aware of the risk that a full-scale economic recovery remains some way off, we evaluate this improvement in stock valuations positively. At the same time, it is worth noting the growing discrepancies in terms of earnings recoveries among industries. Earnings estimates of external demand related or economic sensitive sectors such as Machinery, Automobiles, Electronics, and Commodities have improved and have seen upward revisions lately. In addition to cost reduction efforts, growth in sales volume has also started to contribute. On the other hand, earnings estimates for domestic demand oriented or defensive sectors, such as land transportation, telecommunications, or retail sales have been revised downward, although not substantially.

While the investment policy of holding stocks that are undervalued in terms of their P/E ratio or P/B ratio remains unchanged, we would like to place more emphasis on P/E valuations in 2010 in view of the trend towards a corporate earnings recovery. As for the external demand related or economic sensitive stocks, our selections will take into account growth potential and earnings forecasts for 2011.

We will also hold domestic demand related stocks or defensive stocks, taking into account the risk control perspective of the total portfolio as well as the probability of downward earnings revisions.

Independent Auditor's Report

To the Shareholders of
NOMURA FUNDS (Société d'Investissement à Capital Variable)
33, rue de Gasperich
L-5826 Hesperange,
Grand-Duchy of Luxembourg

Following our appointment by the annual general meeting of the shareholders of the SICAV dated June 30, 2009, 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, 2009 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's 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 auditor's judgement, 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, 2009, 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

April 8, 2010

Société Anonyme
RCS Luxembourg B 67.895
Autorisation d'établissement: n°88607

**Combined Statement of Net Assets
at December 31, 2009**

	<i>China Opportunities</i>	<i>Japan Active Open</i>	<i>Combined</i>
	<i>(in USD)</i>	<i>(in JPY)</i>	<i>(in Euro)</i>
ASSETS			
Investment in securities at market value	73,095,612	3,455,808,400	76,903,880
Cash at banks	651,909	39,270,118	749,502
Formation expenses (note 2)	--	12,022,615	90,539
Receivable from brokers	706,658	--	491,878
Receivable from subscriptions	--	75,000,000	564,803
Prepaid expenses	27,242	--	18,963
Accrued securities lending income	--	37,354	281
Accrued income	2,329	3,088,716	24,881
	<hr/>	<hr/>	<hr/>
Total Assets	74,483,750	3,585,227,203	78,844,727
LIABILITIES			
Payable for redemptions	740,185	10,738,390	596,084
Accrued expenses (note 8)	285,009	18,853,047	340,361
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,025,194	29,591,437	936,445
	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	<u>73,458,556</u>	<u>3,555,635,766</u>	<u>77,908,282</u>
NUMBER OF SHARES OUTSTANDING			
China Opportunities Class I Shares	543		
Japan Active Open Class I - EUR		1	
Japan Active Open Class I - JPY		51,537	
Japan Active Open Class I - USD		4,400	
NET ASSET VALUE PER SHARE			
China Opportunities Class I Shares	135,388		
Japan Active Open Class I - EUR		826	
Japan Active Open Class I - JPY		62,582	
Japan Active Open Class I - USD		814	

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, 2009**

	<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	959,989,499	53,231,852	4,206,939,551	78,421,537
INCOME				
Dividend income	4,976,197	1,217,928	51,201,153	1,270,811
Securities lending income	491,517	-	350,986	6,345
Other income	8,413	-	-	63
Total Income	<u>5,476,127</u>	<u>1,217,928</u>	<u>51,552,139</u>	<u>1,277,219</u>
EXPENSES				
Management and advisory fees	2,557,026	697,049	20,824,323	661,269
Others expenses	61,928	15,568	16,078,091	132,382
Administrator, Domiciliary, Registrar and Transfer Agent fees (note 4)	2,010,766	78,874	5,530,179	111,690
Custodian fees	1,292,124	91,422	2,393,591	91,392
Printing and publication fees	192,176	265	8,757,689	67,583
Correspondent bank fees	861,425	58,274	2,295,807	64,339
Formation expenses/(Reversal of Provision for)	(60,557)	14,496	6,378,468	57,668
Legal fees	840,848	24,438	2,020,712	38,560
Agent company fees	--	--	4,803,676	36,175
Professional fees	367,440	18,876	1,508,618	27,267
Out-of-pocket expenses	64,015	12,160	641,622	13,778
Subscription tax	23,426	5,663	297,194	6,356
Total Expenses	<u>8,210,617</u>	<u>1,017,085</u>	<u>71,529,970</u>	<u>1,308,459</u>
NET INVESTMENT INCOME/(LOSS)	<u>(2,734,490)</u>	<u>200,843</u>	<u>(19,977,831)</u>	<u>(31,240)</u>
Net realised loss on investments	(891,717,104)	(5,436,999)	(1,652,977,175)	(22,947,828)
Net realised profit/(loss) on foreign currencies and forward foreign exchange contracts	(38,060)	(1,641)	206,149	123
NET REALISED LOSS FOR THE YEAR	<u>(891,755,164)</u>	<u>(5,438,640)</u>	<u>(1,652,771,026)</u>	<u>(22,947,705)</u>
Change in net unrealised result on investments	908,189,432	32,720,219	1,656,494,998	42,089,236
Change in net unrealised result on forward foreign exchange contracts (note 10)	--	12	--	8
NET UNREALISED PROFIT FOR THE YEAR	<u>908,189,432</u>	<u>32,720,231</u>	<u>1,656,494,998</u>	<u>42,089,244</u>
INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	<u>13,699,778</u>	<u>27,482,434</u>	<u>(16,253,859)</u>	<u>19,110,299</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, 2009 (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>
INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	<u>13,699,778</u>	<u>27,482,434</u>	<u>(16,253,859)</u>	<u>19,110,299</u>
Proceeds from subscription of units	--	8,028,128	1,452,393,304	16,525,918
Payments for redemption of units	<u>(973,689,277)</u>	<u>(15,283,858)</u>	<u>(2,087,443,230)</u>	<u>(33,691,564)</u>
	<u>(973,689,277)</u>	<u>(7,255,730)</u>	<u>(635,049,926)</u>	<u>(17,165,646)</u>
Exchange movement (*)				(2,457,908)
NET ASSETS AT THE END OF THE YEAR	<u>--</u>	<u>73,458,556</u>	<u>3,555,635,766</u>	<u>77,908,282</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, 2008 and the conversion at prevailing exchange rates as at December 31, 2009.

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, 2009**

	<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	14,669.99362	636.69621	1	68,091.1493	5,282
Number of shares issued	--	61.90805	--	23,881.5800	--
Number of shares redeemed	<u>(14,669.99362)</u>	<u>(156.02485)</u>	<u>--</u>	<u>(40,436.0016)</u>	<u>(882)</u>
Number of shares outstanding at the end of the year	<u><u>--</u></u>	<u><u>542.57941</u></u>	<u><u>1</u></u>	<u><u>51,536.7277</u></u>	<u><u>4,400</u></u>

Statistical Information

	December 31, 2009	December 31, 2008	December 31, 2007
<i>Japan Equity Class I Shares (in JPY)</i>			
Net Assets at the end of the year	--	959,989,499	1,827,138,952
Net Asset Value per share at the end of the year	--	65,439	124,549
<i>China Opportunities Class I Shares (in USD)</i>			
Net Assets at the end of the year	73,458,556	53,231,852	156,154,914
Net Asset Value per share at the end of the year	135,388	83,606	171,882
<i>Japan Active Open Class I – EUR (in EUR)</i>			
Net Assets at the end of the year	826	774.59	--
Net Asset Value per share at the end of the year	826	774.59	--
<i>Japan Active Open Class I – JPY (in JPY)</i>			
Net Assets at the end of the year	3,225,288,201	3,849,174,625	6,325,751,543
Net Asset Value per share at the end of the year	62,582	56,530	97,504
<i>Japan Active Open Class I – USD (in USD)</i>			
Net Assets at the end of the year	3,583,702	3,963,501	5,456,026
Net Asset Value per share at the end of the year	814	750.35	1,032.90

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Statement of Investments at December 31, 2009
(expressed in U.S. DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
BERMUDA				
ORDINARY SHARE				
410,000	HOPSON DEVELOPPEMENT HLDS LTD	749,181	592,149	0.81
40,000	CHINA YURUN FOOD GROUP	44,852	118,636	0.16
240,000	GOME ELECTRICAL APPLIANCES HLDS LTD	119,411	87,275	0.12
70,000	HUABAO INTERNATIONAL HOLDINGS LTD	47,049	75,553	0.10
26,000	COSCO PACIFIC LIMITED	41,005	33,293	0.05
10,000	SINOFERT HOLDINGS LTD	8,555	5,596	0.01
	Country Total	<u>1,010,053</u>	<u>912,502</u>	<u>1.25</u>
CAYMAN ISLANDS				
ORDINARY SHARE				
179,700	TENCENT HOLDINGS LTD	1,560,848	3,904,602	5.32
314,000	HENGAN INTL GROUP CO LTD	1,049,368	2,332,282	3.17
289,000	REAL GOLD MINING LTD IPO	402,093	433,045	0.59
110,000	CHINA MENGNIU DAIRY CO	121,043	393,627	0.54
96,000	KINGBOARD CHEMICALS HOLDINGS LTD	379,617	381,286	0.52
1,305,000	SHENGLI OIL & GAS PIPE HLDGS LTD	360,555	358,442	0.49
100,000	AGILE PROPERTY HOLDINGS LTD	48,258	147,006	0.20
32,000	LI NING CO LTD	45,260	121,731	0.17
60,000	SHIMAO PROPERTY HOLDING LTD	47,834	113,891	0.16
50,000	CHINA RESOURCES LAND LTD	60,375	113,736	0.15
50,000	PARKSON RETAIL GROUP LTD	51,741	88,203	0.12
30,000	CHINA HUIYUAN JUICE GROUP	40,589	21,355	0.03
22,000	SHUI ON LAND LTD	4,768	13,050	0.01
20,000	SOHO CHINA LTD	6,819	10,831	0.01
20,000	COUNTRY GARDEN HOLDINGS CO LTD	4,075	7,452	0.01
	Country Total	<u>4,183,243</u>	<u>8,440,539</u>	<u>11.49</u>
CHINA				
ORDINARY SHARE				
6,758,000	CHINA CONSRUCTION BANK H	4,636,714	5,812,632	7.91
6,774,000	IND & COMM BANK OF CHINA LTD H	3,845,333	5,625,484	7.66
1,071,000	CHINA LIFE INSURANCE CO LTD H	1,748,434	5,296,435	7.21
8,406,000	BANK OF CHINA LTD H	3,493,296	4,552,684	6.20
3,134,000	PETROCHINA CO LTD H	3,144,718	3,766,550	5.13
612,000	CHINA SHENHUA ENERGY CO LTD H	1,571,518	2,998,913	4.08
3,034,000	CHINA PETROLEUM & CHEMICAL CORP H	2,334,367	2,703,476	3.68
739,000	JIANGXI COPPER CO LTD H	1,370,267	1,749,629	2.38
1,954,000	CHINA CITIC BANK CORP H	1,096,306	1,670,579	2.27
570,000	YANZHOU COAL MINING CO LTD H	1,107,828	1,261,307	1.72
2,918,000	CHINA TELECOM CORP LTD H	1,470,117	1,219,156	1.66
123,000	PING AN INSURANCE GROUP CO-H	749,251	1,078,556	1.47
577,000	CHINA COAL ENERGY CO H	825,579	1,059,533	1.44
1,080,000	CHINA RAILWAY GOUP LTD H	689,100	841,181	1.15
602,000	ALUMINIUM CORP OF CHINA H (CHALCO)	460,106	663,730	0.90

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Statement of Investments at December 31, 2009 (continued)
(expressed in U.S. DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (CONTINUED)				
CHINA (CONTINUED)				
ORDINARY SHARE (CONTINUED)				
526,000	BANK OF COMMUNICATIONS CO LTD H	524,139	611,138	0.83
96,000	TSINGTAO BREWERY CO LTD H	404,678	532,315	0.72
570,000	MAANSHAN IRON & STEEL CO LTD H	356,432	417,496	0.57
340,000	CHINA OILFIELD SERVICES LTD H	418,221	407,747	0.56
122,800	GUANGZHOU R&F PROPERTIES CO LTD H	130,058	216,944	0.30
259,000	CHINA DONGXIANG GROUP CO	143,074	200,392	0.27
60,000	ALIBABA.COM LTD	42,742	139,268	0.19
100,000	BELLE INTERNATIONAL HOLDINGS	71,242	116,831	0.16
50,000	CHINA NATIONAL BUILDING MA H	49,840	103,549	0.14
80,000	CHINA RAILWAY CONSTR CORP -H	92,277	102,646	0.14
37,400	CHINA MERCHANTS BANK H	135,396	98,144	0.13
260,000	CHINA SHIPPING CONT LINES CO LTD H	40,291	93,877	0.13
56,000	CHINA SHIPPING DEVELOPMENT CO LTD H	74,293	84,201	0.11
13,000	ZTE CORP-H	28,919	80,466	0.11
80,000	ZHEJIANG EXPRESSWAY CO LTD H	46,338	74,173	0.10
8,000	BYD CO LTD-H	56,912	70,614	0.10
70,000	ZIJIN MINING GROUP CO LTD H	26,603	66,978	0.09
70,000	JIANGSU EXPRESSWAY CO LTD H	50,236	62,464	0.09
46,500	CHINA COSCO HOLDINGS CO LTD H	97,445	57,264	0.08
120,000	SHANGHAI ELECTRIC GRP CO LTD H	49,892	55,553	0.08
70,000	AIR CHINA LIMITED H	42,762	54,792	0.08
80,000	BEIJING CAPITAL INTL AIRPORT H	61,812	53,025	0.07
8,000	ANHUI CONCH H	52,826	51,478	0.07
80,000	CHINA COMMUNICATIONS SVCS CORP H	47,484	39,408	0.05
16,800	ANGANG STEEL COMPANY LIMITED H	14,638	37,089	0.05
38,000	PICC PROPERTY & CASUALTY H	20,982	34,301	0.05
74,000	DATANG INTL POWER GENER H	35,390	31,967	0.04
30,000	CHINA COMMUNICATION CONSTRUCTION H	84,608	28,743	0.04
2,000	YANTAI CHANGYU PIONEER WINE CO B	7,375	17,788	0.02
30,000	HUANENG POWER INTL H	23,067	16,983	0.02
8,000	CHINA INTL MARINE CONTAINERS LTD-B	4,358	10,069	0.01
10,000	HARBIN POWER EQUIPMENT CO LTD H	7,704	8,949	0.01
20,000	GUANGSHEN RAILWAY CO LTD H	6,499	8,176	0.01
20,000	SINOPEC SHANGHAI PETROCHEMICAL H	5,024	7,918	0.01
4,000	CHINA VANKE CO LTD B	3,111	5,019	0.01
	Country Total	31,799,602	44,297,610	60.30
HONG KONG				
ORDINARY SHARE				
2,094,000	CNOOC LTD	3,095,425	3,294,316	4.48
342,500	CHINA MOBILE LTD	1,802,973	3,217,503	4.38
1,420,000	DONGFENG MOTOR GP CO H	1,655,046	2,047,194	2.79
839,880	CHINA OVERSEAS LAND&INVEST LTD	926,948	1,776,192	2.42
2,466,000	DENWAY MOTORS LTD	1,172,379	1,570,901	2.14

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Statement of Investments at December 31, 2009 (continued)
(expressed in U.S. DOLLARS)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (CONTINUED)				
HONG KONG (CONTINUED)				
ORDINARY SHARE (CONTINUED)				
238,000	SHANGHAI INDUSTRIAL HLDG LTD	1,067,561	1,216,883	1.66
348,000	TINGYI HOLDING CORP	519,762	861,607	1.17
643,000	POLY HONG KONG INVESTMENT LTD	763,900	805,946	1.10
90,000	WEICHAJ POWER CO LTD H	539,053	727,677	0.99
487,000	CHINA AGRI INDUSTRIES LTD	418,761	640,557	0.87
818,000	GUANGDONG INVESTMENT LTD	436,886	477,838	0.65
276,120	CHINA UNICOM HONG KONG LTD	400,702	366,033	0.50
140,000	CHINA EVERBRIGHT LIMITED	206,523	346,624	0.47
160,000	CN RESOURCES POWER HOLDING	166,059	318,564	0.43
830,000	FRANSHION PROPERTIES CHINA LTD	302,509	293,263	0.40
460,000	SHUN TAK HOLDINGS	301,336	289,472	0.39
208,800	CHAODA MODERN AGRICULTURE LTD	248,703	223,479	0.30
86,000	NEW WORLD DEVELOPMENT CO LTD	170,896	176,995	0.24
100,000	CNPC (HK) LTD	32,054	133,079	0.18
36,000	CHINA TAIPING INSURANCE HLDG CO LTD	56,574	116,521	0.16
101,114	SINO-OCEAN LAND HOLDINGS LTD	46,327	93,619	0.13
250,000	CHINA TRAVEL INTL INVESTMENT LTD	41,277	74,792	0.10
27,000	CITIC PACIFIC LTD	53,478	72,768	0.10
10,000	BEIJING ENTERPRISES HOLDINGS	57,278	72,536	0.10
110,000	CHINA BLUECHEMICAL LTD H	73,738	67,378	0.09
94,000	LENOVO GROUP LTD	65,513	58,911	0.08
18,000	CHINA HIGH SPEED TRANSMISSION	29,098	44,009	0.06
10,000	CHINA RESOURCES ENTERPRISE LTD	17,070	36,558	0.05
20,000	FOSUN INTERNATIONAL LTD	6,717	13,978	0.03
3,000	CHINA MERCHANTS HOLDINGS INT CO LTD	13,590	9,768	0.01
	Country Total	<u>14,688,136</u>	<u>19,444,961</u>	<u>26.47</u>
	TOTAL	<u>51,681,034</u>	<u>73,095,612</u>	<u>99.51</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, 2009

Economic and Geographical Division	in % of Net Assets
BERMUDA	
REAL ESTATE	0.81
FOOD & SOFT DRINKS	0.16
COMPUTER HARDWARE & NETWORKING	0.12
INTERNET & SOFTWARE SERVICES	0.10
TRANSPORTATION	0.05
CHEMICALS	0.01
	1.25
CAYMAN ISLANDS	
INTERNET & SOFTWARE SERVICES	5.32
PHARMACEUTICALS, COSMETICS & MEDICAL	3.17
PRECIOUS METALS & STONES	0.59
FOOD & SOFT DRINKS	0.56
ELECTRONICS & SEMICONDUCTORS	0.52
PETROLEUM	0.49
RETAIL TRADE, DEPARTMENT STORES	0.29
REAL ESTATE	0.24
BUILDING MATERIALS & TRADE	0.16
MISCELLANEOUS SERVICES	0.15
	11.49
CHINA	
BANKS & OTHER CREDIT INSTITUTIONS	22.73
PETROLEUM	9.36
INSURANCES	8.73
MINING, COAL & STEEL	6.51
NON-FERROUS METALS	3.29
FINANCIAL, INVEST & OTHER DIV CO	2.27
TELECOMMUNICATIONS	1.82
UTILITIES	1.51
BUILDING MATERIALS & TRADE	1.50
TOBACCO & ALCOHOLIC DRINKS	0.75
TRANSPORTATION	0.72
TEXTILE, CLOTHING & LEATHER GOODS	0.43
REAL ESTATE	0.30
INTERNET & SOFTWARE SERVICES	0.19
ELECTRONICS & SEMICONDUCTORS	0.17
CHEMICALS	0.01
ELECTRICAL APPLIANCES & COMPONENTS	0.01
	60.30

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Economic and Geographical Division of Investments at December 31, 2009 (continued)

Economic and Geographical Division	in % of Net Assets
HONG KONG	
TELECOMMUNICATIONS	4.88
PETROLEUM	4.67
FINANCIAL, INVEST & OTHER DIV CO	4.09
MECHANICAL ENGINEERING & IND. EQUIP	3.84
REAL ESTATE	3.19
VEHICLES	2.14
FOOD & SOFT DRINKS	1.17
MISCELLANEOUS SERVICES	1.02
UTILITIES	0.43
TRANSPORTATION	0.39
AGRICULTURE AND FISHERY	0.30
INSURANCES	0.16
CHEMICALS	0.09
COMPUTER HARDWARE & NETWORKING	0.08
MINING, COAL & STEEL	0.02
	<u>26.47</u>
TOTAL	<u>99.51</u>

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Statement of Investments at December 31, 2009
(expressed in JAPANESE YEN)

Quantity	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
JAPAN				
ORDINARY SHARE				
41,200	DENSO CORP	105,776,860	114,536,000	3.22
18,700	EAST JAPAN RAILWAY CO	108,456,616	109,769,000	3.09
45,000	MITSUBISHI CORP	107,563,908	103,725,000	2.92
225,200	MITSUBISHI UFJ FINANCIAL GROUP	211,481,971	101,790,400	2.86
26,700	NIPPON TELG & TEL CORP NTT	119,861,593	97,455,000	2.74
300	JAPAN TOBACCO INC	96,012,388	93,900,000	2.64
56,300	BRIDGESTONE CORP	92,875,267	91,543,800	2.57
18,700	SECOM CO LTD	77,352,031	82,654,000	2.32
30,000	SONY CORP	106,023,654	80,100,000	2.25
14,700	SHIN-ETSU CHEMICAL CO LTD	80,134,642	76,881,000	2.16
9,300	KYOCERA CORP	75,598,927	75,981,000	2.14
50,000	KIRIN HOLDINGS CO LTD	56,351,093	74,500,000	2.10
573	NTT DOCOMO	91,230,636	74,260,800	2.09
56,300	mitsui & CO LTD	93,653,159	73,809,300	2.08
73,000	DAIWA HOUSE INDUSTRY CO LTD	90,602,750	72,562,000	2.04
56,300	YAMATO HOLDINGS CO LTD	81,842,409	72,514,400	2.04
54,400	PANASONIC CORP	96,481,847	72,080,000	2.03
82,000	ASAHI GLASS CO LTD	81,241,495	71,996,000	2.02
45,000	JS GROUP CORP	69,019,177	71,955,000	2.02
431,600	MIZUHO FINANCIAL GROUP INC	193,465,326	71,645,600	2.01
26,200	SUMITOMO MITSUI FINANCIAL GROUP INC	183,498,643	69,299,000	1.95
31,500	SOFTBANK CORP	55,608,268	68,355,000	1.92
206,000	MITSUBISHI HEAVY IND LTD	84,893,312	67,156,000	1.89
18,700	EISAI CO LTD	68,761,863	63,954,000	1.80
24,300	HOYA PENTAX HD CORP	48,816,953	59,778,000	1.68
20,600	FUJIFILM HOLDINGS CORP	69,363,465	57,474,000	1.62
6,500	FANUC LTD	58,802,434	56,095,000	1.58
118,000	ASAHI KASEI CORPORATION	70,448,594	54,752,000	1.54
15,000	JFE HOLDINGS INC	45,172,779	54,750,000	1.54
65,600	SUMITOMO RUBBER INDUSTRIES LTD	43,371,550	52,611,200	1.48
18,700	FAMILYMART CO LTD	53,423,594	51,331,500	1.44
112,000	SUMITOMO TRUST & BANKING CO LTD	47,313,946	50,736,000	1.43
125,000	SUMITOMO CHEMICAL CO LTD	69,685,339	50,625,000	1.42
215,000	KAWASAKI HEAVY INDUSTRIES LTD	59,231,103	50,310,000	1.41
131,000	NIPPON EXPRESS	63,177,936	49,911,000	1.40
37,000	RICOH CO LTD	64,225,335	48,618,000	1.37
112,000	NIPPON OIL CORP	58,634,343	48,160,000	1.35
93,000	MARUBENI CORP	64,503,733	47,523,000	1.34
140,000	NICHIREI CORP	57,281,052	45,080,000	1.27
15,000	TSUMURA & CO	41,447,261	45,000,000	1.27
10,300	LAWSON INC	41,582,400	42,230,000	1.19
75,000	CITIZEN HOLDINGS	34,425,844	40,125,000	1.13
43,000	AJINOMOTO CO INC	35,220,710	37,625,000	1.06
19,100	T&D HOLDINGS INC	62,084,360	36,270,900	1.02
39,000	DAIHATSU MOTOR CO LTD	35,673,176	36,075,000	1.01
5,630	ORIX CORP	84,469,653	35,300,100	0.99

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Statement of Investments at December 31, 2009 (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)				
39,000	NHK SPRING CO LTD	16,870,300	33,579,000	0.94
46,000	KAMIGUMI CO LTD	35,708,588	31,234,000	0.88
52,000	FUJITSU LTD	25,295,368	30,992,000	0.87
56,300	ALPS ELECTRIC CO LTD	29,821,295	30,627,200	0.86
11,200	ELECTRIC POWER DEVELOPMENT C	31,418,156	29,568,000	0.83
8,300	NITTO DENKO CORP	27,300,194	27,556,000	0.77
33,000	NISSAN MOTOR CO LTD	25,083,960	26,730,000	0.75
5,600	OTSUKA CORP	30,161,800	25,928,000	0.73
22,000	mitsubishi tanabe pharma corp	23,451,696	25,542,000	0.72
30,000	KUBOTA CORP	22,527,000	25,500,000	0.72
13,000	JSR CORPORATION	24,039,080	24,440,000	0.69
4,500	POINT INC	20,612,972	23,400,000	0.66
11,200	TOYODA BOSHOKU CORP	19,453,777	23,072,000	0.65
13,000	JGC CORP	22,461,858	22,178,000	0.62
11,200	EXEDY CORP	22,297,306	21,515,200	0.61
68,000	NIPPON SHEET GLASS CO LTD	17,661,300	18,020,000	0.51
8,400	SHIONOGI & CO LTD	15,343,166	16,884,000	0.47
5,600	KURITA WATER INDUSTRIES LTD	17,997,800	16,240,000	0.47
	Country Total	<u>4,063,649,011</u>	<u>3,455,808,400</u>	<u>97.19</u>
	TOTAL	<u>4,063,649,011</u>	<u>3,455,808,400</u>	<u>97.19</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, 2009

Economic and Geographical Division	in % of Net Assets
JAPAN	
FINANCIAL,INVEST & OTHER DIV CO	12.61
ELECTRONICS & SEMICONDUCTORS	10.33
BUILDING MATERIALS & TRADE	7.68
TRANSPORTATION	7.41
VEHICLES	7.19
MISCELLANEOUS TRADE COMPANIES	6.33
CHEMICALS	5.81
TELECOMMUNICATIONS	4.83
PHARMACEUTICALS,COSMETICS & MEDICAL	4.26
RUBBER & TIRES	4.05
MECHANICAL ENGINEERING & IND. EQUIP	4.02
MISCELLANEOUS SERVICES	3.05
TOBACCO & ALCOHOLIC DRINKS	2.64
RETAIL TRADE, DEPARTMENT STORES	2.63
BANKS & OTHER CREDIT INSTITUTIONS	2.42
ELECTRICAL APPLIANCES & COMPONENTS	2.35
FOOD & SOFT DRINKS	2.33
INTERNET & SOFTWARE SERVICES	1.92
PHOTOGRAPHIC & OPTICS	1.62
PETROLEUM	1.35
COMPUTER HARDWARE & NETWORKING	0.87
UTILITIES	0.83
TEXTILE,CLOTHING & LEATHER GOODS	0.66
	<u>97.19</u>
TOTAL	<u><u>97.19</u></u>

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

Notes to the Financial Statements for the year ended December 31, 2009

Note 1 - Organisation

NOMURA FUNDS (the "Fund") was incorporated as an open-ended investment company (Société d'Investissement à Capital Variable - SICAV) with multiple compartments on April 6, 2005. The duration of the Fund is indefinite. The duration of the Sub-Funds may be limited. The initial capital on incorporation was JPY 5,000,000. On incorporation all the shares representing the initial capital were subscribed for and were fully paid. The Fund has designated a management company subject to chapter 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, 2009, the Fund comprised three Sub-Funds, two of which are active:

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

The Sub-Fund's investment objective was 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). As disclosed in note 11, the Sub-Fund discontinued its activities on July 1, 2009.

- (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).

**Notes to the Financial Statements
for the year ended December 31, 2009 (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, 2009 (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 sub-funds have been translated at the exchange rates prevailing at the date of the annual accounts. Income and expenses not denominated in the reporting currency of the respective Sub-Funds have been translated at the rate prevailing at the date of transaction.

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

The following exchange rates were used:

1 EUR	= 1.4366 USD
1 EUR	= 132.78978 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 was entitled to receive out of the monies of this Sub-Fund, an investment management fee accrued daily 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 daily 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 daily 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, 2009 (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

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.

**Notes to the Financial Statements
for the year ended December 31, 2009 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

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.

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.

**Notes to the Financial Statements
for the year ended December 31, 2009 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

JAPAN ACTIVE OPEN (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 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, 2009.

Note 6 - Distribution policies

CHINA OPPORTUNITIES

The Sub-Fund offers the Shares in the form of accumulation shares. The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains were accumulated and 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 subscription tax of 0.05 per cent per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the Fund at the end of the relevant quarter. The reduced tax d'abonnement rate of 0.01 per cent per annum will be applicable to the Classes of Shares which are exclusively held by Institutional Investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

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

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

Notes to the Financial Statements
for the year ended December 31, 2009 (continued)

Note 8 - Accrued expenses

	<i>China Opportunities</i>	<i>Japan Active Open</i>	<i>Combined</i>
	<i>(in USD)</i>	<i>(in JPY)</i>	<i>(in Euro)</i>
Management and advisory fees	187,284	4,600,501	165,006
Printing and publication fees	--	6,668,807	50,221
Custodian, Administrator, Domiciliary, Registrar and Transfer Agent fees	49,853	1,667,233	47,256
Professional fees	20,178	1,704,552	26,882
Other expenses	--	2,537,562	19,110
Formation expenses	22,327	--	15,541
Agent company fees	--	1,424,232	10,725
Out-of-pocket expenses	3,567	167,037	3,741
Subscription tax	1,800	83,123	1,879
	<u>285,009</u>	<u>18,853,047</u>	<u>340,361</u>
Total Accrued Expenses	<u>285,009</u>	<u>18,853,047</u>	<u>340,361</u>

Note 9 - Statement of changes in the investment portfolio

The statement of changes in the investment portfolio for the year ended December 31, 2009 for each active Sub-Fund is available free of charge at the Registered Office of the Company.

Notes to the Financial Statements
for the year ended December 31, 2009 (continued)

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, 2009, the Sub-Fund had lent securities with a market value of JPY 481,506,444.

QUANTITY	SECURITY NAME	MARKET VALUE
		<i>In JPY</i>
29,000	ASAHI GLASS CO LTD	25,462,000
20,000	DENSO CORP	55,600,000
15,800	FAMILYMART CO LTD	43,371,000
9,000	FUJIFILM HOLDINGS CORP	25,110,000
7,400	HOYA PENTAX HD CORP	18,204,000
130	JAPAN TOBACCO INC.	40,690,000
23,000	JS GROUP CORP	36,777,000
208,661	KAWASAKI HEAVY INDUSTRIES LTD	48,826,674
1,500	LAWSON INC	6,150,000
26,000	MARUBENI CORP	13,286,000
1,000	NHK SPRING CO LTD	861,000
91	ORIX CORPORATION	570,570
2,610	POINT INC	13,572,000
18,400	SOFTBANK CORP	39,928,000
20,000	SONY CORP	53,400,000
5,000	SUMITOMO MISTUI FINANCIAL GROUP INC	13,225,000
35,600	SUMITOMO RUBBER INDUSTRIES LTD	28,551,200
8,700	TOYODA BOSHOKU CORPORATION	17,922,000
		481,506,444

As at December 31, 2009, the Sub-Fund received cash collateral for the above securities for the amount of USD 5,407,764.

Note 11 - Liquidation of Nomura Funds - Japan Equity sub-fund

The sole shareholder of Nomura Funds - Japan Equity (the "Sub-Fund") applied for conversion of the JPY class I shares of the Sub-Fund into JPY class I shares of Nomura Funds - Japan Active Open to be processed at the respective net asset value of the two classes calculated on the July 1, 2009 and on that day the Sub-Fund discontinued its activities.

A termination audit has now been carried out for the Nomura Funds - Japan Equity Sub-Fund.