

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

UNAUDITED SEMI-ANNUAL REPORT

As of June 30, 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 report and accounts of the Fund and the latest semi-annual report 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
Combined Statement of Net Assets	9
Statement of Changes in the Number of Shares Outstanding	10
Statistical Information	10
JAPAN EQUITY	
Statement of Investments	12
Economic and Geographical Division of Investments	16
CHINA OPPORTUNITIES	
Statement of Investments	17
Economic and Geographical Division of Investments	19
JAPAN ACTIVE OPEN	
Statement of Investments	20
Economic and Geographical Division of Investments	22
Notes to the Financial Statements	23

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*)
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
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 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

Auditor

Deloitte SA
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

* as approved by the AGM dated June 30, 2008

Shareholders' Information

Nomura Funds (the "Fund") is an open-ended investment company and an umbrella company. As of June 30, 2008, the Fund comprised the following sub-funds: Japan Equity, China Opportunities, 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 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 period ended June 30, 2008.

The Net Asset Value per Share (NAV) of the Sub-Fund as of June 30, 2008 was JPY 109,368, which is an increase of 9.37% from the initial subscription price of JPY 100,000 but a decrease of 12.19% 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 1,604,423,941, and the total number of shares outstanding was 14,669.99362.

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

Performance Review

The Sub-Fund returned -12.19%, underperforming the benchmark by 183 basis points during the first half of 2008. Most of the underperformance can be attributed to the unfavorable results in the first quarter, as investors’ appetite for stocks of a defensive nature and those that are less sensitive to external demand has continued amid the global financial market turmoil. This trend worked against the portfolio’s performance. Return reversal during April and May helped the portfolio to outperform for a while, along with a broad-based rebound reflecting an improvement in global investor sentiment and the yen’s depreciation against the US dollar, but the trend could not offset the underperformance earlier during the review period.

Negative results were mainly the result of stock selection – primarily within the Electronics and Machinery sectors. In the Electronics sector, our semiconductor-related holding Rohm plunged following weaker earnings guidance than the market had expected, as the global macroeconomic slowdown seemed likely to impair the monthly sales trends of its semiconductor business. In addition, the lack of exposure to Canon had a negative effect too, as the stock rebounded as the yen began to weaken again. As for the Machinery sector, medium-sized holdings such as Juki and Daifuku fell sharply, reflecting market concerns about weaker demand and rising material costs. However, we expect to see a recovery in earnings growth over the medium term, given that current valuations for these stocks are now below the market average. Meanwhile, the sector allocation strategy effect was almost neutral, with the negative results from the underweight Infrastructure and Financials sector positions offsetting the positive contribution from the overweight Commodities position.

Market Outlook and Strategy

Based on projections issued during the 2007 fiscal year-end reporting season, Japanese companies listed on the first section of the Tokyo Stock Exchange expect pre-tax profits to decline by an average of 5%-10% from a year earlier in fiscal year 2008. These figures are consistent with the results of the latest Tankan survey of short-term business sentiment, which indicated a mean fall in recurring profits for the year of 7% for all large companies – a downward revision of 6.7 % from the March survey. The deterioration is notably concentrated in the first half of fiscal year 2008. It should also be noted that these earnings projections rest on the assumption of a yen/US dollar exchange rate of 102.74 (Tankan Survey average), when the actual exchange rate is closer to 107, so there may be some margin for improvement as a result. Based on an assumed fall in earnings of around 5%, the current overall market valuation looks reasonable with a P/E ratio of 16.

In terms of our sector strategy, we have recently raised the Automobiles sector weight to neutral, while reducing the overweight exposure to Electronics. Our cautious outlook for the motor industry remains, especially given the ongoing deterioration in US automobile market conditions, but we think most of the negative news may have been discounted in stock valuations given the current foreign exchange rates. Meanwhile, we trimmed the overexposure to the Electronics sector as demand for global consumer electronics including flat panel TVs and mobile phone handsets is weakening more than we expected last quarter. This is likely to lower semiconductor and electronic component shipments. However, we will maintain the overweight position in the Electronics sector due to its attractive valuations over the medium- to long-term.

The information stated in this report is historical and not necessarily indicative of future performance.

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 period ended June 30, 2008.

The Net Asset Value per Share (NAV) of the Sub-Fund as of June 30, 2008 was USD 130,420, which is an increase of 160.84% from the initial subscription price of USD 50,000 but a decrease of 24.12% 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 97,130,023 and the total number of shares outstanding was 744.74791.

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

Performance Review

The Sub-Fund returned -24.12%, outperforming the MSCI China Total Return Index by 220 basis points and the MSCI China 10/40 Index by 252 basis points during the first half of 2008. Sector allocation made a positive contribution to the Sub-Fund’s performance during this period, as the portfolio was overweight in the outperforming financial and energy sectors. Moreover, the stock contribution from the information technology sector was positive. This resulted in a positive performance for the portfolio overall for the period. In terms of sector weighting, the portfolio increased its exposure to the energy and consumer sector for the period, largely at the expense of the other sectors.

Market Outlook and Strategy

The Chinese government continues to introduce monetary tightening measures. We believe this is in order to manage the pace of economic growth, rather than to suppress economic growth itself. We also assume that such selective tightening measures will continue for the time being, with their focus being to address structural imbalances in the system. Furthermore, we assume that prudent fiscal and monetary policies will remain in place. Agricultural reforms are scheduled to improve incomes in rural areas. While concerns about inflation are increasing overseas, the Chinese government has maintained its control of inflation within China: indeed, it has been kept below 10%. Inflation declined to 7.7% in May and we expect this figure to fall during 2008. In addition, M2 money supply grew 18.1% (year on year) in May, which is a remarkable rebound from the low of 13.5% (year on year) recorded in October 2004.

Our choice of sectors will be dictated by bottom-up decisions and will focus on the leading plays in each industry. We still prefer companies which, due to their competitive positions and management quality, have clear strategies to take advantage of the economic growth in China. We have picked three sectors to be overweight within the Fund: Industrial, Materials and Energy.

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 period ended June 30, 2008.

The Net Asset Value per Share (NAV) of the yen share class of the Sub-Fund as of June 30, 2008 was JPY 88,729, which is a decrease of 11.27% from the initial subscription price of JPY 100,000 and a decrease of 9.00% 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 5,504,732,098 and the total number of shares outstanding was 62,040.17504.

The Net Asset Value per Share (NAV) of the US Dollar share class of the Sub-Fund as of June 30, 2008 was USD 1,001.54, which is an increase of 1.54% from the initial subscription price of USD 1,000 but a decrease of 3.04% 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 5,290,373 and the total number of shares outstanding was 5,282.21541.

The total number of shares of the Euro share class of the Sub-Fund was totally redeemed during the year ended December 31, 2007. One share was subscribed during period ended June 30, 2008. Total net assets of the of the Euro share class of the Sub-Fund on the same date was EUR 923.18 and the total number of shares outstanding was 1.

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

Performance Review

The Sub-Fund returned -9.00%, outperforming the benchmark by 62 basis points during the first half of 2008. Both sector allocation and stock selection made positive contributions to the relative performance. Although the Sub-Fund had underperformed its benchmark during the January to March period, it outperformed the benchmark during April to May.

In terms of sector allocation, the portfolio held overweight positions in cyclical sectors based on forecasts for continued economic growth in Japan. However, we have gradually reduced the exposure to these cyclical sectors. Among the cyclical industries, the overweight positions in the Commodity and Communication sectors both contributed positively. The Commodity sector started to outperform the market from February, mainly because of the higher prices of raw commodities, including crude oil. The Communication sector rose sharply in May led by the share price appreciation of NTT, which announced a dividend increase and plans for share buybacks.

In terms of stock selection, the portfolio continued to hold stocks that appear undervalued relative to their earnings. With higher oil and commodity prices, undervalued stocks in the Commodity sector such as Mitsubishi Corporation, Marubeni, and Mitsui O.S.K. Lines had a positive effect on the portfolio. Stocks in defensive sectors such as Tsumura of the Medical sector, and Lawson and Nichirei Corporation of the Consumption sector also had a positive effect. On the other hand, the holding in Yasukawa Electronic, whose share price declined due to concerns about a stronger yen, had a negative effect. Daiwa House underwent a downward earnings revision due to slack sales and extraordinary losses from its business development. This holding also had a negative effect on the relative performance.

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

Market Outlook and Strategy

The US real GDP growth rate is expected to remain at +1.4% in 2008 and the Federal Reserve Bank is unlikely to change its monetary policy within the year. The Japanese economy now seems to have entered a slowdown after growth recorded a peak during February 2008. Corporate earnings are falling and domestic demand remains weak. However, industrial production and consumption will not fall sharply from here. Therefore, the real GDP growth rate for 2008 will be in line with its potential growth rate, which is close to the upper 1.0% range.

Corporate earnings for 2008 are expected to decline by 5 to 10% and the market average price to earnings ratio based on current earnings is around 16 times. Due to the fall in US housing prices and problems emerging in some European economies the real economy still faces some risks that could lead to further deterioration from its current level with the likelihood of further downward revisions to corporate earnings. Yet, Japanese stocks seem undervalued given that the P/E ratio is now at a historically low level and the estimated dividend yield is higher than the long-term interest rate. Even with the probability of further downward revisions to earnings, the Japanese stock market still seems undervalued. It is likely that the equity prices will recover after discounting the downward earnings revisions. The time will come eventually to adjust the portfolios in preparation for the next upturn of the market based on the bottoming out of the Japanese economy.

The portfolio is increasing the proportion of stocks with sound financial standing and with higher long-term credit ratings. In terms of sector allocation, we hold overweight Machinery and Commodity sector positions, including several stocks that are undervalued. In terms of stock selection, the portfolio mainly consists of undervalued stocks relative to the estimated earnings. Nonetheless, over the longer term we would like to take into account the growth potential of companies that will benefit from infrastructure development in the emerging economies and environmental technology related companies, which are expected to benefit from the trend towards lower carbon dioxide emissions.

**Combined Statement of Net Assets
at June 30, 2008**

	<i>Japan Equity (in JPY)</i>	<i>China Opportunities (in USD)</i>	<i>Japan Active Open (in JPY)</i>	<i>Combined (in Euro)</i>
ASSETS				
Investment in securities at market value	1,587,799,300	87,225,455	6,020,674,500	100,671,935
Cash at banks	22,489,607	10,207,851	52,572,551	6,914,277
Formation expenses (note 2)	2,909,554	45,549	19,666,918	163,623
Receivable from brokers	1,631,963	450,664	116,078,555	988,146
Accrued securities lending income	217,157	--	11,461	1,365
Accrued income	1,263,870	316,520	10,768,005	272,324
Total Assets	<u>1,616,311,451</u>	<u>98,246,039</u>	<u>6,219,771,990</u>	<u>109,011,670</u>
LIABILITIES				
Payable for redemptions	3,016,677	710,275	12,777,380	544,208
Accrued expenses (note 8)	8,870,833	405,291	24,621,081	456,663
Unrealised loss on forward foreign exchange (note 8)	--	450	--	285
Payable to brokers	--	--	116,098,373	693,048
Total Liabilities	<u>11,887,510</u>	<u>1,116,016</u>	<u>153,496,834</u>	<u>1,694,204</u>
TOTAL NET ASSETS	<u>1,604,423,941</u>	<u>97,130,023</u>	<u>6,066,275,156</u>	<u>107,317,466</u>
NUMBER OF SHARES OUTSTANDING				
Japan Equity Class I Shares	14,669.99362			
China Opportunities Class I Shares		744.74791		
Japan Active Open Class I - EUR			1	
Japan Active Open Class I - JPY			62,040.17504	
Japan Active Open Class I - USD			5,282.21541	
NET ASSET VALUE PER SHARE				
Japan Equity Class I Shares	109,368			
China Opportunities Class I Shares		130,420		
Japan Active Open Class I - EUR			923.18	
Japan Active Open Class I - JPY			88,729	
Japan Active Open Class I - USD			1,001.54	

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

**Statement of Changes in the Number of Shares Outstanding
for the period ended June 30, 2008**

	<i>Japan Equity Class I Shares</i>	<i>China Opportunities Class I Shares</i>	<i>Japan Active Open Class I-EUR</i>	<i>Japan Active Open Class I-JPY</i>	<i>Japan Active Open Class I-USD</i>
Number of shares outstanding at the beginning of the period	14,669.99362	908.50316	--	64,876.66710	5,282.21541
Number of shares issued	--	14.86448	1	11,309.50794	--
Number of shares redeemed	--	(178.61973)	--	(14,146.00000)	--
Number of shares outstanding at the end of the period	<u>14,669.99362</u>	<u>744.74791</u>	<u>1</u>	<u>62,040.17504</u>	<u>5,282.21541</u>

Statistical Information

	June 30, 2008	December 31, 2007	December 31, 2006
Japan Equity Class I Shares (<i>in JPY</i>)			
Net Assets at the end of the period/year	1,604,423,941	1,827,138,952	7,580,072,404
Net Asset Value per share at the end of the period/year	109,368	124,549	149,582
China Opportunities Class I Shares (<i>in USD</i>)			
Net Assets at the end of the period/year	97,130,023	156,154,914	348,110,592
Net Asset Value per share at the end of the	130,420	171,882	110,138
Japan Active Open Class I – EUR (<i>in EUR</i>)			
Net Assets at the end of the period/year	923	--	9,165,818
Net Asset Value per share at the end of the period/year	923.18	--	1,056
Japan Active Open Class I – JPY (<i>in JPY</i>)			
Net Assets at the end of the period/year	5,504,732,098	6,325,751,543	4,300,016,716
Net Asset Value per share at the end of the period/year	88,729	97,504	112,565
Japan Active Open Class I – USD (<i>in USD</i>)			
Net Assets at the end of the period/year	5,290,373	5,456,026	4,990,636
Net Asset Value per share at the end of the period/	1,001.54	1,032.90	1,134.24

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

Statistical Information (continued)

December 31, 2005

Japan Equity Class I Shares (*in JPY*)

Net Assets at the end of the period/year	5,218,340,343
Net Asset Value per share at the end of the period/year	141,130

China Opportunities Class I Shares (*in USD*)

Net Assets at the end of the period/year	202,766,472
Net Asset Value per share at the end of the	56,430

Japan Active Open Class I – EUR (*in EUR*)

Net Assets at the end of the period/year	--
Net Asset Value per share at the end of the period/year	--

Japan Active Open Class I – JPY (*in JPY*)

Net Assets at the end of the period/year	--
Net Asset Value per share at the end of the period/year	--

Japan Active Open Class I – USD (*in USD*)

Net Assets at the end of the period/year	--
Net Asset Value per share at the end of the period/	--

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

NOMURA FUNDS-JAPAN EQUITY
Statement of Investments at June 30, 2008
(expressed in JAPANESE YEN)

Quantity / Nominal Value	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
JAPAN				
ORDINARY SHARE				
65,000	ITOCHU CORP	71,187,736	73,515,000	4.58
80	SUMITOMO MITSUI FINANCIAL GROUP INC	83,061,020	63,920,000	3.98
63,000	MITSUBISHI UFJ FINANCIAL GROUP	83,716,220	59,283,000	3.70
11,700	TOYOTA MOTOR CORP	81,940,492	58,617,000	3.66
10,000	SONY CORP	57,762,746	46,400,000	2.89
250	NTT DOCOMO	47,336,036	39,000,000	2.43
43,000	TOSHIBA CORP	35,758,599	33,669,000	2.10
31,000	SHIMADZU CORP	30,793,805	32,767,000	2.04
42,000	DOWA HOLDINGS CO LTD	47,082,616	32,466,000	2.02
5,000	ROHM CO LTD	54,188,899	30,550,000	1.90
28,000	NIPPON YUSEN KK	25,541,555	28,588,000	1.78
10,400	TOKYO ELECTRIC POWER CO INC	28,928,303	28,392,000	1.77
49,000	MAZDA MOTOR CORP	32,223,025	26,999,000	1.68
4,000	TDK CORP	38,569,590	25,440,000	1.59
4,600	DAIKIN INDUSTRIES LTD	17,269,835	24,656,000	1.54
1,590	ORIX CORP	38,747,179	24,152,100	1.51
4,500	JFE HOLDINGS INC	24,377,063	24,075,000	1.50
3,500	T&D HOLDINGS INC	25,954,288	22,855,000	1.42
6,700	ELPIDA MEMORY INC	29,848,517	22,780,000	1.42
3,400	SHIN-ETSU CHEMICAL CO LTD	25,918,005	22,372,000	1.39
13,000	NIHON UNISYS LTD	20,184,281	21,281,000	1.33
23,000	AMADA CO LTD	28,822,591	19,251,000	1.20
4,400	MAKITA CORPORATION	18,974,305	19,096,000	1.19
9,000	SHIONOGI & CO LTD	15,883,036	18,855,000	1.18
9,100	YAMAHA CORP	19,683,321	18,655,000	1.16
3,600	SECOM CO LTD	20,060,512	18,576,000	1.16
8,000	CREDIT SAISON CO LTD	31,221,227	17,840,000	1.11
12,000	KOITO MANUFACTURING CO LTD	18,641,649	17,700,000	1.10
44,000	DENKI KAGAKU KOGYO	20,647,754	17,336,000	1.08
7,800	HITACHI CHEMICAL CO LTD	20,301,507	17,121,000	1.07
9,500	KONICA MINOLTA HOLDINGS INC	11,256,793	17,033,500	1.06
24,000	TOKYO TATEMONO CO LTD	33,249,931	16,488,000	1.03
32,000	NIPPON EXPRESS	23,397,067	16,288,000	1.02
1,700	IDEMITSU KOSAN CO LTD	18,080,998	16,014,000	1.00
35	JAPAN TOBACCO INC	19,100,644	15,855,000	0.99
9,000	HITACHI METALS LTD	11,039,062	15,696,000	0.98
5,300	KOMATSU LTD	18,592,754	15,688,000	0.98
21,000	SUMITOMO TRUST & BANKING CO LTD	21,900,455	15,582,000	0.97
29	WEST JAPAN RAILWAY COMPANY	15,837,770	15,109,000	0.94

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

NOMURA FUNDS-JAPAN EQUITY
Statement of Investments at June 30, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity / Nominal Value	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (CONTINUED)				
JAPAN (CONTINUED)				
ORDINARY SHARE (CONTINUED)				
32,000	SUMITOMO METAL INDUSTRIES LTD	14,938,738	14,944,000	0.93
3,300	ASTELLAS PHARMA INC	16,833,607	14,850,000	0.93
18,000	KAMIGUMI CO LTD	17,232,086	14,454,000	0.90
5,300	SANTEN PHARMACEUTICAL CO LTD	15,746,993	14,124,500	0.88
33,000	DAINIPPON SCREEN MFG CO LTD	31,033,493	14,091,000	0.88
37,000	KAJIMA CORP	19,637,452	13,727,000	0.86
19,000	SUMITOMO HEAVY IND	22,753,893	13,661,000	0.85
17,000	FUJITSU LTD	13,782,516	13,396,000	0.83
3,500	TREND MICRO INC	12,983,444	12,250,000	0.76
3,500	AISIN SEIKI CO LTD	12,293,998	12,180,000	0.76
42,000	SHOWA DENKO KK	15,770,033	11,844,000	0.74
5,000	MITSUI & CO LTD	11,025,117	11,725,000	0.73
6,800	JS GROUP CORP	15,148,394	11,471,600	0.71
7,000	SUMITOMO METAL MINING CO LTD	14,002,641	11,396,000	0.71
18,000	DAIDO STEEL CO LTD	12,297,303	10,674,000	0.67
9	CENTRAL JAPAN RAILWAY CO	10,012,648	10,530,000	0.66
1,700	TOKYO ELECTRON LTD	10,878,020	10,404,000	0.65
17,000	MINEBEA CO LTD	12,219,222	10,319,000	0.64
20,000	ISUZU MOTORS LTD	7,937,985	10,220,000	0.64
1,000	FAST RETAILING CO LTD	8,964,155	10,060,000	0.63
3,300	SEVEN & I HOLDINGS CO LTD	10,651,197	9,999,000	0.62
11,000	KAKEN PHARMACEUTICAL CO LTD	9,253,444	9,735,000	0.61
7,900	TOKYO STEEL MANUFACT CO LTD	15,134,770	9,693,300	0.60
5,400	MORI SEIKI CO LTD	14,256,582	9,671,400	0.60
3,800	HITACHI HIGH-TECH LTD	11,056,175	9,348,000	0.58
9,000	DAIWA HOUSE INDUSTRY CO LTD	11,946,540	8,982,000	0.56
7,000	NISSHINBO IND INC	7,680,598	8,827,000	0.55
1,200	NIDEC CORPORATION	8,751,026	8,484,000	0.53
14,000	DAICEL CHEMICAL INDUSTRIES LTD	8,855,856	8,372,000	0.52
8,000	AJINOMOTO CO INC	9,726,623	8,032,000	0.50
1,060	YAMADA DENKI CO LTD	8,091,360	8,013,600	0.50
11,000	SEKISUI CHEMICAL CO LTD	10,445,139	7,953,000	0.50
7,500	DAIFUKU CO LTD	12,174,125	7,837,500	0.49
15,000	FUJI HEAVY INDUSTRIES LTD	8,632,570	7,800,000	0.49
4,500	NOK LTD	10,253,644	7,596,000	0.47
17,000	ZEON CORPORATION	21,080,514	7,242,000	0.45
9,100	SUMITOMO RUBBER INDUSTRIES LTD	12,527,318	7,207,200	0.45
10,000	NTN CORP	9,170,804	7,070,000	0.44
3,300	IT HOLDINGS CORP	9,610,895	7,045,500	0.44

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

NOMURA FUNDS-JAPAN EQUITY
Statement of Investments at June 30, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity / Nominal Value	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (CONTINUED)				
JAPAN (CONTINUED)				
ORDINARY SHARE (CONTINUED)				
13,000	GUNZE LIMITED	8,752,196	6,227,000	0.39
3,600	BRIDGESTONE CORP	8,618,653	5,842,800	0.36
49	NET ONE SYSTEMS CO LTD	8,882,314	5,831,000	0.36
2,100	FUNAI ELECTRIC	19,201,717	5,712,000	0.36
2,000	EXEDY CORP	6,654,832	5,590,000	0.35
15,000	MAEDA CORP	7,846,078	5,475,000	0.34
17,000	HOKUHOKU FINANCIAL GROUP INC	6,783,737	5,236,000	0.33
16,000	JUKI CORP	10,777,244	4,864,000	0.30
28,000	DAIKYO INC	8,773,931	4,816,000	0.30
1,100	BENESSE CORP	4,103,371	4,730,000	0.29
2,600	ALPEN CO LTD	5,271,565	4,719,000	0.29
8,400	NIPPON SUISAN KAISHA LTD	4,472,493	4,544,400	0.28
4,000	TAIYO YUDEN CO LTD	4,149,203	4,388,000	0.27
2,800	CHIYODA CO LTD	7,259,026	4,359,600	0.27
6,100	UTD ARROWS LIMITED	10,862,522	4,257,800	0.27
18,000	TAIHEIYO CEMENT CORP	5,155,110	3,834,000	0.24
1,800	JSR CORPORATION	4,102,636	3,798,000	0.24
6,000	SANKEN ELECTRIC CO LTD	3,960,858	3,774,000	0.24
4,000	NICHIHA CORP	6,189,337	3,740,000	0.23
2,000	CANON MARKETING JAPAN INC	4,315,367	3,736,000	0.23
5,000	KANDENKO CO LTD	3,517,553	3,560,000	0.22
1,300	SHIMACHU CO., LTD	3,993,780	3,367,000	0.21
4,500	NIPPON YAKIN KOGYO CO LTD	3,284,453	3,204,000	0.20
3,200	NISHIMATSUYA CHAIN CO LTD	4,887,675	3,040,000	0.19
4,000	H2O RETAILING CORP	3,116,866	2,944,000	0.18
1,700	TRUSCO NAKAYAMA CORP	4,115,161	2,704,700	0.17
7,000	J-OIL MILLS INC	2,382,254	2,702,000	0.17
5,000	OBAYASHI CORP	2,821,332	2,405,000	0.15
1,300	FUJI SEAL INTERNATIONAL INC	3,728,404	2,306,200	0.14
4,000	SANYO SHOKAI LTD	2,850,954	2,200,000	0.14
1,800	NAMCO BANDAI HOLDING INC	2,733,039	2,163,600	0.13
2,400	PIONEER CORP	2,730,176	2,052,000	0.13
3,000	SUMITOMO CHEMICAL CO LTD	2,532,789	2,007,000	0.13
1,200	STAR MICRONICS CO LTD	1,881,996	2,004,000	0.12
1,000	SEIKO HOLDINGS CORP	817,225	475,000	0.03
	Country Total	1,963,397,951	1,587,799,300	98.96
	SUB-TOTAL	1,963,397,951	1,587,799,300	98.96

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

NOMURA FUNDS-JAPAN EQUITY
Statement of Investments at June 30, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity / Nominal Value	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>1,963,397,951</u>	<u>1,587,799,300</u>	<u>98.96</u>

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

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

NOMURA FUNDS-JAPAN EQUITY
Economic and Geographical Division of Investments at June 30, 2008

Economic and Geographical Division	in % of Net Assets
JAPAN	
AGRICULTURE AND FISHERY	0.28
BANKS & OTHER CREDIT INSTITUTIONS	7.28
BUILDING MATERIALS & TRADE	3.81
CHEMICALS	5.62
COMPUTER HARDWARE & NETWORKING	2.93
ELECTRICAL APPLIANCES & COMPONENTS	1.55
ELECTRONICS & SEMICONDUCTORS	12.89
FINANCIAL,INVEST & OTHER DIV CO	8.59
FOOD & SOFT DRINKS	0.50
INTERNET & SOFTWARE SERVICES	2.45
MECHANICAL ENGINEERING & IND. EQUIP	7.04
MINING, COAL & STEEL	3.38
MISCELLANEOUS CONSUMERS GOODS	1.16
MISCELLANEOUS SERVICES	1.45
MISCELLANEOUS TRADE COMPANIES	6.06
NON-FERROUS METALS	2.73
PACKAGING INDUSTRY	0.14
PETROLEUM	1.00
PHARMACEUTICALS,COSMETICS & MEDICAL	3.60
PHOTOGRAPHIC & OPTICS	1.06
REAL ESTATE	1.33
RETAIL TRADE, DEPARTMENT STORES	2.54
RUBBER & TIRES	0.81
TELECOMMUNICATIONS	2.43
TEXTILE,CLOTHING & LEATHER GOODS	1.08
TOBACCO & ALCOHOLIC DRINKS	0.99
TRANSPORTATION	5.30
UTILITIES	1.77
VEHICLES	9.15
WATCH-AND-CLOCK INDUSTRY, JEWELLERY	0.03
	98.96
TOTAL	98.96

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Statement of Investments at June 30, 2008
(expressed in USD DOLLARS)

Quantity / Nominal Value	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
BERMUDA				
ORDINARY SHARE				
1,780,000	SINOFERT HOLDINGS LTD	1,522,959	1,380,472	1.42
2,400,000	GOME ELECTRICAL APPLIANCES HLDS LTD	1,371,585	1,138,322	1.17
500,000	PACIFIC BASIN SHIPPING LTD	682,169	714,015	0.73
	Country Total	3,576,713	3,232,809	3.32
CAYMAN ISLANDS				
ORDINARY SHARE				
192,000	HENGAN INTL GROUP CO LTD	700,401	566,085	0.58
90,000	KINGBOARD CHEMICALS HOLDINGS LTD	359,474	415,334	0.43
	Country Total	1,059,875	981,419	1.01
CHINA				
ORDINARY SHARE				
11,356,000	IND & COMM BANK OF CHINA LTD H	6,354,466	7,758,985	7.99
7,871,000	CHINA CONSRUCTION BANK H	5,245,184	6,336,390	6.52
4,224,000	PETROCHINA CO LTD H	4,238,445	5,468,870	5.63
4,474,000	CHINA PETROLEUM & CHEMICAL CORP H	3,442,306	4,186,693	4.31
1,480,500	CHINA COSCO HOLDINGS CO LTD	4,038,849	3,613,497	3.72
971,000	CHINA LIFE INSURANCE CO LTD H	1,411,397	3,398,085	3.50
816,000	CHINA SHIPPING DEVELOPMENT CO LTD H	962,930	2,447,701	2.52
713,000	CHINA MERCHANTS BANK H	3,355,628	2,239,278	2.31
562,000	CHINA SHENHUA ENERGY CO LTD H	1,471,357	2,204,500	2.27
1,235,000	CHINA COMMUNICATION CONSTRUCTION H	3,483,027	2,111,909	2.17
3,000,000	BANK OF CHINA LTD H	1,480,238	1,334,452	1.37
716,000	YANZHOU COAL MINING CO LTD H	1,422,166	1,330,863	1.37
670,000	CHINA OILFIELD SERVICES LTD H	1,322,443	1,202,417	1.24
492,000	JIANGXI COPPER CO LTD H	340,810	964,959	0.99
664,000	HARBIN POWER EQUIPMENT CO LTD H	1,608,430	961,831	0.99
531,000	CHINA COAL ENERGY CO H	1,199,977	928,456	0.96
412,800	ANGANG STEEL COMPANY LIMITED H	359,679	827,616	0.84
100,000	ANHUI CONCH H	660,322	668,508	0.69
1,030,000	CHINA TELECOM CORP LTD H	788,767	559,829	0.58
1,078,000	AIR CHINA LIMITED H	1,172,788	530,643	0.55
	Country Total	44,359,209	49,075,482	50.52

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Statement of Investments at June 30, 2008 (continued)
(expressed in USD DOLLARS)

Quantity / Nominal Value	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (CONTINUED)				
HONG KONG				
ORDINARY SHARE				
643,500	CHINA MOBILE LTD	3,200,672	8,644,943	8.90
3,922,000	CNOOC LTD	6,063,149	6,747,027	6.95
1,356,000	CHINA UNICOM LTD	2,871,559	2,516,985	2.59
1,344,500	CHINA OVERSEAS LAND&INVEST LTD	590,309	2,123,361	2.19
820,000	CN RESOURCES POWER HOLDING	851,050	1,997,192	2.05
2,400,000	LENOVO GROUP LTD	1,672,677	1,624,417	1.67
480,000	CHINA NETCOM GROUP CORP HK LTD	1,445,234	1,307,532	1.35
310,000	WHARF HOLDINGS LTD	1,799,226	1,297,470	1.34
400,000	BOC HONG KONG HOLDINGS LTD	1,046,106	1,058,845	1.09
273,000	CHINA MERCHANTS HOLDINGS INT CO LTD	1,236,698	1,055,121	1.09
275,000	CITIC PACIFIC LTD	1,459,472	1,013,498	1.04
2,466,000	DENWAY MOTORS LTD	1,172,379	951,507	0.98
1,310,000	CHINA BLUECHEMICAL LTD H	878,149	906,812	0.93
420,000	CHINA EVERBRIGHT LIMITED	784,390	809,747	0.83
520,000	CHAODA MODERN AGRICULTURE LTD	644,149	655,920	0.68
22,000	HANG SENG BANK LTD	451,413	463,918	0.48
27,000	HONG KONG EXCHANGES & CLEAR	709,065	394,567	0.41
100,000	HANG LUNG PROPERTIES LTD	397,096	320,474	0.33
		27,272,793	33,889,336	34.90
WARRANT				
325,541	CHINA OVERSEAS LAND & INVEST WTS08	0	45,904	0.05
15,771	CHINA STATE CONST INTL HLDGS WTS09	0	505	0.00
		0	46,409	0.05
	Country Total	27,272,793	33,935,745	34.95
	TOTAL INVESTMENTS	76,268,590	87,225,455	89.80

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

NOMURA FUNDS-CHINA OPPORTUNITIES
Economic and Geographical Division of Investments at June 30, 2008

Economic and Geographical Division	in % of Net Assets
BERMUDA	
CHEMICALS	1.42
COMPUTER HARDWARE & NETWORKING	1.17
TRANSPORTATION	0.73
	3.32
CAYMAN ISLANDS	
ELECTRONICS & SEMICONDUCTORS	0.43
PHARMACEUTICALS,COSMETICS & MEDICAL	0.58
	1.01
CHINA	
BANKS & OTHER CREDIT INSTITUTIONS	18.18
BUILDING MATERIALS & TRADE	0.69
ELECTRICAL APPLIANCES & COMPONENTS	0.99
INSURANCES	3.50
MINING, COAL & STEEL	4.49
NON-FERROUS METALS	0.99
PETROLEUM	11.18
TELECOMMUNICATIONS	0.58
TRANSPORTATION	8.96
UTILITIES	0.96
	50.52
HONG KONG	
AGRICULTURE AND FISHERY	0.68
BANKS & OTHER CREDIT INSTITUTIONS	1.97
CHEMICALS	0.93
COMPUTER HARDWARE & NETWORKING	1.67
FINANCIAL,INVEST & OTHER DIV CO	4.30
PETROLEUM	6.95
REAL ESTATE	2.56
TELECOMMUNICATIONS	12.84
UTILITIES	2.06
VEHICLES	0.98
	34.95
TOTAL	89.80

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Statement of Investments at June 30, 2008
(expressed in JAPANESE YEN)

Quantity / Nominal Value	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING				
JAPAN				
ORDINARY SHARE				
64,700	TOYOTA MOTOR CORP	426,258,827	324,147,000	5.34
287,000	MITSUBISHI UFJ FINANCIAL GROUP	356,225,840	270,067,000	4.45
303	SUMITOMO MITSUI FINANCIAL GROUP INC	309,774,365	242,097,000	3.99
464	MIZUHO FINANCIAL GROUP INC	346,192,927	230,144,000	3.79
59,800	MITSUBISHI CORP	162,032,539	209,300,000	3.45
76,000	MITSUI & CO LTD	158,080,283	178,220,000	2.94
33,500	SONY CORP	163,012,000	155,440,000	2.56
287	NIPPON TELG & TEL CORP NTT	154,900,679	149,240,000	2.46
52,600	TOKYO ELECTRIC POWER CO INC	139,508,700	143,598,000	2.37
95,000	YAMATO HOLDINGS CO LTD	165,915,444	140,790,000	2.32
91,000	MITSUI O.S.K. LINES LTD	113,447,801	137,683,000	2.27
25,100	CANON INC	124,481,400	137,046,000	2.26
59,000	MATSUSHITA ELECT IND CO LTD	135,608,000	135,110,000	2.23
43,000	SEVEN & I HOLDINGS CO LTD	138,387,849	130,290,000	2.15
143,000	MARUBENI CORP	139,356,846	126,841,000	2.09
91,000	ASAHI GLASS CO LTD	134,981,819	116,844,000	1.93
83,800	SUMITOMO ELECTRIC IND LTD	123,428,861	112,962,400	1.86
110,000	DAIWA HOUSE INDUSTRY CO LTD	169,332,565	109,780,000	1.81
16,000	SHIN-ETSU CHEMICAL CO LTD	100,100,731	105,280,000	1.74
671	NTT DOCOMO	119,432,429	104,676,000	1.73
26,300	FUJIFILM HOLDINGS CORP	102,884,600	95,995,000	1.58
26,300	DENSO CORP	96,032,500	95,995,000	1.58
17,900	SECOM CO LTD	100,827,843	92,364,000	1.52
5,750	ORIX CORP	150,617,670	87,342,500	1.44
28,000	NIKON CORP	96,874,765	86,800,000	1.43
8,300	FANUC LTD	88,424,833	86,071,000	1.42
8,300	KYOCERA CORP	81,149,927	83,000,000	1.37
160,000	NIPPON EXPRESS	88,996,000	81,440,000	1.34
47,900	JS GROUP CORP	85,653,300	80,807,300	1.33
43,100	MORI SEIKI CO LTD	89,385,200	77,192,100	1.27
467	FUJI TV NETWORK	106,784,484	74,720,000	1.23
95,000	TOSHIBA CORP	78,932,000	74,385,000	1.23
143,000	ISUZU MOTORS LTD	77,773,357	73,073,000	1.21
19,100	EISAI CO LTD	85,116,787	71,625,000	1.18
311	DENTSU	90,671,727	69,975,000	1.15
43,100	BRIDGESTONE CORP	86,165,639	69,951,300	1.15
23,900	DAIICHI SANKYO CO LTD	74,324,500	69,907,500	1.15
124,000	ASAHI KASEI CORPORATION	98,661,732	68,944,000	1.14
33,500	YAMAHA CORP	68,123,500	68,675,000	1.13

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Statement of Investments at June 30, 2008 (continued)
(expressed in JAPANESE YEN)

Quantity / Nominal Value	Description	Cost	Market Value	in % of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO OFFICIAL EXCHANGE LISTING (CONTINUED)				
JAPAN (CONTINUED)				
ORDINARY SHARE (CONTINUED)				
215,000	KAWASAKI HEAVY INDUSTRIES LTD	74,797,942	60,845,000	1.00
119,000	mitsubishi heavy ind ltd	62,118,000	60,214,000	0.99
31,000	RICOH CO LTD	78,346,567	59,396,000	0.98
21,500	TSUMURA & CO	55,680,915	58,802,500	0.97
83,000	SUMITOMO CHEMICAL CO LTD	71,516,918	55,527,000	0.92
59,000	COMSYS HOLDINGS CORP	52,293,000	55,224,000	0.91
69,000	DOWA HOLDINGS CO LTD	77,701,679	53,337,000	0.88
143,000	KAJIMA CORP	68,024,069	53,053,000	0.87
95,000	NICHIREI CORP	46,690,954	51,775,000	0.85
9,500	TAKEDA PHARMACEUTICAL CO LTD	62,249,242	51,300,000	0.85
59,000	KAMIGUMI CO LTD	46,988,000	47,377,000	0.78
35,900	AEON CO LTD	73,605,482	47,064,900	0.78
47,000	DAIWA SECURITIES GROUP INC	55,417,429	45,872,000	0.76
119,000	RYOBI LTD	72,423,515	45,815,000	0.76
7,100	TDK CORP	64,350,399	45,156,000	0.74
83,000	KEIO CORP	43,907,000	44,571,000	0.73
16,700	HITACHI HIGH-TECH LTD	49,541,811	41,082,000	0.68
40,000	AJINOMOTO CO INC	39,845,000	40,160,000	0.66
16,700	XEBIO CO LTD	39,364,620	38,911,000	0.64
23,000	SUMITOMO METAL MINING CO LTD	49,151,000	37,444,000	0.62
21,500	JTEKT CORP	43,719,556	36,206,000	0.60
143,000	TAISEI CORP	43,191,106	36,179,000	0.60
14,300	HITACHI INFORMATION SYSTEMS	34,340,837	35,392,500	0.58
19,100	ALPEN CO LTD	41,772,902	34,666,500	0.57
47,000	NTN CORP	44,106,998	33,229,000	0.55
47,000	MINEBEA CO LTD	33,860,156	28,529,000	0.47
57	JAPAN TOBACCO INC	25,546,773	25,821,000	0.43
16,700	NISHIMATSUYA CHAIN CO LTD	20,141,728	15,865,000	0.26
119	ROUND ONE CORP	24,813,119	14,042,000	0.23
	Country Total	6,923,366,986	6,020,674,500	99.25
	TOTAL INVESTMENTS	6,923,366,986	6,020,674,500	99.25

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

NOMURA FUNDS-JAPAN ACTIVE OPEN
Economic and Geographical Division of Investments at June 30, 2008

Economic and Geographical Division	in % of Net Assets
JAPAN	
BANKS & OTHER CREDIT INSTITUTIONS	6.65
BUILDING MATERIALS & TRADE	6.54
CHEMICALS	3.80
COMPUTER HARDWARE & NETWORKING	1.23
ELECTRICAL APPLIANCES & COMPONENTS	3.28
ELECTRONICS & SEMICONDUCTORS	11.57
FINANCIAL, INVEST & OTHER DIV CO	11.99
FOOD & SOFT DRINKS	1.51
INTERNET & SOFTWARE SERVICES	0.58
LODGING, CATERING & LEISURE INDUSTRY	0.23
MECHANICAL ENGINEERING & IND. EQUIP	5.64
MISCELLANEOUS CONSUMERS GOODS	1.13
MISCELLANEOUS SERVICES	2.67
MISCELLANEOUS TRADE COMPANIES	9.80
NON-FERROUS METALS	1.50
PHARMACEUTICALS, COSMETICS & MEDICAL	3.00
PHOTOGRAPHIC & OPTICS	1.58
RETAIL TRADE, DEPARTMENT STORES	1.61
RUBBER & TIRES	1.15
TELECOMMUNICATIONS	5.42
TOBACCO & ALCOHOLIC DRINKS	0.43
TRANSPORTATION	7.44
UTILITIES	2.37
VEHICLES	8.13
	99.25
TOTAL	99.25

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

Notes to the Financial Statements for the period ended June 30, 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 June 30, 2008, the Fund comprised three Sub-Funds 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).

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:

**Notes to the Financial Statements
for the period ended June 30, 2008 (continued)**

Note 2 - Significant Accounting Policies (continued)

INVESTMENTS IN SECURITIES

(a) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available closing price; in the event that there should be several such markets, on the basis of the last available closing price of the main market for the relevant security. Should the last available closing price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales prices which the Directors deems is prudent to assume;

(b) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available closing price. Should the last available closing price for a given security not truly reflect its fair market value, then that security is valued by the Directors on the basis of the probable sales price which the Directors deems is prudent to assume;

(c) Shares or units in underlying open-ended investment funds are valued at their last available net asset value;

(d) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;

(e) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received is deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof.

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

SECURITY TRANSACTIONS AND INVESTMENT INCOME

Security transactions are recorded on the trade date. Realised profits and losses on sales of portfolio securities are calculated on a weighted-average cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the basis of interest accrued, premiums amortised and discounts earned. Dividend income is recorded net of withholding tax.

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	= 1.578649 USD
1 EUR	= 167.5184982 JPY

Notes to the Financial Statements for the period ended June 30, 2008 (continued)

Note 2 - Significant Accounting Policies (continued)

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.

Note 4 - Custodian, Administrator, Domiciliary, Registrar and Transfer Agent Fees

The Custodian, Administrator, Registrar and Transfer Agent are entitled to receive out of the monies of each Sub-Fund a combined fee in accordance with usual practice in Luxembourg for custody, administration, domiciliary and registrar and transfer agent services. Such fee is based on the total net assets of each Sub-Fund and is payable quarterly, in arrears.

In addition, the Custodian will be reimbursed for the reasonable out-of-pocket expenses relating to the services thereto.

Notes to the Financial Statements for the period ended June 30, 2008 (continued)

Note 5 - Subscription and Redemption of Shares

JAPAN EQUITY

Classes of Shares

Class I Shares are available for subscription and are reserved to institutional investors as defined from time to time by the Luxembourg Supervisory Authority. The minimum subscription and minimum holding amounts are of JPY 350 million and the subsequent minimum investment amounts are JPY 100 million unless the Directors resolve otherwise.

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

Subscriptions

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

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

Following the close of the Initial Offering Period, Shares are available for subscription on each Valuation Day. By derogation to the provisions under the section "Subscription" in the main part of the Prospectus, applications for Shares must be received by the Registrar and Transfer Agent by no later than 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Subscription proceeds must be received by the Custodian on an account of the Sub-Fund no later than the fifth Business Day following the relevant Valuation Day. Applications for Shares received by the Registrar and Transfer Agent after 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

A subscription charge, not exceeding 5 per cent of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Subscription Price, may be added for the purpose of compensating financial intermediaries and other agents who assist in placing the Shares. This charge is to be considered a maximum rate and the intermediaries and other agents may decide at their discretion to waive this charge in whole or in part.

No subscription charge was charged on subscriptions recorded during the year under review.

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 period ended June 30, 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 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 Directors resolve otherwise.

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

**Notes to the Financial Statements
for the period ended June 30, 2008 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

JAPAN ACTIVE OPEN (CONTINUED)

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

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

Subscriptions

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

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

Following the close of the Initial Offering Period, Shares are available for subscription on each Valuation Day. By derogation to the provisions under the section "Subscription" in the main part of the Prospectus, applications for Shares must be received by the Sub-Registrar and Transfer Agent by no later than 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Subscription proceeds must be received by the Custodian on an account of the Sub-Fund no later than the fifth Business Day following the relevant Valuation Day.

Applications for Shares received by the Sub-Registrar and Transfer Agent after 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

A subscription charge, not exceeding 5 per cent of the fixed price at which Shares are offered during the Initial Offering Period and thereafter of the Subscription Price, may be added for the purpose of compensating financial intermediaries and other agents who assist in placing the Shares. This charge is to be considered a maximum rate and the intermediaries and other agents may decide at their discretion to waive this charge in whole or in part.

No subscription charge was charged on subscriptions recorded during the period under review.

Redemptions

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

Redemption requests received by the Sub-Registrar and Transfer Agent after 5 p.m. (Luxembourg time) one Luxembourg business day prior to the Valuation Day will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

No Redemption Charge will be levied for the Sub-Fund.

**Notes to the Financial Statements
for the period ended June 30, 2008 (continued)**

Note 5 - Subscription and Redemption of Shares (continued)

JAPAN ACTIVE OPEN (CONTINUED)

Redemptions (continued)

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

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

Note 6 - Distribution policies

JAPAN EQUITY

The Sub-Fund offers the Shares in the form of accumulation shares. The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

CHINA OPPORTUNITIES

The Sub-Fund offers the Shares in the form of accumulation shares. The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

JAPAN ACTIVE OPEN

The Sub-Fund offers the Shares in the form of accumulation shares. The Sub-Fund shall not distribute any dividend and all net investment income and all net realised and unrealised capital gains will be accumulated and will increase the Net Asset Value of the Shares of the Sub-Fund.

Note 7 - Taxation

Under current law and practice the Fund is not liable to any Luxembourg income tax, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a *taxe d'abonnement* of 0.05 per cent per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the Fund at the end of the relevant quarter. The reduced *taxe d'abonnement* rate of 0.01 per cent per annum will be applicable to the Classes of Shares which are exclusively held by Institutional Investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

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

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

Notes to the Financial Statements
for the period ended June 30, 2008 (continued)

Note 8 - Accrued expenses

	<i>Japan Equity</i> <i>(in JPY)</i>	<i>China</i> <i>Opportunities</i> <i>(in USD)</i>	<i>Japan</i> <i>Active Open</i> <i>(in JPY)</i>	<i>Combined</i> <i>(in Euro)</i>
Management and advisory fees	2,915,764	286,001	8,630,207	250,092
Custodian, Administrator, Domiciliary, Registrar and Transfer Agent fees	1,490,303	76,784	3,128,737	76,212
Formation expenses	2,825,952	22,327	--	31,013
Other expenses	--	--	4,748,700	28,347
Printing and publication fees	--	--	4,166,775	24,874
Professional fees	1,507,562	11,975	1,130,724	23,335
Agent company fees	--	--	2,347,090	14,011
Out-of-pocket expenses	83,305	5,493	313,508	5,848
Subscription tax	47,947	2,711	155,340	2,931
	<u>8,870,833</u>	<u>405,291</u>	<u>24,621,081</u>	<u>456,663</u>
Total Accrued Expenses	<u>8,870,833</u>	<u>405,291</u>	<u>24,621,081</u>	<u>456,663</u>

Note 9 - Statement of changes in the investment portfolio

The statement of changes in the investment portfolio for the period ended June 30, 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. Security lending income is fixed under such agreement and is recorded on a daily basis in arrears.

JAPAN ACTIVE OPEN

As of June 30, 2008, the Fund had lent securities with a market value of JPY 163,212,300.

QUANTITY	SECURITY NAME	Market Value
228	DENTSU	51,300,000
134,000	KAJIMA CORP	49,714,000
13,800	MORI SEIKI CO LTD	24,715,800
16,700	NISHIMATSUYA CHAIN CO	15,865,000
4,900	TSUMURA & CO	13,401,500
2,700	XEBIO CO LTD	6,291,000
5,000	RYOBI LTD	1,925,000
		<u>163,212,300</u>

**Notes to the Financial Statements
for the period ended June 30, 2008 (continued)**

Note 10 - Securities lending (continued)*JAPAN EQUITY*

As of June 30, 2008, the Fund had lent securities with a market value of JPY 26,240,000.

QUANTITY	SECURITY NAME	Market Value
6,400	ELPIDA MEMORY INC	<u>21,760,000</u>
		<u><u>21,760,000</u></u>

Note 11 - Forward foreign exchange contract

As at June 30, 2008, the sub-fund *China Opportunities* had the following forward foreign exchange contract outstanding:

Currency	Amount bought	Currency	Amount Sold	Maturity Date	Unrealised loss in USD
USD	710,000	HKD	5,541,337	Jul-2008	<u>(450)</u>
					<u><u>(450)</u></u>

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 contracts 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 Changes in Net Assets.