

# Nomura Funds Ireland Plc

## India Equity Fund

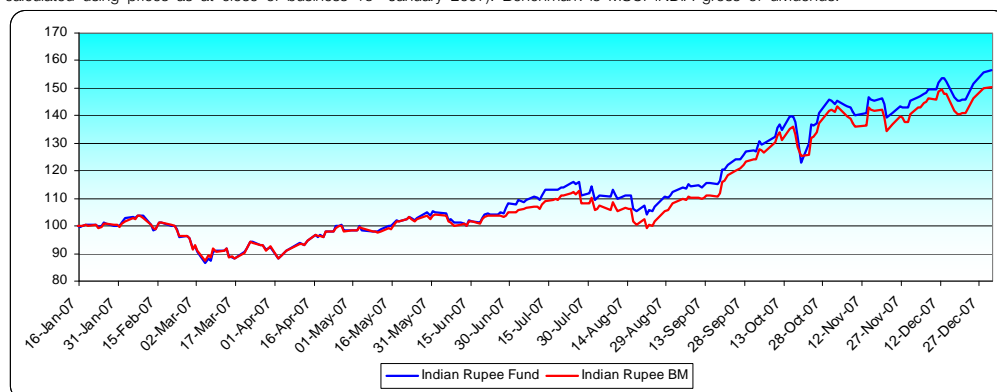
### Fund Price Changes

The fund outperformed the benchmark index (measured in terms of the base currency, India Rupee), by 73 basis points over the one-month period from 30 November to 31 December 2007. Since inception, the fund has outperformed the benchmark by 617 basis points (after fees), delivering a performance of 56.50% compared with 50.33% for the benchmark index.

### Performance for the Fund since Inception

	1 month	3 month	YTD	Since Inception*
INR NAVps** % change	7.71%	23.36%	56.50%	56.50%
INR Index (MSCI INDIA)	6.98%	21.98%	50.33%	50.33%
<b>Excess Return</b>	0.73%	1.39%	6.17%	6.17%
USD NAVps % change	8.44%	24.38%	75.86%	75.86%
USD Index (MSCI INDIA)	7.55%	23.31%	68.89%	68.89%
<b>Excess Return</b>	0.89%	1.07%	6.97%	6.97%
EUR NAVps % change	8.78%	19.90%	54.69%	54.69%
EUR Index (MSCI INDIA)	7.97%	19.95%	49.42%	49.42%
<b>Excess Return</b>	0.81%	-0.05%	5.27%	5.27%
GBP NAVps % change	12.09%	26.18%	72.97%	72.97%
GBP Index (MSCI INDIA)	11.08%	26.21%	66.84%	66.84%
<b>Excess Return</b>	1.01%	-0.03%	6.13%	6.13%

\*Inception date: 13<sup>th</sup> January 2007. (\*\*)Net Asset Value per share (NAVps) is calculated by BBH. (Since inception performance has been calculated using prices as at close of business 15<sup>th</sup> January 2007). Benchmark is MSCI INDIA gross of dividends.



Source: Nomura Asset Management U.K. Ltd based on Net Asset Value per share calculated by BBH

### Monthly Performance Review for December 2007

The month of December capped off another year of strong returns from the Indian markets. The market, as represented by the Sensex, recorded a gain of 4.8% for December recording a new high during the month above the 20,000 level. While India was not immune to global volatility, positive growth trends amid expectations of monetary easing helped the market outperform Asian markets. Both foreign and domestic investors capitalized on any market weakness and were significant buyers for the month.

With mid-caps sharply out-performing the broad market in December, the portfolio performance was led by mid-cap stocks such as Sadbhav Engineering and Sintex Industries (Industrials), Indiabulls Financials and Vishal Retail. Our performance was pegged back by the rally in IT Services stocks ahead of the results season and the larger Industrials holdings taking a breather.

## December 2007

### Investment Objective

To achieve long term capital growth through investment in an actively managed portfolio of Indian securities, listed/dealt on Regulated Markets in India and to outperform the Benchmark (being the MSCI India).

### NAV Currencies:

INR  
USD  
EUR  
GBP

Launch Date: January 2007

ISIN Code for

INR: IE00B1L8M811

USD: IE00B1L8M811

EUR: IE00B1L8M811

GBP: IE00B1L8M811

### NAV Calculation:

Net Asset Value as at 31 December 2007:

INR 7,210,484,934.44

NAVs Per Share as at 31 December 2007:

INR 15649.9895  
USD 397.1575  
EUR 270.0282  
GBP 198.6483

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### Web site address

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## Monthly Performance Review for December 2007 (continued)

During the month, we added to our exposure to Financials and Industrials through two new stocks, Reliance Capital and Arshiya International. The former is a leading financial services player which is registering strong growth in its businesses of AMC, Insurance, Retail broking and Consumer financing. Arshiya provides freight forwarding and technology solutions for supply chain management – a high growth profitable business that is trading at attractive valuations. We also booked profits in our small holdings in Mundra Port and SEZ and Indian Bank. We also exited ITC, thereby eliminating our Consumer Staples exposure as we find relative growth potential attractive in other sectors.

## Market Outlook

The economic releases continue to indicate a strong growth trend. Industrial Production for October was recorded at 11.8% led by manufacturing. Though YTD trends in Industrial Production have been somewhat lower compared to last year, they reflect the impact of the pre-emptive monetary tightening undertaken early in 2007. With inflation also coming off to well within the Reserve Bank's target, a monetary easing is on the cards. On the external front, Balance of Payments recorded an all-time high surplus of US\$ 29.2 billion during Sep quarter. While the Current Account balance was steady compared to previous quarter, strong capital flows have contributed to the rise in the Balance of Payments.

Even as global volatility induces uncertainty in the region, the Indian market has remained on an upward trend. The positive economic fundamentals and the corporate earnings strength continue to provide support. We would use market corrections as buying opportunities as we remain positive on the prospects of the Indian markets over the next few quarters. However we would exercise some caution near-term due to the large fund raisings over the next two months. The December quarter earnings season and the Annual Budget would be factors influencing our stance on relative sectoral positioning over the next quarter.

## Sector Allocation (as at 31 December 2007)

<u>GIICS Sector</u>	<u>Portfolio</u>	<u>MSCI</u>
CONSUMER DISCRETIONARY	7.24%	3.68%
CONSUMER STAPLES	0.00%	3.92%
ENERGY	13.18%	19.14%
FINANCIALS	29.56%	28.75%
HEALTH CARE	0.00%	2.87%
INDUSTRIALS	26.63%	12.30%
INFORMATION TECHNOLOGY	8.37%	11.18%
MATERIALS	0.00%	7.92%
TELECOM SERVICES	8.23%	4.49%
UTILITIES	4.53%	5.75%

## Top 5 Holdings (as at 31 December 2007)

<u>Company Name</u>	<u>% of Portfolio</u>
1 RELIANCE INDUSTRIES	8.73%
2 HDFC	6.68%
3 ICICI BANK	6.55%
4 BHARTI AIRTEL	4.76%
5 VISHAL RETAIL	4.62%

## Top 3 Positive Contributors\*

<u>Company Name</u>
1 VISHAL RETAIL
2 SADBHAV ENGINEERING
3 SINTEX INDUSTRIES

## Top 3 Negative Contributors\*

<u>Company Name</u>
1 ABB INDIA
2 BHARAT HEAVY ELECTRICALS
3 INFOSYS

\*Performance contributors of the fund relative to the benchmark. Source: Nomura Asset Management Singapore Limited.

## Top 10 Positive Positions\*

	<u>Company Name</u>	<u>%Active Weight</u>
1	Bharti Airtel	4.76%
2	Vishal Retail	4.62%
3	GVK Power & Infrastructure	4.53%
4	Great Eastern Shipping	4.45%
5	Sadbhav Engineering	4.29%
6	Bank of India	3.70%
7	Sintex Industries	3.49%
8	ABB India	3.38%
9	Arshiya International	2.87%
10	Jaiprakash Associates	2.49%

## Top 3 Negative Positions\*

	<u>Company Name</u>	<u>%Active Weight</u>
1	Reliance Industries	-7.00%
2	Infosys	-3.22%
3	ICICI Bank	-1.39%

\*Active weight of the fund relative to the benchmark. Source: Nomura Asset Management Singapore Limited