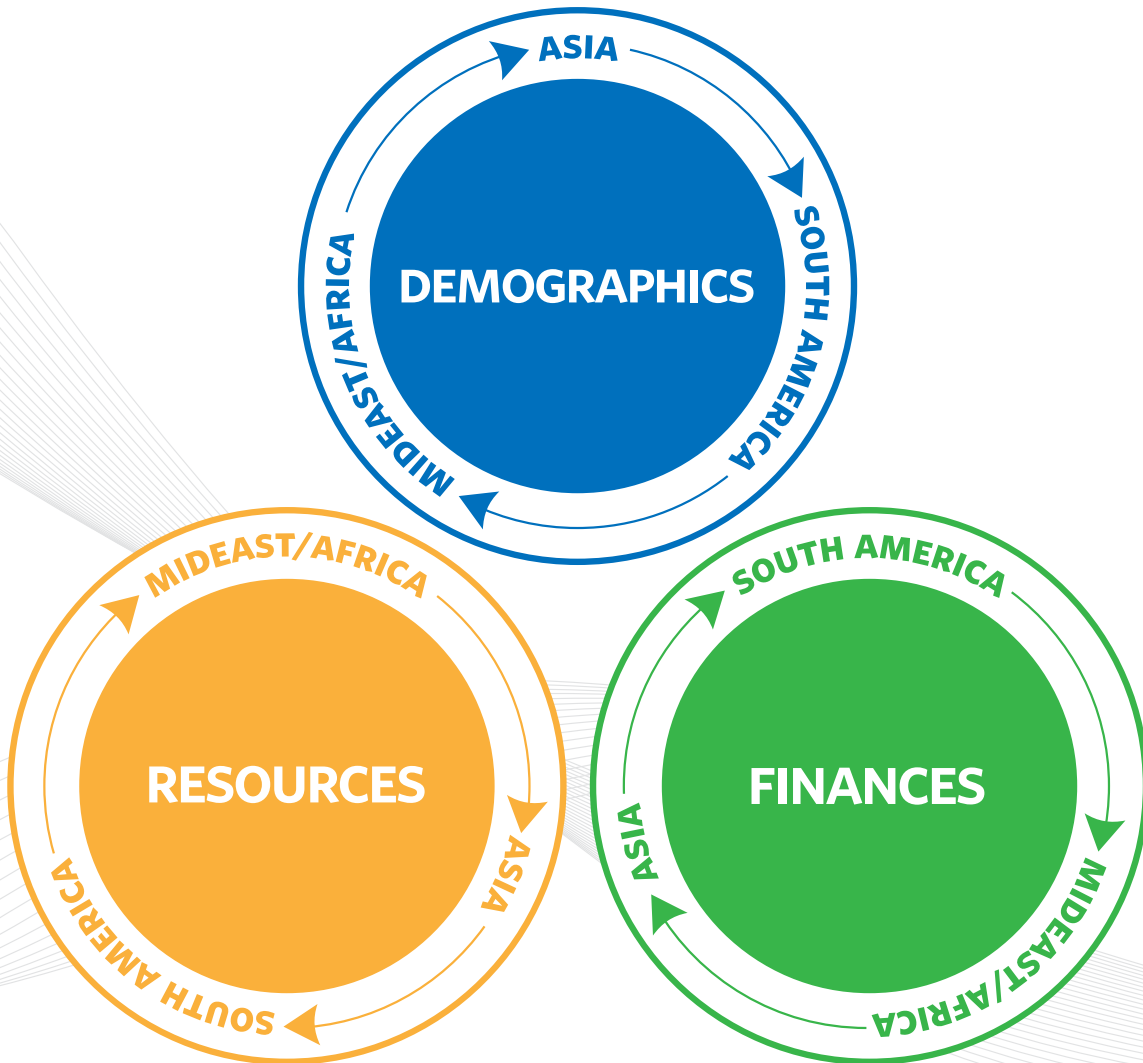


# Emerging Markets:

Dynamic global change, focused equity opportunities

Some 750 years ago two brothers in Venice began to focus their investment research eastward. A decade later, one of their sons, Marco Polo, created the Silk Route between the then-emerging market of Europe and markets in the Middle East, India and China.

Today's New Silk Route are circles of trade and growth within emerging markets that are fueling global economic expansion.



Trade between developed and emerging markets has been a vital part of the global economy for centuries, and grew especially important in the second half of the 20th Century amid improvements in transportation and increased political stability.

Over the past decade, a new route of trade has evolved that reflects the increased wealth, energy, and financial stability of emerging markets. Trade within emerging markets is creating more interdependence and relationships between Asia, South America and Africa – resulting in Circles of Growth.

Emerging markets represent 90% of the world's population, 75% of its land mass and 40% of global gross domestic product. Investor recognition of these factors helped emerging markets expand from 5% of world equity market capitalization in 2001 to 14% as of mid-2011. (Source: MSCI and Bloomberg)

#### Long-term economic growth rates

	1999-2009	2010-2015*
<b>Brazil</b>	3.0%	5.1%
<b>Russia</b>	5.5	4.3
<b>India</b>	7.2	8.6
<b>China</b>	10.0	9.7
<b>Mexico</b>	1.9	4.3
<b>Indonesia</b>	4.7	6.5
<b>Turkey</b>	3.1	5.4

Source: 1999-2009: PWC Building a presence in today's growth markets 2010  
\*projected by the International Monetary Fund

## A MOVE FROM SUPPLIER TO CENTRAL MARKETPLACE

Eastern and Southern Hemisphere economies are changing from being the world's workbench to its central marketplace for three major reasons:

- Access to NATURAL RESOURCES
- Favorable DEMOGRAPHIC CHANGES
- Healthy CORPORATE SAVINGS AND FINANCES



Intra-emerging market trade rose on average by 18% a year from 2000 to 2008, faster than commerce between emerging and advanced nations. It totaled \$2.8 trillion in 2008, about half of emerging-market trade with all nations. (Source: World Trade Organization)

Chinese exports to the emerging world rose from 2% of China's gross domestic product (GDP) in 1985 to 9.5% of GDP in 2008, as China's overall economy grew exponentially. India's jumped to 7.3% from 1.5%. Brazil's almost doubled to 6.3% during the same period. Economists believe emerging-market economies can grow more than 6% through 2012, outpacing expected expansion in developed economies. (Source: Bloomberg)

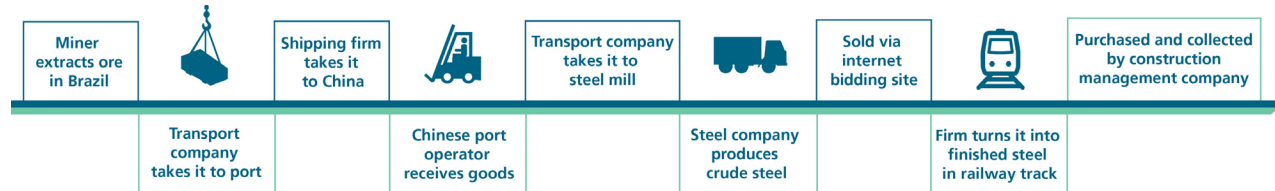
**India and Brazil already export more to the emerging world than to the developed world.**

**The rise of exports within emerging markets**  
**Percent of overall GDP for each country shown**

	1985	2008
China	2.0%	9.5%
India	1.5%	7.3%
Brazil	3.4%	6.3%
<b>Total</b>	<b>6.9%</b>	<b>23.1%</b>

Source: World Trade Organization

**Ore to train tracks: A value chain between Brazil and China**



The above graphic is for illustrative purposes only.





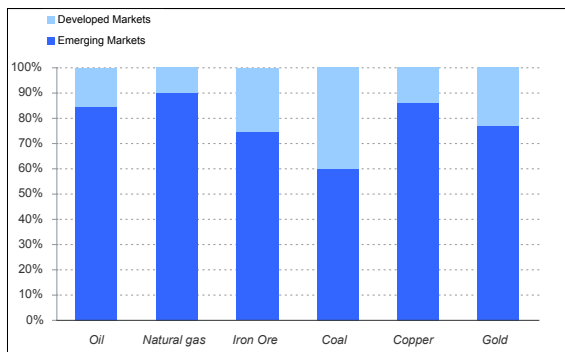
## NATURAL RESOURCES

Most of the world’s natural resources are in emerging markets. These reserves supply raw materials for high levels of investment in new buildings, power plants, schools and transit systems. Ample resources also help meet demand for higher levels of emerging market consumer spending on autos, energy and homes.

- Indonesia, the 4th largest country by population (240 million people), has 40% of the earth’s geothermal resources. Currently, this resource supplies 3% of the country’s energy needs. A plan is in place to tap the earth to power 15% of Indonesia’s needs by 2025 even as its economy may grow 6% annually. (Source: U.S Dept. of Commerce)

Emerging markets contain 84% of the world’s oil reserves, 91% of natural gas, 84% of copper, and a large share of many other fuels, metals and minerals.

### Emerging vs. Developed Share of Various Natural Resources:



Source: Citi Investment Research and Analysis, BP Statistical Review, US Geological Survey, World Nuclear Association, EIA (as of September 30, 2011)

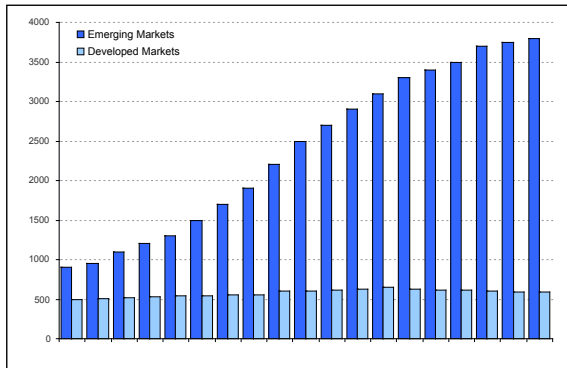


## DEMOGRAPHIC CHANGES

Many emerging nations enjoy a demographic sweet-spot, with a rising level of people who are of working age, information age skill sets that are in high demand globally and greater levels of middle class wealth that make emerging market consumers an attractive market.

- In China and India, about two billion new middle income consumers are expected to join the consumer base in the next 20 years . By one estimate, the purchasing of middle and upper income households will have risen nearly 50% between 2005 and 2015, driven mainly by rising incomes in emerging markets. (Source: U.S Dept. of Commerce)

## Working Age Population: Emerging vs Developed



Source: United Nations, August 2009

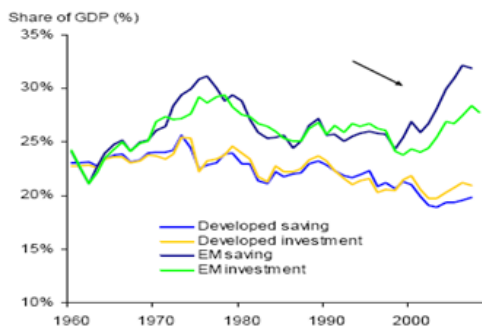


## FINANCIAL STRENGTH

Thanks to high rates of personal savings, global demand for resources and government efforts to fight inflation, many emerging markets have greater financial strength than a decade ago. Countries and companies are funding growth internally or from nations with huge trade surpluses such as China, which has \$3 trillion in government savings to invest.

- Brazil's credit rating was upgraded this spring by debt rating services, its second upgrade since 2009 as the country enjoyed record economic growth and its government cut spending. Since 2000, Brazilian exports to China have risen from \$1 billion to \$30.7 billion in 2010, led by iron, soy and oil.

## Emerging Vs Developed Markets: Investment and Savings Rate



Source: IMF, World Bank, UBS estimates (as of September 30, 2011)

Currently, three of the world's 10 largest companies by market capitalization are based in emerging markets. A decade ago the top 10 were all in developed markets.

As the developed world struggles with debt, emerging markets have put their financial woes of the 1990s behind them. No emerging market bank failed during the 2008 financial crisis, and the fiscal robustness of emerging nations stands in contrast to debt problems in Southern Europe and the U.S.

## FOCUSED EXPERTISE:

### A disciplined approach to change within emerging markets

Martin Currie of Edinburgh, Scotland, a global equity investment firm founded in 1881 when the U.S. was an emerging market, feels substantial growth opportunities around the world lie ahead for long-term investors.

To capitalize on investment opportunities as a sub-adviser to the Nomura Partners Global Emerging Markets Fund, Martin Currie focuses on quality, growth, valuation and change, investing in stocks with a three-year holding period in mind. The firm's investment philosophy is to:

- Identify, evaluate and exploit change at an early stage
- Complement fundamental stock-specific research with external macro research
- Operate a concentrated portfolio, mitigating risk at every level

“We make connections other miss.”

-portfolio managers Andrew Ness and Jeff Casson

“We believe emerging market risks can be mitigated significantly through a bottom-up stockpicking approach.”

- Kim Catechis, head of global emerging markets



**NOMURA**



## HOW FUND ASSETS ARE MANAGED

### A thorough stock-picking process

Under normal investment conditions, the Nomura Partners Global Emerging Markets Fund's investment management team typically holds 50 to 70 stocks in the Fund's portfolio. The Martin Currie team seeks to continually monitor and mitigate risk, maintain a consistent style discipline and avoid cross-stock correlations.

### A rigorous sell discipline

Martin Currie will sell a stock from the portfolio when:

- Positive investment catalysts come to an end
- Negative change is detected such as change in corporate strategy
- Analysis confirms that a stock is fully valued
- Stronger investment ideas are identified

Independent Specialist	- Firm is majority-owned by employees - Investment management is the firm's sole business
Global perspective, unique insight	- Emerging markets team members speak many languages, including Hindi, Cantonese, Mandarin, Portuguese, Russian, Urdu, and Arabic
Experienced	- 130 years in business - Chief Investment Officer (CIO) and leadership team have been together 21 years - Team members average a decade and a half of emerging markets investing experience

"The ability of our team to communicate in multiple languages provides us with a distinct competitive advantage, facilitating open conversation at all levels. Our linguistic skills yield useful insights into the cultural, economic and political climate in emerging nations. We uncover meaningful corporate information that might otherwise get lost in translation."

- Martin Currie



Talk to your advisor today about the level of Emerging Markets investing that's appropriate for your goals, including your investment horizon and risk comfort level.

## WHY NOMURA PARTNERS FOR EMERGING MARKETS EQUITIES?

- **Proven experience:** Assets are managed by Martin Currie, an independent, employee-owned global equity markets expert serving institutions, pension funds and investors.
- **Unique emerging markets access:** Nomura Partners Funds are the only way U.S. retail investors can tap Martin Currie's emerging markets team of eight portfolio managers.
- **Ample resources:** Martin Currie has capacity to both manage additional emerging markets assets and, through Nomura, provide the highest standard of excellence in service to advisors and investors.

Call 1.800.535.2726 today or visit [www.nomurapartnersfunds.com](http://www.nomurapartnersfunds.com)

### Important Information:

***Before investing, you should carefully consider the Nomura Partners Funds' investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by visiting the Funds' website [www.nomurapartnersfunds.com](http://www.nomurapartnersfunds.com). Please read the prospectus carefully before you invest.***

All investing involves risk, including the possible loss of principal. There can be no assurance that any investment strategy will be successful. International investing involves certain risks and increased volatility not associated with investing solely in the U.S. These risks include currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. These risks are magnified in emerging markets. Securities focusing on a single country may be subject to greater market volatility. Non-diversified Funds may invest in a smaller number of issuers. As such, may involve greater risk and volatility than investing in a more diversified fund. Also, the Funds may invest in securities issued by smaller companies, which typically involves greater risk than investing in larger, more established companies.

The MSCI information contained in this material may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices.

Foreside Fund Services, LLC, Distributor.

Nomura Partners Funds, Inc. 2 World Financial Center, Building B, 18th Floor, New York, New York 10281-1712