

NOMURA

PRIVATE
CAPITAL

Nomura Alternative Income Fund
Class I Shares (NAIFX)

Semi-Annual Report
September 30, 2023
(Unaudited)

This report and the financial statements contained herein are submitted for the general information of shareholders and are not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which contains information about the Fund's investment objective, risks, fees and expenses. Investors are reminded to read the prospectus carefully before investing in the Fund.

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NOMURA ALTERNATIVE INCOME FUND

LETTER TO SHAREHOLDERS

SEPTEMBER 30, 2023 (Unaudited)

Dear Shareholder,

Nomura Private Capital LLC is pleased to provide the unaudited semiannual financial statements for the Nomura Alternative Income Fund (the “Fund”) for the fiscal period beginning March 31st, 2023 through September 30th, 2023.

The market environment remained volatile during this period, generated by a continuation of the Fed’s monetary tightening, geopolitical tensions, and uncertainty over economic fundamentals given mixed data. To navigate dislocated markets, the Fund has gradually deployed capital into private opportunities via limited partnership commitments to third party asset managers, while remaining conservative in the public sphere. The Fund remained invested in short duration Treasury instruments (“T-Bills”) and agency mortgage backed securities, adding to the latter in combination with US Treasury Futures as a part of the Fund’s duration hedging program.

Over the period, the Fund’s institutional share class (NAIFX) delivered a net total return of +1.89%. The Fund’s performance benefited from a conservative allocation during a period of volatile public markets.

Fund assets remained relatively stable during the period, with subscriptions of \$0.6M and no redemptions. Nomura Private Capital LLC remains the largest shareholder in the Fund.

The Fund remained invested in high quality, short duration assets in addition to the private markets through limited partnership positions in external managers. The Fund committed \$95.0M (c. 95%) at inception to six external managers, \$47.2M of which has been invested. This represents 49.7% of capital committed to external managers. These partnerships add exposure across a range of sectors within the private credit markets, including real estate, asset based lending, specialty finance, and corporate lending (e.g. direct lending). A complete listing of the Fund’s investments can be found in the Schedule of Investments.

On behalf of the entire Nomura Private Capital team, we thank you for your interest and investment in the Fund. We expect market dislocations to continue to provide opportunities, and we are excited and honored to be making investments on your behalf.

Sincerely,

Matthew Pallai

Chief Investment Officer

Nomura Private Capital LLC

NOMURA ALTERNATIVE INCOME FUND

LETTER TO SHAREHOLDERS (Continued)

SEPTEMBER 30, 2023 (Unaudited)

Past performance does not guarantee future results.

The Nomura Alternative Income Fund is a continuously-offered, non-diversified, registered closed-end fund with limited liquidity.

This report is intended only for the information of shareholders or those who have received the Fund's prospectus which contains information about the Fund's management fee and expenses. Please read the prospectus carefully before investing.

The Fund's investment program is speculative and entails substantial risks. There can be no assurance that the Fund's investment objectives will be achieved or that its investment program will be successful. Investors should consider the Fund as a supplement to an overall investment program and should invest only if they are willing to undertake the risks involved. Investors could lose some or all of their investment.

- *The Fund's shares (the "Shares") are not listed on any stock exchange, and we do not expect a secondary market in the Shares to develop.*
- *You should generally not expect to be able to sell your Shares (other than through the limited repurchase process), regardless of how we perform.*
- *Although we are required to and have implemented a Share repurchase program, only a limited number of Shares will be eligible for repurchase by us.*
- *You should consider that you may not have access to the money you invest for an indefinite period of time.*
- *An investment in the Shares is not suitable for you if you have foreseeable need to access the money you invest.*
- *Because you will be unable to sell your Shares or have them repurchased immediately, you will find it difficult to reduce your exposure on a timely basis during a market downturn.*
- *The Fund has no operating history and the Shares have no history of public trading.*

An investment in the Fund involves risk. The Fund may leverage its investments by borrowing. The use of leverage increases both risk of loss and profit potential. Alternative investments provide limited liquidity and include, among other things, the risks inherent in investing in securities, futures, commodities and derivatives, using leverage and engaging in short sales. The Fund's investment performance depends, at least in part, on how its assets are allocated and reallocated among asset classes and strategies. Such allocation could result in the Fund holding asset classes or investments that perform poorly or underperform.

The Nomura Alternative Income fund is distributed by Foreside Financial Services, LLC.

Nomura Alternative Income Fund
PORTFOLIO REVIEW (Unaudited)
September 30, 2023

The Fund's performance figures for the period ended September 30, 2023, compared to its benchmark are below:

	Six Months	Since Inception [^]
Nomura Alternative Income Fund - Class I	1.89%	2.30%
S&P LSTA U.S. Leveraged Loan 100 Index (Total Return) *	6.53%	5.73%

[^] Inception date is February 13, 2023.

* The S&P LSTA U.S. Leveraged Loan 100 Index (Total Return) is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market. It is designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads and interest payments. The index consists of 100 loan facilities drawn from a larger benchmark – the S&P/LSTA (Loan Syndications and Trading Association) Leveraged Loan Index (LLI). Investors cannot invest directly into an index.

The performance shown represents past performance and does not guarantee future results. Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Total Returns for periods of less than one year are not annualized. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemptions of Fund shares. For performance information current to the most recent month-end, please call 1-833-836-0206.

<u>Consolidated Holdings by Type of Investment</u>	<u>% of Net Assets</u>
Private Investment Funds	46.1%
United States Government & Agencies:	
Agency Hybrid ARMS	2.6%
Collateralized Mortgage Obligations	2.8%
Federal National Mortgage Association	2.2%
Government National Mortgage Association	2.7%
Short Term Investments	
Money Market Fund	0.9%
United States Treasury Bills	42.5%
Other Assets in Excess of Liabilities	0.2%
	<u>100.0%</u>

Please refer to the Consolidated Schedule of Investments that follows in this semi-annual report for a detailed list of the Fund's holdings.

NOMURA ALTERNATIVE INCOME FUND
SCHEDULE OF INVESTMENTS (Unaudited)
September 30, 2023

<u>Shares/Principal Amount (\$)</u>		<u>Value</u>
	PRIVATE INVESTMENT FUNDS — 46.1%	
-	ACORE Credit Partners II, LP ^{(a)(b)}	\$ 4,205,755
-	AG Asset Based Credit Fund, L.P. ^{(a)(c)}	11,000,000
-	Atalaya A4 Evergreen (Cayman) LP ^{(a)(b)}	3,567,090
-	Crestline Opportunity Fund V Offshore TE/SWF, L.P. ^{(a)(c)}	1,400,491
-	Maranon Senior Credit Strategies Fund XIV, L.P. ^{(a)(b)(d)}	15,000,000
-	Medalist Partners Asset Based Private Credit Fund III LP Onshore Feeder, L.P. – Class B ^{(a)(b)(e)}	12,251,644
	TOTAL PRIVATE INVESTMENT FUNDS (Cost \$47,528,539)	47,424,980
	U.S. GOVERNMENT & AGENCIES — 10.3%	
	AGENCY HYBRID ARMS — 2.6%	
2,698,237	Fannie Mae REMICS Series 23-17 JA, 5.50%, 06/25/50 ^(f)	2,673,196
	COLLATERALIZED MORTGAGE OBLIGATION — 2.8%	
2,891,383	Government National Mortgage Association Series 209 PL, 5.50%, 11/20/50	2,871,655
	FEDERAL NATIONAL MORTGAGE ASSOCIATION — 2.2%	
2,271,947	Fannie Mae Pool BM1718, 2.88%, 09/01/47 ^(f)	2,259,922
	GOVERNMENT NATIONAL MORTGAGE ASSOCIATION — 2.7%	
2,788,062	Ginnie Mae II Pool 786445, 3.14%, 08/20/49 ^(f)	2,732,933
	TOTAL U.S. GOVERNMENT & AGENCIES (COST \$10,605,738)	10,537,706
	SHORT-TERM INVESTMENTS — 43.4%	
	MONEY MARKET FUND – 0.9%	
961,920	First American Treasury Obligations Fund, Class X, 5.27% (Cost \$961,920) ^(g)	961,920
	UNITED STATES TREASURY BILLS – 42.5%	
\$15,000,000	United States Treasury Bill, 5.05%, 11/09/23	14,916,297
\$13,300,000	United States Treasury Bill, 5.25%, 12/28/23	13,129,488
\$16,000,000	United States Treasury Bill, 5.31%, 02/08/24	15,696,636
	TOTAL UNITED STATES TREASURY BILLS (Cost \$43,739,354)	43,742,421
	TOTAL SHORT-TERM INVESTMENTS (Cost \$44,701,274)	44,704,341

See accompanying notes to consolidated financial statements.

NOMURA ALTERNATIVE INCOME FUND
SCHEDULE OF INVESTMENTS (Continued) (Unaudited)
September 30, 2023

	Value
TOTAL INVESTMENTS - 99.8% (Cost \$102,835,551)	\$ 102,667,027
OTHER ASSETS IN EXCESS OF LIABILITIES- 0.2% ^(h)	233,369
NET ASSETS - 100.0%	<u>\$ 102,900,396</u>

OPEN FUTURES CONTRACTS

Number of Contracts	Open Short Futures Contracts	Expiration	Notional Amount	Value and Unrealized Appreciation
9	5 Year US Treasury Note Future	01/02/2024	\$ 948,234	\$ 9,984
	TOTAL FUTURES CONTRACTS			<u>\$ 9,984</u>

LP - Limited Partnership
REMIC - Real Estate Mortgage Investment Conduit

- ^(a) Restricted Security. See Note 2.
^(b) Investment is valued using the Fund's pro rata net asset value (or its equivalent) as a practical expedient.
^(c) Level 3 securities fair valued using significant unobservable inputs. See Note 2.
^(d) Non-controlling affiliated investment for which ownership is 5% or more of the investment's capital.
^(e) The Fund's interest in this investment is held through a wholly-owned subsidiary of the Fund, NAIFF Splitter LLC. See Note 2.
^(f) Variable rate security.
^(g) Rate disclosed is the seven day effective yield as of September 30, 2023.
^(h) Includes cash held as collateral for futures contracts.

Nomura Alternative Income Fund
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (Unaudited)
September 30, 2023

ASSETS

Investments in affiliated securities, at cost	\$	15,050,000
Investments in unaffiliated securities, at cost		87,785,551
Investments in securities, at cost		102,835,551
Investments in affiliated securities, at value		15,000,000
Investments in unaffiliated securities, at value		87,667,027
Total Investments in securities, at value		102,667,027
Collateral Cash for derivative instruments		21,443
Net unrealized appreciation on futures		9,984
Dividends receivable		250,775
Interest receivable		56,480
Prepaid registration expense		21,853
TOTAL ASSETS		103,027,562

LIABILITIES

Legal fees payable		75,516
Audit fees payable		31,762
Administrative services fees payable		9,279
Advisory fees payable		7,556
Accrued expenses and other liabilities		3,053
TOTAL LIABILITIES		127,166

NET ASSETS	\$	102,900,396
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CONTINGENCIES AND COMMITMENTS (NOTE 3)

NET ASSETS CONSIST OF:

Paid in capital	\$	100,572,513
Accumulated earnings		2,327,883

NET ASSETS	\$	102,900,396
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PRICING OF CLASS I SHARES:

Net Assets applicable to Class I Shares	\$	102,900,396
Class I Shares outstanding (\$0 par value, unlimited shares authorized)		10,056,937
Net asset value, offering price and redemption price per share	\$	10.23

See accompanying notes to consolidated financial statements.

Nomura Alternative Income Fund
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
For the Six Months Ended September 30, 2023

INVESTMENT INCOME

Dividend income from unaffiliated investments	\$	699,849
Dividend income from affiliated investments		156,457
Interest		1,802,568
TOTAL INVESTMENT INCOME		2,658,874

EXPENSES

Investment management fees (Note 4)		482,274
Legal fees		159,774
Administrative services fees (Note 4)		68,552
Professional fees (Note 4)		60,057
Trustees fees and expenses		56,251
Audit and tax fees		21,762
Registration fees		17,771
Transfer agent fees		17,159
Printing and postage expenses		9,506
Custodian fees		3,878
Other expenses		6,503
TOTAL EXPENSES		903,487
Less: Fees waived by the Investment Manager (Note 4)		(295,901)
NET EXPENSES		607,586
NET INVESTMENT INCOME		2,051,288

NET REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS

Net realized gain/(loss) on:		
Unaffiliated investments		(52,470)
Futures contracts		25,551
		(26,919)
Net change in unrealized appreciation/(depreciation) on:		
Unaffiliated investments		(76,705)
Affiliated investments		(50,000)
Futures contracts		9,984
		(116,721)

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS (143,640)

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS **\$ 1,907,648**

Nomura Alternative Income Fund
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended September 30, 2023 (Unaudited)	Period* Ended March 31, 2023
INCREASE IN NET ASSETS FROM OPERATIONS		
Net investment income	\$ 2,051,288	\$ 447,784
Net realized gain from investments and futures contracts	(26,919)	5,923
Net change in unrealized depreciation on investments and futures contracts	(116,721)	(41,819)
Net increase in net assets resulting from operations	<u>1,907,648</u>	<u>411,888</u>
CAPITAL SHARE TRANSACTIONS		
Class I:		
Proceeds from shares sold:	<u>580,860</u>	<u>99,900,000</u>
Net increase in Class I net assets from capital share transactions	<u>580,860</u>	<u>99,900,000</u>
TOTAL INCREASE IN NET ASSETS	2,488,508	100,311,888
NET ASSETS		
Beginning of period	<u>100,411,888</u>	<u>100,000</u>
End of period	<u>\$ 102,900,396</u>	<u>\$ 100,411,888</u>
SHARE ACTIVITY		
Class I:		
Beginning of period	10,000,000	10,000
Shares sold	<u>56,937</u>	<u>9,990,000</u>
End of period	<u>10,056,937</u>	<u>10,000,000</u>

* Nomura Alternative Income Fund commenced operations on February 13, 2023.

Nomura Alternative Income Fund
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
For the Six Months Ended September 30, 2023

Cash Flows From Operating Activities:	
Net Increase in Net Assets Resulting From Operations	\$ 1,907,648
Adjustments to Reconcile Net Increase in Net Assets Resulting From Operations to Net Cash Used for Operating Activities:	
Purchases of Long-Term Portfolio Investments	(41,823,397)
Proceeds From Sale of Long-Term Portfolio Investments	2,167,955
Proceeds from paydowns of investments	(5,338)
Net Short Term Investment Purchases (net of amortization)	37,336,399
Net Realized Gain on Investments	52,470
Net Realized Gain on Futures Contracts	(25,551)
Change in Unrealized Depreciation on Investments	76,705
Change in Unrealized Depreciation on Affiliated Investments	50,000
Change in Unrealized Appreciation on Futures Contracts	(9,984)
Net Accretion of Discounts	(857)
Changes in Assets and Liabilities:	
(Increase)/Decrease in Assets:	
Due From Investment Manager	107,685
Dividends and Interest Receivable	(267,945)
Deposits with Broker	(21,443)
Prepaid Expenses and Other Assets	(21,853)
Increase/(Decrease) in Liabilities:	
Audit fees payable	(18,238)
Legal fees payable	(59,390)
Administrative services fees payable	(1,178)
Accrued Advisory Fees	7,556
Other Accrued Expenses	(10,661)
Net Cash Used for Operating Activities	(559,417)
Cash Flows From Financing Activities:	
Proceeds from Shares Issued	580,860
Net Cash Provided by Financing Activities	580,860
Net Increase in Cash	21,443
Cash at Beginning of Period	-
Cash at End of Period	\$ 21,443

See accompanying notes to consolidated financial statements.

Nomura Alternative Income Fund

CONSOLIDATED FINANCIAL HIGHLIGHTS

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout the Period

	Class I	
	Six Months Ended September 30, 2023 (Unaudited)	Period* Ended March 31, 2023
	\$	\$
Net asset value, beginning of period	10.04	10.00
Activity from investment operations:		
Net investment income ^(a)	0.21	0.04
Net realized and unrealized loss on investments	(0.02)	(0.00) ^(b)
Total from investment operations	0.19	0.04
Net asset value, end of period	10.23	10.04
Total return ^{(c)(d)}	1.89%	0.40%
Net assets, end of period (000's)	102,900	100,412
 Ratios and Supplemental Data:		
Ratio of gross expenses to average net assets ^{(e)(f)(g)}	1.78%	3.01%
Ratio of net expenses to average net assets ^{(f)(g)}	1.20%	1.20%
Ratio of net investment income to average net assets ^{(f)(g)(h)}	4.05%	3.47%
Portfolio Turnover Rate ^(d)	6%	0%

* The Nomura Alternative Income Fund commenced operations on February 13, 2023.

^(a) Per share amounts calculated using the average daily shares method, which more appropriately presents the per share data for the period.

^(b) Amount represents less than \$0.005.

^(c) Total return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends and capital gain distributions are reinvested in shares of the Fund. The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions, if any, or the redemption of Fund shares. The returns would have been lower if certain expenses had not been waived or reimbursed by the Investment Manager.

^(d) Not Annualized.

^(e) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the Investment Manager.

^(f) The ratios of expenses and net investment income to average net assets do not reflect the Fund's proportionate share of income and expenses of underlying investment companies in which the Fund invests, including management and performance fees. As of September 30, 2023 the Fund's underlying investment companies included a range of management fee from 0.07% to 1.50% (unaudited) and performance fees from 10% to 20% (unaudited).

^(g) Annualized.

^(h) Recognition of net investment income by the Fund is affected by the timing of declaration of dividends by underlying investment companies in which the Fund invests.

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
September 30, 2023

1. ORGANIZATION

Nomura Alternative Income Fund (the “Fund”) was organized as a Delaware statutory trust on August 24, 2022 and is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”), as a non-diversified, closed-end management investment company that operates as an interval fund with a continuous offering of Fund shares. The primary investment objective of the Fund is to maximize risk-adjusted total return and the Fund will seek to provide current income as a secondary investment objective.

The Fund commenced operations on February 13, 2023. The Fund has been granted exemptive relief (the “Exemptive Relief”) from the Securities and Exchange Commission (the “SEC”) that permits the Fund to issue multiple classes of shares and to impose asset-based distribution fees and early-withdrawal fees. As of September 30, 2023, only Class I Shares were available for purchase. Pursuant to the Exemptive Relief, the Fund will offer Class D Shares and Class A Shares, and may offer additional classes of shares in the future. Please refer to the Fund’s prospectus for additional information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in preparation of its consolidated financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies” including FASB Accounting Standard Update ASU 2013-08.

Fund Valuation – The Fund’s net asset value (“NAV”) per share is calculated, on a class-specific basis, by dividing the value of the Fund’s total assets (the value of the securities the Fund holds plus cash or other assets, including interest accrued but not yet received), less accrued expenses and other liabilities of the Fund by the total number of shares outstanding. During the continuous offering, the price of the shares will increase or decrease on a daily basis according to the NAV of the shares.

Security Valuation – The Fund’s Board of Trustees (the “Board”) has designated Nomura Private Capital LLC (the “Investment Manager” or “Valuation Designee”), the investment manager to the Fund, as the Valuation Designee pursuant to Rule 2a-5 under the 1940 Act to perform the fair value determination relating to any and all Fund investments, subject to the conditions and oversight requirements described in the Fund’s Fair Valuation of Investments Policy. In furtherance of its duties as Valuation Designee, the Investment Manager has formed a valuation committee (the “Valuation Committee”), to perform fair value determinations and oversee the day-to-day functions related to the fair valuation of the Fund’s investments. The Valuation Committee may consult with representatives from the Fund’s outside legal counsel or other third-party consultants in its discussions and deliberations.

Investments in securities that are listed on the New York Stock Exchange (“NYSE”) are valued, except as indicated below, at the last sale price reflected at the close of the NYSE on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day or, if no asked price is available, at the bid price. Securities not listed on the NYSE but listed on other domestic or foreign securities exchanges are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined as reflected on the tape at the close of the exchange representing the principal market for such securities.

Many of the Fund’s portfolio investments are expected to be loans and other securities that are not publicly traded and for which no market based price quotation is available. As a general matter, to value the Fund’s investments, the Investment Manager will use current market values when available, and otherwise value the Fund’s investments with fair value methodologies that the Investment Manager believes to be consistent with those used by the Fund for valuing its investments. These fair value calculations will involve significant professional judgment by the Investment Manager in the application of both observable and unobservable attributes, and it is possible that the fair value determined for a security may differ materially from the value that could be realized upon the sale of the security. There is no single standard for determining fair value of an investment. Likewise, there can be no assurance that the Fund will be able to purchase or sell an investment at the fair value price used to calculate the Fund’s NAV.

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

In validating market quotations, the Valuation Committee considers different factors such as the source and the nature of the quotation in order to determine whether the quotation represents fair value. The Valuation Committee makes use of reputable financial information providers in order to obtain the relevant quotations.

Mutual Funds (including money market funds), business development companies, closed-end funds, exchange-traded funds and other registered and private investment companies in which the Fund invests its assets (collectively “Portfolio Funds”) are generally valued based on the latest NAV reported by the Portfolio Fund’s investment manager (the “Portfolio Fund Manager”). New purchases of Portfolio Funds may be valued at acquisition cost initially until a NAV is provided by the Portfolio Fund’s investment manager (the “Portfolio Fund Manager”). If the NAV of an investment in a Portfolio Fund is not available at the time the Fund is calculating its NAV, the Valuation Committee will consider any cash flows since the reference date of the last NAV reported by the Portfolio Fund Manager by (i) adding the nominal amount of the investment related capital calls and (ii) deducting the nominal amount of investment related distributions from the last NAV reported by the Portfolio Fund Manager.

The Fund utilizes various methods to measure the fair value of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of input are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables summarize the inputs used as of September 30, 2023 for the Fund’s assets measured at fair value:

Assets	Level 1	Level 2	Level 3	Investments Valued Using Practical Expedient	Total
Private Investment Funds	\$ -	\$ -	\$ 12,400,491	\$ 35,024,489	\$ 47,424,980
United States Government & Agencies	-	10,537,706	-	-	10,537,706
Short-Term Investments	961,920	43,742,421	-	-	44,704,341
Futures Contracts	9,984	-	-	-	9,984
Total	\$ 971,904	\$ 54,280,127	\$ 12,400,491	\$ 35,024,489	\$ 102,677,011

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

The following is the fair value measurement of investments that are measured at fair value using the Fund's pro rata NAV (or its equivalent) as a practical expedient:

Private Investment Funds	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (In Days)
ACORE Credit Partners II, LP	\$ 4,205,755	\$ 10,696,033	N/A	N/A
Atalaya A4 Evergreen (Cayman) LP	3,567,090	11,410,878	N/A	N/A
Maranon Senior Credit Strategies Fund XIV, L.P.	15,000,000	5,000,000	Quarterly	90
Medalist Partners Asset-Based Private Credit Fund III	12,251,644	8,034,633	Annually	180 Days
	<u>\$ 35,024,489</u>	<u>\$ 35,141,544</u>		

The organizational documents of the private funds in which the Fund invests typically have set redemption schedules and notification requirements. As such, the Redemption Frequency column above reflects the frequency in which the private fund accepts redemption requests and the Notice Period column reflects the number of days of advanced notice required. While redemptions can be requested at the frequency listed above, there is no guarantee the Fund will be paid all or any of the redemption amount at the time requested.

The changes of fair value of investments for which the Fund has used Level 3 inputs to determine the fair value are as follows:

	Private Investment Funds
Beginning Balance as of March 31, 2023	\$ 12,103,747
Total realized gain/(loss)	-
Change in Unrealized Appreciation/(Depreciation)	-
Purchases or Contributions	12,400,491
Sales or Distributions	-
Transfers out of Level 3 during the period	(12,103,747)
Ending Balance as of September 30, 2023	<u>\$ 12,400,491</u>

Transfers out of Level 3 during the period represent investments that are being measured at fair value using the Fund's pro rata NAV (or its equivalent) as a practical expedient.

The following is a summary of quantitative information about significant unobservable valuation inputs for Level 3 Fair Value Measurements for investments held as of September 30, 2023:

Level 3 Investment^(a)	Fair Value	Valuation Technique	Unobservable Inputs	Range on Inputs
AG Asset Based Credit Fund, L.P.	\$11,000,000 ^(b)	Market Approach	Transaction Price	Not Applicable
Crestline Opportunity Fund V Offshore TE/SWF, L.P.	1,400,491 ^(b)	Market Approach	Transaction Price	Not Applicable

^(a) Refer to the Consolidated Schedule of Investments for classifications of individual securities.

^(b) As there was no range for each significant unobservable input, weighted average is not reported.

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

Restricted Securities – Restricted securities are securities that may be resold only upon registration under federal securities laws or in transactions exempt from such registration. In some cases, the issuer of restricted securities has agreed to register such securities for resale, at the issuer’s expense either upon demand by the Fund or in connection with another registered offering of the securities. Many restricted securities may be resold in the secondary market in transactions exempt from registration. Such restricted securities may be determined to be liquid under criteria established by the Board. The restricted securities may be valued at the price provided by dealers in the secondary market or, if no market prices are available, the fair value as determined in good faith using methods approved by the Board. The Portfolio Funds generally are restricted securities that are subject to substantial holding periods and are not traded in public markets, so that the Fund may not be able to resell some of its investments for extended periods, which may be several years.

Additional information on each restricted investment held by the Fund at September 30, 2023 is as follows:

Security	AcquisitionDate	Cost	Fair Value	% of Net Assets
ACORE Credit Partners II, LP	3/24/2023	\$ 4,294,615	\$ 4,205,755	4.1%
AG Asset Based Credit Fund, L.P.	9/13/2023	11,000,000	11,000,000	10.7%
Atalaya A4 Evergreen (Cayman) LP	4/4/2023	3,589,122	3,567,090	3.5%
Crestline Opportunity Fund Offshore TE/SWF, LP	9/21/2023	1,400,491	1,400,491	1.3%
Maranon Senior Credit Strategies Fund XIV, L.P.	6/1/2023	15,050,000	15,000,000	14.6%
Medalist Partners Asset-Based Private Credit Fund III Onshore Feeder, L.P.	3/21/2023	12,194,311	12,251,644	11.9%
		<u>\$47,528,539</u>	<u>\$ 47,424,980</u>	<u>46.1%</u>

Consolidation of Subsidiary – The Fund has established a limited liability company, NAIF Splitter LLC (“Subsidiary”), which is wholly owned and controlled by the Fund. The Subsidiary is a disregarded entity for tax purposes. The operations of the Subsidiary have been consolidated with the Fund’s for financial reporting purposes. Accordingly, all inter-company transactions and balances have been eliminated.

Futures – The Fund is subject to equity price risk in the normal course of pursuing its investment objectives. To manage equity price risk, the Fund may enter into futures contracts. Upon entering a futures contract with a broker, the Fund deposits a “cash deposit” with the broker as recorded in the accompanying Consolidated Statements of Assets and Liabilities. Futures contracts are marked-to-market daily and subsequent daily payments (variation margin) are made or received by a fund depending on the daily fluctuations in the value of the futures contracts and are recorded as unrealized appreciation or (depreciation). This receivable and/or payable, if any, is included in daily variation margin on futures contracts in the Consolidated Statement of Assets and Liabilities. When a contract is closed, the Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with changes in the value of the underlying securities. With futures contracts, there is minimal counterparty credit risk to the Fund since futures are exchange traded and the exchange’s clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Futures contracts outstanding at year end are listed after the Fund’s Consolidated Schedule of Investments.

For the six months ended September 30, 2023, the Fund had realized gains of \$25,551 from futures contract subject to equity price risk as disclosed in the Consolidated Statement of Operations. As of September 30, 2023, the Fund had an unrealized appreciation of \$9,984 from futures subject to equity price risk as disclosed in the Consolidated Statement of Operations.

Cash and Cash Equivalents – The Fund places its cash with one banking institution, which is insured by the Federal Deposit Insurance Corporation (“FDIC”). The FDIC limit is \$250,000. At various times throughout the year, the amount on deposit may exceed the FDIC limit and subject the Fund to a credit risk. The Fund does not believe that such deposits are subject to any unusual risk associated with investment activities.

Security Transactions and Investment Income – Investment security transactions are accounted for on a trade date basis. Cost is determined and gains and losses are based upon the specific identification method for both financial statement and federal income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Purchase discounts and premiums on securities are accreted and amortized over the life of the respective securities.

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

Federal Income Taxes - The Fund recognizes the tax benefits of uncertain tax positions only when the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has reviewed the tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions expected to be taken in the Fund's September 30, 2023 year-end tax return. Generally, tax authorities can examine tax returns filed for the last three tax years. The Fund identifies its major tax jurisdictions as U.S. Federal, state, local and foreign, where applicable. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Consolidated Statement of Operations. During the tax year ended September 30, 2023, the Fund did not incur any interest or penalties.

Distributions to Shareholders – Distributions from investment income are declared and recorded on a daily basis and paid quarterly. Distributions from net realized capital gains, if any, are declared and paid annually and are recorded on the ex-dividend date. The character of income and gains to be distributed is determined in accordance with income tax regulations, which may differ from GAAP. These “book/tax” differences are considered either temporary (e.g., deferred losses) or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences do not require reclassification.

All or a portion of a distribution may consist of return of capital, shareholders should not assume that the source of a distribution is net income. As of September 30, 2023, the Fund had not declared or recorded a distribution.

Indemnification – The Fund indemnifies its officers and trustees for certain liabilities that may arise from the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss due to these warranties and indemnities to be remote.

3. CONTINGENCIES AND COMMITMENTS

As of September 30, 2023, the Fund had unfunded commitments and/or contingencies as follows:

Portfolio Fund	Fair Value	Unfunded Commitments
Investments valued at NAV as a practical expedient*	\$ 35,024,489	\$ 35,141,544
AG Asset Based Credit Fund, L.P.	11,000,000	9,000,000
Crestline Opportunity Fund Offshore TE/SWF, LP	1,400,491	3,634,542
	<u>\$ 47,424,980</u>	<u>\$ 47,776,086</u>

* See Note 2 for investments valued at NAV as a practical expedient.

Typically, when the Fund invests in a private investment fund, it makes a binding commitment to invest a specified amount of capital in the applicable private fund. The capital commitment may be drawn by the general partner of the private fund either all at once, or over time through a series of capital calls at the discretion of the general partner. As such, the unfunded commitments column above reflects the remaining amount of the Fund’s commitments to be called by the general partner of the private fund. At September 30, 2023, the Fund reasonably believes its assets will provide adequate cover to satisfy all its unfunded commitments.

4. INVESTMENT MANAGEMENT AGREEMENT AND TRANSACTIONS WITH RELATED PARTIES

Investment Management Fees – Nomura Private Capital LLC (the “Investment Manager”) serves as the Fund’s investment manager. Pursuant to an investment management agreement with the Fund, the Investment Manager, under the oversight of the Board, directs the daily operations of the Fund and supervises the performance of administrative and professional services provided by others. As compensation for these services and the related expenses borne by the Investment Manager, the Fund has agreed to pay the Investment Manager as compensation under the Investment Management Agreement a fee consisting of two components — a base management fee (the “Management Fee”) and, if earned, an incentive fee (the “Incentive Fee”). The base management fee is calculated and payable monthly in arrears at the annual rate of 0.95% of the Fund’s average daily net assets.

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

During the six months ended September 30, 2023, the Fund accrued \$482,274 of management fees included in due from manager on the Consolidated Statement of Assets and Liabilities.

The incentive fee is calculated and payable quarterly in arrears based upon the Fund’s “Pre-Incentive Fee Net Investment Income” (as defined below) for the immediately preceding quarter, and is calculated as follows:

- No incentive fee is payable in any fiscal quarter in which the Pre-Incentive Fee Net Investment Income attributable to the Class does not exceed a quarterly return of 1.50% per quarter based on the Class’s average daily net assets (calculated in accordance with GAAP) (the “Quarterly Return”).
- All Pre-Incentive Fee Net Investment Income attributable to the Class (if any) that exceeds the Quarterly Return, but is less than or equal to 1.765% of the average daily net assets of that Class (calculated in accordance with GAAP) for the fiscal quarter will be payable to the Investment Manager.
- For any fiscal quarter in which Pre-Incentive Fee Net Investment Income attributable to the Class exceeds 1.765% of the Class’s average daily net assets (calculated in accordance with GAAP), the Incentive Fee with respect to that Class will equal 15% of Pre-Incentive Fee Net Investment Income attributable to the Class.

“Pre-Incentive Fee Net Investment Income” for a Class means interest income, dividend income and any other income accrued (including any other fees, such as commitment, origination, structuring, diligence and consulting fees or other fees that the Fund receives from an investment) during the fiscal quarter and allocated to the Class, minus the Class’s operating expenses for the quarter and the distribution and/or shareholder servicing fees (if any) applicable to the Class accrued during the quarter. For such purposes, the Fund’s operating expenses will include the Management Fee but will exclude the Incentive Fee. Pre-Incentive Fee Net Investment Income does not include income earned on short-term investments or investments in underlying private funds but does include income on investments in all other Portfolio Funds.

The Investment Manager has entered into an expense limitation and reimbursement agreement (the “Expense Limitation and Reimbursement Agreement”) with the Fund, whereby the Investment Manager has agreed to waive fees that it would otherwise have been paid, and/or to assume expenses of the Fund (a “Waiver”), if required to ensure the Total Annual Expenses (excluding any taxes, fees and interest payments on borrowed funds, distribution and servicing fees, brokerage and distribution costs and expenses, acquired fund fees and expenses (as determined in accordance with SEC Form N-2), the Incentive Fee, expenses incurred in connection with any merger or reorganization, and extraordinary or non-routine expenses, such as litigation expenses) do not exceed 1.20% of the average daily net assets of Class I Shares (the “Expense Limit”) at least until March 24, 2024. For a period not to exceed three years from the date on which a Waiver is made, the Investment Manager may recoup amounts waived or assumed, provided it is able to effect such recoupment and remain in compliance with the Expense Limit in place at the time of the Waiver and any then-existing expense limit.

During the six months ended September 30, 2023 the Investment Manager waived fees and reimbursed the Fund for expenses in the amount of \$295,901.

Cumulative waivers and expense reimbursements subject to the aforementioned recoupment will expire on March 31 of the following year:

2026	\$233,524
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PINE Advisors LLC (“PINE”) – PINE provides compliance and treasury services to the Fund pursuant to service agreements. In consideration for these services and as disclosed in the Consolidated Statement of Operations, PINE is paid a monthly fee out of the assets of the Fund. The Fund also reimburses PINE for certain out-of-pocket expenses.

Ultimus Fund Solutions, LLC (“UFS”) – UFS, provides administration, fund accounting, and transfer agent services to the Fund. Pursuant to separate servicing agreements with UFS and as disclosed in the Consolidated Statement of Operations, the Fund pays UFS customary fees for providing administration, fund accounting and transfer agency services to the Fund. Certain officers of the Fund are also officers of UFS and are not paid any fees directly by the Fund for servicing in such capacities.

In addition, an affiliate of UFS provide services to the Fund as follows:

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

Blu Giant, LLC (“Blu Giant”) – Blu Giant, an affiliate of UFS and the Distributor, provides EDGAR conversion and filing services as well as print management services for the Fund on an ad-hoc basis. For the provision of these services, Blu Giant receives customary fees from the Fund.

Distributor – The distributor of the Fund is Foreside Financial Services, LLC (the “Distributor”). Under a distribution agreement with the Fund, the Distributor acts as the agent of the Fund in connection with the continuous offering of shares of the Fund. The Distributor continually distributes shares of the Fund on a best-efforts basis. The Distributor has no obligation to sell any specific quantity of Fund shares. The Distributor and its officers have no role in determining the investment policies or which securities are to be purchased or sold by the Fund.

The Distributor may enter into agreements with selected broker-dealers, banks or other financial intermediaries for distribution of shares of the Fund. With respect to certain financial intermediaries and related fund “supermarket” platform arrangements, the Fund and/or the Investment Manager typically enter into such agreements alongside the Distributor. These financial intermediaries may charge a fee for their services and may receive shareholder service or other fees from parties other than the Distributor. These financial intermediaries may otherwise act as processing agents and are responsible for promptly transmitting purchase, redemption and other requests to the Fund.

During the six months ended September 30, 2023, the Fund did not pay distribution related charges pursuant to the distribution agreement.

5. INVESTMENT TRANSACTIONS

The cost of purchases and proceeds from the sale of securities, other than short-term securities, for the six months ended September 30, 2023, was as follows:

	Purchases	Sales
Non-U.S. Government Securities	\$36,014,936	\$590,154
U.S. Government Securities	5,088,451	1,577,801
Total	\$41,103,387	\$ 2,167,955

6. RISK FACTORS

Risk is inherent in all investing. The value of your investment in the Fund, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. The following list is not intended to be a comprehensive listing of all the potential risks associated with the Fund. The Fund’s prospectus provides further details regarding the Fund’s risks and considerations.

Liquidity Risk – There is currently no secondary market for the shares and the Fund expects that no secondary market will develop. Limited liquidity is provided to shareholders only through the Fund’s quarterly repurchase offers for no less than 5% of the shares outstanding at NAV. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer. The Fund’s structured notes and other investments are also subject to liquidity risk. Liquidity risk exists when investments of the Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

Market Risk - An investment in Fund shares is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in Fund shares represents an indirect investment in the securities owned by the Fund. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The value of your shares at any point in time may be worth less than the value of your original investment, even after taking into account any reinvestment of dividends and distributions.

The Fund and the Investment Manager have in place business continuity plans reasonably designed to ensure that they maintain normal business operations, and that the Fund, its portfolio and assets are protected. However, in the event of a pandemic or an outbreak, such as COVID-19, there can be no assurance that the Fund, its investment manager and service providers, or the Fund’s portfolio companies, will be able to maintain normal business operations for an extended period of time or will not lose

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

the services of key personnel on a temporary or long-term basis due to illness or other reasons. A pandemic or other outbreak of disease could also impair the information technology and other operational systems upon which the Fund's Investment Manager relies and could otherwise disrupt the ability of the Fund's service providers to perform essential tasks.

No Operating History - The Fund was organized on August 24, 2022 and had no operations until February 13, 2023. The Fund may not succeed in meeting its objective, and its NAV may decrease. As a new fund, there is no assurance that the Fund will grow or maintain an economically viable size, which may result in increased Fund expenses or a determination to liquidate the Fund.

Private Investment Fund Risk - The Fund may invest in private investment funds that are not registered as investment companies. As a result, the Fund as an investor in these funds would not have the benefit of certain protections afforded to investors in registered investment companies. The Fund may not have the same amount of information about the identity, value, or performance of the private investment funds' investments as such private investment funds' managers. Investments in private investment funds generally will be illiquid and generally may not be transferred without the consent of the fund. The Fund may be unable to liquidate its investment in a private investment fund when desired (and may incur losses as a result) or may be required to sell such investment regardless of whether it desires to do so. Upon its withdrawal of all or a portion of its interest in a private investment fund, the Fund may receive securities that are illiquid or difficult to value. The Fund may not be able to withdraw from a private investment fund except at certain designated times, thereby limiting the ability of the Fund to withdraw assets from the private fund due to poor performance or other reasons. The fees paid by private investment funds to their advisers and general partners or managing members often are higher than those paid by registered funds and generally include a percentage of gains. The Fund will bear its proportionate share of the management fees and other expenses that are charged by a private investment fund in addition to the management fees and other expenses paid by the Fund. Certain private investment funds may be newly formed entities that have no operating histories.

Valuation Risk - Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for most of the Fund's investments to trade. Due to the lack of centralized information and trading, the valuation of loans or fixed-income instruments may result in more risk than that of common stock. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing. In addition, other market participants may value securities differently than the Fund. As a result, the Fund may be subject to the risk that when an instrument is sold in the market, the amount received by the Fund is less than the value of such loans or fixed-income instruments carried on the Fund's books.

Shareholders should recognize that valuations of illiquid assets involve various judgments and consideration of factors that may be subjective. As a result, the NAV of the Fund, as determined based on the fair value of its investments, may vary from the amount ultimately received by the Fund from its investments. This could adversely affect shareholders whose shares are repurchased as well as new shareholders and remaining shareholders. For example, in certain cases, the Fund might receive less than the fair value of its investment, resulting in a dilution of the value of the shares of shareholders who do not tender their shares in any coincident tender offer and a windfall to tendering shareholders; in other cases, the Fund might receive more than the fair value of its investment, resulting in a windfall to shareholders remaining in the Fund, but a shortfall to tendering shareholders.

Risk of Bank Impairment Failure - The impairment or failure of one or more banks with whom the Fund transacts may inhibit the Fund's ability to access depository accounts. In such cases, the Fund may be forced to delay or forgo investments, resulting in lower Fund performance. In the event of such a failure of a banking institution where the Fund holds depository accounts, access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may not be available for balances in excess of amounts insured by the FDIC. In such instances, the Fund may not recover such excess, uninsured amounts.

7. CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a portfolio creates a presumption of control of the portfolio under section 2(a)(9) of the 1940 Act. As of September 30, 2023, Nomura Holding America Inc. held 99.4% of the Fund and may be deemed to control the Fund.

Nomura Alternative Income Fund
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
September 30, 2023

8. AFFILIATED INVESTMENTS

Issuers that are considered affiliates, as defined in Section 2(a)(3) of the 1940 Act, of the Fund at period-end are noted in the Fund’s Schedule of Investments. The table below reflects transactions during the period with entities that are non-controlling affiliates as of September 30, 2023.

Affiliated Holding	Value at 3/31/2023	Purchases	Sale Proceeds	Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 9/30/2023	Shares at 9/30/2023	Income
Maranon Senior Credit Strategies Fund XIV, L.P.	\$ -	\$ 15,050,000	\$ -	\$ -	\$ (50,000)	\$ 15,000,000	-	\$ 156,457

9. TAX BASIS INFORMATION

The Fund has selected a tax year end of September 30. The Fund intends to elect to be treated as a registered investment company (“RIC”) for U.S. federal income tax purposes and expects each year to continue to qualify as a RIC for U.S. federal income tax purposes. As such, the Fund generally will not be subject to U.S. federal corporate income tax, provided that it distributes all of its net taxable income and gains each year. As of September 30, 2023, the Fund continues to qualify as a regulated investment company.

To avoid imposition of the excise tax applicable to regulated investment companies, it is also the Fund’s intention to declare as dividends in each calendar year at least 98% of its net investment income (earned during the calendar year) and 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts from prior years.

As of September 30, 2023, the Fund has not made a distribution to shareholders.

The difference between book basis and tax basis undistributed net investment income and unrealized appreciation(depreciation) from investments is primarily attributable to the tax adjustments for partnerships.

Capital losses incurred after October 31 within the fiscal year are deemed to arise on the first business day of the following fiscal year for tax purposes. The Fund incurred and elected to defer such capital losses of \$11,550.

Permanent book and tax differences, primarily attributable to the book/tax basis treatment of non-deductible expenses, resulted in reclassifications for the Fund for the tax period ended September 30, 2023 and had no effect on operations or net assets were as follows:

<u>Paid in Capital</u>	<u>Distributable Earnings</u>
\$ (8,347)	\$ 8,347

The following information is computed on a tax basis for each item as of September 30, 2023:

Cost for Federal Tax purposes	\$ 101,989,228
Unrealized Appreciation	\$ 1,088,860
Unrealized Depreciation	(401,077)
Tax Net Unrealized Appreciation	687,783
Undistributed Ordinary Income	1,651,650
Total	2,339,433

Nomura Alternative Income Fund

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

September 30, 2023

10. REPURCHASE OFFERS

Pursuant to Rule 23c-3 under the Investment Company Act of 1940, as amended, the Fund offers shareholders on a quarterly basis the option of redeeming shares, at NAV, of no less than 5% and no more than 25% of the shares outstanding. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer, although each shareholder will have the right to require the Fund to purchase up to and including 5% of such shareholder's shares in each quarterly repurchase. Limited liquidity will be provided to shareholders only through the Fund's quarterly repurchases.

During the six months ended September 30, 2023, the Fund completed one quarterly repurchase offer. In this offer, the Fund offered to repurchase up to 5% of its issued and outstanding Shares at a price equal to the NAV as of the Repurchase Pricing Date. The results of the completed repurchase offer was as follows:

	<u>Commencement</u> <u>Date</u>	<u>Repurchase Request</u> <u>Deadline</u>	<u>Repurchase Pricing</u> <u>Date</u>	<u>Net Asset</u> <u>Value as of</u> <u>Repurchase</u> <u>Offer Date</u>	<u>Amount</u> <u>Repurchased</u>	<u>Percentage of</u> <u>Outstanding</u> <u>Shares</u> <u>Repurchased</u>
Repurchase Offer #1	July 24, 2023	August 24, 2023	August 24, 2023	\$ 10.17	\$ -	0.00%

11. SUBSEQUENT EVENTS

Subsequent events after the date of the Consolidated Statement of Assets and Liabilities have been evaluated through the date the consolidated financial statements were issued. Management has determined that no events or transactions occurred requiring adjustment or disclosure in the consolidated financial statements.

PRIVACY NOTICE

FACTS	WHAT DOES THE NOMURA ALTERNATIVE INCOME FUND DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depends on the product or service you have with us. This information can include:
	<ul style="list-style-type: none"> • Name, Address, Social Security number
	<ul style="list-style-type: none"> • Proprietary information regarding your beneficiaries
	<ul style="list-style-type: none"> • Information regarding your earned wages and other sources of income
	When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons the Nomura Alternative Income Fund chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does the Fund share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates to support everyday business functions - information about your transactions supported by law	Yes	No
For our affiliates' everyday business purposes – Information about your creditworthiness	No	We don't share
For non-affiliates to market to you	No	We don't share

PRIVACY NOTICE

Questions? Call us at: 833-836-0206

<i>Who are we</i>	
Who is providing this notice?	Nomura Alternative Income Fund
<i>What we do</i>	
How does Nomura Alternative Income Fund protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
Why does Nomura Alternative Income Fund collect my personal information?	<p>We collect your personal information, for example</p> <ul style="list-style-type: none"> • To know investors’ identities and thereby prevent unauthorized access to confidential information; • To design and improve the products and services we offer to investors; • To comply with the laws and regulations that govern us.
Why can’t I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • sharing for affiliates’ everyday business purposes – information about your creditworthiness • affiliates from using your information to market to you • sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<i>Definitions</i>	
Affiliates	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> • Nomura Alternative Income Fund has affiliates.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • Nomura Alternative Income Fund does not share with nonaffiliates so they can market to you.
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Nomura Alternative Income Fund doesn’t jointly market.

PROXY VOTING POLICY

Information regarding how the Fund voted proxies for the most recent twelve month period ended June 30 as well as a description of the policies and procedures that the Fund uses to determine how to vote proxies is available without charge, upon request, by calling 1-877-910-4232 or by referring to the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to Form N-PORT. Form N-PORT are available on the SEC's website at <http://www.sec.gov>. The information on Form N-PORT is available without charge, upon request, by calling 1-877-910-4232.

INVESTMENT MANAGER

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Worldwide Plaza, 309 West 49th Street
New York, New York 10019-7316

**ADMINISTRATOR, ACCOUNTING
AND TRANSFER AGENT**

Ultimus Fund Solutions, LLC
4221 North 203rd Street, Suite 100
Elkhorn, NE 68022

**INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

Cohen & Company Ltd.
1835 Market St., Suite 310
Philadelphia, PA 19103

LEGAL COUNSEL

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Philadelphia, PA 19103

CUSTODIAN

U.S. Bank, N.A.
1555 N. Rivercenter Drive, Suite 302
Milwaukee, WI 53212

INDEPENDENT TRUSTEES

Katherine Q. Rosa
Michael Falcon
David Brigstocke

PRESIDENT AND INTERESTED TRUSTEE

Robert Stark

PRINCIPAL FINANCIAL OFFICER AND TREASURER

Madeline Arment

CHIEF COMPLIANCE OFFICER

Alexander Woodcock