NOMURA | ASSET MANAGEMENT

Policy and Context Disclosure

UK Stewardship Code 2026

Nomura Asset Management U.K. Limited

April 2026

For your reference, the following definitions will be used throughout this document:

"Nomura AM" "Nomura AM Tokyo"	This refers to Nomura Asset Management Co., Ltd., the Head Office of the Nomura AM based in Tokyo, Japan. Any references to “we”, “us” or “our” within this Report are references to Nomura Asset Management Co., Ltd. (Nomura AM) unless otherwise specified.
"Nomura AM Group"	These references relate to the whole Nomura Asset Management organisation and will generally be used when referring to matters such as investment philosophy, style, company structure and other policies which are consistent across the Group.
"Nomura AM UK"	This refers to Nomura Asset Management U.K. Limited, the UK based subsidiary of Nomura AM.

NOMURA

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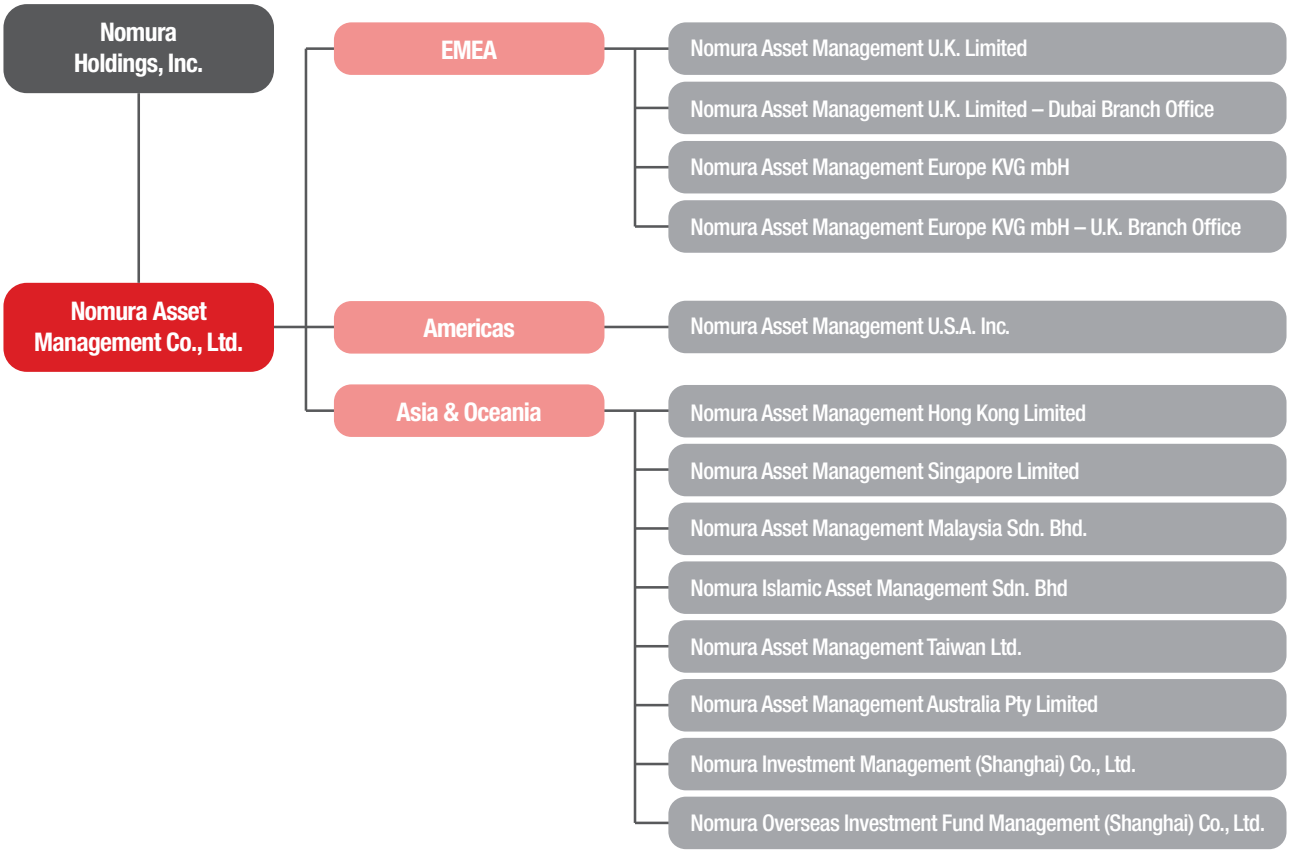
Introductory Statement

The UK Stewardship Code 2026 represents the latest evolution of the Financial Reporting Council ('FRC's') framework for promoting effective stewardship by institutional investors and asset managers. Within the 2026 version of the UK Stewardship Code, the FRC updated the definition of stewardship as the "responsible allocation, management, and oversight of capital to create long-term sustainable value for clients and beneficiaries". Building upon previous iterations, this code emphasises the responsibility of investment intermediaries to exercise stewardship over the companies and assets in which they invest on behalf of their beneficiaries and clients

Nomura Asset Management Co., Ltd. ('Nomura AM'), a wholly owned subsidiary of Nomura Holdings, Inc., represents a part of the Investment Management division of the Nomura Group of companies ('Nomura Group'). It was established in 1959 and is now one of Japan's largest independent investment managers and one of the industry's leading global players.



Headquartered in Tokyo, Nomura AM is a leading global investment manager that has dedicated investment management operations globally, providing its clients with a wide range of innovative investment strategies including global, regional and single country equities and fixed income (both active and passive) and alternative asset strategies. Nomura AM strives to provide high quality asset management products and services to retail investors as well as institutional investors including public and private pension funds, governments and central banks, commercial banks and insurance companies and business enterprises.

Nomura Asset Management U.K. Limited ('Nomura AM UK'), a London-based subsidiary of Nomura AM, is authorised and regulated by the UK Financial Conduct Authority ('FCA') and has been a signatory to the UK Stewardship Code (the 'Code') since the Code was first introduced in 2010. Nomura AM UK plays an important role in sustainability and ESG discussions within Nomura AM with its expertise in and understanding of European / UK regulations, best practices and market expectations.

Following the FRC's guideline on the updated UK Stewardship Code 2026, this Policy and Context Disclosure ('Disclosure') aims to provide details on Nomura AM, its governance, resourcing and policies around its stewardship approach, with particular focus placed on its UK subsidiary, Nomura AM UK, as a signatory to the Code and at the forefront of Nomura AM's global sustainability and ESG efforts as a subsidiary located in Europe. The Disclosure is approved by the Board of Directors as of 30 April 2026.

A separate Activities and Outcomes Report is published on an annual basis, providing details on how Nomura AM UK, its Nomura AM affiliates and investment teams have applied the Principles of the Code through activities undertaken in the reporting period and the outcomes of these activities.

Given Nomura AM's global footprint, factors such as client sustainability preferences, different regulatory landscapes and varying degrees of maturity around sustainability and stewardship approaches may give rise to regional nuances in processes and initiatives. Nomura AM, headquartered in Tokyo, sets the overarching direction of strategies including on stewardship for subsidiaries including Nomura AM UK to follow. On the other hand, Nomura AM UK might spearhead some initiatives in accordance with best practices in the local and/or broader regional markets.

In addition, Nomura AM's investment teams[1] operate under a multi-boutique approach, where stewardship activities may vary based on investment strategies, asset classes (e.g. holdings in fixed income securities post-investment might have less influence than equities) and local environments of underlying assets. Within the disclosures under the UK Stewardship Code 2026, Nomura AM UK is mindful to disclose the contents proportionately to asset mix. However, certain strategy- or asset class- specific approaches are noteworthy in the sense that they can lead the firm-level stewardship activities as a best practice even if the scope of such approaches is currently limited. In these instances, the scope of such approaches is indicated to clarify that they are not necessarily representing the firm-wide stewardship approaches.

On 1st December 2025, Nomura Group completed the acquisition of Macquarie Asset Management's US and EMEA public investments business. More details are shown on page 4 of this Disclosure.

Disclosure Approval:

This Policy and Context Disclosure has been reviewed and approved by the Board of Nomura Asset Management U.K. Limited.

Signed:

Dr. Constant Eduard Maria Beckers
Chairman, Nomura Asset Management U.K. Limited.

Date: 30 April 2026

1. As a UK authorised firm, Nomura AM UK commits to the UK Stewardship Code in its own right. Throughout this Disclosure and the annual publication of the Activities and Outcomes Report, stewardship approaches of certain asset classes, strategies and investment teams associated with other Nomura AM entities may be reported, where appropriate.

A – Organisation, investment beliefs and stewardship approach

(I) Organisation Overview

Nomura AM

Nomura AM represents a part of the Investment Management division of the Nomura Group and is a leading global investment manager with a history spanning over 60 years and AUM of JPY 108.4 trillion*. Headquartered in Tokyo, it has offices across the world including London, New York, Singapore, Hong Kong, Shanghai, Taipei, Kuala Lumpur and Frankfurt with a global workforce of over 1,500* employees. Nomura AM offers its clients an extensive array of innovative investment strategies including global, regional and single country equities and fixed income (both active and passive) and alternative asset strategies. Nomura AM serves a broad investor base: retail investors as well as institutional investors including pension funds, sovereign funds, financial institutions and wealth managers.

* As of December 31, 2025.

Nomura AM UK

Nomura AM UK, the London-based subsidiary of Nomura AM, offers flagship UCITS funds that drive Nomura AM's overseas businesses outside of Japan, in addition to offering segregated accounts that can be customised for various requirements of its clients.

Nomura AM UK acts as the Investment Manager to the Nomura Funds Ireland ('NFI') UCITS funds which are domiciled in Ireland and authorised by the Central Bank of Ireland, with the management of some of the sub funds delegated to other Nomura AM affiliates, other entities in the Nomura Group or Nomura Group's strategic partner.

Other Nomura AM affiliates

Nomura AM believes in regional management of investment portfolios through dedicated centres of expertise. We implement cross-border delegation arrangements whereby the locally contracted Nomura AM offices delegate portfolio management functions to the respective regional Nomura AM entities where relevant investment expertise is based. For more details, please see the organisation chart under Introductory Statement.

Other Nomura affiliates

As part of the Investment Management division, Nomura Group has several firms and a strategic partner as described below.

Nomura Corporate Research and Asset Management ('NCRAM')

NCRAM is a wholly-owned subsidiary of Nomura Holding America Inc. under Nomura Holdings, Inc. that specialises in the sub-investment grade credit market, offering investment capabilities in US, Euro and global high yield debts, leveraged loans and emerging market debts. The entity acts as a sub-investment manager to the NFI UCITS fund range of Nomura AM UK.
For more details, please visit https://nomuraassetmanagement.com/ncram

Strategic Partner: American Century Investments ('ACI')

Nomura Holdings, Inc. holds a non-controlling 41% interest in ACI. Founded more than 65 years ago by Jim Stowers, Jr as a small firm offering only two mutual funds, it is now a leading global asset manager, serving financial intermediaries, institutional clients and individual investors. ACI acts as a sub-investment manager to several funds under Nomura AM UK's NFI UCITS fund range including global and emerging markets equities. For more details, please visit https://www.americancentury.com/home/

Recent acquisition – Macquarie Asset Management

On 1st December 2025, Nomura Group completed the acquisition of Macquarie Asset Management's US and EMEA public investments business. As at 31 December 2025, the former Macquarie Asset Management's US and EMEA public investments business operates as Nomura Asset Management International ('Nomura AM International') under the ownership of Nomura Holdings America Inc. Nomura AM International also houses Nomura Group's existing private markets (Nomura Capital Management, 'NCM') and high yield (NCRAM) businesses in the US.
For more details, please visit https://global.nomuraassetmanagement.com/

(II) Purpose and Values

Nomura Group's commitment to society and clients is rooted in the Founder's Principles, which remain central to the group's operations today. The Nomura Group Corporate Philosophy articulates its purpose, sets out its vision and clarifies the unchanging values of Nomura Group that underpin the activities of the group.

The Nomura Group Code of Conduct represents the group's commitment to upholding the highest standards of integrity and putting its core values into action through entrepreneurial leadership, teamwork and integrity.

Further details of Nomura Group Founder's Principles can be found at:
https://www.nomuraholdings.com/en/company/basic/foundation.html

For further details on the Corporate Philosophy and Code of Conduct, please visit:
https://www.nomuraholdings.com/en/company/basic.html

The Nomura Group Founder's Principles, Corporate Philosophy and Code of Conduct collectively serve as the blueprint for more than 1,500 dedicated employees at 14 offices within Nomura AM globally, aiming to deliver investment outcomes that best serve clients' long-term interests, backed by rigorous research and analysis, and executed whilst upholding the highest standards of integrity.

(III) Client Base and Assets Under Management

Nomura Asset Management (Nomura AM)

As of 31 December 2025, Nomura AM's Assets Under Management ('AUM') were $695 billion, which are comprised of investment strategies including global, regional and single country equities and fixed income (both active and passive) and alternative asset strategies. The AUM of Nomura AM UK as at 31 March 2025 was approximately £29.9 billion in total.

Nomura AM's global platform and diverse investment capabilities have attracted a wide client base including retail investors as well as institutional investors such as pension funds, sovereign funds, financial institutions and wealth managers.

US$ 695 bn AUM*	1,560 Number of employees	1959 Year of establishment
14 Number of global offices	458 Number of investment and research staff	

Data as of December 31, 2025. *AUM exchange rate using ¥108.4trn JPY to $1=¥156.05.

Nomura AM UK's clients span UK and European pension funds, government agencies, corporate clients and funds throughout Europe, the Middle East, Asia and the Americas.

(IV) Investment Capabilities

Main Investment Strategies at Nomura AM

Equity

Global

Global Multi-Theme Strategy
Global High Conviction
Global Quality Select
Global Sustainable Equity

Asia

Asia ex Japan
Asia Pacific ex Japan
Asia ex Japan High Conviction
India Equity
China Equity
Asia ex Japan Small Cap
Asia Sustainable Equity

Japan

Japan Active Core
Japan High Conviction
Japan Active Growth
Japan Strategic Value
Japan Active Small Cap
Japan Large Cap Growth
Japan Sustainable Equity Growth
Japan Sustainable Equity Core

Fixed Income

Global

Global Dynamic Bonds (Unconstrained Fixed Income)
Corporate Hybrid Bonds
Global Government Bonds
Global Bond Aggregate
Global Bond Active

Asia/Emerging Market

Asian Local Currency Bonds
Asia High Yield Bonds
Asia Investment Grade Bonds
Emerging Market Local Currency Debt
Japanese Yen Bonds

High Yield

US High Yield Bonds
Global High Yield Bonds
European High Yield Bonds
Emerging Sovereign Hard Currency Debt

Inflation Linked Bonds

All Maturity
Medium Term

Alternatives

Absolute Return

Japan Dual Alpha: Long/Short Strategy (100/100)
Japan Dual Alpha II: Long/Short Strategy (100/100)
Japan Advanced Alpha: Long/Short Strategy

Smart Beta

Global

Nomura RAFI® Equity
Investment & Profitability Strategy (Quality Focus)
Minimum Volatility Strategy

Multi-Assets

Multi-Assets

Smart Premium
All Weather Strategy

Nomura AM globally employs more than 450 investment professionals, whose investment experience averages 13 years[2]. Nomura AM's expertise enables it to offer a comprehensive range of investment strategies across different asset classes, supported by rigorous research and analysis and a global vision.

As mentioned under the introductory statement of this Disclosure, Nomura AM's investment teams operate under a multi-boutique approach, where stewardship activities may vary based on investment strategies, asset classes and local environments of underlying assets. Therefore, reporting against each Principle under this Disclosure, and the annually published Activities and Outcomes Report, are not intended to be encompassing of all strategies or representing a single firm-wide approach.

Nomura AM UK, which houses several investment teams in its London office, manages the NFI UCITS funds and segregated mandates. The NFI UCITS funds offer investment strategies including global and regional equities, global unconstrained fixed income, corporate hybrid bonds, high yield bonds and Japanese equities. Some of these are delegated to other investment teams within Nomura AM, NCRAM and Nomura Group's strategic partner, ACI. For a comprehensive view of details of each of the investment strategies, please visit the following link: https://www.nomura-asset.co.uk/funds/fund-range/

2. Investment professionals are investment and research staff. Data as of 31 December 2025.

(V) Stewardship approach

Nomura AM's diverse client base and global investment scope inform its stewardship approach in several key ways:

- **Long-term Value Creation**
  Given the medium to long-term investment horizons of clients, Nomura AM's stewardship activities focus on sustainable value creation rather than short-term gains. We believe that companies addressing ESG issues effectively are better positioned to deliver sustainable returns over time.

- **Global Perspective with Local Expertise**
  Nomura AM's international client base and investment reach require a good understanding of regional differences in governance practices, regulatory environments, and stakeholder expectations. Nomura AM's global perspective, combined with local expertise through its regional offices, enables effective engagement across different markets.

- **Asset Class Specific Stewardship**
  Nomura AM's diversified asset class exposure necessitates tailored stewardship approaches across different markets - from proxy voting and engagement for equity holdings to covenant negotiations and sustainability-linked terms for fixed income investments.

- **Client-Driven Priorities**
  Nomura AM recognises that different clients may have varying sustainability priorities and requirements. Its stewardship approach is flexible enough to accommodate specific client mandates whilst maintaining its core commitment to responsible investment principles.

Nomura AM believes that engagement is an integral part of its research and investment. Engagement, or constructive dialogue with investee companies, can enhance understanding of investee companies and act as a driver to encourage positive changes. Focused topics for engagement include climate-related disclosures and setting climate targets approved by the Science Based Target initiative (SBTi). Depending on asset classes, strategies and targeted sustainability outcomes, some engagement activities are conducted by a dedicated team of engagement specialists and others are conducted by analysts and/or portfolio managers. Whilst the approaches taken may vary, all engagement activities follow Nomura AM's Basic Principles of Engagement (https://global.nomura-am.co.jp/responsibility-investment/engagement.html).

Alongside engagement, Nomura AM believes that proxy voting is a critical tool to fulfil its fiduciary duty to encourage investee companies to enhance corporate value. Nomura AM's Global Proxy Voting Policy and specific Proxy Voting Standard for Japanese Companies are used as a basis for judgement. In exercising proxy voting rights, Nomura AM takes into account ESG factors including climate-related disclosures and commitments and takes appropriate decisions in order to protect shareholder value, ultimately its clients' assets.

B – Governance and resources

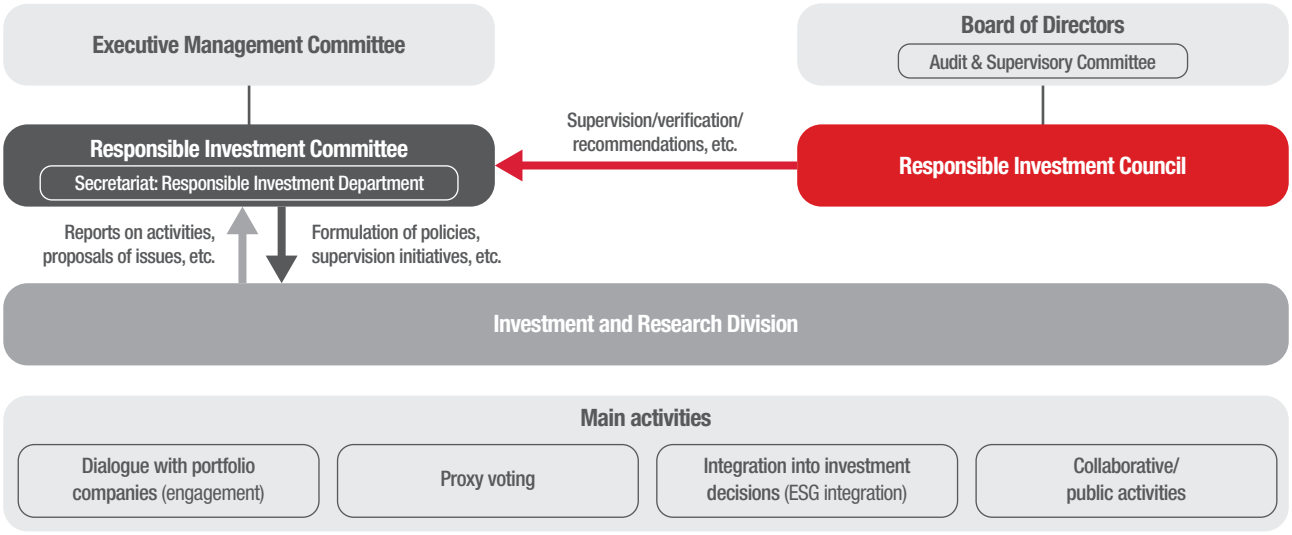
(I) Nomura AM Organisational Structure and Governance

As a key asset management company within the Nomura Group, Nomura AM sets out overarching policies with regard to responsible investment. The governance structure that supports these policies is described below.

The key governing body that determines Nomura AM's policies regarding responsible investment and stewardship activities is a Responsible Investment Committee. In principle, members of the committee are limited to officers and professionals with expertise in investment management and research and those with a conflict of interest (e.g. in a position of managing a specific strategy) are excluded.

As an oversight body of the aforementioned Responsible Investment Committee, Nomura AM has established a Responsible Investment Council under the company's Board of Directors. The majority of the Council members are independent outside directors, which contributes to the effective management of potential conflicts of interest. The Council monitors all decisions made by the Responsible Investment Committee.

Organisational Structure for Responsible Investment



In addition to the Responsible Investment Committee, Nomura AM also holds an ESG Committee which is a governing body responsible for product-level ESG governance within the investment management function. The focus areas of the ESG Committee include authorising new ESG products, monitoring regional regulatory alignment and eligibility assessment of ESG products.

(II) Nomura AM UK Organisational Structure and Governance

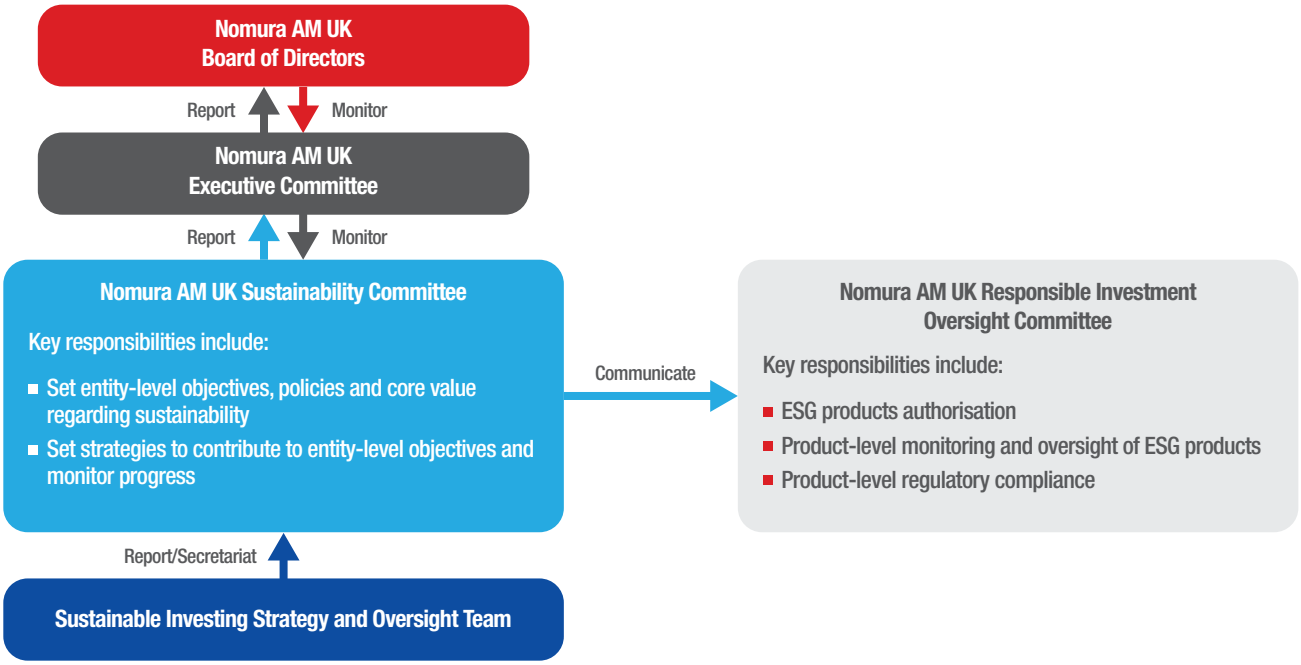
As a subsidiary of Nomura AM, Nomura AM UK has implemented a region-specific organisational structure that ensures effective oversight and implementation across investment management activities.

Whilst Nomura AM's responsible investment and stewardship policies apply to Nomura AM UK, regional regulatory and voluntary sustainability requirements and client expectations have resulted in a natural development of a separate governance structure appropriate to the UK / European context.

Since late 2024, Nomura AM UK has had a Sustainability Committee, whose primary purposes include determining objectives, policies and strategies with regard to Nomura AM UK entity-level sustainability-related matters. The Sustainability Committee reports directly to the Nomura AM UK Executive Committee, which reports to the Nomura AM UK Board of Directors (see figure "Governance Structure" below). The Sustainability Committee is comprised of members with various expertise including subject matter experts.

Additionally, similar to Nomura AM's governance structure, Nomura AM UK also has a product-level ESG governance body, the Responsible Investment Oversight Committee ('RIOC'). Primary responsibilities of the RIOC include authorising EU Sustainable Finance Disclosure Regulation ('SFDR') Article 8 and 9 products, monitoring product-level sustainability-related commitments including engagement activities, and regulatory alignment for Nomura AM's Article 8 and 9 products. The RIOC is chaired by the Nomura AM UK CEO with representation from key business functions whilst investment professionals are excluded to ensure independent oversight.

A unique feature of Nomura AM UK is the Sustainable Investing Strategy and Oversight ('SISO') Team whose mission is to enhance sustainability-related oversight and strategies in accordance with the ever-evolving regulatory and market environment in the UK and Europe. One of the key responsibilities of the SISO Team is to work in partnership with investment teams and monitor and challenge various sustainability-related products at Nomura AM UK to ensure that they are appropriately managed in accordance with their sustainability commitments and regulatory suitability.



Additionally, the SISO Team also conducts annual sustainability reviews on Nomura AM UK's SFDR Article 8 and 9 funds. These reviews focus mainly on sustainability accountability and regulatory / commitment adherence. Focus points include investment teams' sustainability justification, records of the sustainability due diligence and justification of their investments, adherence to processes committed to in the prospectuses / marketing materials, and actions (including engagement activities) taken by investment teams should they identify an underperformance in areas related to sustainability.

The results of the review are then presented to the RIOC for senior management awareness. Investment teams are required to present remedial actions to the RIOC in case of deficiencies identified.

Through such reviews, the SISO Team aims to promote knowledge, awareness and best practices sharing amongst different investment teams under the multi-boutique structure of Nomura AM.

(III) Human Resources and Expertise

For Japanese equities, Nomura AM has a Responsible Investment Department based in Tokyo which is a dedicated team of ESG specialists and ESG investment managers responsible for ESG research, analysis, engagement and proxy voting. These research, analyses and outcomes of engagement activities are available for relevant investment teams to integrate into their strategies.

For global equities and fixed income managed by Nomura AM UK and other Nomura AM affiliates, the ESG research and analysis functions remain within the investment teams to better serve regional and/or asset-class specific characteristics. Specific investment strategies with a sustainability focus (such as having environmental / social objectives or characteristics) are typically resourced with professionals with hybrid expertise (meaning a hybrid of investment and sustainability) to support the research and stewardship activities and reflect these into investment decisions.

(IV) Training and Development

Training and personal development initiatives vary across offices at Nomura AM. At Nomura AM Tokyo headquarters, portfolio managers have opportunities to take periodic ESG trainings made available by the aforementioned Responsible Investment Department on key sustainability themes and risk management topics such as digital society, integrated stewardship of engagement and proxy voting, climate change and natural capital, human rights and human capital, and well-being. At Nomura AM UK, relevant members of investment teams and the SISO Team undertake specific educational courses and attend external conferences on sustainability matters. Various committees at Nomura AM UK, including the Sustainability Committee, RIOC and Global Equity Responsible Investment Committee (see page 16), also address ESG effectiveness, regulatory developments and emerging themes.

(V) Technology and Systems

Nomura AM has developed asset-class specific proprietary ESG scoring systems for Japanese equities, global equities and fixed income. The scoring systems for Japanese equities and global equities are managed and maintained by the Responsible Investment Department. The ESG scoring system for fixed income assets, which is more credit risk focused, is managed and maintained by the Fixed Income Team in Tokyo. These scores can inform various investment teams on how well an issuer performs on ESG issues and/or identify potential focus areas for stewardship activities. All of the above scoring systems utilise third-party data as inputs.

Examples of third-party data include:

Screening & Analysis Tools

- Morningstar Sustainalytics (Alert & controversies)
- MSCI ESG Manager (ESG data)
- Refinitiv DataStream (CDP data)
- ISS Sustainability Solutions (Climate & biodiversity impact assessment)

ESG Rating

- MSCI ESG Manager
- Refinitiv DataStream
- Bloomberg

Active Ownership Support Tools

- ISS (Institutional Shareholder Services) (Proxy Voting)
- Glass Lewis (Proxy Voting)
- Morningstar Sustainalytics (Engagement)

To demonstrate how we utilise third-party data, as an example, we employ ISS Climate Impact Assessment tools to evaluate portfolio-level climate risks, including scenario analysis aligned with the International Energy Agency's Sustainable Development Scenario and Science Based Targets initiative (SBTi) progress tracking. Such data helps us identify opportunities to engage with issuers who do not yet have an SBTi target to work towards one.

Where relevant, investment teams at Nomura AM UK utilise the Nomura AM proprietary ESG scores and third-party data and tools described above.

(VI) Other External Service Providers and Inter-affiliates

Proxy Advisory Services

Nomura AM contracts with ISS (Institutional Shareholder Services) to efficiently apply its proprietary proxy voting policy. ISS is provided with comprehensive guidelines set out in our voting policy, though we retain the ability to override recommendations where we believe their interpretation does not appropriately reflect our policy. In addition, Glass Lewis is also utilised to provide proxy voting research.

Engagement Support

In addition to direct engagement, Nomura AM utilises Morningstar Sustainalytics' engagement services to enhance the reach of its engagement voices and ability to push for better practices. This includes Global Standards Engagement, Material Risk Engagement, and Thematic Engagement covering topics such as climate change, human rights, and biodiversity.

Research and Data Providers

Beyond the third-party data providers mentioned above, we access research from various sources including NGOs, company reports, and industry-specific databases to ensure comprehensive sustainability analysis.

Cross-Border Delegation and Expertise Centres with Inter-Affiliates

As previously mentioned, Nomura AM believes in regional management of investment portfolios through dedicated centres of expertise. We implement cross-border delegation arrangements whereby the locally contracted Nomura AM offices delegate portfolio management functions to the respective regional Nomura AM entity where relevant investment expertise is based:

- **Global Equities and Fixed Income:** Managed across Nomura AM UK, Singapore, Malaysia, Hong Kong, and European offices, as well as NCRAM and ACI
- **Japanese Equities:** Managed by Nomura AM with very limited exceptions
- **Specialist Strategies:** Delegated to appropriate regional expertise centres

This structure ensures that stewardship activities benefit from local market knowledge whilst maintaining consistency with Nomura AM's global responsible investment framework.

C – Policies, processes and review

(I) Nomura AM-wide Stewardship Policies

As mentioned previously, Nomura AM sets out overarching policies with regard to responsible investment and stewardship activities for the entities within Nomura AM. These are underpinned by the Basic Policy for Responsible Investment Management, which defines responsible investment and sets out the guidelines for applying the principles to investments and stewardship activities[3], such as voting and engagement. The policy can be accessed at: https://global.nomura-am.co.jp/responsibility-investment/pdf/basic_policy.pdf.

Summary of the policies:

Basic Policy for Responsible Investment

In its Basic Policy for Responsible Investment, Nomura AM defines responsible investment as the integration of ESG considerations into investment research, analysis and stewardship activities (e.g. proxy voting and engagement) and reflecting the results of such activities in investment decisions. Reflecting the outcomes of the research, analyses and stewardship activities into investment decisions may not be feasible in certain cases due to strategy types (e.g. passive investments) and objectives.

The key principles underpinning the policy are:

- Acting at all times in the best interests of clients
- Ensuring conflicts of interest are appropriately controlled
- Performing stewardship activities to fulfil fiduciary duties
- Integrating ESG considerations in our investment stewardship in order to contribute to sustainable growth of corporate value

These principles are reflected in the following actions required to fulfil responsible investment:

1. **Understanding Investee Companies** – conduct research and analysis of a company holistically by integrating ESG factors;
2. **Approach to Investee Companies** – present companies with "Ideal Form of Business Management of Investee Companies" and encourage improvement through engagement and proxy voting;
3. **Reflection in Investment Decisions** – reflect assessments and outcomes of engagement and proxy voting in investment decisions (where appropriate);
4. **Control Conflicts of Interests** – exercise due caution on the potential conflicts of interest supported by appropriate and transparent processes;
5. **Collaboration and Outside Activities** – collaboration with external parties (including peers) can help enhance influence and efficiency when conducted with appropriate due diligence;
6. **Information Disclosure and Accountability** – fulfil appropriate accountability and transparency regarding our actions as a fiduciary manager; and
7. **Organisation and Actions** – establish an appropriate governance structure and expertise to ensure the above actions are taken.

As part of the Basic Policy for Responsible Investment, Nomura AM stipulates its idea of appropriate management practices of investee companies in Appendix 1 to the policy, which acts as a basis for its stewardship activities. The following are the four key areas in the appropriate management practices:

1. Proper Efforts on Environmental and Social Issues
2. Value Creation through Capital Efficiency
3. Adequate Performance of Corporate Governance Function
4. Adequate Information Disclosure and a Dialogue with Investors

3. Nomura AM's Basic Policy for Responsible Investment views the term "stewardship activities" as primarily engagement and proxy voting based on the definition provided by the Principles for Responsible Investment ('PRI') (https://www.unpri.org/responsible-investment/about-stewardship). On the other hand, as mentioned in the Introductory Statement, the UK Stewardship Code defines it as "responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries". We believe that the definition by the UK Stewardship Code suggests that stewardship is a broader chain of activities taken by investment managers in exercising rights, influencing companies and reflecting outcomes from these actions into investment in order to protect and enhance the assets of our clients.

Global Proxy Voting Policy

Nomura AM maintains a Global Proxy Voting Policy and region-specific standards which are governed by the Responsible Investment Committee (available at: https://global.nomura-am.co.jp/responsibility-investment/vote.html). The policy aims to encourage investee companies to follow the aforementioned "appropriate management practices" so that they enhance shareholder value and to vote against those deemed harmful.

Whilst the final decision-making authority regarding proxy voting rests with the Responsible Investment Committee, the aforementioned Responsible Investment Department is delegated with the authority to make proxy voting decisions where deemed appropriate. In case of Nomura AM UK's SFDR Article 8 and 9 products, portfolio managers may instruct differing votes, which may not be consistent with other votes cast by Nomura AM, if they determine such votes are necessary to reflect the strategy's objective provided that certain conditions are met. These conditions include regulatory suitability, confirmation on conflict with the Global Proxy Voting Policy and no conflict of interests. Regional standards are also in place to reflect different regulations and practices.

Basic Principles of Engagement

Nomura AM also sets out a Basic Principles of Engagement within an appendix to the Basic Policy for Responsible Investment, which is available at https://global.nomura-am.co.jp/responsibility-investment/engagement.html. Nomura AM's engagement approach is based on deep understanding of investee companies and their business environment. Again, the basis of its engagement activities is Nomura AM's view on the "appropriate management practices". Nomura AM seeks to maintain an amicable and constructive stance, seeking to understand both financial and non-financial information including ESG issues, management philosophy, and capital efficiency considerations.

The global policies mentioned above serve as a foundation for all Nomura AM strategies to guide their stewardship activities. Nomura AM also seeks to reflect outcomes (or lack of outcomes) of proxy voting and engagement activities in investment decisions where appropriate.

At Nomura AM, the primary purpose is to protect and enhance the assets of its clients and to serve the diverse needs of its clients through a wide range of investment strategies. Naturally, stewardship approaches in practice vary across asset classes, strategies and regions. Some strategies with sustainability characteristics or objectives might have a higher standard for stewardship activities. Further details on various stewardship activities taken by Nomura AM, in particular by its UK based subsidiary, Nomura AM UK, are demonstrated within the Activities and Outcomes Report.

(II) Review and Update Mechanism

The policies are reviewed on an annual basis. Should there be any changes to the processes in relation to responsible investment and/or stewardship approach, they will be reviewed and updated accordingly.

The Nomura AM compliance teams and Nomura AM UK SISO Team continuously monitor regulatory developments across relevant jurisdictions where Nomura AM operates, ensuring its policies remain compliant with evolving requirements such as the FCA's anti-greenwashing rules and the SFDR.

Regular engagement with clients and peers also allows us to understand their evolving stewardship expectations and incorporate feedback into policy updates. This includes formal client surveys, re gular meetings, and participation in industry forums.

Additionally, Nomura AM UK seeks to keep abreast of industry best practices through third-party ESG maturity assessments and benchmarking against peer organisations to identify areas for improvement.

Examples of Trigger Events for Reviews:

Policy reviews may be triggered by:

- Significant regulatory changes
- Material changes in client requirements
- Identification of new ESG risks or opportunities
- Lessons learned from engagement activities
- Changes in international standards or frameworks

D – Conflicts of interest

(I) Conflicts of Interest Framework

Nomura AM must fulfil the fiduciary duty entrusted by conducting businesses sincerely and fairly for our clients under the principle of "Everything for Our Clients." To this end, we have an obligation to prevent situations where client interests are unfairly harmed by prioritising the interests of parties other than clients over client interests. Therefore, Nomura AM has established a Conflict of Interest Policy, which is designed to independently and appropriately manage potential conflicts of interests. The policy sets out the following framework:

1. Transactions Subject to Management (in-scope transactions and examples etc.)
2. Conflict of Interest Management Structure (conflict of interest management department and Chief Conflict Officer etc.)
3. Conflict of Interest Management Methods (various methods tailored to investment management & research and other functions)

As a subsidiary of Nomura AM, Nomura AM UK separately maintains a Conflicts of Interest Policy ('Policy') that establishes a comprehensive framework for identifying, managing, and controlling conflicts that could potentially harm client interests. The Policy emphasises strict compliance as a contractual obligation, with breaches potentially resulting in disciplinary action or dismissal. It identifies four main categories of conflicts:

1. Situations where the firm benefits at client expense,
2. Client-versus-client conflicts,
3. Employee-versus-firm/client conflicts, and
4. Inter-firm conflicts within the Nomura Group.

The Policy requires employees to promptly report any potential conflicts to compliance or line management for assessment and guidance.

The Policy outlines a systematic approach to conflict management through a "Conflicts Matrix" that records identified conflicts and their mitigation strategies, which is reviewed annually by the Board of Directors at Nomura AM UK. When conflicts arise, they must undergo assessment and pre-approval processes involving compliance and operational risk teams. If adequate organisational controls cannot mitigate the risks, conflicts must be disclosed to clients in sufficient detail to enable informed decision-making. The Policy also establishes information barriers between different parts of the Nomura Group to prevent conflicts such as "acting in concert" scenarios. Ultimately, the Policy places responsibility on all employees to remain vigilant about potential conflicts and follow established procedures to ensure fair treatment of clients whilst maintaining the firm's regulatory compliance obligations.

1. Understand the objectives of all the stakeholders in an investment. For example:

- Our clients (the ultimate owner of the investment).
- Ourselves.
- The investment company we work for.
- The broader community.
- The environment.
- Others.

2. Prioritise the stakeholder objectives. For example:

- Our client objectives are more important than our own.
- Our client objectives are more important than those of the investment company we work for.

3. Achieve balance between the stakeholder objectives, given the priorities and our analysis of the investment idea. For example:

- Between two otherwise identical investments we prefer the lower environmental damage company.
- We generally prefer higher investment returns to higher investee company employee remuneration.

4. Work to rectify poorly met stakeholder objectives. For example:

- Speak to the investee company specifically on ESG matters.
- Communicate our concerns on corporate governance, environmental impact etc to the company.
- Notify our client of any influence on their objectives stemming from the objectives of other stakeholders.

Nomura AM UK recognises that effective management of conflicts is essential to ensure stewardship activities are conducted in the best interests of its clients and beneficiaries. As a result, several categories of potential conflicts that may arise in connection with our stewardship activities have been identified:

Potential Conflict Category	Conflict Description	Mitigation by Nomura AM UK
Ownership Structure Conflicts	▪ **Parent company relationships** – Within the Nomura Group, a full spectrum of financial intermediary services including retail and wholesale banking are offered. Banking or other financial relationships might overlap with the portfolio companies that Nomura AM invests in, creating pressure for Nomura AM to vote favourably or avoid engagement on sensitive issues. ▪ **Proprietary trading conflicts** – If the banking and securities trading entities of Nomura Group trade securities that are portfolio companies of Nomura AM, it might potentially create conflicts around engagement timing or voting decisions.	The Nomura AM UK Conflicts Matrix identifies potential conflicts relating to intra-Nomura AM and Nomura Group relationships to ensure the required degree of independence. Nomura AM UK has effective protocols to control the exchange of information between different parties of the Nomura Group. In practice, such conflicts are mitigated by the presence of information barriers – an arrangement which requires information held by one part of the business to be withheld from, or not used for or by, any persons with or for whom that party acts or comes into contact in the course of carrying out another part of its business. An example of where such an intra-group conflict could potentially arise is between Nomura AM UK and the corporate finance and investment banking activities of Nomura International plc (NIp) in the UK, which could include a risk of Nomura AM UK being seen as 'acting in concert' with NIp, in the event that NIp was acting as the adviser to one party of a takeover that is subject to the UK Takeover Code. If that party was also an investee company held by Nomura AM UK, there would be a risk that Nomura AM UK could vote or take engagement action based on its perceived 'privileged' position of 'acting in concert' with NIp. In reality, this risk is avoided by virtue of Nomura AM UK holding Exempt Fund Manager status with the UK Takeover Panel, which means Nomura AM UK has demonstrated that it has robust controls in place to prevent a conflict of interest of this type arising. This Exempt Fund Manager status is reviewed by the UK Takeover Panel every two years.
Investee Company Relationship Conflicts	▪ **Board representation or commercial relationship conflicts** – If Nomura AM employees serve on investee company boards whilst managing client investments in those same companies, or if Nomura AM has commercial agreements, joint ventures, or other strategic partnerships with investee companies, potential conflicts might arise.	Nomura AM UK's Outside Business Interest Policy sets out the guidelines for employees to disclose directorships and other business interests. Such relationships are required to be approved by senior business management and Compliance, with the overall requirement being that employees should not hold a position that results in any kind of conflict of interest that cannot be avoided, mitigated or appropriately managed. The policy also prohibits any service on a Board or other advisory committee with other organisations in the financial services industry, publicly listed companies and / or Nomura clients. Other business or commercial relationships are managed by personnel separated from the Investment teams and effective protocols on segregation of duties would mitigate the risk of conflicts.
Multi-Client Interest Conflicts	▪ **Divergent voting interests** – Different client mandates might require opposing votes on the same resolution (e.g., ESG-focused vs. return-maximising mandates). ▪ **Engagement priority conflicts** – Limited resources requiring choices about which client interests to prioritise in company engagement. ▪ **Stewardship capacity conflicts** – Nomura AM UK might prioritise stewardship activities that cater to the interests of higher-fee clients more than the others.	Nomura AM UK follows the investment guidelines agreed with clients strictly. Depending on arrangements with clients, Nomura AM UK also maintains transparency of how it conducts stewardship activities with our clients so that clients' preferences on the approach could be taken into account at all times. In respect of potential conflicting voting interests between different client mandates, Nomura AM UK directs itxzc s votes in accordance with the investment guidelines as well as voting rights vested within the shareholding by the concerned client mandates. Depending on the product / mandate's sustainability objectives, engagement opportunities are prioritised based on Nomura AM UK's investment teams' assessments on factors such as materiality and potential influence brought through its engagement. Nomura AM UK also ensures its teams responsible for research and stewardship activities are well-resourced to ensure stewardship preferences of all clients are followed in accordance with investment guidelines. In some cases, Nomura AM UK may utilise external resources (e.g. third-party service providers with specific expertise) for this purpose.

(II) Committee Oversight

Nomura AM relies on the policies and frameworks that are built on the robust governance structure to guide stewardship decisions, reducing the potential for conflicts to influence individual decisions. Our proxy voting guidelines and engagement policies provide foundational frameworks for consistent decision-making.

In addition to the Conflicts of Interest framework at Nomura AM UK, significant conflicts of interest issues would also be escalated through the established channel according to the Nomura AM UK's Conflicts of Interest Policy. Depending on the investment strategies involved, corresponding Committees will have effective oversight over these issues:

- The **Responsible Investment Council** (Nomura AM as a whole) includes independent outside directors and experts who verify the appropriateness of stewardship activities and monitor for conflicts of interest
- The **Sustainability Committee** (Nomura AM UK) oversees proxy voting and engagement policies specific to products and strategies with sustainability characteristics or objectives
- The **Global Equity Responsible Investment Committee** reviews and agrees to the global equity related amendments (if any) to the Nomura AM Proxy Voting Policy; and oversees proxy voting decisions for individual topics including contentious issues

E – Dialogue with clients and/or beneficiaries

(I) Client Communication Framework

Post Brexit, Nomura AM UK's Client Services Team is operated by the UK Branch of Nomura Asset Management Europe KVG mbH, an EU-based subsidiary of Nomura AM, and is dedicated to providing comprehensive client services, including the capability to provide detailed communication of stewardship activities. The London-based function serves clients across EMEA and Latin American regions, including central banks, sovereign wealth funds, public and private sector pension schemes, global private banks, and other financial institutions.

Dedicated Client Service Model

All client mandates are assigned a senior team member who assumes overall responsibility for every aspect of the ongoing relationship, serving as a dedicated point-of-contact throughout the relationship lifecycle. Those senior Client Directors have an average of over twenty years' asset management experience across the full range of assets and clients.

The Client Services Team recognises that service and reporting expectations vary significantly across different client types and regions. The team engages with clients at the earliest opportunity to understand their specific requirements, ensuring alignment of expectations prior to appointment. Client preferences and investment parameters are formally documented in the Investment Management Agreements with clients, which may specify restrictions or preferences that reflect clients' views on ESG considerations and other investment criteria.

The team aims to establish long-term partnerships with clients, developing a strong understanding of their organisation and broader needs. This enables Nomura AM UK and wider Nomura AM offices to engage comfortably on potential new investment opportunities and evolving stewardship requirements. The team maintains regular communication regarding stewardship activities through both scheduled reporting and timely ad-hoc updates, ensuring clients remain fully informed of all relevant developments. Throughout this process, the team acts as dedicated advocates for clients, delivering clear and prompt communications that align with each client's individual expectations.

(II) Stewardship Communication Channels

Regular Reporting

Subject to the arrangements with clients set out in the Investment Management Agreements, Nomura AM UK and relevant Nomura AM offices provide tailored reports addressing individual client stewardship priorities and portfolio-specific ESG qualitative research and quantitative metrics on a regular basis. Not all clients have specific stewardship or reporting requirements; nonetheless the Client Services Team continues to engage with clients in case of potential changes in their preferences.

As a global asset manager, Nomura AM at group-level publishes its annual Responsible Investment Report to help investors and investee companies better understand its approach to responsible investment and stewardship activities. This report can be accessed via the below link:
https://global.nomura-am.co.jp/responsibility-investment/

In addition, specific investment segments and strategies publish reports on stewardship activities to promote transparency and address growing needs of clients to measure the impact of their investments.

- **Japanese Equities – Quarterly Proxy Voting Results**
  A quarterly summary of voting records on management proposals for Japanese companies.
  https://global.nomura-am.co.jp/responsibility-investment/vote.html

- **Global Equities – Quarterly Responsible Investment Reports**
  Published since 2016, providing detailed analysis of its engagement activities, proxy voting records, and ESG research findings.
  https://www.nomura-asset.co.uk/responsible-investment-asset-management/

- **Global Equities – Engagement and Proxy Voting Dashboard**
  Since 2021, proxy voting and engagement data have been available via interactive dashboards on the Nomura AM UK website, allowing flexible analysis across time, geography, industry, and ESG themes.
  Engagement: https://www.nomura-asset.co.uk/responsible-investment-asset-management/engagement/
  Proxy voting: https://www.nomura-asset.co.uk/responsible-investment-asset-management/proxy-voting/

- **Global Sustainable Equity Fund – Annual Impact Reports**
  Nomura AM UK Global Sustainable Equity publishes detailed reports on the strategy's approach to assessing the positive impacts that individual holdings are having and the impact the team is striving to have through engagement.
  https://www.nomura-asset.co.uk/responsible-investment-asset-management/

Direct dialogue and client feedback integration

The Client Services Team maintains continuous dialogue with clients through scheduled portfolio reviews, relationship meetings, and ad-hoc communications that provide timely stewardship updates and facilitate meaningful discussion on sustainability developments. The team's approach extends beyond traditional reporting through educational seminars, webinars on emerging topics, and participation in industry forums to understand evolving market expectations on stewardship. The team systematically gathers client feedback through regular reviews and ongoing conversations during routine interactions, ensuring our stewardship activities remain aligned with client priorities.

The client communication framework that combines regular reporting as well as direct dialogues ensures transparency on stewardship activities as well as timely consideration of client feedback and preferences, which are essential in a long-term partnership.

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