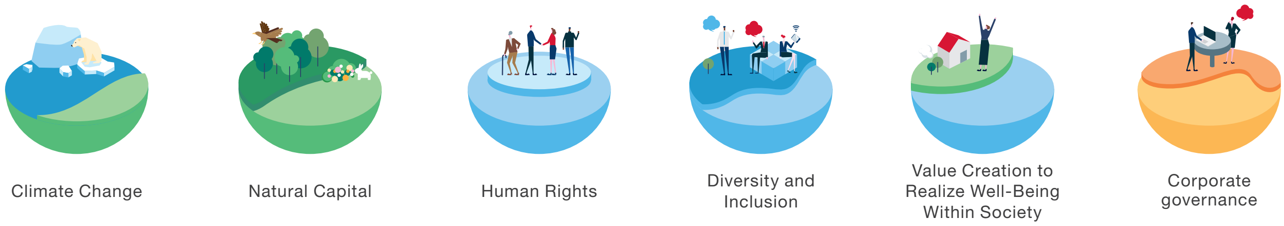
ESG STATEMENT

In December 2021, we revised our ESG Statement, recognizing that nearly two years have passed since the ESG Statement was formulated and that the global economy and the circumstances surrounding ESG are changing faster than expected, requiring us to deepen its content. However, there has been no change to the objective of the ESG Statement, which is to communicate to stakeholders the course of action of our ESG-related activities and how we will address environmental and social risks, and also to show how we will strive to realize a sustainable environment and society.

We recognize that efforts to solve ESG issues are important in order to support a virtuous cycle in the investment chain. We feel that an important factor for sustainable corporate value improvement is for a company to appropriately manage risks related to ESG issues, view solutions to ESG issues as new business opportunities, and appropriately reflect them in management strategies. We also think that doing this is indispensable for increasing investment returns. As a responsible investor, we encourage our portfolio companies to practice what we view as desirable management, and we ourselves will also operate with a focus on ESG.

High Priority ESG issues

While the importance of each ESG issue differs depending on the specific characteristics of the business in question, we identify the following as common ESG issues that are particularly important across many businesses.



High Priority ESG issues

*See page 94 for other initiatives in which Nomura Asset Management participates.

Environment

The Paris Agreement, which was concluded in 2015, stipulates that efforts shall be made to limit the increase in the global average temperature to 1.5˚C since before the Industrial Revolution based on scientific evidence. To achieve this goal, it is necessary to reach net zero global greenhouse gas emissions by 2050. We believe that companies must address climate change issues from the perspective of both risk management and the pursuit of business opportunities in order to achieve sustainable improvement of corporate value.

CDP

Signature Timing: June 2015 Ⓝ **Signature Timing:** November 2021

Established in 2000. This is a global project in which institutional investors around the world encourage companies to disclose their strategies to combat climate change as well as their specific greenhouse gas emissions. Current areas of focus include climate change, water and forests.

TCFD (Farm Animal Investment Risk and Return)

Signature Timing: March 2019

A private-sector led task force launched in December 2015 by the Financial Stability Board (FSB) that encourages enhanced information disclosure related to climate change.

Climate Action 100+

Signature Timing: December 2019

An investor initiative in which institutional investors collaborate (group engagement) to encourage the world's largest corporate greenhouse gas emitters to disclose information related to climate change. The initiative was established in December 2017, and the action period was set at five years.

NZAM (Net Zero Asset Managers initiative)

Signature Timing: August 2021

A global initiative established in December 2020 comprising asset managers which aim for net-zero emissions of greenhouse gases (GHGs) from portfolio companies by 2050, in line with the goals of the Paris Agreement.

PCAF (Partnership for Carbon Accounting Financials)

Signature Timing: August 2021

An international initiative established in the Netherlands in 2015 to create a standard method for measuring and disclosing greenhouse gas emissions. The PCAF Japan Coalition was established in November 2021, and Nomura Asset Management has been a member since its establishment.

Companies benefit from biodiversity through the utilization of forests, water sources, and other natural capital in their business activities. We believe that companies must exercise proper risk management in relation to activities that could negatively impact natural capital and biodiversity, as well as pursue business opportunities that solve social issues, such as the preservation of natural capital and biodiversity.

FAIRR (Farm Animal Investment Risk and Return)

Signature Timing: June 2019

A livestock industry-related institutional investor initiative launched in 2015 by Jeremy Coller, the founder of Coller Capital (U.K.). The initiative educates people about livestock industry risks, including the impact on the environment, as well as food safety (antibiotics) issues.

Ⓝ Signed as Nomura Group

Social

Corporate business activities involve a large number of people including employees and local residents, which is even broader when the supply chain is considered. Companies are expected to exercise proper risk management to ensure that their activities do not infringe upon human rights. We believe that companies must exercise human rights due diligence and other forms of proper human rights risk management in order to achieve sustainable improvement of corporate value.

UNGC (The United Nations Global Compact) **Signature Timing:** June 2015

Non-binding action principles advocated by then UN Secretary-General, Kofi Annan, at the Davos Forum in 1999. It encourages businesses and groups worldwide to take actions in the areas of human rights, labor, the environment and preventing corruption.

We believe that companies must build a workforce made up of people with diverse values without regard to factors such as gender, nationality, race, or age to create a corporate culture that embraces diversity and inclusion. Furthermore, companies must ensure that their employees are able to engage in rewarding work at their respective workplaces to contribute to business activities at their full potential, with no risk of discrimination in relation to their work or advancement.

30% Club Japan (Investor Group) **Signature Timing:** December 2019

A group of asset owners and asset managers that engages in constructive dialogue with the boards of directors and senior management of portfolio companies, with the aim of highlighting the importance of gender diversity within senior management and realizing such gender diversity.

Women in ETFs **Signature Timing:** April 2022

“Women in ETFs” advocates for the goal of bringing together people from the ETF industry around the world to actively promote equality, diversity and inclusiveness. Its mission is to develop and sponsor human resources, recognize women’s achievements in the ETF industry, and advance and grow the ETF community.

Well-being refers to a state in which all people can seek happiness and live healthy lives. Well-being in society is realized by solving social issues in a variety of fields. Specific examples include health and safety, education and intelligence, and regional revitalization. In our view, the development and provision of products and services that contribute to addressing these social issues represent important business opportunities for companies, and could lead to sustainable improvement of corporate value.

Access to Medicine Index (Access to Medicine Foundation) **Signature Timing:** July 2019

Founded in 2003 by Dutch entrepreneur Wim Leereveld. The organization encourages the pharmaceutical industry to do more to help low- and middle-income countries who have limited access to medicine. Signatories support the foundation’s index.

Access to Nutrition Initiative **Signature Timing:** May 2021

Founded in 2013 by Dutch businesswoman Inge Kauer. Using proprietary analytical tools, the Initiative evaluates the level of response by the food and beverage industry to the two global nutritional issues of overnutrition and undernutrition, and urges the food and beverage industry to improve the dietary habits of adults and children around the world.

ESGovernance

Corporate governance is a structure for transparent, fair, timely and decisive decision-making by companies. From this perspective, the board of directors is responsible for the supervision of management, while nominations, compensation, and audits are the means to ensure the board fulfills its role. We believe that companies must strengthen corporate governance so that their management can properly manage various risks including the ESG issues mentioned above, while pursuing business opportunities to achieve sustainable improvement of corporate value.

ICGN
International Corporate Governance Network

ICGN (The International Corporate Governance Network) **Signature Timing:**December 2018

Established in 1995 to promote effective corporate governance standards and foster responsible investment to advance efficient markets and sustainable economies worldwide.

ACGA

ACGA (The Asian Corporate Governance Association) **Signature Timing:**December 2018

Established in 1999 to engage in research and provide corporate support and education related to corporate governance in order to promote corporate governance in Asia.

JSI
Japan Stewardship Initiative

JSI (Japan Stewardship Initiative) **Signature Timing:**November 2019

Aims to identify practical issues between asset owners and asset managers and to support efficient transmission of information aimed at advancing and deepening stewardship activities.

Our Activities

Stewardship Activities

Through our activities, including proxy voting and constructive dialogue (engagement), we encourage the management of portfolio companies to manage risks and pursue business opportunities that are associated with ESG issues and also to disclose information in accordance with relevant global initiatives.

Business Opportunities

We place particular focus on the realization of well-being within society when viewing business opportunities associated with ESG issues. We encourage portfolio companies to properly incorporate the realization of well-being within society into their management strategies and to quantify outcomes and disclose them along with the relevant targets.

Investment Decisions

We assess our portfolio companies' initiatives to address ESG issues based on our own standards from the perspectives of both risks and opportunities and incorporate the results in our investment decisions. If we assess a company's initiatives as insufficient, or if we determine that the issues cannot be solved through engagement, it may result in divestment or exclusion from our investment universe.

Monitoring

We conduct monitoring based on global initiatives, including the Task Force on Climate-related Financial Disclosures (TCFD), in order to ascertain the status of ESG issues in our investment portfolio.

Our Business Activities

We recognize that business activities that take into account social value creation are important elements for realizing a sustainable and prosperous society. We strive to contribute to asset formation by offering investment products and services that help to address ESG issues and through efforts to expand the investment base through measures such as financial education.

Initiatives

We participate in international initiatives and actively embrace accepted standards and norms. Through these initiatives, we conduct engagement jointly with other institutional investors and share best practices by actively cooperating with a wide range of stakeholders.

Governance and Disclosure to Promote ESG

At Nomura Asset Management, important decisions on management execution including this Statement are made by the Executive Management Committee, which consists of senior executives, to whom the proper authority has been delegated by the board of directors. We have established the Investment Policy Committee and the Responsible Investment Committee as the highest decision-making bodies in investment decisions and responsible investment to address ESG issues within a proactive framework. We have also established the Conflict of Interest Management Policy as well as a Responsible Investment Council and a Fund Business Operation Council, which have oversight for our responsible investment activities and products to ensure their appropriateness and validity.

BASIC POLICY FOR RESPONSIBLE INVESTMENT

On December 30, 2021, Nomura Asset Management revised the “Basic Policy on Responsible Investment in Management” at the Responsible Investment Committee. The policy defines the concept and specific approaches to responsible investment, and includes details regarding the “appropriate management practices” expected of investee companies and the engagement and voting rights to achieve this.

http://www.nomura-am.co.jp/special/esg/responsibility_investment/basicpolicy.html

BASIC POLICY FOR RESPONSIBLE INVESTMENT
Concrete Actions

1 | Understanding Investee Companies

2 | Approach to Investee Companies

3 | Reflection in investment decisions

4 | Control Conflicts of Interests

5 | Collaboration and Outside Activities

6 | Information Disclosure and Accountability

7 | Organization and Actions

In order for investee companies to enhance corporate value and achieve sustainable growth, stipulate the

"Ideal Form of Business Management of Investee Companies" *

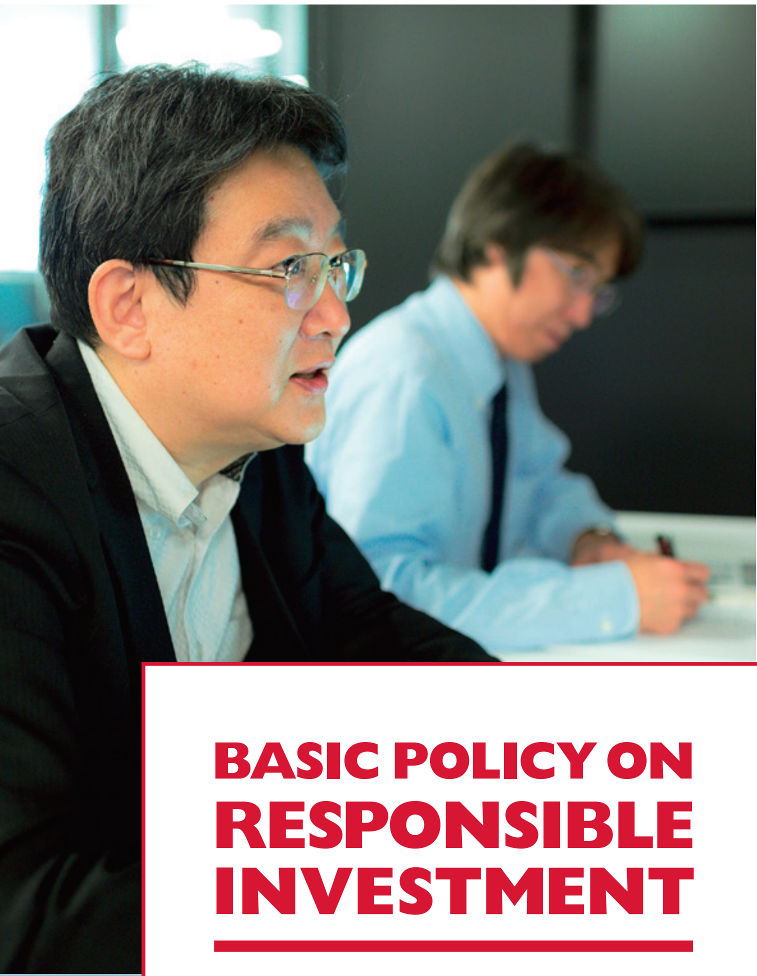
and encourage investee companies to realize it.

Stipulate "Basic Principles of Engagement" and "Global Proxy Voting Policy" and give encouragement to investee companies from a fair and consistent posture.

Reflect the status of engagement in proxy voting.

Basic Principles of Engagement/ Global Proxy Voting Policy
https://global.nomura-am.co.jp/responsibility-investment/pdf/basic_policy.pdf

*Ideal Form of Business Management of Investee Companies P.21



BASIC POLICY ON RESPONSIBLE INVESTMENT

Ideal Form of Business Management

of Investee Companies

1 Proper Efforts on Environmental and Social Issues

We believe that making proper efforts on global environmental and social issues from the perspectives of risk management and the pursuit of business opportunities will lead to increase in corporate value and sustainable growth. We also see such efforts as a prerequisite for a company to be accepted as a member of the society. Examples of issues that we consider are particularly important and efforts on them that investee companies need to make are as follows:

1 Identification of key issues (materiality):

- Identification of key issues by the management,
- responses to and disclosure of risks that are identified as key issues (e.g., data security, product liability, etc., as well as those listed in 2 through 6),
- disclosure of business opportunities that are identified as key issues;

2 Climate change:

- Verification of business portfolio and promotion of technological innovation to respond to the climate change issue,
- information disclosure based on the final report published by the Task Force on Climate-related Financial Disclosures (TCFD),
- which is consistent with the Paris Agreement, setting of a net zero target for medium- to long-term greenhouse gas (GHG) emissions
- approval of or commitment to science based targets (SBTs)
- measurement of GHG emissions and absorption including Scope 3 under the international standards for the accounting and reporting of GHG emissions
- and introduction of internal carbon pricing;

3 Natural capital:

- Development of measures and goals for prevention of deforestation
- marine pollution, or air pollution, sustainable use of water resources, timber,
- or marine products, reduction of waste, and promotion of recycling;

4 Human rights:

- Development of a policy on human rights at investee companies that is consistent with international norms,
- human rights due diligence or audits including supply chain
- orrective action and relief mechanism
- and disclosure of due diligence results;

5 Diversity and inclusion:

- Setting a medium- to long-term target for the percentage of women among board members,
- senior executives, or managers, a personnel system to prevent employees from leaving employment due to a life event
- non-discriminatory development of human resources
- and creation of a corporate culture that embraces diversity and inclusion;

6 Value creation to realize a well-being society:

- A management plan that incorporates the perspective of the resolution of social issues (including research and development and market strategies),
- measurement and disclosure of progress toward the resolution of social issues; and

7 Cooperation with stakeholders, such as participation in initiatives that are related to the issues listed above.

2 Value Creation through Capital Efficiency

NAM believes that in order for investee companies to enhance corporate value and achieve sustainable growth, it is necessary for investees to create value that exceeds the cost of capital over the medium to long term by utilizing capital efficiently under proper risk management and constructing a business portfolio that has a high growth potential and is efficient. To this end, we consider that the following efforts are particularly important:

1	To formulate a growth strategy and an investment plan to create value that exceeds the cost of capital and to conduct proper progress management;
2	To verify the business portfolio against the growth strategy and replace businesses in the portfolio as necessary;
3	To sell assets that do not contribute to the creation of value that exceeds the cost of capital and, in particular, to reduce cross-shareholdings;
4	To implement group governance to enable the optimal allocation of management resources, etc.; If there is a listed company within the group, to regularly verify the reasonableness of maintaining a listed company within the group; to properly manage the conflict of interest with general shareholders; and to support the listed company's efforts to strengthen corporate governance;
5	To properly manage the risks associated with businesses, etc.;
6	To implement a capital structure and shareholder returns that reflect 1 through 5 above;
7	To properly disclose information about 1 through 6 above.

3 Adequate Performance of Corporate Governance Function

We believe that it is necessary for a company to have sufficiently functioning corporate governance as a prerequisite for value creation through the efficient utilization of capital and proper efforts on environmental and social issues. We postulate the appropriate corporate governance to realize this as follows:

1	The board consists of an adequate number of qualified and diverse members who have the ability and experience for supervising the execution of management on behalf of shareholders and functions effectively. If there is a concern about the conflict of interest with minority shareholders due to, for example, the existence of a controlling shareholder, the level of supervision, including the management of the conflict of interest with the controlling shareholder, is particularly high.
2	The audit committee, audit and supervisory committee or the board of auditors consists of qualified members who are capable of auditing directors' operations on behalf of shareholders and functions effectively.
3	Committees relating to nomination and compensation have been established, each of which consists of qualified and independent members and adequately fulfills the necessary roles and responsibilities in 4 and 5 below.
4	Standards and processes to determine whether the replacement of senior executives is required have been established, and a succession plan in case of such replacement has been formulated.
5	Compensation of senior executives is appropriate as their incentive and commitment for value creation through the efficient utilization of capital and proper efforts on environmental and social issues.
6	Executive compensation is appropriate in terms of management incentive and commitment aimed at enhancing corporate value.
7	Corporate governance systems are in place to ensure sufficient internal control in terms of compliance and internal auditing.
8	The company has not introduced anti-takeover measures. In our view, anti-takeover measures limit the rights of shareholders to buy and sell shares freely and unnecessary for listed companies unless there is a risk of significant impairment of corporate value and common interest of shareholders.

4 Adequate information disclosure and a dialogue with investors

NAM believes that companies need to uphold their accountability through timely and proper public disclosure of the matters stated in 1 through 3. above in order for us to precisely grasp the state of investee companies and that they also need to engage in dialogues actively with investors to properly reflect investors' opinions in their business management.

If the companies are found to have engaged in any activity that is materially harmful to corporate value, we will request sufficient disclosure and explanations on investigations of cause, clarification of where responsibility lies, and the formulation and dissemination of effective recurrence countermeasures.