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NCRAM Engagement Practices

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NCRAM believes that engagement helps us understand how issuers are committed to incorporating ESG issues and integrating sustainability risks into their ownership and management, and their plans to address those ESG risks that may have a material financial impact in the future. Engagement can also help us advocate for better disclosure from issuers regarding ESG risks, and can help us support an issuer's efforts to manage its ESG risks and improve its ESG practices. We believe that companies should sustainably manage relationships with their various stakeholders, including shareholders, lenders, employees, customers and consumers, as well as their impact on the environment. Companies should place appropriate emphasis on long-term business sustainability, with due consideration for the wider communities within which they operate.

Our basic approach to engagement activities is as follows:

- We encourage companies in which we invest to engage in proactive dialogue with their investors.
- We encourage companies to increase their disclosure of ESG related activities and risks, such as carbon footprint, employee and board diversity, and policies surrounding social and community initiatives.
- Through disclosure and dialogue, we seek to understand ESG issues and solutions for the companies in which we invest.
- We share our views concerning ESG issues with the companies in which we invest, and we encourage companies that are considered to have problems with ESG issues to improve their approach.

NCRAM analysts engage with companies on ESG issues in various settings, including new issue meetings, regular company calls, and group meetings. Analysts incorporate their ESG engagement activities in their investment updates and recommendations for portfolio managers. NCRAM has developed a framework for our analysts to undertake a more comprehensive ESG analysis and engagement that generally targets companies that we believe have more material ESG risks. This engagement focuses on specific ESG risks and the company's initiatives, timeline/targets for addressing those risks, and an assessment as to whether those targets are achievable. This engagement is reported separately from routine investment meetings and updates.

As bondholders, we have limited ability to alter the governance structure of a company, such as nominating board directors or voting on management compensation. However, we can encourage companies to take our engagement seriously by reevaluating our investment decisions and our participation in new issues if we feel that a company is not doing enough to address the ESG risks that may impact their financial outlook.

NCRAM uses certain processes when determining the ESG strengths and weaknesses of issuers. Different ESG processes may achieve different results. NCRAM's overall ESG determinations with regard to issuers may change over time. NCRAM's ESG determinations may not conform to a client's ESG determinations. NCRAM may purchase or hold securities from issuers which may be considered to have low ESG ratings and/or substantial ESG risk (unless limitations are stipulated in client guidelines). Low ESG determinations do not automatically result in an exclusion or sell decision (unless exclusions are stipulated in client guidelines).

This material is being provided for informational purposes only, and is subject to change without notice. Nothing herein is intended to constitute investment advice, a recommendation or an offer or solicitation to purchase or sell any securities, funds or strategies to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. Investing involves risk. Any examples used in this material are generic, hypothetical and for illustration purposes only. The views and strategies described may not be suitable for all investors.