

Nomura Sustainability Week 2024

Nomura Asset Management Sustainability Initiatives

September 9, 2024

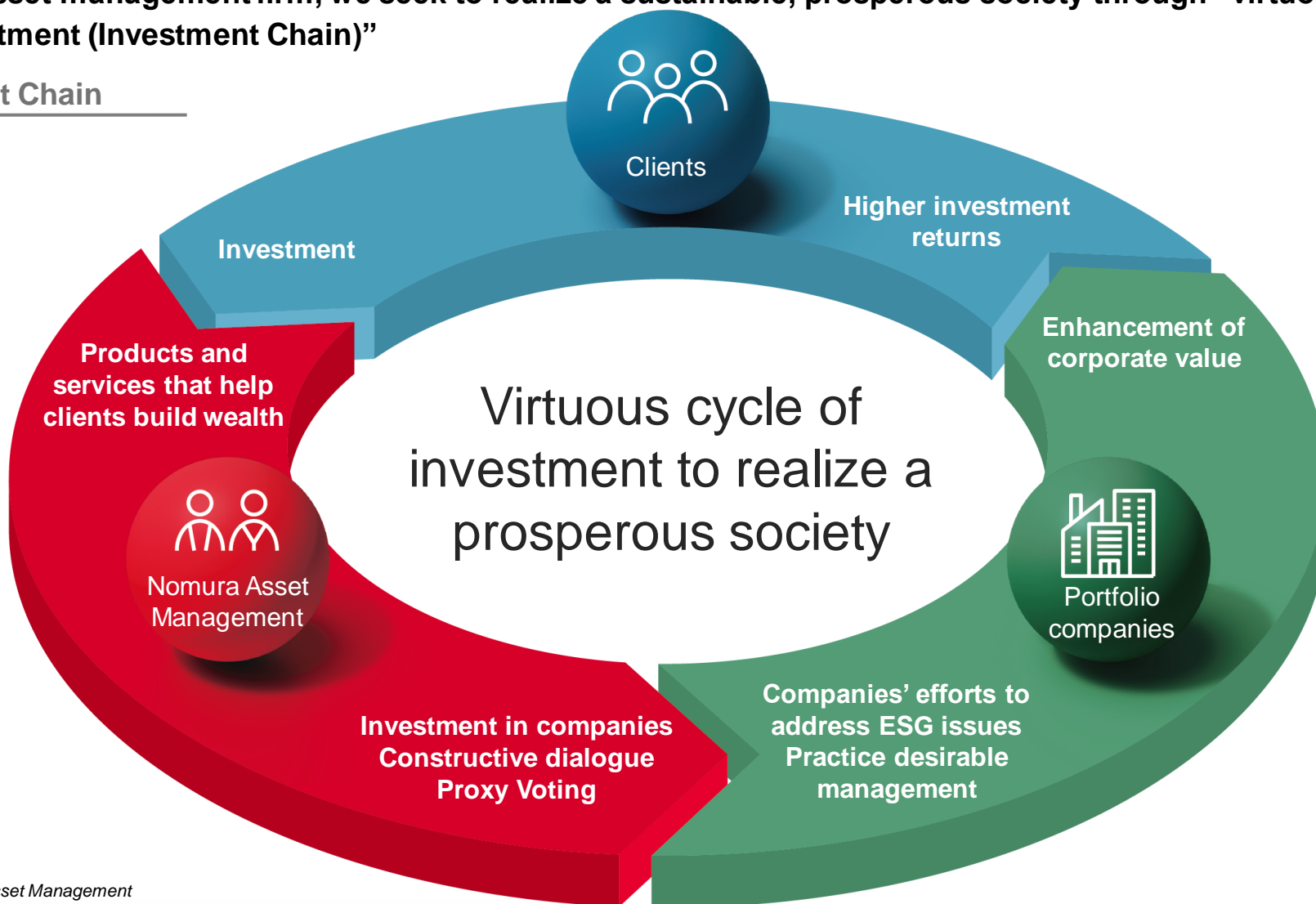
Hiroyasu Koike
President & CEO
Nomura Asset Management Co., Ltd.

We aspire to create a better world by harnessing the power of financial markets

Nomura Asset Management's view on Sustainability

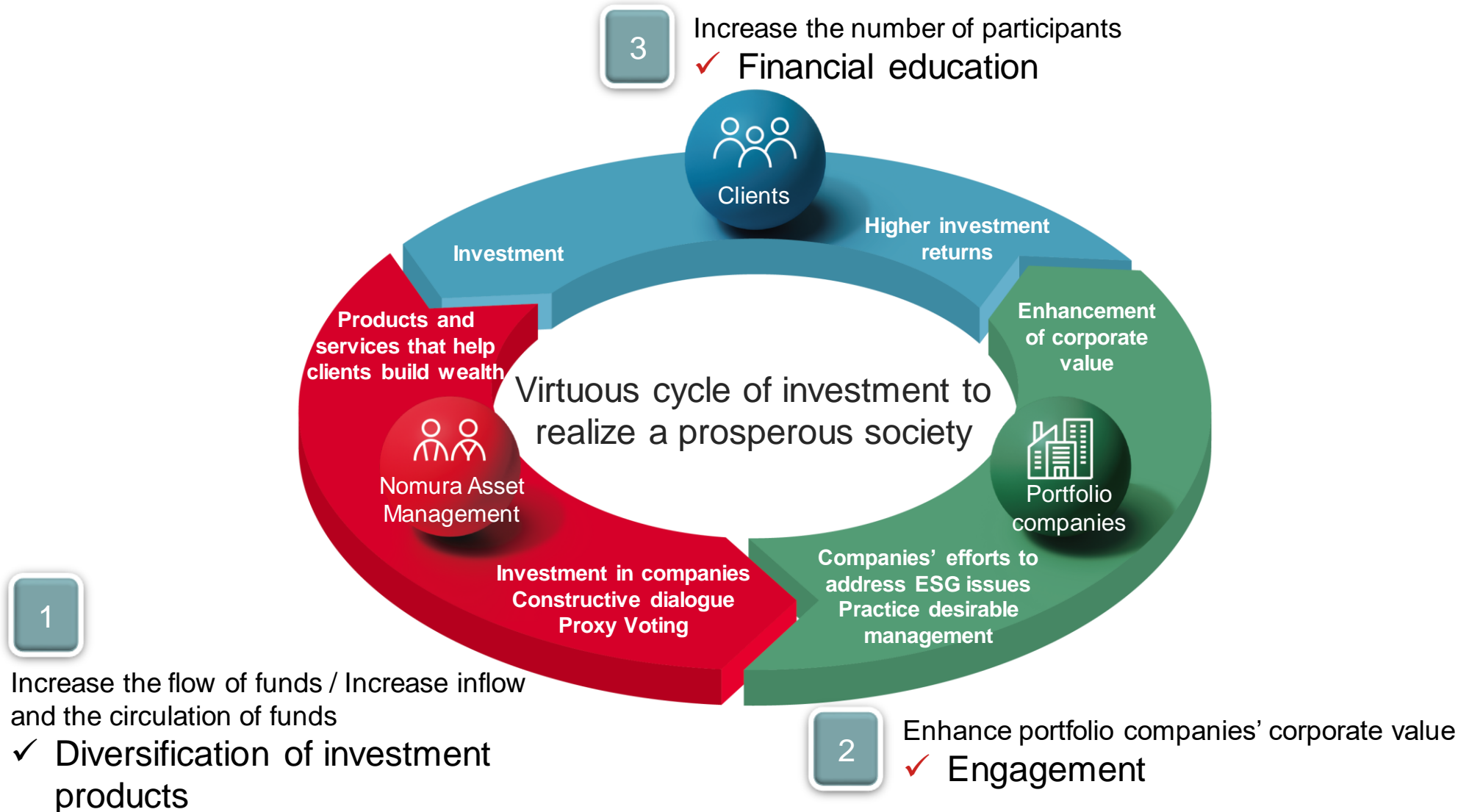
- **Nomura Group Purpose:** We aspire to create a better world by harnessing the power of financial markets
- **As an asset management firm, we seek to realize a sustainable, prosperous society through “virtuous cycle of investment (Investment Chain)”**

Investment Chain



Today's agenda

Our recent efforts to keep the investment chain sustainable



Diversification of investment products

- Establish a global investment management system and strengthen in-house management
- Introduce our investment process and strategy, and our portfolio managers on our website

Our Global network



(Source) Nomura Asset Management Sustainability Report 2024

Our UK base

Global Sustainable Equity

The investment strategy aims to achieve both “creating positive impacts on the environment and society” and “high investment returns”.



**Lead Portfolio Manager
Alex Rowe**



**Sustainable Investment Specialist
Daniela Dorelova**

(Source) Nomura Asset Management Website

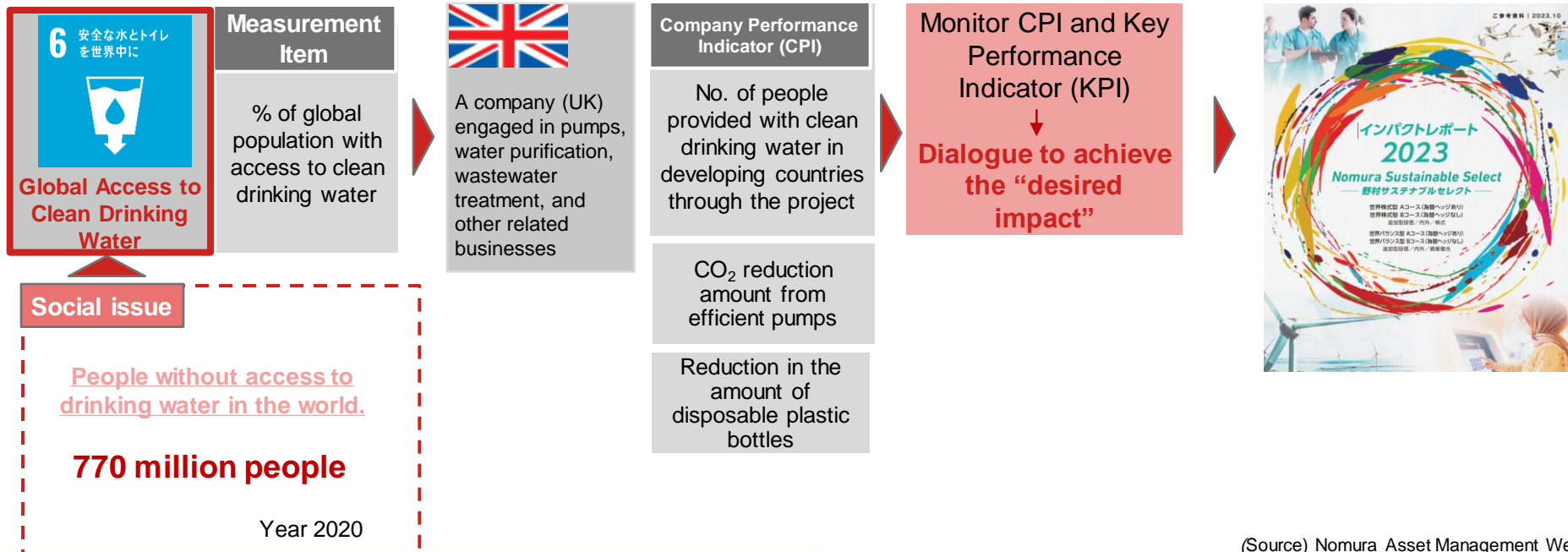
Diversification of investment products: Impact Investment

- **Global Sustainable Equity Strategy:** Global equity investment strategy based on the impact investment concept
- **Through investments and engagement activities, we aim to achieve investment returns while creating a significant positive impact on the environment and society**

Impact investment approach for Global Sustainable Equity (GSE)



[Examples of Impact Investment]



Diversification of investment products: Impact Investment

- Visualization of the impact on society through investments in Impact funds

Provide an impact estimation tool on the website

<https://www.nomura-am.co.jp/special/impact-calculation/>

Let's estimate the impact.

Do we invest

yen in

world equity type

Globally balanced type

?

Calculate

Example of impact from an investment of 10 million yen

Access to safe drinking water



156.8 liters

Amount of clean drinking water provided



7.9

No. of people using clean drinking water through hygiene support programs and water access programs

Diversification of investment products: Donations for solving social issues / UK-based

- A portion of the fees received by the Ireland-domiciled UCITS¹ fund will be donated to “charity: water”
- Project to provide clean drinking water and sanitation facilities to people in Africa, Asia, and Latin America: A total of \$100,000 will be donated over two years



charity: water

charity: water

A non-profit organization established in 2006.

Its mission is to provide clean drinking water and sanitation facilities to people in Africa, Asia, and Latin America.

The organization collaborates with local experts and community members to implement projects that deliver clean water to communities without access to it.



Diversification of investment products: Donations through investments in ESG funds / Japan

- Continuously implement donations through a regional revitalization support tax system in collaboration with regional financial institutions, Nomura Securities, and Japan Post Bank/post offices
- Donate a portion of our revenue from related ESG funds to local governments for their SDGs-related regional projects

“Kokorozashi” project

- Collaboration with regional financial institutions (Since 2021)



TASUKI project

- Collaboration with Nomura Securities (Since 2022)



“Minna de Todokeru” Project

- Collaboration with Japan Post Bank/post offices (Since 2024)



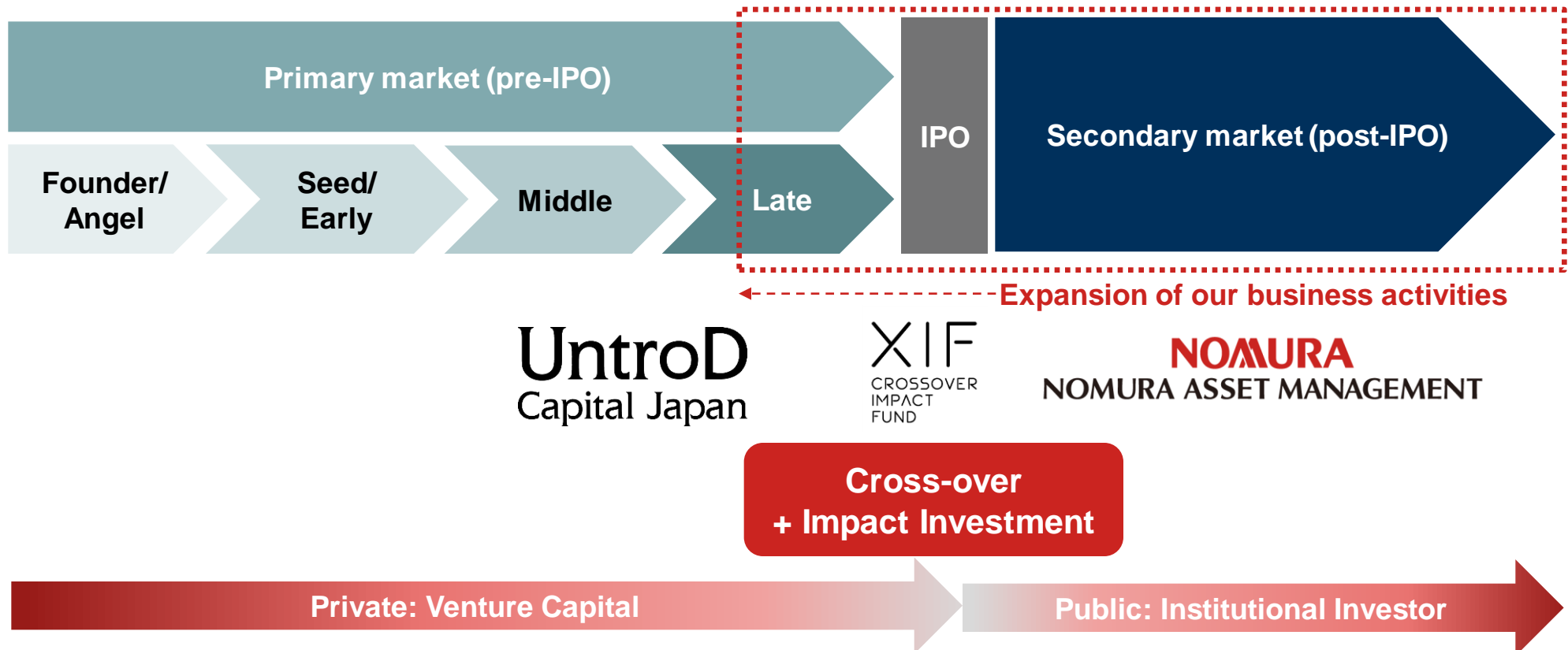
Japan Post Bank Post Office

×

NOMURA
NOMURA ASSET MANAGEMENT

Diversification of investment products: Cross-over Impact Investment

- **Cross-over Impact Investment:** Investment in start-up investment companies that aim to solve social issues beyond the boundary between unlisted and listed companies
 - ✓ Ensures the social implementation of products and services without diminishing the growth momentum of startup companies
 - ✓ Provides a wide range of clients with investment opportunities in private assets that were previously limited in access

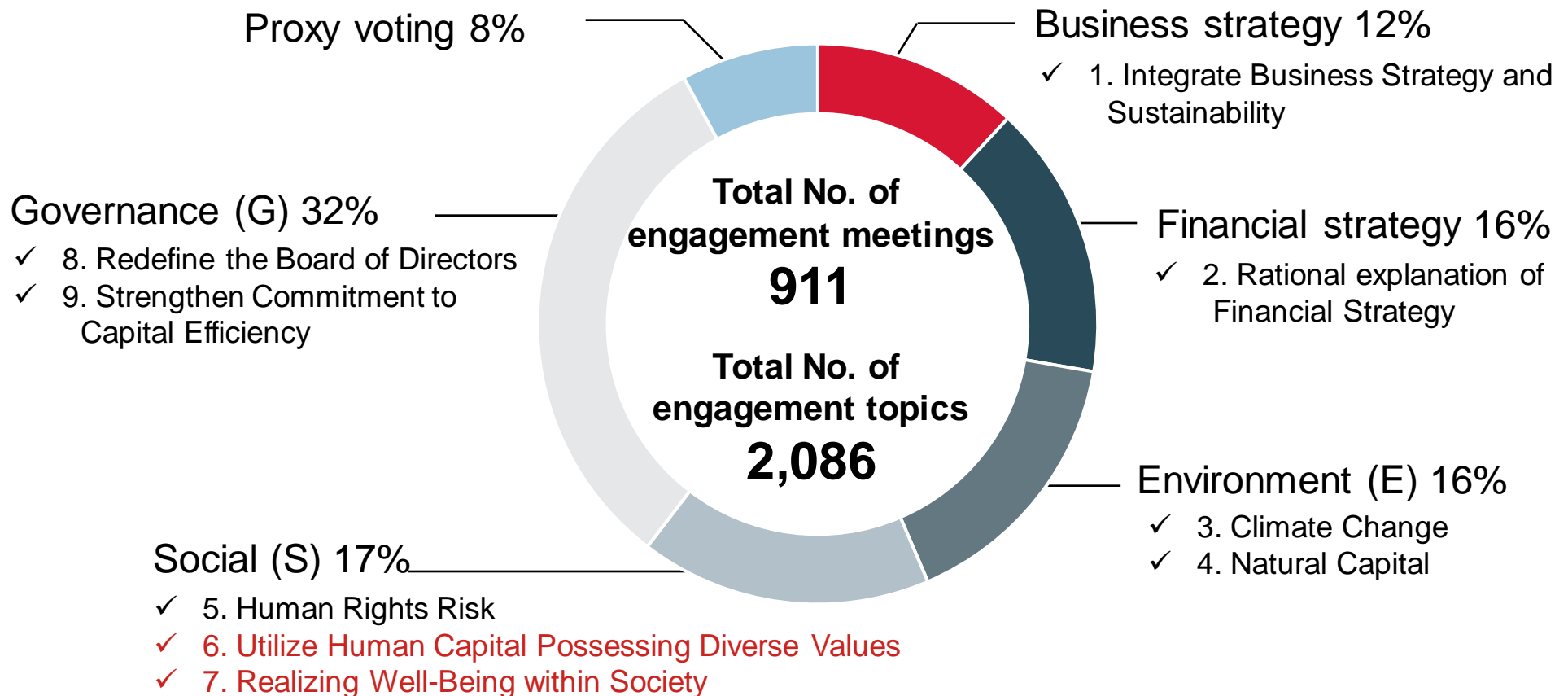


Engagement with portfolio companies

■ How we define engagement:

Encourage portfolio companies to adopt appropriate management practices to enhance their corporate value and achieve sustainable growth based on a thorough understanding of each company

9 Key Themes and Achievements of Engagement (2023)



The impact of assessments related to human capital management on investment returns

Stock Return

=

Fundamentals Growth

+

Changes in Valuation

(Growth seen in accounting)

(Changes in corporate value not seen in accounting)

Resilience

Evaluation items that are highly related to employees' "fundamental strength"

Incentives

Evaluation items that are highly related to employee incentives

Employee satisfaction score

External Assessment

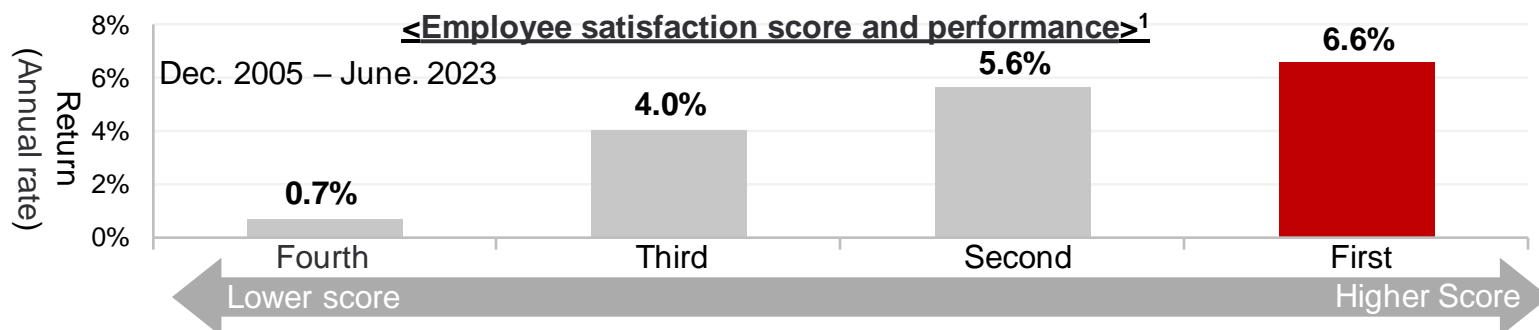
Evaluation items from third parties regarding the utilization of a company's human capital and employee satisfaction

Diversity

Evaluation items that are highly related to employees' "diversity"

Financial Evaluation

Evaluation items related to financial information concerning the utilization of human capital and the quality as an investment target



(Source) Based on the Toyo Keizai CSR data, created by Nomura Asset Management. The weighted average of standardized scores for each indicator.

1. Simulation returns of a portfolio divided into quartiles based on Employee satisfaction scores for approximately 1,000 domestic stocks with the highest market capitalization (equal weighting, monthly rebalancing, before tax and trading cost deductions).

Increasing participants in the investment chain: Financial education

- Research and information dissemination to solve challenges for the promotion and expansion of asset management
- Provide information themed around “growing money” for a wide range of generations and promote financial education

Research

[Survey on investment trusts]

- Conducted continuously since 2005
- Survey results are published



(Source) Nomura Asset Management

Information dissemination/Events

[Website]



Collaboration with QuizKnock

[YouTube]



知っておきたい! NISAの「つ」
みたて投資枠」と「成長投...

[Event]

野村アセットマネジメント × QuizKnock

お金を育てるキャラバン NISAを学ぼう

「お金を育てるキャラバン NISAを学ぼう」は、18歳以上の方を主な対象として、NISAを使った「お金を育てる」=「資産運用」の考え方を楽しく学べるイベントです。QuizKnockがあなたの街にやってくるかも!? クイズや投資体感ゲームに挑戦しながら、一緒にNISAを学びましょう!

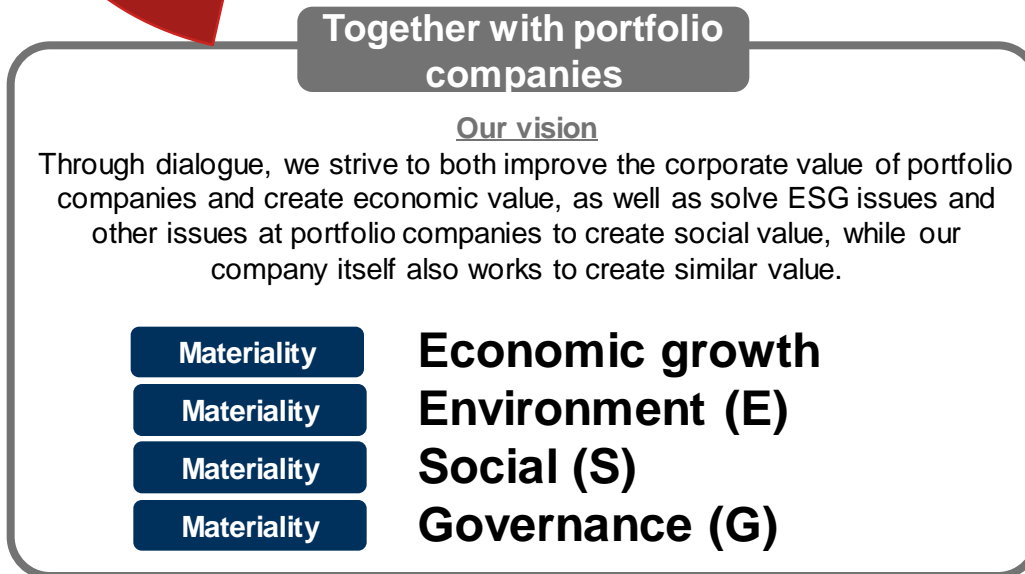
僕たちと一緒にNISAを学ぼう!

[Publication of books]

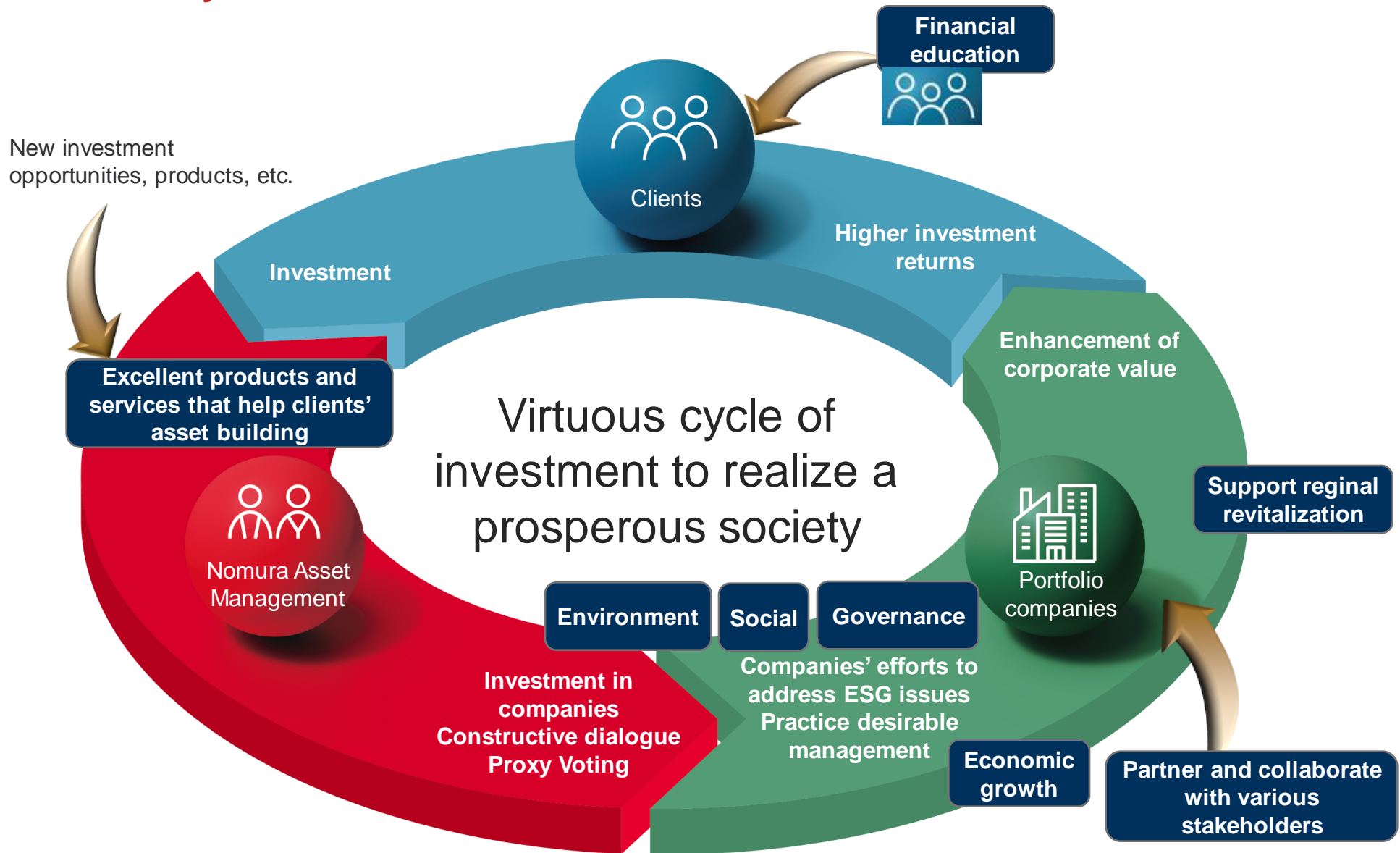


We aim to realize a sustainable, prosperous society through our asset management business / Our Materiality

- In January 2024, we reorganized our materiality to communicate more clearly
- In pursuit of our vision and the realization of the society we aim for, we will work on materiality solutions in collaboration with diverse stakeholders



Our Materiality and Investment chain





Even the things we cannot do alone can be achieved
when we work together towards a common goal.

By combining our expertise and that of our partners,
we aim to accelerate the drive towards a sustainable world and
help create an affluent society for all.

Notice from Nomura Asset Management

■ Caution

The risks and expenses listed below are assumed to be general investment trusts. The rates for expenses are the highest rates among all publicly offered investment trusts managed by Nomura Asset Management, which are borne by investors. As the risks and expenses associated with an investment trust vary, when investing in an investment trust, please refer to the explanatory document (prospectus) and the pre-contract document carefully in advance.

■ Risks Related to Investment Trusts

Investment trusts invest mainly in domestic and foreign stocks, public and corporate bonds, and other securities whose prices fluctuate, and the investment principal is not guaranteed. The price per unit of investment fluctuates due to fluctuations in the market prices of the assets and in foreign exchange rates. Therefore, losses may be occurred as the price of unit may become less than the amount invested by investors. Investment trusts differ from deposits and savings. In addition, for investment trusts, the content and nature of risks are different because the types of target assets, restrictions, trading markets, countries, etc. are different for each investment trust. Therefore, please refer to the explanatory document (prospectus) and the pre-contract document when investing.

■ Expenses related to investment trusts

The total amount of the following costs will vary depending on the period investors hold the fund, etc., and therefore cannot be presented. As of September, 2024

| | |
|--|---|
| Subscription fee: Maximum 3.85% (tax included) | It is the expense which the investor bears when purchasing a fund. The fund distributor receives it as the cost of sales. The rate, etc. must be confirmed with the distributor. Depending on the fund, "Redemption fee" may be required at the time of redemption (and at the time of redemption). |
| Trust fee: Maximum 2.222% (tax included) | It is the cost charges based on the period the investor holds the fund. The asset management company, the trustee company and the distributor receive it in a proportional manner. The asset management company receives the investment compensation, the trustee company receives the custody compensation, and the distributor receives compensation for administrative duty including the distribution of dividend, redemption money and investment reports. *For some funds, extra fee may be charged depending on the investment performance. *In the case of a fund of funds, with some exceptions, trust fees, etc. for funds invested by the fund are separately charged. |
| Investment trust reserve expense: Maximum 0.5% | It is borne by investors upon redemption. It is charged in order for investors themselves to bear the costs incurred in the trust property due to redemption by investors. |
| Other fees: | In addition to the expenses mentioned above, expenses such as "Brokerage" commissions for the purchase and sale of securities, etc., "tax on the fund", "audit cost", "Expenses for custody of assets in foreign countries," etc. are to be borne according to the investing period, etc. The rate, maximum amount, etc. cannot be shown in advance because it fluctuates depending on the investment status, etc. |

When subscribing fund, please make a decision by yourself after confirming the contents of the explanatory document (prospectus) provided by the distributor.

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