



»» *European SRI*

»» *Transparency Code*

Fisch Asset Management AG - Report 2022

European SRI Transparency Code Edition 4.0

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on February 19, 2018.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1. The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format.
2. Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

- The order and exact wording of the questions should be followed
- Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible
- Funds should report data in the currency that they use for other reporting purposes
- Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question
- Responses should be updated at least on an annual basis and should have a precise publication date
- Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code
- Signatories are solely responsible for the answers to the questions and should state this in their response.

Statement of Commitment Fisch Asset Management AG (Fisch)

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of Fisch Asset Management AG. We have been involved in SRI since 2009 and welcome the European SRI Transparency Code.

This is our sixth statement of commitment and covers the period 01.07.2022 to 30.06.2023. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

Compliance with the Transparency Code

Fisch Asset Management AG is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. Fisch Asset Management AG meets the full recommendations of the European SRI Transparency Code.

Date 30.06.2022

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1 List of funds covered by the Code

Name: FISCH Convertible Global Sustainable Fund

Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	Asset class	Exclusions standards and norms	Fund capital as at 31 December	Other labels	Links to relevant documents
<input checked="" type="checkbox"/> Best-in-Class Investment section <input type="checkbox"/> Engagement & Voting <input type="checkbox"/> ESG Integration <input checked="" type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input type="checkbox"/> Norms-Based Screening <input type="checkbox"/> Leading to exclusions <input type="checkbox"/> Leading to risk management analysis/engagement <input type="checkbox"/> Sustainability Themed	Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input type="checkbox"/> Shares in a euro area country <input type="checkbox"/> Shares in an EU country <input type="checkbox"/> International shares <input type="checkbox"/> Bonds and other debt securities denominated in euro <input checked="" type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets <input type="checkbox"/> Short-term monetary assets	<input checked="" type="checkbox"/> Controversial weapons <input type="checkbox"/> Alcohol <input checked="" type="checkbox"/> Tobacco <input checked="" type="checkbox"/> Arms <input checked="" type="checkbox"/> Nuclear power <input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Labour rights <input type="checkbox"/> Gambling <input checked="" type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input checked="" type="checkbox"/> CO2 intensive (including coal) <input checked="" type="checkbox"/> Genetic engineering <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Global Compact <input checked="" type="checkbox"/> OECD Guidelines for MNCs <input checked="" type="checkbox"/> ILO Conventions	To be filled out with a number of AuM EUR 774 mn	<input type="checkbox"/> French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input type="checkbox"/> Luxflag Label <input checked="" type="checkbox"/> FNG Label <input checked="" type="checkbox"/> Austrian Ecolabel <input checked="" type="checkbox"/> Other (please specify) Belgian Febelfin Label	- (KIID?) - Prospectus - Management report - Financial and non-financial reporting - Corporate presentations - Other (please specify)

Links relevant documents:

KIID: Fund detail - Fisch Asset Management (fam.ch)

Prospectus: Fund detail - Fisch Asset Management (fam.ch)

Management report: Monthly reports - Fisch Asset Management (fam.ch)

Financial und non-financial report: Monthly reports - Fisch Asset Management (fam.ch)

Corporate presentation: Firmenprofil_Fisch_quer_EN.pdf (fam.ch)

2 General information about the fund management company

2.1 Name of the fund management company that manages the applicant fund(s)

FUND MANAGEMENT COMPANY:

Universal-Investment-Luxembourg S.A. 15
Re de Flaxweiler
L-6776 Grevenmacher

INVESTMENT MANAGER:

Fisch Asset Management AG (Fisch)
Bellerive 241
CH-8034 Zürich

Phone: +41 44 284 24 24

Fax: +41 44 284 24 94

Email: info@fam.ch

www.fam.ch

Contact:

Sikandar Salam, Head of Sales & Relationship Management Germany

Telefon: +41 44 284 28 09

sikandar.salam@fam.ch

2.2 What is the company's track record and what principles does it apply in integrating SRI into its processes?

Sustainability is an important concern for Fisch in many ways. This is reflected not only in our investment practices, but also in our values and the role of our company in society. This means that we nurture our relationships with stakeholders and share and live our corporate values with our clients and employees – in line with the goal of fulfilling our responsibility as a company to the best of our ability. We underline this attitude by signing the Principles for Responsible Investment (PRI) and being a member of Swiss Sustainable Finance.

An investment process based on responsible investment considerations over the long term is, in our view, a decisive factor in achieving maximum risk-adjusted returns and is therefore also in the best interests of our clients.

ESG (Environmental, Social and Governance) considerations have a material impact on the fundamental analysis of companies relevant for our strategies. We believe that the analysis of sustainability issues is essential to fully understand the risks of our investments. Therefore, ESG aspects are a fundamental part of our research process.

We have experience in sustainable investing since 2009. Fisch implements strict ESG criteria in a global, sustainable convertible bond strategy since then. We manage various products (mutual funds/mandates) with different sustainability criteria.

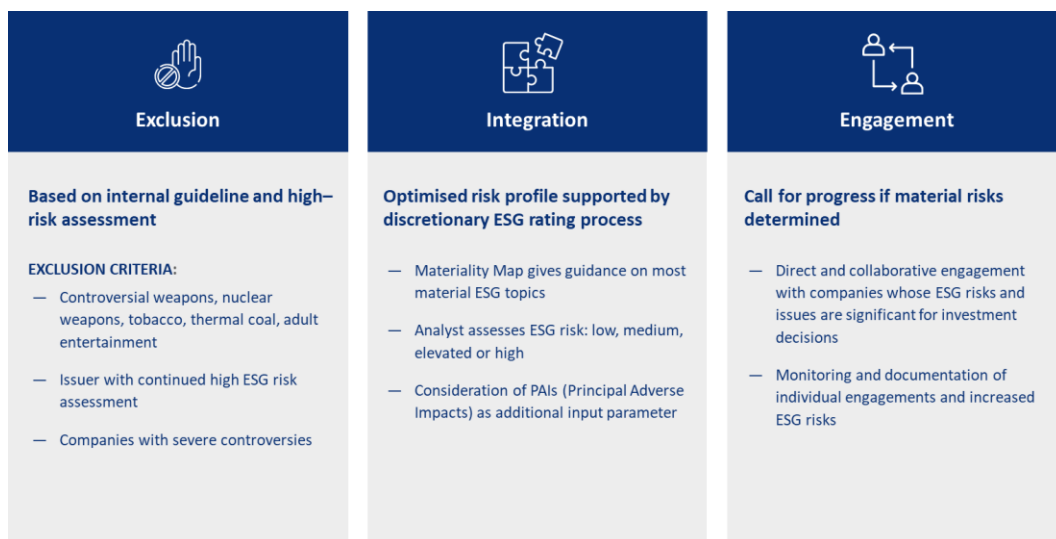
2.3 How does the company formalize its sustainable investment process?

Link ESG Investment Policy: [ESG_InvestmentPolicy_Fisch_EN.pdf \(fam.ch\)](#)

Sustainability risks are analysed and taken into account in all portfolios we manage. We use the following approach with regard to sustainability risks:

- Assessing whether an issue leads to the exclusion of an issuer from the investable universe or justifies a higher risk premium
- Assess ESG issues to determine risk
- Active dialogue with issuers where there is a high or elevated risk

Fisch ESG investment approach



Our global sustainable convertible bond fund has been considered a pioneer in this segment since its launch in 2009. It follows a strict sustainability approach consisting of a combination of exclusion criteria and best-in-class/best-of-class selection, which is provided as a defined investment universe by Bank J. Safra Sarasin (JSS) on a monthly basis.

2.4 How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?

The inclusion of ESG factors (opportunities and risks) in the investment approach, and the issuer analysis, increases the confidence in the assessment of the company. We consider corporate governance and climate change's impact on business models to be the central factors. We consider good corporate governance to be transparent in both corporate communication and management decisions. The long-term focus should be on value creation, transparent and conflict-free compensation systems for the executive board and the board of directors, functioning corporate monitoring bodies and clear procedures regarding the election of the highest corporate bodies. With regard to the impact of climate change on the analyzed companies' business models, we put the emphasis on greenhouse gas emissions, water usage and their effect on biodiversity. These are an integral part of the materiality map used in our holistic analysis of the companies.

As a company, we are aware of our responsibility. Therefore, we are committed to contributing to a sustainable future and the reduction of climate change within the scope of our possibilities. In doing so, we are guided by the European and international initiatives to achieve the goals of the Paris Climate Agreement.

2.5 How many employees are directly involved in the company's sustainable investment activity?

Within Fisch's portfolio management department, two people are responsible for the global sustainable convertible bond fund. They are dedicated to portfolio construction based on the

sustainable investment universe provided to us by the JSS research department. The portfolio management team additionally review the sustainable investment universe again for opportunities and risks as part of the ESG integration, combined with the risk premium within the fundamental analysis. At JSS, eight sustainability specialists are involved in the process. The cooperation with JSS as an external ESG research provider has existed since the fund's launch in 2009.

The 20 dedicated analysts, as well as portfolio managers with additional analytical responsibilities, also systematically focus on ESG topics within the scope of credit and country analysis.

2.6 Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input type="checkbox"/> National Asset Manager Association (RI Group) <input checked="" type="checkbox"/> PRI - Principles For Responsible Investment <input type="checkbox"/> SIFs - Sustainable Investment Fora <input type="checkbox"/> Other (please specify)	<input type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input type="checkbox"/> Climate Bond Initiative <input type="checkbox"/> Green Bond Principles <input type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input checked="" type="checkbox"/> Other (please specify) Climate Action 100+	<input type="checkbox"/> Access to Medicine Foundation <input type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input checked="" type="checkbox"/> Other (please specify) Corporate Accountability for Digital Rights (PRI Engagement Platform)	<input type="checkbox"/> ICGN – International Corporate Governance Network <input type="checkbox"/> Other (please specify)

2.7 What is the total number of SRI assets under the company's management?

All of our assets under management (EUR 8.46 billion as of 30.06.2022) take sustainability criteria into account with the exception of the trend-following strategy. Approximately 90 percent are managed according to an integrative approach consisting of the following

elements: exclusion, integration and engagement, which primarily aims to manage sustainability risks and qualifies as Art. 6 SFDR for EU-domiciled portfolios.

Our global sustainable convertible bond fund declared in this code currently manages EUR 474 million (see link to the factsheet below: [Fund detail - Fisch Asset Management \(fam.ch\)](#)).

3 General information about the SRI fund(s) that come under the scope of the Code

3.1 What is (are) the fund(s) aiming to achieve by integrating ESG factors?

With the offering of the global sustainable convertible bond fund, we take into account the development of new value creation opportunities and offer our long-standing expertise in the management of convertible bonds, which is complemented by a strict ESG approach.

The aim is to achieve comparable performance in the convertible bond asset class to non-sustainable products, even when taking ESG criteria into account.

3.2 What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

We use external dedicated research from JSS and, as part of the ESG integration, external qualitative research from MSCI, Sustainalytics and Refinitiv.

JSS has its own Sustainable Investment Research department in Asset Management. Eight employees work in this department, tasked with evaluating companies, institutions, countries and real estate from an environmental, social and corporate governance (ESG) perspective. The analysts draw on aggregated sustainability data from renowned third-party providers, among others, to form the sustainable investment universe of JSS. These include MSCI ESG for environmental and social data, Governance Metrics International (GMI; now part of MSCI ESG) for governance data, and RepRisk, for the consideration of company-specific reputational risks. In addition, we also use VigeoEiris for the analysis of environmental and social product and service information for the UN Sustainable Development Goals (SDGs). This data is also used for the subsequent detailed company analysis. Climate-specific data is collected via Carbon Delta. Carbon Delta provides us with companies' current alignment with the Paris Agreement, as well as the % effort required for each company to be in line with different scenarios (1.5°C, 2°C and 3°C). We use ISS primarily for the operational execution of our proxy voting rights and have access to ISS proxy voting and governance reports. We use this information to prepare an intervention to highlight governance issues, particularly with regard to detailed analysis of manager/advisor remuneration issues. ISS data also serves as a starting point for our engagement dialogues with companies.

In addition, there are numerous other sources that are consulted by the sustainable investment specialists for analysis purposes:

- Corporate reporting (e.g. annual and sustainability reports)
- Company contacts and visits
- Systematic evaluation of press releases
- Specialised electronic media and internet
- Research reports
- Contacts with non-governmental organisations

This information is interpreted by the respective analyst on the basis of a comprehensive catalogue of criteria. The results are converted into a value (score) for each individual criterion and subsequently entered into a database using software developed in-house (Sustainable Investment Research Database). These data are evaluated by means of a numerical procedure. The result is checked for plausibility by the analyst and adjusted if necessary. Finally, a "peer review" takes place.

Internally, 20 dedicated analysts, as well as portfolio managers with additional analytical responsibilities, carry out ESG research at Fisch.

Link external research partner: **Bank J. Safra Sarasin – Sustainable Swiss Private Banking since 1841 ([jsafrasarasin.ch](https://www.jsafrasarasin.ch))**

3.3 What ESG criteria are taken into account by the fund(s)?

The sustainability approach is implemented in cooperation with the JSS. The objective of the JSS sustainability analysis includes three aspects:

- 1) We analyse whether a company is sufficiently positioned to exploit or reduce ESG-relevant opportunities and risks. Their actual "ESG performance" is compared with their peers.
- 2) The sustainable universe is defined using the J. Safra Sarasin Sustainability-Matrix®.
- 3) Our analysts provide sustainability-relevant insights for the subsequent sustainable investment analysis.

The criteria for the ESG analysis are divided into the following categories, among others, and weighted differently depending on the industry:

- Environmental
 - Climate change
 - Environmental capital
 - Pollution and waste
 - Environmental opportunities
- Social
 - Human capital
 - Product liability
 - Stakeholder resistance
 - Supply chains
 - Social opportunities

- Governance
 - Ownership structure
 - Corporate governance
 - Composition of Supervisory Board
 - Remuneration Management
 - Corporate Conduct

Companies generating turnover in the following sectors are excluded from the investment universe:

- Nuclear energy (turnover threshold of 5%).
- Manufacturers of outlawed and controversial weapons, armaments (turnover threshold of 5% and the 25 largest arms manufacturers in the world are excluded per se)
- Genetic engineering in agriculture (turnover threshold 0%)
- Genetic engineering in medicine (turnover threshold 0%)
- Tobacco (turnover threshold 5%)
- Pornography (turnover threshold 5%)
- Coal mining and electricity production from coal, oil sands, shale gas (turnover threshold 5%)
- Human rights violations

Within the criterion "human rights violations", the UN Global Compact standards and the ILO core conventions are also taken into account.

3.4 What principles and criteria linked to climate change are taken into account in the fund(s)?

1. Smart divestment

The Bank's approach, based on companies' exposure to coal and their mitigation strategies, has led to the exclusion of a number of companies from the Bank's investment universe. The first step is to screen the universe and identify companies where a significant proportion of revenues and/or activities are related to coal. Taking into account the current share of coal in the global energy mix, and their projected development in a sub-2°C scenario, the threshold was set at 20%. In sectors such as mining, JSS sustainable asset management takes into account companies' sales exposure to coal, and generation mix provides the best insight into utilities. The second step of our divestment process is a qualitative review of companies that exceed the threshold. This involves analysing the importance of coal to a company's overall operations (for example, a company may own a coal-fired power plant but generate only a fraction of its revenues from it), its exposure to renewables and, most importantly, its strategies to address climate change.

2. Best-in-Class-Selection & Integration

In addition to divestment, companies are compared with each other based on their ability to mitigate negative climate impacts. This approach is referred to as best-in-class. The ESG screening process is facilitated by the Sustainability Matrix®. It is composed of two dimensions: the industry rating (x-axis) and the company rating (y-axis). The x-axis measures the sustainability of the industry. This takes into account controversies, existing risks, but also positive and negative impacts. The carbon footprint in each industry is an important part of this rating. On the y-axis, companies are compared within their peer group based on

their ability to reduce their negative climate impact using a best-in-class approach (improved strategies). Companies that perform worst in this regard are excluded from all sustainable investment strategies.

3. Active ownership - discussing climate challenges with companies and other stakeholders.

Fisch implements an active ownership strategy independently of JSS. Engagement is an important component of our ESG integration approach and helps us to better assess an issuer's ESG risks and opportunities, and determine whether they are reflected in its valuation. At the same time, engagement provides an opportunity to influence an issuer's actions and practices in line with our desired outcomes. We believe that ongoing direct dialogue with invested companies and collaboration with organisations is an effective approach to achieving positive sustainability and investment outcomes.

In terms of community engagement, we participate through PRI's platform and Climate Action 100+, among others, where we are involved in both thematic and corporate engagements.

3.5 What is the ESG analysis and evaluation methodology of the fund manager /fund management company (how is the universe built, what rating scale is used etc.)?

The basis of our sustainable investment process is the definition of the universe. This step includes the exclusion of controversial activities as well as positive sustainability screening, which is carried out at both company level (best-in-class) and sector level (best-of-classes).

Standards-based screening and screening of controversial activities

Certain business activities that are deemed to be inconsistent with sustainable development result in the exclusion of companies from Bank JSS' sustainable investment universe. Exclusions are determined based on whether they meet two basic conditions:

1. whether there is a general societal consensus on the activity; and
2. whether the company is exposed to financial volatility risks.

The JSS sustainable investment guidelines are based on the following international conventions and standards:

- The United Nations Global Compact
- The OECD Principles of Corporate Governance
- The OECD Guidelines for Multinational Enterprises
- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles
- The ILO Labour Standards Conventions
- The Rio Declaration on Environment and Development
- The UN Convention against Corruption
- The Convention on Cluster Munitions

The screening process is designed to identify listed companies that are suspected of violating international law and standards in the areas of environmental protection, human rights,

labour standards and anti-corruption. If a company is identified in this screening process, we initiate an internal assessment of the company and the incident. The standards-based screening process also identifies companies that can be excluded based on our exclusion criteria below.

JSS Group Policy on Controversial Weapons

When dealing with controversial weapons, the JSS Group actively takes responsibility. It has therefore implemented a policy that sets out the Group's principles in this area. Controversial weapons are those types of weapons that are considered contentious because of their humanitarian impact and/or the number of civilian casualties they cause. Often these impacts are felt years after the conflicts in which the weapons were used have ceased. Controversial weapons include biological, chemical and nuclear weapons, cluster weapons and anti-personnel mines. J. Safra Sarasin is therefore committed to not investing in securities of companies actively engaged in the business of controversial weapons.

Screening for controversial business activities and practices is a preliminary stage of the Bank's sustainability analysis. JSS applies several "standard" criteria to exclude business practices that violate global norms and/or highly controversial business activities. The standard for screening controversial business activities is embedded in all our sustainable investment strategies.

3.6 How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

The research methodology is reviewed once a year and - if necessary - adapted and updated. In the revision of the methodology, the data sets of UN SDG-oriented sales as well as the average carbon footprint were added to the calculation of the industry rating in order to strengthen the impact component.

Depending on emerging controversies, results from engagements or other important ESG-related developments, the rating of a security issuer may also be adjusted during the year. If a security is found to violate our sustainability criteria, it will fall out of the sustainable investment universe and must be sold within two weeks.

If it is determined that an issuer violates the sustainability criteria, it must be sold within six weeks at the latest or in a manner that preserves interests.

JSS keeps a record of controversial business activities and practices and negative reputational risks. For this analysis, an algorithm-based rule is applied that takes into account thousands of news sources in various languages. This process, which was developed in collaboration with RepRisk, results in a Company Issue Index (CII) for all analysed companies and takes into account a wide range of ESG issues, which are ultimately systematically integrated into the company sustainability ratings. In addition, an alert system is set up which allows the daily monitoring of the portfolios and the sustainable investment universe with regard to negative news.

4 Investment process

4.1 How are the results of the ESG research integrated into portfolio construction?

A list of exclusion criteria is applied. They reflect the relevant ethical and financial risks. Companies with the following activities are excluded from the investment universe:

Overview of the exclusion criteria

Criteria	Description	Turnover Threshold
Nuclear energy	Companies that own or operate nuclear power plants (suppliers), as well as companies that offer important nuclear energy-specific products or services in the nuclear power industry (suppliers).	5%
Coal	Companies that are highly active in the coal sector without a sound strategy for the transition to a low-carbon economy	5% Mining 20% Thermal
GVO –Agriculture	Companies that genetically modify organisms for agricultural use	0%
GVO – Medicine	Companies that carry out human cloning and other manipulations of the human germ line	0%
Defence and weapons	Manufacturers of civilian firearms, conventional weapons (systems and essential components), weapon support systems and services (e.g. weapon control systems, target acquisition systems etc.)	5%
Tobacco	Tobacco product manufacturer	5%
Adult entertainment	Adult entertainment producers	5%
Human rights violations	Companies involved in serious violations of human rights. This criterion takes into account applicable international standards and principles (e.g. UN Global Compact)	0%

The Sustainable Investment Advisory Board and the Bank's Corporate Sustainability Board govern the definition and application of this exclusion policy and the resulting security-specific exclusion lists, which are reviewed and approved annually by the JSS Asset Management Board, unless a specific event necessitates an out-of-cycle review.

Positive Screening and Negative Screening

In ESG screening, JSS performs a sustainability analysis for each relevant company to define the investment universe for each strategy. The main outcome of this analysis is the identification of a best-in-class and a worst-out universe. The ESG screening analysis of a company is composed of two elements: Company Rating and Industry Rating. Key ESG themes, SDG-related returns, carbon metrics and other relevant sustainability-related data are sourced from a range of data providers (such as MSCI ESG, VigeoEiris, Carbon Delta, GMI and RepRisk) and integrated into JSS's own database, where an industry rating and a company rating are calculated and displayed in the "Sustainability Matrix". A similar process is used for country ESG ratings.

Company rating:

- We analyse the relevant key ESG issues by industry.
- As an integral part of our company rating, we conduct a media analysis of relevant controversial cases involving the respective company. We base our analysis, which is incorporated into the sustainability company rating, on public, non-company sources. We systematically consider both news value (influence of the source, sharpness of the criticism, novelty of the topic) and news intensity (frequency and timing of the information).

Industry rating:

- The industry rating is based on a proprietary input-output model that analyses the relative ESG risks of the different industries. The relevant externalities are categorised into ESG issues and underlying problems. Direct and indirect impacts are considered in the rating.
- The calculation of our industry ratings is reviewed semi-annually by the Sustainable Investment Analysts.
- The industry ratings are compared with other available data and rating sources, such as the MSCI ESG Industry Risk Intensity Scores, to ensure comprehensible and credible industry results.

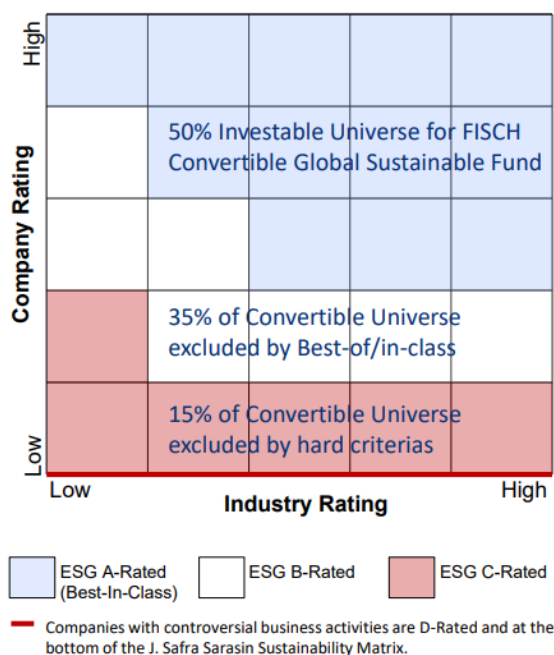
In a follow-up step of the sustainability analysis, the two assessments (company ratings and the corresponding industry rating) are combined and listed in the Bank's own JSS Sustainability Matrix® (Sustainability-Matrix®), the main product of the Bank's sustainability analysis. In stressed industries with low sustainability ratings (e.g. oil and gas, building materials), companies must achieve a high rating to become part of the best-in-class investment universe. Companies in less stressed industries (e.g. telecommunications, IT), on the other hand, only need to achieve an average rating for inclusion. The x-axis of the Bank's Sustainability Matrix® represents the industry rating between 0 (low) and 5 (high). The y-axis represents the company rating between 0 (low) and 5 (high). The outcome of the sustainability analysis is the investment universe.

The sustainability analysis and rating is carried out internally by our Sustainable Investment Research Team. The analysis is produced in an annual, automated and systematic process. Manual assessments and ad hoc reviews of the sustainability rating of individual companies are carried out as required, by the relevant ESG sector analyst, taking into account input from the portfolio manager/financial analyst. Triggers for these reviews may include a security's IPO, information/data on key sustainability issues from vendors or engagements, or an accumulation of new controversies.

Investments in A-rated ESG companies can be made without any restrictions across all strategies. Investments in B-rated ESG companies can only be made in "integrated" strategies. Relevant ESG risks must be addressed in the investment case, ESG performance and evolution must be closely monitored, and an engagement strategy is recommended where appropriate. No investments can be made in C and D rated companies. If an ESG rating is downgraded for a portfolio position, the ESG analyst team will set an appropriate period (grandfathering period) to exit the position.

The best-in-class ESG approach ensures that of the total global investment universe of issuers for which ESG data is available, at least half (50%) of the issuers are excluded, representing a substantial reduction in the investment universe. The worst-out ESG approach excludes approximately 15% of issuers for which data is available and ensures that

ESG laggards are avoided. We aim to achieve the highest possible coverage of securities in each investment strategy. Nevertheless, there may be some investment strategies where coverage is insufficient. In this case, a certain maximum allocation to unrated securities (ESG N-rated) is allowed and will be specified in the Product Restrictions and Positioning (PRP) document of such a strategy.



J. Safra Sarasin Sustainability-Matrix®

Fisch's fund management may only invest in the securities of issuers positioned in the light blue area of the Sarasin Sustainability-Matrix®. Financially material sustainability aspects are integrated directly into the financial analysis. Of the total convertible bond investment universe of around 1,800 securities, approximately 52% are classified as sustainable as at 31 March 2022. The ESG criteria refer to the criteria mentioned in point 3.3.

4.2 How are the criteria specific to climate change integrated into portfolio construction?

Refer to answer 3.4. The JSS principles and criteria regarding climate change are already taken into account when defining the investment universe.

4.3 How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

In principle, all securities are subject to an ESG analysis. A maximum of 10% of securities classified as non-sustainable may be held in the fund, e.g. downgrading by JSS. The fund may also hold 10% in issuers for which no ESG analysis is (yet) available, e.g. in the case of new issues. Debtors that enter the portfolio from new issues and have not yet been assessed by

JSS are consistently requested for analysis. In the event of a classification as non-sustainable, the debtors are generally sold in the interests of the investors.

4.4 Has the ESG evaluation or investment process changed in the last 12 months?

The most important changes were the introduction of A, B, C and D ratings in the universe definition step.

4.5 Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

No, the fund does not pursue an impact investing approach.

4.6 Does (do) the fund(s) engage in securities lending activities?

Yes, the Fund may engage in securities lending transactions. The guidelines are noted in the prospectus, see chapter "General information on securities financing transactions and total return swaps". The counterparties in securities lending transactions (exclusively investment banks) are not assessed according to ESG criteria.

All securities, money market instruments and investment units transferred within the scope of securities lending transactions may be transferred back at any time and all securities lending transactions entered into may be terminated at any time. When entering into a securities lending transaction, it must be agreed that after termination of the lending transaction, securities, money market instruments and investment units of the same type, quality and quantity will be transferred back to the sub-fund within the usual settlement time.

The FISCH Convertible Global Sustainable Fund does not hold any securities with voting rights.

4.7 Does (do) the fund(s) use derivative instruments?

The fund may use financial derivative instruments for efficient portfolio management, hedging and investment purposes, subject to the Investment Restrictions. The fund may not use leverage.

In critical market phases, equity risk may be reduced through equity index futures. Index futures are only used for risk reduction. In accordance with the UCITS Commitment Approach, the use of derivatives shall not exceed 200% of the portfolio. At least 80% of the fund must consist of positions classified as sustainable.

4.8 Does (do) the fund(s) invest in mutual funds?

No, the fund does not invest in other mutual funds.

5 ESG controls

5.1 What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?

An external advisory board for sustainable investments supports JSS in an advisory capacity in the further development of its sustainable investment products and, if required, its corporate sustainability. Dr Wolfgang Engshuber and Dr Andreas G. F. Hoepner, both proven and internationally recognised experts in the field of sustainability, as well as sustainable investing, are the permanent members of the advisory board and, depending on the topic, other external specialists or organisations are consulted.

With regard to the sustainable investment universe, a department that is organisationally separate from JSS Asset Management (Risk Office) uses the database created by the Sustainable Investment Team to check on a daily basis whether the invested securities have a "sustainable" rating.

Violations in connection with the defined ESG criteria can arise for the following reasons:

- Passive infringement due to market movement is possible. A check is carried out daily by Risk Management, adjustment in the bandwidth is carried out continuously in the interests of the investor.
- The sustainability rating of JSS changes within one month; the 10 percent of permissible positions classified as non-sustainable may not be exceeded. A daily check is carried out by Risk Management. Adjustments within this range are usually made within two months in the interests of the company.

An investment compliance check is also carried out downstream at Fisch, where compliance with the defined investment guidelines is checked before each purchase of securities (incl. exclusion criteria).

6 Impact measures and ESG reporting

6.1 How is the ESG quality of the fund(s) assessed?

We measure the carbon footprint of the portfolio against the benchmark on a quarterly basis. This is reported monthly in the fund reporting. We also provide clients with detailed reporting on a quarterly basis and/or an ad-hoc basis. This contains information on the individual factors (E, S & G) of the portfolio compared to the benchmark and addresses key ESG issues (incl. controversy monitor).

Furthermore, our FISCH Convertible Global Sustainable Fund has been awarded the FNG Siegel (1 star). The FNG Siegel is the quality standard for sustainable investment funds in German-speaking countries. With the exclusion criterion "fossil energy sources", the FNG Siegel actively considers the topic of climate change in the investment process. In addition, the fund was awarded the Belgian Febelfin label and the Austrian Umweltzeichen.

6.2 What ESG indicators are used by the fund(s)?

- Methodology, ratings, ESG scores, impact estimates, comments: Bank J. Safra Sarasin, Sustainable Investment Research
- ESG sustainability scores: MSCI ESG IVA
- CO2- and climate specific data: MSCI Carbon Metrics
- Reputational risk data: RepRisk
- Impact data: VigeoEiris

6.3 What communication resources are used to provide investors with the information about the SRI management of the fund(s)?

Investors are informed about the fund's sustainability management through various documents, please follow the link to the fund's subsite: **Fund detail - Fisch Asset Management (fam.ch)**

6.4 Does the fund management company publish the results of its voting and engagement policies?

No voting rights are actively exercised for the fund and are therefore not published. Fisch does not invest in equities.