

## »Exclusion Policy

Updated March 2025

The management of ESG risks is an integral part of Fisch Asset Management's (Fisch's) investment process. Fisch believes that some products and business practices are incompatible with responsible and sustainable investing and therefore applies, among other things, various exclusion criteria to its investment universe.

### 1. Standard Exclusion Approach

Fisch does not invest in the following companies as a standard:

- Companies that have any ties to controversial weapons such as cluster munitions, landmines, biological and chemical weapons.
- Companies that derive 5% or more of their revenues from the production of nuclear weapons
- Companies that derive 5% or more of their revenues from the manufacture of tobacco products
- Companies that derive 5% or more of their revenues from producing, directing or publishing adult entertainment materials
- Companies that derive 10% or more of their revenues from the mining of thermal coal

Fisch follows applicable sanctions of the UN, EU, US and Switzerland, to which Fisch is subject and follows any mandatory investment restrictions deriving from those restrictions.

### 2. Extended Exclusion Approach

For SFDR article 8 funds, Fisch does not invest in the following companies and countries:

- Sovereign debt of countries where serious violations of human and democratic rights occurs. To identify these countries data from the Freedom House Index is used. Countries exceeding the predefined threshold are excluded from investment.

For the standard and extended exclusion approach, all related investment instruments (e.g. bonds, equity, derivatives on respective companies) are in scope. The exclusion approach does not apply to indices and baskets.

### 3. Additional Exclusions

In addition to the standard exclusion approach, any company can be excluded from the investment universe if assessed as incompatible with responsible and sustainable investment within our ESG integration approach. These exclusions are also subject to approval by the ESG committee and the Executive Board.

### 4. Controversies

As part of the identification of ESG risks, Fisch regularly also identifies and monitors controversies, based on scores received from ESG data providers (e.g. MSCI) as well as Fisch's own research. The detection of severe controversies can lead to a limitation of exposure, disinvestment and/or exclusion of a company. The ESG assessment methodology of the ESG data provider takes into account the *UN Guiding Principles on Business and Human Rights*, the *OECD Guidelines for Multinational Enterprises*, the *International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work*, the *ILO Core Conventions*, and the *UN Global Compact*. The respective ESG data provider's methodology can be found on its webpage.

Follow-up and monitoring of the list of companies under severe controversies are managed by the portfolio management teams. The Risk Management team and the ESG committee reviews the entire list on a regular basis.

## **5. Review and Implementation**

The exclusion criteria described in this Exclusion Policy are reviewed at least once a year by the ESG committee and by Risk Management. Proposed adjustments are then submitted to the Executive Board for approval.

Positions which are affected by the exclusion criteria will under consideration of market circumstances generally be liquidated within three months.

By excluding a company from its investment universe, Fisch Asset Management is not giving any general recommendation or investment advice not to invest in such company to any third party. Fisch accepts no responsibility whatsoever for any improper use of the information contained in the list of excluded companies or any action taken as a result thereof and disclaims all liability in respect of such improper use.