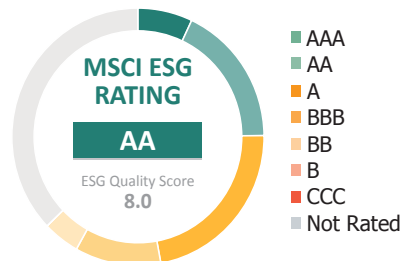


## IST Portfolio

|                            |                      |
|----------------------------|----------------------|
| Portfolio Manager          | SYZ Asset Management |
| ESG Rating <sup>1</sup>    | AA                   |
| SFDR Category <sup>2</sup> | not applicable       |
| Investment strategy        | Active               |

<sup>1</sup> MSCI ESG Report: [www.msci.com](http://www.msci.com)

<sup>2</sup> SFDR: The Sustainable Finance Disclosure Regulation is a European regulation introduced to improve transparency in the market for sustainable investment products. <https://www.eurosif.org/policies/sfdr/>



## Applied ESG Approaches

### Exclusion



**Yes.** IST exclusion list and process is applied in addition to the portfolio manager's own exclusion list (covering tobacco, alcohol, OFAC list etc.):

| Composition of IST exclusion list   |  |   |   |
|---|--|---|---|
| SVVK-ASIR   | THEMATIC / SECTOR EXCLUSION  | COUNTRY EXCLUSIONS  | ENGAGEMENT / VIOLATIONS OF NORMS  |
| <ul style="list-style-type: none"> <li>– Nuclear weapons</li> <li>– Cluster munitions and anti-personnel mines</li> </ul> | <ul style="list-style-type: none"> <li>– Coal mining and power generation (turnover &gt; 25%)</li> </ul> | <ul style="list-style-type: none"> <li>– UN Security Council Arms Embargo</li> <li>– OFAC</li> <li>– Swiss sanctions</li> </ul> | <ul style="list-style-type: none"> <li>– Exclusion of non-cooperative companies</li> <li>– Violation of internationally acceptable standards</li> </ul> |

Source: <https://istfunds.ch/en/esg-ist/>

### Proxy Voting

Source: [https://istfunds.ch/media/5299/stimmrechtsausuebung\\_asi\\_d\\_2021.pdf](https://istfunds.ch/media/5299/stimmrechtsausuebung_asi_d_2021.pdf)

**Not applicable**

### Engagement



**Yes.** Engagement activities by IST in collaboration with Sustainalytics:

| CRITERIA  | DIALOG / GOAL DEFINITION  | TERMINATION OF ENGAGEMENT  |
|---|---|--|
| <ul style="list-style-type: none"> <li>– High ESG risk: Material Risk Engagement (MRE)</li> <li>– Thematic engagement (e.g. sustainable forests)</li> </ul> | <ul style="list-style-type: none"> <li>– Definition of firm ESG-goals in cooperation with investee company</li> </ul> | 2 possible outcomes: <ul style="list-style-type: none"> <li>– Objective achieved («case resolved»)</li> <li>– Objective not achieved resp. company is not cooperative *</li> </ul> |

Source: [https://www.istfunds.ch/media/5397/ist\\_d\\_engagementbericht-2021.pdf](https://www.istfunds.ch/media/5397/ist_d_engagementbericht-2021.pdf)

\*Assessment to consider adding to exclusion list

### ESG Integration



**Yes.** Analysts are using ESG ratings of one or more rating providers leading to a consensus ® Conser rating.

### Best-in-Class

**Not applicable**

### Thematic/ Impact Investing

**Not applicable**

## Portfolio manager: SYZ Asset Management

### Facts & figures

|   |  |
|---|--|
| Assets under management   | USD 8.2 bn   |
| Whereof in sustainable investment strategies                                      | USD 8.2 bn   |
| Number of inv. profess.   | 6  |
| Whereof dedicated to ESG  | 6  |
| Signatory to UNPRI  | Yes  |
| UNPRI rating  | A  |
| Memberships (selection only):   |  |
| <ul style="list-style-type: none"> <li>Swiss Sustainable Finance (SSF)</li> </ul> | <ul style="list-style-type: none"> <li>Task Force on Climate-related Financial Disclosures (TCFD)</li> </ul> |

### Consultant / Partnerships

- Conser SA (ESG ratings)

### Carbon Strategy

Carbon footprint is being measured and fully offset since inception of the company.

### Voting Activity

Not applicable as only fixed income products are managed

### Engagement

Not applicable

### ESG philosophy

#### Doing good. Doing well.

Businesses with a good environmental, social and governance (ESG) track record do well. This isn't wishful thinking, it's backed by solid research. Because they are up-to-date with changing legislation, because they understand and tap in to societal trends, and because they have a desire to do the right thing as well as to make a profit, they generally make the best long-term investment opportunities.

We're in business to help our clients to do well too. That's why we constantly search for investments that have the potential to deliver strong risk adjusted returns whereas we explicitly factor in the ESG viewpoint (ESG integration). The values we share hinge around trying to do the right thing for clients, employees, shareholders, consumers, communities and the environment. Doing good things not bad ones. Data shows that doing good usually pays off, not just for the greater good but for investors too. So, when it's supported by a robust process, backed up with data science, and held together with a clear set of shared values, investing by considering ESG criteria is a proven way to do well. And we think that makes good investment sense.

Syz - Doing good. Doing well.

<https://www.syzgroup.com/en/asset-management>