

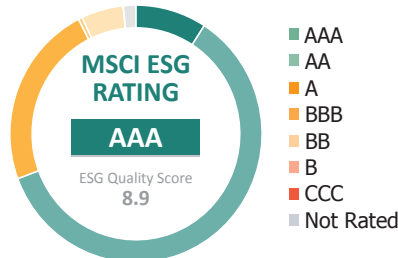
IST2 SWISS EQUITIES MINIMUM VARIANCE

IST Portfolio

| | |
|----------------------------|----------------|
| Portfolio Manager | Unigestion |
| ESG Rating ¹ | AAA |
| SFDR Category ² | Not applicable |
| Investment strategy | Active |

¹ MSCI ESG Report: www.msci.com

² 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/>



| ESG Quality Score | ESG Rating |
|-------------------|------------|
| 8.6 – 10 | AAA |
| 7.1 – 8.6 | AA |
| 5.7 – 7.1 | A |
| 4.3 – 5.7 | BBB |
| 2.9 – 4.3 | BB |
| 1.4 – 2.9 | B |
| 0.0 – 1.4 | CCC |

Applied ESG Approaches

Exclusion



Yes. IST exclusion list and process is applied in addition to the portfolio manager's own exclusion list:

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

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

Proxy Voting



Yes. The portfolio manager is exercising the voting rights and publishes a proxy voting report.

Source: <https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Engagement



Yes.

Engagement activities by the portfolio manager: both collective and individual engagements.

Engagement activities by IST in collaboration with Sustainalytics:

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

*Assessment to consider adding to exclusion list

Source: https://www.istfunds.ch/media/5397/ist_d_engagementbericht-2021.pdf

ESG Integration



Yes. Unigestion applies a 360° approach to risk assessment in its investment process. In addition to traditional risk measures such as fundamentals, volatility and liquidity, key considerations also include ESG risks of companies, their GHG intensity as well as potential controversies.

Best-in-Class

Not applicable

Thematic/ Impact Investing

Not applicable

Portfolio manager: Unigestion

Facts & figures

| | |
|--|--|
| Assets under management | USD 22.0 bn |
| Whereof in sustainable investment strategies | USD 16.9 bn |
| Number of inv. profess. | 73 |
| Whereof dedicated to ESG | 16 |
| Signatory to UNPRI | Yes |
| UNPRI rating | A (Strategy & Governance) |
| Memberships (selection only): | |
| <ul style="list-style-type: none"> Montreal Carbon Pledge Transition Pathway Initiative (TPI) Swiss Sustainable Finance (SSF) | <ul style="list-style-type: none"> Task Force on Climate-related Financial Disclosures (TCFD) Farm Animal Investment Risk & Return (FAIRR) |

Consultant/ Partnerships

- ISS (proxy voting)

Carbon Strategy

Carbon footprint is being measured since 2019. Annual reduction targets of 7% (excl. products) and 30% by 2030 (interim target for net-zero) on AuM.

Voting Activity

Yes, Proxy Voting reports are available
<https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Engagement

Yes. Unigestion's engagement policy and direct engagement report 2021 are available
<https://www.unigestion.com/responsible-investment/policies-and-reporting/>

ESG strategy and integration

Unigestion as responsible investor has established two pillars to its ESG beliefs:

- Integration
- Active Ownership

We integrate E, S and G considerations throughout our investment processes through universe screening, investment selection, portfolio construction and engagement.

We are committed to continuously increasing transparency of reporting to clients on ESG impacts and our active ownership activity.

ESG integration process:

- Pillar I: Norm-based screening (Exclusion of: Controversial Weapons, Tobacco producers, Adult Entertainment producers, Thermal Coal exposures, Predatory Lenders, and Non-compliant corporations regarding human rights, labour, environment and anti-corruption)
- Pillar II: Exclusionary Screening (Exclusion of Non-covered entities, Worst-in-class entities, and High Carbon Emitters)
- Pillar III: ESG Risk Control (Aggregate level ESG score and GHG intensity, Fundamental analysis)
- Pillar IV: Active Ownership (Proxy voting, Direct Engagement, and Collaborative Engagement)

Our **proprietary scoring methodology** incorporates the following:

- A focus on ESG-related risks: Sustainalytics indicators form the basis of our assessment at an industry level.
- Additional sources: We supplement Sustainalytics' data with additional sources such as: S&P Trucost and ISS Ethix, as well as with our own assessment. Importantly, this is supported by the results of our corporate engagement effort and our internal assessment can take precedence over external data sources.
- Regional disparities: We account for varying standards and degrees of maturity between emerging and developed countries when building our scores bottom-up.
- Sector disparities (Companies only): We recognize differences between sectors and account for different expectations of each when putting together our scores at an industry level.
- Minimal lag (Companies only): We accommodate the impact of fast evolving controversies as well as their severity.
- Efforts to improve: We recognize companies' and countries' gradual improvements despite low base levels by assessing the "trend" of the ESG score in addition to its absolute level.
- Engagement activities (Companies only): We incorporate the results of our engagement activities into the ESG score.

<https://www.unigestion.com/responsible-investment/>

Next steps and further developments

Unigestion has recently signed the Net Zero Asset Managers Initiative (NZAMI) with the commitment to achieve 30% of AuM net zero by 2030 and 100% by 2050.