

Swisscanto (CH) Bond Fund Sustainable Global Corporate NTH1 CHF

Bonds | reinvesting | June 2024

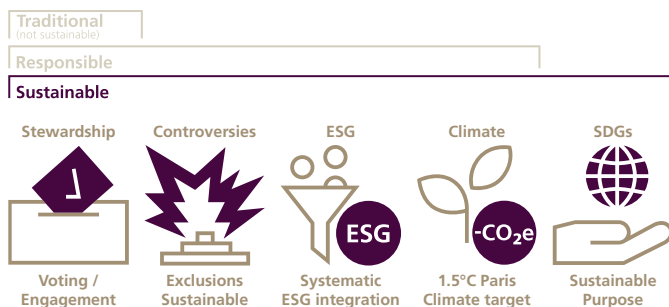
Fund Description

The fund actively invests in corporate bonds worldwide with an investment grade rating (credit rating of BBB- or higher) and, as an addition, also in high-yield bonds. Strict ESG criteria (environmental, social and governance) are an integral part of the selection process. The portfolio manager actively adjusts the asset allocation to the changing market environment.

Currency fluctuations between the currency of this share class and the investment currencies of this fund are hedged (portfolio currency hedging)*.

Product line and sustainability approaches in use

When selecting investments, the product lines and sustainability approaches illustrated below and described in the "Explanations regarding product lines and sustainability approaches" are used.



Note:
- Greyed-out product lines and approaches are not applicable to the assets in question.
- Exclusions based on SVVK-ASIR are applied in all three product lines (Traditional (non-sustainable), Responsible and Sustainable).

Swisscanto Sustainability Rating

high **A** B C D E F G low

Profile/Suitability

This product is suitable for investors who

- have at least a medium-term investment horizon.
- wish to focus on ecological and social sustainability and wish to benefit from the return opportunities offered by corporate bonds.
- want to tap into credit risk premiums.
- have the necessary risk tolerance towards the interest rate and credit risks of the asset class.

Risk Indicator

low **1 2 3 4 5 6 7** high

Fund Facts

NAV per Share (28.06.2024)	CHF 99.21
52-Week High (05.06.2024)	CHF 99.82
52-Week Low (25.04.2024)	CHF 97.42
Fund Domicile	Switzerland
Share Class Currency	CHF
Fund Currency	EUR
Accounting Year End	31.01.
Security Number	132734854
ISIN-Number	CH1327348541
Bloomberg	SWCBDNC SW
Share Class Launch Date	28.03.2024
Inception Date Fund	24.03.2004
Start Performance Calculation	01.04.2024
Change in sustainability policy	31.07.2023
Share Class Volume (million)	CHF 52.50
Fund Volume (million)	CHF 113.05
Shares Outstanding	529'729.000
Benchmark	ICE BofA Global Corporate Index TR Hedged in CHF
Flat Fee p.a.	0.00%
Swinging Single Pricing	Yes
Management Company	Swisscanto Fondsleitung AG, Zurich
Portfolio Management	Zürcher Kantonalbank
Custodian Bank	Zürcher Kantonalbank

Performance

Indexed Performance and Performance in %¹



Indexed performance (left scale). Performance in percent (right scale).

Performance in %²

Since	1m	3m	1yr	3yrs p.a.	5yrs p.a.	Start p.a.
Fund Net ^a	0.23	-0.78	n.a.	n.a.	n.a.	n.a.
Fund Gross ^b	0.23	-0.78	n.a.	n.a.	n.a.	n.a.
Benchmark	0.35	-0.80	n.a.	n.a.	n.a.	n.a.

Annual Performance in %^{1,2}

Year	2019	2020	2021	2022	2023	YTD
Fund Net ^a	n.a.	n.a.	n.a.	n.a.	n.a.	-0.78
Fund Gross ^b	n.a.	n.a.	n.a.	n.a.	n.a.	-0.78
Benchmark	n.a.	n.a.	n.a.	n.a.	n.a.	-0.80

Risk Figures

No risk figures shall be made available if the product was launched less than 1 year ago.

Portfolio Data

	Fund	BM
Number of Positions	291	18'831
Modified Duration	6.11	5.92
Yield (without currency hedging)	5.36%	5.18%
Time to Maturity in Years	8.72	8.54
Average Coupon	4.70%	3.77%
Average Rating	BBB+	A-
Number of direct investments	291	n.a.
Effective Cash	2.05%	n.a.

¹ Year/period: Since start performance calculation or at the longest for the last five years/periods.

² Minor deviations can be caused by rounding errors.

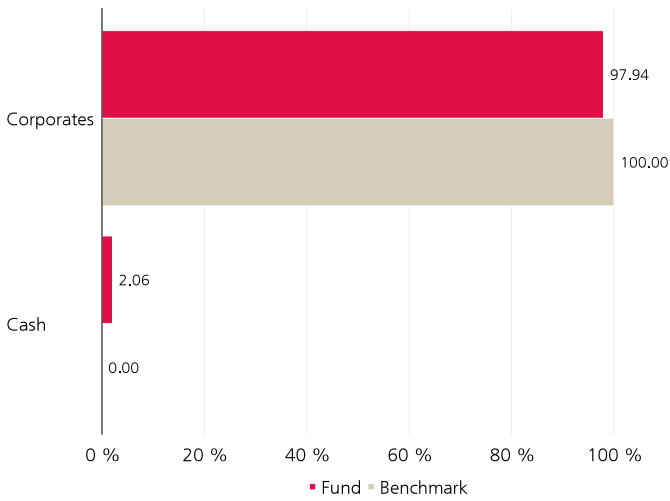
^a The represented net value development less all regular fund fees due. Any further costs due, which can be charged directly to the fund assets, are disclosed in the fund prospectus.

^b The gross performance indicated before deduction of any regular fund fees incurred.

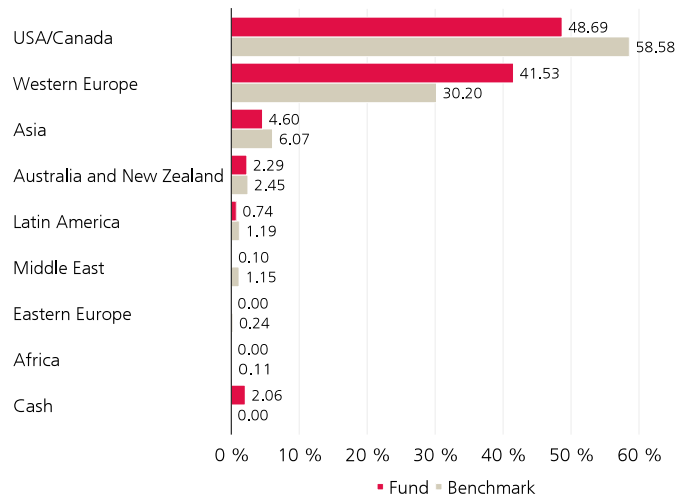
*Over or under- hedging may occur.

Breakdowns

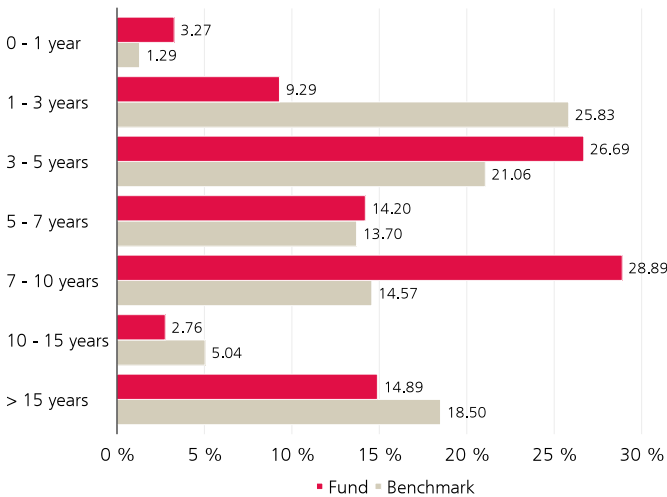
Breakdown by Sectors in %



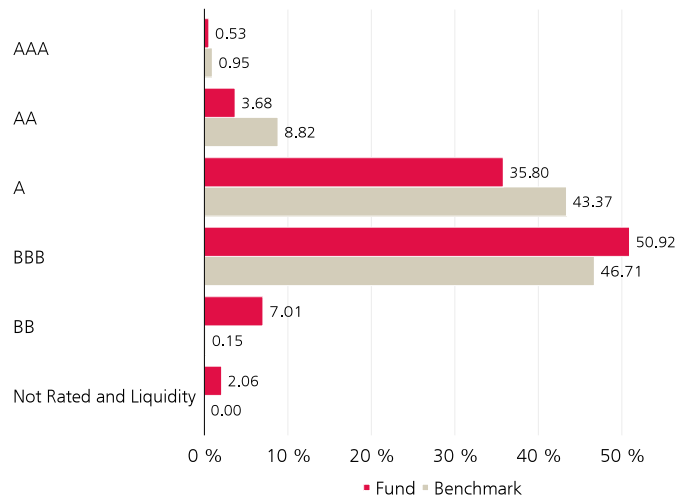
Breakdown by Regions in %



Breakdown by Maturity in %



Breakdown by Credit Rating in %



Minor deviations can be caused by rounding errors.

Largest Issuers in %

Issuer	Fund (%)	BM (%)
Credit Lyonnais SACA	1.74	0.66
JPMorgan Chase & Co	1.61	1.39
Banco Bilbao Vizcaya Argentaria SA	1.41	0.19
Morgan Stanley	1.38	1.20
ING Groep NV	1.37	0.38
Paine Webber Group Inc	1.35	0.88
Citigroup Inc	1.35	0.97
Banco Santander SA	1.25	0.54
UnitedHealth Group Inc	1.22	0.46
NatWest Group PLC	1.20	0.34

Sales Breakdown by SDGs in %

SDG	Fund (%)
SDG 1: No poverty	0.45
SDG 2: Zero hunger	0.85
SDG 3: Good health and well-being	14.74
SDG 4: Quality education	0.10
SDG 5: Gender equality	0.07
SDG 6: Clean water and sanitation	0.46
SDG 7: Affordable and clean energy	13.77
SDG 8: Decent work and economic growth	8.72
SDG 9: Industry, innovation and infrastructure	8.55
SDG 11: Sustainable cities and communities	5.46
SDG 12: Responsible consumption and production	0.64
SDG 14: Life below water	0.86
SDG 15: Life on land	0.73
SDG 17: Partnerships for the goals	0.01

Explanations regarding product lines and sustainability approaches

Product lines

The sustainability product range comprises two product lines in which different sustainability approaches are applied. The «Responsible» product line includes as standard the application of further exclusions, systematic ESG analysis as an integral part of the investment process and a reduction in the CO₂e intensity of the investments. In addition to the aforementioned approaches, the «Sustainable» product line includes the application of even more extensive exclusions and also invests in SDG leader or ESG leader (Sustainable Purpose). The exclusions based on SVVK-ASIR are applied in all product lines (including for assets that are not sustainably managed). These mainly include manufacturers of banned weapons and may also include states in addition to companies.

Stewardship - Voting / Engagement



As a shareholder, we actively engage in continuous dialogue with the companies management. This takes place in accordance with the engagement guidelines of Zürcher Kantonalbank's asset management. Among other things, companies are required to formulate ambitious greenhouse gas reduction targets, implement them consistently and report on them transparently. Our engagement activities and guidelines are published on <https://www.zkb.ch/en/home/asset-management/sustainability/investment-stewardship.html>. Our voting guidelines are based on Swiss and international corporate governance principles and on the United Nations Principles for Responsible Investment (UN PRI). The threshold for exercising voting rights in our foreign voting markets is CHF 5 million for Swiss domiciled funds and CHF 2 million for Luxemburg domiciled funds per share position. More information on our voting behaviour can be viewed at: <https://www.swisscanto.com/voting>

Controversies - Exclusions Sustainable



The application of extensive exclusion criteria is an integral part of the asset manager's Sustainable approach. In terms of companies, exclusion criteria - in addition to the exclusions based on SVVK-ASIR - cover the extraction of uranium, natural gas* or oil*, the operation of fossil fuel power stations (>5% revenue)*, the extraction of coal (excluding metal production)*, coal reserves*, the manufacture of nuclear reactors*, the production of weapons and ammunition, military hardware, automobiles* (justified exceptions possible) and aircraft*, airlines* and cruise ship operators*, the operation of nuclear power plants*, the release of GMOs* and human medicine in the field of genetic engineering, non-sustainable fishing* and fish farming*, non-sustainable forestry*, intensive livestock farming, the production of tobacco and smoking goods, the production of alcohol (>5% revenue), the production of pornography, gambling (>5% revenue), exploitative child labour, non-certified palm oil (<50% RSPO) and UN Global Compact violations. In terms of states, extensive exclusion criteria are likewise in addition to possible exclusions based on SVVK-ASIR - states with a low degree of democracy and freedom (classified as "not free" in the Freedom in the World reports published annually by Freedom House Washington, DC) or a high degree of corruption (CPI score <35 according to the Corruption Perceptions Index (CPI) of Transparency International), which apply capital punishment, increase the share of nuclear energy (total share >50%)*, have a high military budget of >4% of gross domestic product and have not ratified the Paris Climate Agreement*, the Nuclear Non-Proliferation Treaty (NPT) and/or the Convention on Biological Diversity (CBD)*. When drawing up the exclusion list, socio-economic risk dimensions such as money laundering and corruption are also taken into account. *Excluding green and sustainability bonds

ESG - Systematic ESG integration



The systematic analysis of ESG criteria forms an integral component of the active investment process, with the aim of identifying risks and opportunities based on ESG trends at an early stage. ESG criteria supplement the pure financial analysis and lead to more informed investment decisions.

Climate - 1.5°C Paris Climate target



In accordance with the Paris Climate Agreement, the investment activity of the portfolio is aimed at reducing the CO₂e intensity of the investments by at least 7.5% per year. The investment strategy target is based on the CO₂e intensity of the investment universe at the end of 2019.

SDGs - Sustainable Purpose



The "Sustainable Purpose" approach focuses on returns through investments in companies and countries with societal benefits (SDG leaders). SDG leaders use their investment power to provide environmentally and socially responsible products and services. In this way, they contribute to the fulfilment of one or more UN Sustainable Development Goals (UN SDGs). For diversification purposes, a best-in-class approach can also be used to invest in securities that are rated above average in terms of ESG criteria (ESG leaders).

Note:

- Greyed-out product lines and approaches are not applicable to the assets in question.
- Exclusions based on SVVK-ASIR are applied in all three product lines (Traditional (non-sustainable), Responsible and Sustainable).

Further information

Further, supplementary product-specific explanations regarding the sustainability approaches applied can be found in the relevant legal documents at products.swisscanto.com.

Sustainability approaches

The sustainability approaches apply to all assets or to a substantial part of the assets. Detailed information on this can be found in the prospectus, fund agreement or investment guidelines.

CO₂e

CO₂e equivalents (CO₂e) are a measure to standardise the climate impact of the greenhouse gases carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and fluorinated greenhouse gases (CFCs). All of these gases remain in the atmosphere for different lengths of time and do not contribute equally to the greenhouse effect.

ESG

ESG stands for the aspects of environment (E), social (S) and governance (G).

SVVK-ASIR

The Swiss Association for Responsible Investments (SVVK) is an association of institutional investors and was founded in 2015. The association provides services to its members so that they can focus their investment decisions on the environment, society and the economy.

Swisscanto Sustainability Rating

The proprietary Swisscanto Sustainability Rating provides information on the current sustainability level of the portfolio. It is calculated from the values of the collective assets and individual securities contained in the portfolio and is divided into seven sustainability classes from A (highest level) to G (lowest level). To calculate the rating, companies and countries are assessed on the 4 pillars of our sustainability research: controversial areas of business (controversy), sustainable corporate governance (ESG), greenhouse gas emissions (climate) and impact of products on the environment and society (Sustainable Purpose). The Swisscanto Sustainability Rating is recalculated once per quarter end.

Comments to the Fund

Target Investor Group - Term

Institutional investors with necessary contract

Target Investor Group - Description

N class is offered exclusively to Zürcher Kantonalbank investors with an individual asset management agreement and institutional investors with an individual investments contract, as well as institutional investors of other partners of Swisscanto Fund Management Company Ltd. with the corresponding agreement. An additional requirement is the conclusion of a cooperation agreement. The second letter «T» indicates that the class reinvests profits (accumulating). The designation «H1» in the third position indicates that the class provides for currency hedging (only shown for hedged classes).

Flat Fee (FF)

The AIF is used to compensate the fund management company and fund administration, asset management and - if compensated - the distribution of the fund as well as the custodian bank for the services it provides.

Charging Fee N-Class

The charging fee applied to the N-Class is shown at a rate of 0%, as the FF is charged in the context of the individual asset management agreement.

Swinging Single Pricing (SSP)

Upward or downward correction in the net asset value pertinent for the calculation of the issue and redemption prices depending on whether issues or redemptions of units predominate. The correction (swing factor) is based on the size of the costs incurred by the investment fund in adjusting the portfolio in line with the asset inflows/outflows (neutralises the costs incurred by the investment fund in adjusting the portfolio in line with asset inflows/outflows). The (gross/net) performance shown may contain a swing-price adjustment.

Explanation of general risks

Investment involves risks, especially with regard to fluctuations in value and return. Investments in foreign currencies are subject to exchange rate fluctuations. Custody and counterparty risks represent further significant risks. We hereby refer to the detailed description of various risks which are included in the prospectus.

Risk Indicator

The historical data used to calculate the risk and return category cannot be used as a reliable indication of the future risk profile. The reported risk and return category may well be subject to change. The lowest risk category cannot be compared with a risk-free investment. There is no capital guarantee or capital protection. The risk of capital loss is borne by the investor.

Hedging

NAV hedging: Currency fluctuations between the currency of this share class and the fund currency are hedged. The objective of NAV hedging is to transfer the performance in the fund currency to the performance of the currency of this share class. Over or under- hedging may occur due to market fluctuations or due to cost considerations.

Portfolio currency hedging: Currency fluctuations between the currency of this share class and the investment currencies of this fund are hedged. The objective of portfolio currency hedging is to hedge the investment currencies of this fund against the currency of this share class. Over or under- hedging may occur due to market fluctuations or due to cost considerations.

SDG Sales contributions

Sales (in %) of issuers in the portfolio that contribute positively to the achievement of one or more of the 17 UN Sustainable Development Goals (SDGs), weighted by portfolio allocation. If an issuer's product or service contributes to more than one goal, sales are allocated accordingly.

Breakdown Allocations

Allocation refers to invested fund capital adjusted to 100%. Minor deviations can be caused by rounding errors. The weighting of the money market may include the synthetic exposure from the equity hedging strategy.

Modified Duration

The modified duration indicates by how many percent the price of a bond changes if the market interest rate changes by one percentage point.

Time to Maturity in Years

The maturity of a money market instrument or bond is determined based on the earliest possible redemption date. The average maturity of an investment fund is determined by the weighted mean of the maturities of the individual securities from the time of valuation to redemption.

Effective Cash

Under cash, we report the total effective liquidity of all bank accounts as a percentage. Cash in foreign currencies is converted into the fund currency and added.

Direct Investment

Under number of direct investments (directly held investments), we report the total of all individual investments without the individual positions of the Swisscanto target funds.

Yield (without currency hedging)

The yield refers to the duration-weighted yield on the portfolio in local currency. No currency hedging is taken into account.

Average Coupon

To calculate the average coupon, the coupons are weighted according to the current outstanding volume of invested bonds.

ISO Certification

Asset Management at Zürcher Kantonalbank is ISO 9001 certified. The ISO 9001 certification guarantees that the authorised user has a management system that meets the requirements of a suitable and recognised standard and has been successfully certified/assessed by the Swiss Association for Quality and Management Systems (SQS).

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The prospectus with integrated fund agreement, the key information document as well as the annual and biannual reports are available free of charge from Swisscanto Fund Management Company Ltd., Bahnhofstrasse 9, 8001 Zurich, www.swisscanto.ch and Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich.