

Swisscanto (CH) Bond Fund Sustainable Global Aggregate Swiss Red Cross

Bonds | distributing | August 2024 - Marketing Material

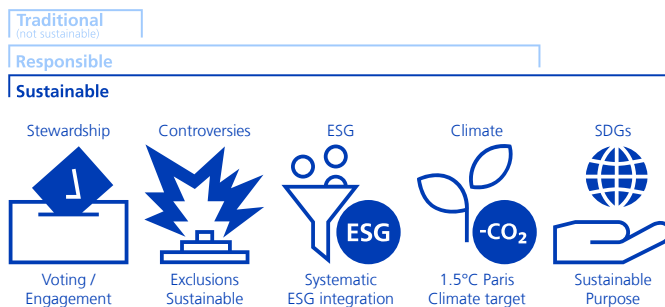
Fund Description

The fund invests dynamically in government and corporate bonds in the international bond market, which meet strict environmental and social requirements in terms of sustainability. It moves between the various investment currencies and actively adjusts the interest rate risk according to the current market environment. The minimum credit rating is BBB.

The share class automatically donates half of the distributed net returns as well and 70% of the all-in fee to the Swiss Red Cross (SRC). Swiss private investors must thus only declare the returns actually distributed to them as taxable income.

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:

- Light-coloured 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 profit from the higher yields of unhedged foreign currency bonds.
- focus on environmental and social sustainability.
- have the necessary risk tolerance towards the currency, interest rate and credit risks of the asset class.

Risk Indicator

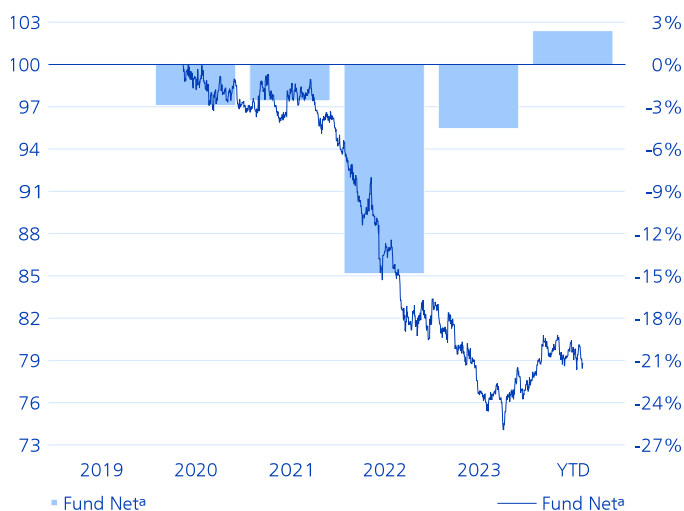
low 1 2 **3** 4 5 6 7 high

Fund Facts

| | |
|--------------------------------|--|
| NAV per Share (30.08.2024) | CHF 76.77 |
| 52-Week High (22.05.2024) | CHF 78.80 |
| 52-Week Low (20.10.2023) | CHF 72.91 |
| Fund Domicile | Switzerland |
| Share Class Currency | CHF |
| Fund Currency | CHF |
| Accounting Year End | 31.10. |
| Security Number | 51196143 |
| ISIN-Number | CH0511961432 |
| Bloomberg | SWBGSRC SW |
| Share Class Launch Date | 06.04.2020 |
| Inception Date Fund | 30.06.2008 |
| Start Performance Calculation | 01.05.2020 |
| Share Class Volume (million) | CHF 20.70 |
| Fund Volume (million) | CHF 1'161.53 |
| Shares Outstanding | 269'879.958 |
| Last distribution (21.02.2024) | CHF 0.70 |
| Benchmark | Bloomberg Global Aggregate TR Index Unhedged CHF |
| Flat Fee p.a. | 0.70% |
| Total Expense Ratio p.a. | 0.70% |
| 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 | -1.34 | -0.88 | 2.62 | -7.00 | n.a. | -5.36 |
| Fund Gross ^b | -1.29 | -0.71 | 3.34 | -6.34 | n.a. | -4.70 |
| Benchmark | -1.33 | -0.93 | 2.69 | -6.59 | n.a. | -4.69 |

Annual Performance in %^{1,2}

| Year | 2019 | 2020 | 2021 | 2022 | 2023 | YTD |
|-------------------------|------|-------|-------|--------|-------|------|
| Fund Net ^a | n.a. | -2.91 | -2.57 | -14.85 | -4.55 | 2.40 |
| Fund Gross ^b | n.a. | -2.46 | -1.89 | -14.25 | -3.88 | 2.89 |
| Benchmark | n.a. | -1.59 | -1.77 | -14.96 | -3.83 | 2.69 |

Distribution amount in the reference currency

as well as in %^{1,2}

| Year | 2019 | 2020 | 2021 | 2022 | 2023 | YTD |
|-------------------|------|------|------|------|------|------|
| Distribution | n.a. | n.a. | 1.20 | 0.80 | 0.80 | 0.70 |
| Distribution in % | n.a. | n.a. | 1.20 | 0.73 | 0.95 | 0.94 |

Absolute money amounts in the reference currency of the fund and in percent.

Risk Figures

| annualised/realised | 1yr | 3yrs | 5yrs |
|----------------------|--------|--------|------|
| Volatility Fund | 4.16% | 5.71% | n.a. |
| Volatility Benchmark | 4.25% | 5.80% | n.a. |
| Beta | 0.98 | 0.97 | n.a. |
| Sharpe Ratio | 0.24 | -1.39 | n.a. |
| Jensen's Alpha | -0.04% | -0.63% | n.a. |
| Information Ratio | -0.24 | -0.52 | n.a. |

Portfolio Data

| | Fund | BM |
|----------------------------------|-------|--------|
| Number of Positions | 383 | 26'302 |
| Modified Duration | 6.44 | 6.75 |
| Yield (without currency hedging) | 3.52% | 3.41% |
| Time to Maturity in Years | 8.09 | 8.64 |
| Average Coupon | 2.96% | 2.82% |
| Average Rating | AA- | AA- |
| Number of direct investments | 351 | n.a. |
| Effective Cash | 8.08% | n.a. |

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

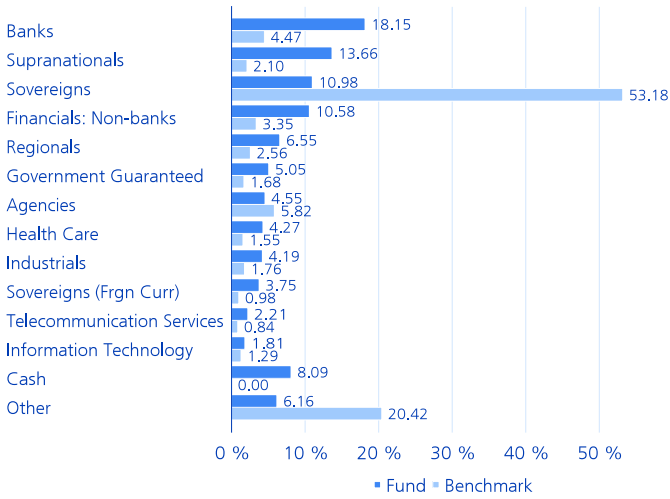
² Minor deviations can be caused by rounding errors.

^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.

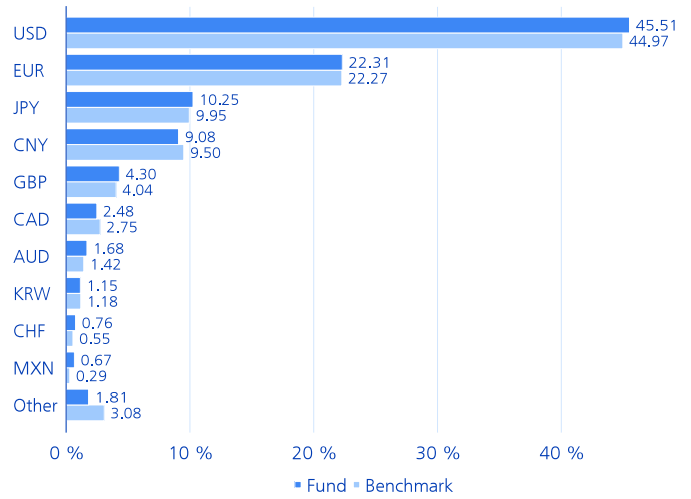
^b The gross performance indicated before deduction of any regular fund fees incurred.

Breakdowns

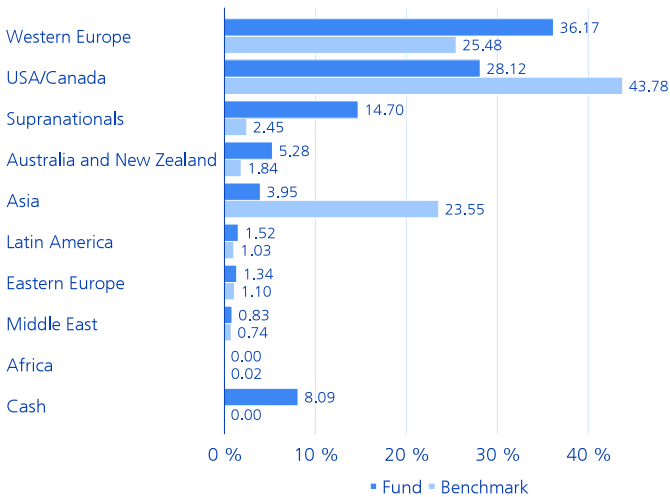
Breakdown by Sectors in %



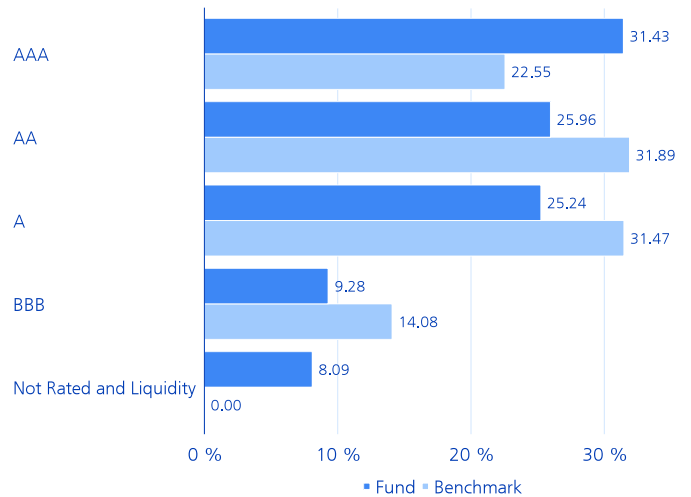
Breakdown by Currency in %



Breakdown by Regions in %



Breakdown by Credit Rating in %



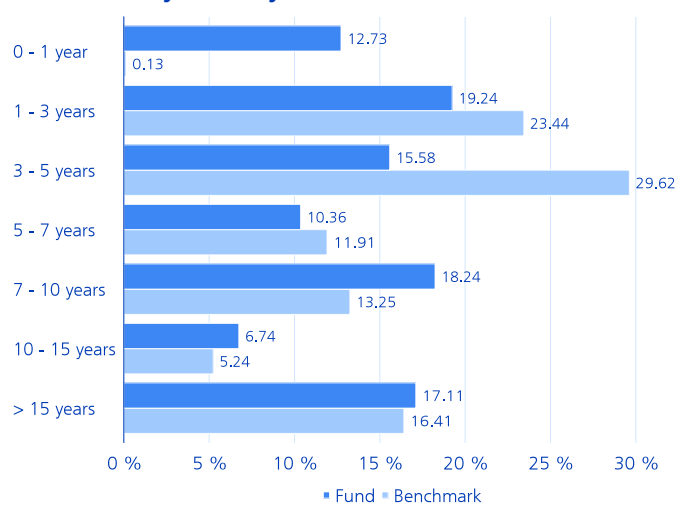
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Sales Breakdown by SDGs in %

| SDG | Fund (%) |
|--|----------|
| SDG 1: No poverty | 4.72 |
| SDG 2: Zero hunger | 0.17 |
| SDG 3: Good health and well-being | 5.73 |
| SDG 4: Quality education | 0.18 |
| SDG 5: Gender equality | 0.13 |
| SDG 6: Clean water and sanitation | 1.18 |
| SDG 7: Affordable and clean energy | 4.86 |
| SDG 8: Decent work and economic growth | 10.58 |
| SDG 9: Industry, innovation and infrastructure | 8.11 |
| SDG 11: Sustainable cities and communities | 5.67 |
| SDG 12: Responsible consumption and production | 0.19 |
| SDG 14: Life below water | 0.28 |
| SDG 15: Life on land | 0.21 |
| SDG 17: Partnerships for the goals | 3.01 |

Breakdown by Maturity in %



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 social benefits (SDG leaders). SDG leaders use their investment power to create environmentally and socially responsible products and services. In doing so, they contribute to the fulfillment of one or more of the UN's Sustainable Development Goals (UN SDGs). For diversification purposes, a best-in-class approach can also be used to invest in securities that are considered to have above-average positive ESG criteria (ESG leaders).

Note:

- Light-coloured 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

All Investors

Target Investor Group - Description

Units in the Swiss Red Cross class are offered to all investors and can, in principle, be offered by all distributors. A flat-rate administrative fee is charged to the fund's assets and any earnings are distributed. By subscribing to this unit class, investors grant the Swiss Red Cross (SRC) a right of usufruct on the units held by them, which covers half (50%) of the net income of the unit class distributed by the unit class to the investors (interest, dividends and similar income excluding capital gains; together the "usufruct income").

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.

Total Expense Ratio (TER)

The TER refers to the commissions regularly charged to the fund assets (operating expenses) and is expressed as a percentage of the fund's assets. The figure quoted relates to the level of the TER in the past financial year and does not guarantee that the level will be similar in the future.

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.

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.

Volatility

Volatility is a statistical measure of risk which indicates the extent to which the absolute return on an investment or a portfolio fluctuates on average around its mean value in the course of a year.

Beta

Indicates the relative fluctuation range of a stock compared to the market as a whole. It measures the sensitivity of the stock in terms of fluctuations in its price compared to the market as a whole. If the value is between 0 and 1, the price change is below that of the market. If the beta is greater than

1, the price change of the stock is higher than that of the market on average. If it is less than 0, this describes a movement in the price of the stock counter to market trends. At 0, there is no apparent relationship.

Sharpe Ratio

The Sharpe ratio is a performance measure which indicates the risk-adjusted excess return (difference between the portfolio return and the risk-free return) compared to the investment risk incurred (volatility).

Jensen's Alpha

Jensen's alpha measures the additional return achieved versus a comparable passive investment (i.e. an investment with the same market risk or beta). Jensen's alpha is used to assess the performance of a portfolio manager. It differs from the relative – or excess – return, which is not risk-adjusted.

Information Ratio

The information ratio shows the relationship between under/overperformance and tracking error. It indicates how much more or less return was achieved per unit of active risk incurred or the extent to which the active risk paid off in the form of a higher return.

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

Unter 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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