

Swisscanto (CH) Bond Fund Responsible Global Rates NTH1 CHF

Bonds | reinvesting | June 2024

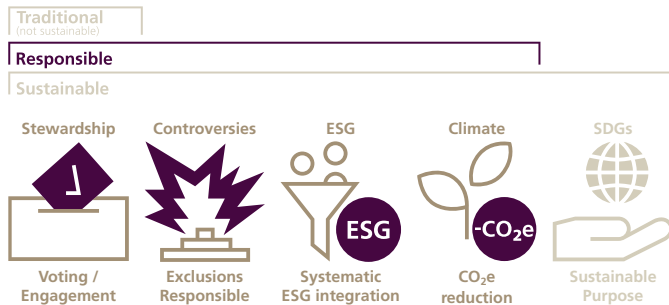
Fund Description

The fund invests primarily worldwide in government bonds from predominantly developed countries. For diversification and an attractive risk-return profile, investments can also be made in bonds from quasi-governmental agencies and corporate bonds with a credit rating of BBB- or higher. The Portfolio Manager is judicious in their selection of securities and dynamically adapts the weighting by country and maturities scale to the current 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 short-term investment horizon.
- are seeking a broadly diversified solution for their global bond allocation.
- have the necessary risk tolerance towards the interest rate and credit risks of the asset class.

Risk Indicator

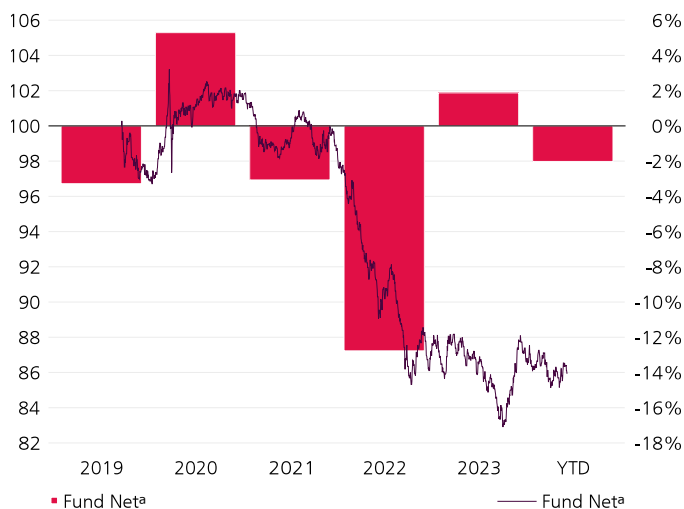
low **1 2 3 4 5 6 7** high

Fund Facts

| | |
|-------------------------------|---|
| NAV per Share (28.06.2024) | CHF 84.70 |
| 52-Week High (27.12.2023) | CHF 87.06 |
| 52-Week Low (19.10.2023) | CHF 81.92 |
| Fund Domicile | Switzerland |
| Share Class Currency | CHF |
| Fund Currency | CHF |
| Accounting Year End | 31.10. |
| Security Number | 49241069 |
| ISIN-Number | CH0492410698 |
| Bloomberg | SWBGRNT SW |
| Share Class Launch Date | 21.08.2019 |
| Inception Date Fund | 31.12.1997 |
| Start Performance Calculation | 01.09.2019 |
| Share Class Volume (million) | CHF 385.08 |
| Fund Volume (million) | CHF 636.03 |
| Shares Outstanding | 4'548'509.623 |
| Benchmark | Bloomberg Global Treasury TR Index Hedged in CHF |
| Flat Fee p.a. | 0.00% |
| Total Expense Ratio 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 | 0.58 | -1.32 | -1.04 | -4.66 | n.a. | -3.08 |
| Fund Gross ^b | 0.58 | -1.32 | -1.04 | -4.66 | n.a. | -3.08 |
| Benchmark | 0.54 | -1.21 | -0.95 | -4.82 | n.a. | -3.25 |

Annual Performance in %^{1,2}

| Year | 2019 | 2020 | 2021 | 2022 | 2023 | YTD |
|-------------------------|-------|------|-------|--------|------|-------|
| Fund Net ^a | -3.28 | 5.29 | -3.07 | -12.77 | 1.88 | -2.02 |
| Fund Gross ^b | -3.28 | 5.29 | -3.07 | -12.77 | 1.88 | -2.02 |
| Benchmark | -2.94 | 5.28 | -3.65 | -13.39 | 2.16 | -2.15 |

Risk Figures

| annualised/realised | 1yr | 3yrs | 5yrs |
|----------------------|-------|-------|------|
| Volatility Fund | 5.40% | 5.16% | n.a. |
| Volatility Benchmark | 4.98% | 5.19% | n.a. |
| Beta | 1.08 | 0.99 | n.a. |
| Sharpe Ratio | -0.50 | -1.02 | n.a. |
| Jensen's Alpha | 0.13% | 0.11% | n.a. |
| Information Ratio | -0.17 | 0.31 | n.a. |

Portfolio Data

| | Fund | BM |
|----------------------------------|-------|-------|
| Number of Positions | 181 | 1'892 |
| Modified Duration | 7.64 | 7.25 |
| Yield (without currency hedging) | 3.40% | 3.33% |
| Time to Maturity in Years | 8.93 | 9.09 |
| Average Coupon | 1.87% | 2.48% |
| Average Rating | AA | AA- |
| Number of direct investments | 180 | n.a. |
| Effective Cash | 0.43% | 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.

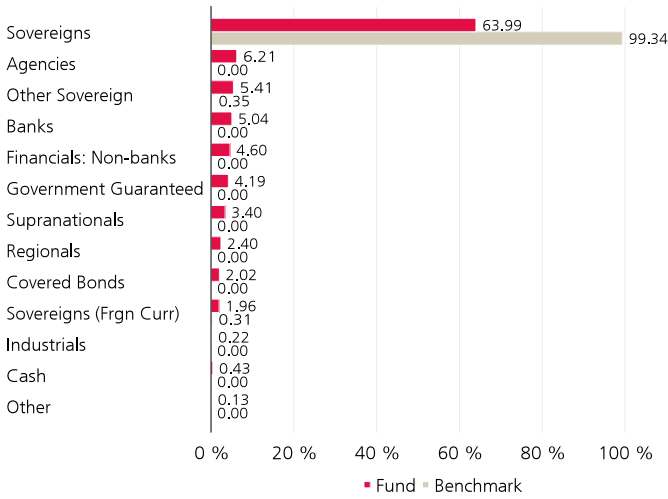
^a The represented net value development less all regular fund fees due. Any further costs due, which can be charged directly to the fund assets, are disclosed in the fund prospectus.

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

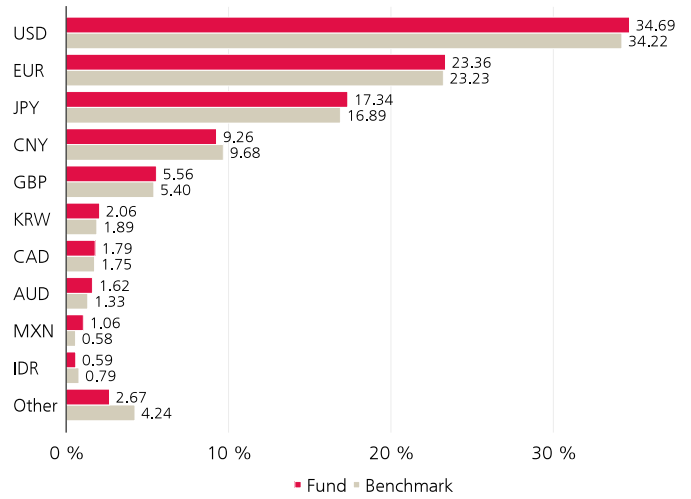
*Over or under- hedging may occur.

Breakdowns

Breakdown by Sectors in %

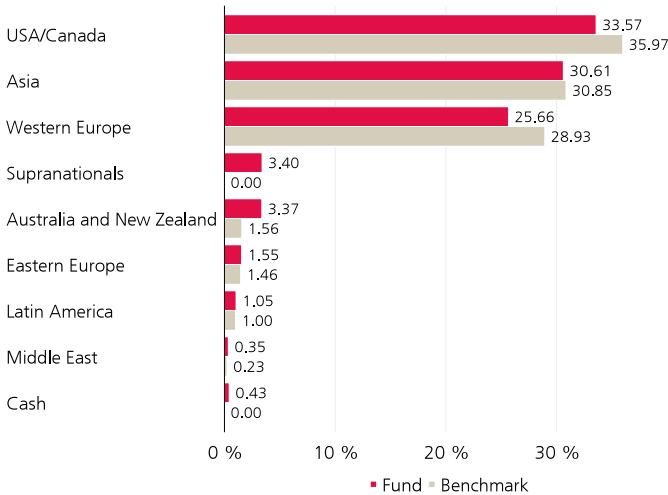


Breakdown by Currency in %

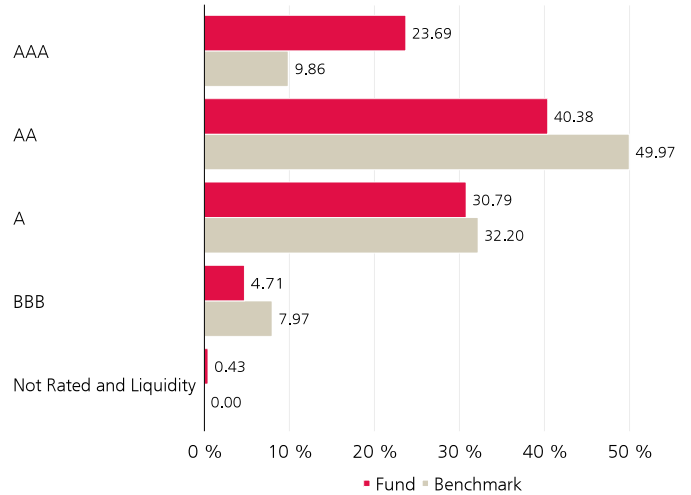


Currency allocation before currency hedging at share class level.

Breakdown by Regions in %

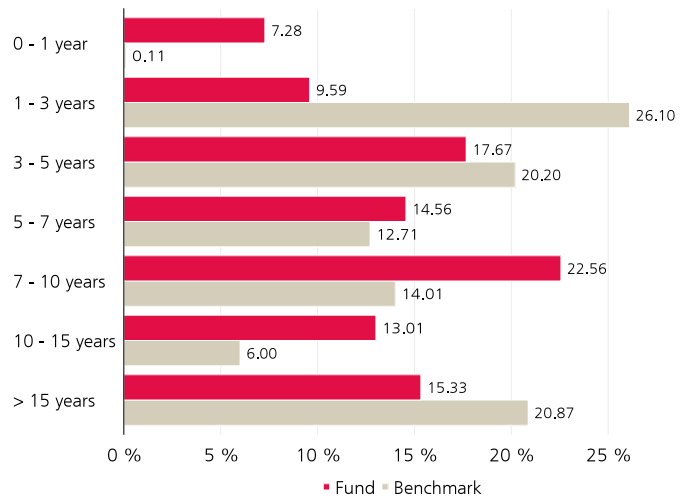


Breakdown by Credit Rating in %



Minor deviations can be caused by rounding errors.

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 Responsible



Application of further exclusion criteria - in addition to the exclusions based on SVVK-ASIR - in order to reduce sustainability risks and with the aim of not investing in securities with business models that are critical from a sustainability perspective. The exclusion criteria apply to companies associated with the extraction of coal (excluding metal production; >5% revenue)*, coal reserves (excluding metal production)*, production of weapons and ammunition, manufacture of military hardware (>5% revenue), production of pornography, exploitative child labour and/or UN Global Compact violations (excluding green and sustainability bonds, if applicable). Violations of the UN Global Compact principles revealed by our screening are examined in closer detail by our analysts. As part of the engagement, we seek dialogue and encourage companies to change their behaviour. If no change occurs within a reasonable period of time, existing systems must be sold. *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 - CO₂e reduction



For active Responsible portfolios that do not follow a CO₂e reduction path, the CO₂e intensity of the portfolio is shown in comparison to the benchmark index. The CO₂e intensities are calculated from the CO₂e emissions in relation to the revenue of companies and in relation to gross domestic product for countries.

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.

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.

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.

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

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).

Further Specific Explanations

The benchmark was amended on 3 July 2018 (historical benchmark: JP Morgan Government Bond Index (customised)). The benchmark was amended on 1 February 2022 (historical benchmark: Bloomberg Global Treasury ex JPY Total Return Index).

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