

2023 WEBSITE PRODUCT DISCLOSURE

**Mirabaud – Global Emerging Market
Bond Fund**

Legal entity identifier: 222100NYTENOA1S8RX10

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This document includes information relating to environmental and social characteristics of financial products and information in compliance with Article 10 of the Sustainable Finance Disclosure Regulation (SFDR)¹.

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

1. Summary

The fund invests in opportunities across the business cycle within the emerging market fixed income and debt universe under various economic cycles. This process takes into consideration the sustainability of the business in its broadest sense and the company's environmental, social and governance (ESG) performance. Extra-financial considerations are fully integrated within the investment process of the fund through exclusions, ESG integration, and active ownership strategies involving engagement activities.

The financial product promotes environmental/social characteristics, and it does not have as its objective a sustainable investment. Specific sustainability indicators used to measure the attainment of the environmental and/or social characteristics of the fund in line with the methodologies are outlined in the following sections.

Sustainability-related information is monitored via various systems and dedicated teams. Data and research from external providers and sources, subjected to thorough due diligence, are complemented by internal research and analysis to ensure that the fund is invested in accordance with the environmental/social characteristics promoted. Additionally, interactions and engagements meetings with companies' management are conducted to gather further insights into how companies are addressing their ESG risks and opportunities, promote best practices and better inform the investment decision-making process.

2. No sustainable investment objective

This financial product promotes environmental/social characteristics but does not have as its objective a sustainable investment. It will not make any sustainable investments.

3. Environmental or social characteristics of the financial product

Extra financial considerations (Environmental, Social and Governance ("ESG")) are fully integrated in the investment process of the Sub-Fund. Therefore, the Sub-Fund will focus on companies whose social and environmental factors and methods of governance have a sustainable impact on financial performance. The fund uses a benchmark which is used only for comparison purposes and is not aligned with the sustainable objective of the fund.

Please refer to Sections 4 (*Investment strategy*) and 7 (*Methodology*) of this document for additional information.

4. Investment strategy

The Mirabaud – Global Emerging Market Bond Fund is an actively managed fund that invests opportunities across the business cycle within the emerging market fixed income and debt universe under various economic cycles. ESG factors are integrated into the fund through exclusions, ESG integration, and active ownership strategies.

■ Exclusions

At the very early stage of the investment process we start off with an **exclusion** filter grounded in the [Mirabaud Asset Management Exclusion Policy](#)² (negative screening).

² [Mirabaud Asset Management Exclusion Policy](#)

Product involvement	Exclusion criteria	Threshold of Revenues
Defense & Military	Controversial weapons production	0% ³
Health	Tobacco production & related products / services	5% ⁴
Energy	Thermal coal mining	5%
Values-based	Adult entertainment production	5%

In addition, Mirabaud Asset Management excludes sovereign bonds issued by countries exhibiting significant breaches of human rights and international treaties. These currently include Afghanistan, Burundi, Central African Republic, Eritrea, Iran, Mauritania, Myanmar, North Korea, Russia, South Sudan, Somalia, Syria, Yemen, and Zimbabwe and are regularly updated and monitored by the SRI and Risk teams.

Mirabaud Asset Management monitors any development in relevant international sanctions and/or regulations. Issuers and investments subject to sanctions are banned from the fund's investment universe.

▪ Advanced ESG Integration

ESG integration is an essential part of our proprietary credit scoring and analysis, for both corporate and sovereign bonds, with an emphasis on downside risk.

- **Corporate bonds:** the SRI team assigns a credit-specific ESG score (between -2 and +2). This score is derived from ESG data supplied by data providers and is formulated according to the SRI analyst's assessment of how the company's ESG profile affects its overall credit profile. Subsequently, this ESG score is incorporated into the wider scoring scheme, which results in an aggregate credit score for each company.
- **Sovereign bonds:** the SRI team adopts a "best-in-trend" approach. Specifically, we assign a score to a sovereign issuer based on the evolution of its ESG performance over a five-year period. This approach allows us to capture all national efforts while mitigating any biases towards less developed countries.

We conduct an in-depth ESG analyses. These assessments aim to evaluate the issuers' performance in terms of responsibility, materiality, and sustainability. SRI analysts, alongside the investment team consider various sustainability indicators, specific and material to each sub-sector to best reflect how companies manage ESG risks and opportunities they are exposed to.

▪ Active Ownership

We complement our analysis through our constructive and effective active ownership program consisting of **engagement**. Our aim is to influence companies to generate a positive change, improve disclosure, targets as well as discuss ESG risks and opportunities. Please refer to Section 11 (*Engagement policies*) of this document for additional information.

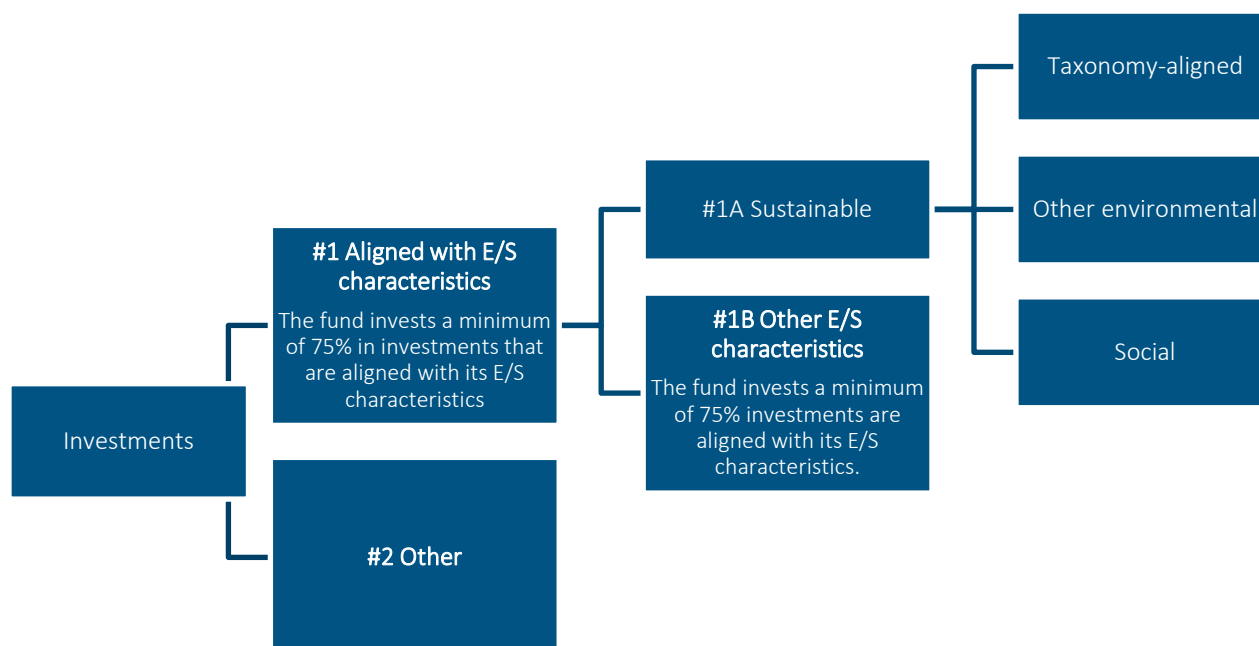
At least 75% of the AuM (excluding cash and ancillary) are covered by ESG analysis, either through external or internal research. We review and update the SRI scores and list of non-eligible values on a regular basis.

³ Exclusion of all companies involved in these activities regardless of the level of revenue generated therefrom. See MAM Exclusion Policy for more details.

⁴ Exclusion of companies that generated 5% or more of their revenues from these activities .

5. Proportion of investments

Illustrated below is the planned asset allocation for the investments of the fund:



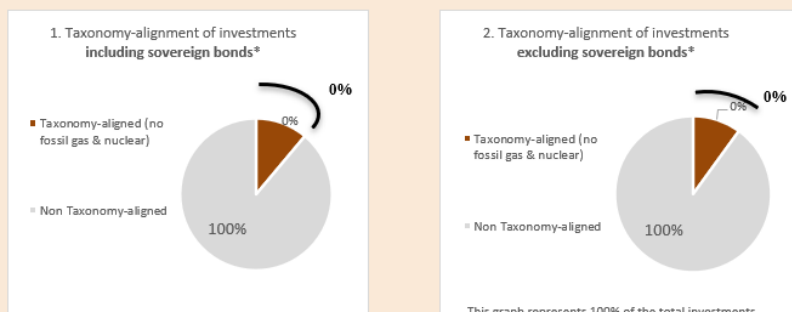
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
Not applicable.
- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**
Not applicable.
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁵?**
No

⁵ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**
There is no commitment to a minimum proportion of investments in transitional and enabling activities.
- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
There is no commitment to a minimum share of sustainable investments with an environmental objective.
- **What is the minimum share of socially sustainable investments?**
There is no commitment to a minimum proportion of investments with a social objective.
- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**
Ancillary Liquid Assets, Deposits with Credit Institutions, money market instruments / funds (for ancillary liquidity) are not included in the % of assets included in the asset allocation diagram above, including under “Other”. These holdings fluctuate depending on investment flows and are ancillary to the investment policy with minimal or no impact on investment operations. Where relevant, investments, including “other” investments are subject to ESG Minimum Safeguards/principles.

6. Monitoring of environmental or social characteristics

Mirabaud Asset Management’s organisation supports and promotes effective and prudent decision making around integration of sustainability risk and appropriate due diligence on underlying assets of the fund.

- The **Sustainable and Responsible Investment (SRI) team** drives extra-financial research across investment teams, which feed into the underlying processes of our investment strategies. Additionally, the responsibility for the research, definition and update of the exclusion list lies with the SRI team. The SRI team plays a critical role in integrating ESG considerations into the investment process as well as in implementing policies such as the engagement policy.
- The **Fixed Income Investment team** is involved in embedding ESG criteria within the investment processes of the fund, and they rely on the expertise and extra-financial research of the SRI team to fine-tune their non-financial analysis supporting their buy/sell decisions, as a complement to traditional analysis. Additionally, the investment

team is responsible for engagement with companies, while the SRI team leads some of these engagements to help pinpoint and highlight, to portfolio managers, which ESG issues or questions to prioritise. The SRI team and the Fixed Income investment team carry out analytics for the fund.

- The **Risk Management team** performs pre and post trades monitoring and ensures minimum coverage required for the fund. Exclusions are hard-coded in our portfolio management system to prevent breaches.
- The **Investment Management and Risk Committee** ensures that SRI fund alerts and breaches are monitored and reported.

7. Methodologies

The methodologies that apply to measure how environmental/social characteristics promoted by the fund are met, are outlined below.

- **Exclusions:** the fund applies upstream of its investment process an exclusion filter (negative screening) on the following controversial sectors: controversial weapons, thermal coal mining, tobacco production and related products/services and adult entertainment. Investments will be excluded if a certain percentage of their revenues derive directly from such controversial sectors. In addition, Mirabaud Asset Management excludes sovereign bonds issued by countries exhibiting significant breaches of human rights and international treaties. These currently include Afghanistan, Burundi, Central African Republic, Eritrea, Iran, Mauritania, Myanmar, North Korea, Russia, South Sudan, Somalia, Syria, Yemen, and Zimbabwe and are regularly updated and monitored by the SRI and Risk teams..
- **ESG Integration:** for corporate bonds we assign a credit-specific ESG score (between -2 and +2). This score is derived from ESG data supplied by data providers and is formulated according to the analyst's assessment of how the company's ESG profile affects its overall credit profile. Subsequently, this ESG score is incorporated into the wider scoring scheme, which results in an aggregate credit score for each company. In the case of sovereign bonds, we adopt a "best-in-trend" approach. Specifically, we assign a score to a sovereign issuer based on the evolution of its ESG performance over a five-year period. This approach allows us to capture all national efforts while mitigating any biases towards less developed countries. In-depth, bottom-up ESG analyses are conducted on companies, where relevant.
- **Active ownership:** engagement activities are carried out to clarify and address the management of ESG issues.
- **Climate change:** by integrating climate change into our analysis, we aim to not only adapt but also enhance our role as active asset managers, effectively managing our clients' climate-related risks. To achieve this, we use a blend of historical snapshot and forward-looking indicators to monitor emission trends, companies' commitment to aligning their emissions with net-zero compatible pathways, and their ability to mitigate physical risks like extreme weather conditions and floods.
- **Principal Adverse Impact (PAI) indicators:** the negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process. We identify, prioritize, and monitor adverse impacts that entities have on sustainability factors such as climate, environment, resources use, labour and human rights as well as business ethics. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data availability and quality. Information on PAI on sustainability factors available in the annual report to be disclosed pursuant to SFDR Article 11(2) and within our [PAI Statement](#).

Impact indicators are identified to enable a measure of the fund's extra-financial performance. The following list of indicators is calculated for the portfolio and its reference universe (as shown in the fund's periodic SRI report):

For corporate issuers:

- Mirabaud Asset Management in-house rating
- Product involvement
- Exposure to ESG controversies
- Carbon intensity to measure emissions (Scope 1 and 2) and highest/lowest contributors
- Evolution of portfolio's carbon intensity compared to the benchmark
- Contribution to energy transition (2°C Alignment)

For sovereign issuers:

- ESG scores and evolution scores
- Portfolio temperature - trajectory of the portfolio countries
- Aggregate and Country Carbon Exposure (National Level)
- Country Carbon Exposure (National Level)
- Low-carbon Share
- Brown Share (share of fossil energies in primary energy consumption)

8. Data sources and processing

The SRI team and the Emerging Market Debt investment team carry out analytics for the fund. The holistic and comprehensive analyses draw from a wide range of information sources. These include but are not limited to:

- External extra-financial data providers:
 - Morningstar - Sustainalytics for our ESG and controversies analysis
 - S&P Global - Trucost for Climate/Environment data
- Companies' publications (corporate reports and presentations)
- Specialised broker and sell-side publications
- Providers of financial and extra-financial data (e.g., Bloomberg)
- Meetings with company management

We collaborate with a number of service providers to ensure we fully cover the different asset classes and geographies where we operate. Prior to working with a provider, we conduct appropriate due diligence on their services and coverage, to ensure their services and offering outputs match our expectations and needs. We formally monitor the quality of our investment and ESG research service providers periodically through minuted calls or physical meetings. Moreover, we also maintain regular communication with our providers through in-person meetings, phone calls and email. We maintain agreements with our providers to access the specific data points, available upon request, required by our SRI team to continuously develop strong ESG policies. These ongoing communications have allowed us to develop tailored ESG processes and will continue going forward.

The ESG data available through our service providers is regularly integrated into the ESG frameworks implemented by our investment teams. Quantitative data from providers helps us hone our initial screens and exclusion lists. Portfolio managers actively review the available figures, to ensure that data points reflect the latest available information.

9. Limitations to methodologies and data

Identifying sustainability indicators and implementing sustainable investment methodologies depends on the availability and quality of ESG & Climate data. The SRI team seeks to monitor data quality and is constantly working internally and in collaboration with our data providers and industry initiatives to expand our data coverage and acquire a better understanding of the full impact of our investments.

The primary limitation to the methodology or data source is absence or insufficient corporate disclosure. To address this challenge, we have adopted a strategy of leveraging multiple data providers and combining ESG data with internal research to inform our decisions or adjusting ratings on an ad hoc basis. We maintain a regular dialogue with our data providers to discuss and overcome any data issues we might encounter, either related to quality, reliability or coverage. Nevertheless, despite these caveats, we believe that ESG data and research collected from external data providers provide useful information to our investment team, informing their investment decisions and enabling them to meet the environmental and social aspects promoted by the product.

10. Due diligence

Our analysis draws from proprietary internal research we supplement with research from third party data providers. We collaborate with a number of service providers to ensure optimal coverage of the different asset classes and geographies where we operate. Prior to working with a provider, we conduct appropriate due diligence on their services and coverage, to ensure their services and offering outputs match our expectations and needs. This means that working relationships with our providers are based on trust from an early stage. We formally monitor the quality of our investment and ESG research providers periodically through minuted calls or physical meetings. Moreover, we also maintain regular communication with our providers through in-person meetings, phone calls and email.

11. Engagement policies

We believe active ownership is a highly effective approach to contribute to good corporate governance to enhance the long-term economic and societal value of companies. Our active ownership programme consists of engagement activities. Our aim is to discuss ESG risks and opportunities, influence companies to generate positive change and encourage them improve transparency and disclosures.

As stewards of our clients' assets, we aim to use our active voice and enter into dialogue with companies on ESG matters to protect and increase the value of our investments. Engagement activities enable us to enhance our understanding of companies' sustainability practices, identify their exposure to ESG risks and opportunities, influence them to adopt industry best practices, which can be fed back into investment processes. At Mirabaud Asset Management, we have different ways of establishing a dialogue with companies' management through a multi-level approach that comprises individual and collaborative stewardship activities.

- **ESG Interactions:** discussions with companies on a variety of topics, including ESG matters, that may present a potential material risk to a company's financial performance. The findings of these interactions are considered within the ongoing ESG assessment of a given company.
- **Direct Engagements:** dialogues with companies with defined objectives and achievable and actionable ESG targets to encourage best practices on material ESG issues. They are supported by dedicated ESG bottom-up assessments in line with our three pillars of Responsibility, Materiality and Sustainability. We aim to monitor progress against the engagement targets set and agreed with the companies.
- **Collaborative Engagements:** we join collaborative engagement initiatives which enable us to create coordinated pressure and address material ESG risks with the support of other global investors.

Additional information are available within our [Engagement Policy](#).

12. Designated reference benchmark

The Fund has a financial benchmark that is used for comparison purposes but does not incorporate any sustainable criteria and is not selected for the purpose of attaining the environmental or social characteristics promoted by the Fund.

ACCOUNTABLE FOR GENERATIONS /