



TRANSPARENCY CODE

MIRABAUD – Fixed Income

Mirabaud – Sustainable Global Strategic Bond Fund

Mirabaud – Sustainable Global High Yield Bonds

July 2022

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Transparency Code

This Transparency Code is based on the European Transparency Code written by AFG, FIR and EUROSIF.

Statement of commitment

Sustainable and Responsible Investment (SRI) is in our DNA and is underpinned by the following values and commitments that we have upheld over the last 200 years: Independence, conviction, responsibility and passion. By signing up to the UN PRI (Principles for Responsible Investment) in 2010, we formalised our sustainable investment strategy, which we have strengthened ever since.

Our complete response to the SRI Transparency Code can be viewed below or on the Mirabaud Asset Management website <https://www.mirabaud-am.com/en/legal-disclaimer>

Transparency Code compliance

Mirabaud Asset Management pledges to be as transparent as possible in view of the regulatory and competitive environment of the countries where we operate.

The Mirabaud – Sustainable Global High Yield Bonds and the Mirabaud – Sustainable Global Strategic Bond strategies abide by all the Code's recommendations.

1. List of funds covered by this transparency code

Mirabaud – Sustainable Global Strategic Bond					
Primary and secondary strategies	Principal asset class	Fund's exclusions	AUM at 30/06/2022	Label	Links to fund documents
<ul style="list-style-type: none"> ▪ ESG integration ▪ Exclusion ▪ Engagement 	<ul style="list-style-type: none"> ▪ Corporate Bonds ▪ Sovereign Bonds 	<ul style="list-style-type: none"> ▪ Controversial Weapons ▪ Thermal Coal ▪ Tobacco ▪ Adult Entertainment 	USD 541m	-	KIID Prospectus Annual Report Factsheet
Mirabaud – Sustainable Global High Yield Bonds					
Primary and secondary strategies	Principal asset class	Fund's exclusions	AUM at 30/06/2022	Label	Links to fund documents
<ul style="list-style-type: none"> ▪ ESG integration ▪ Exclusion ▪ Engagement 	<ul style="list-style-type: none"> ▪ Corporate Bonds 	<ul style="list-style-type: none"> ▪ Controversial Weapons ▪ Thermal Coal ▪ Tobacco ▪ Adult Entertainment 	USD 204m	-	KIID Prospectus Annual Report Factsheet

2. General information about the asset management firm

2.1. Name of asset management firm in charge of the funds to which this Code applies

The Management Company, Mirabaud Asset Management (Europe) SA, has appointed Mirabaud Asset Management Ltd. as Investment Manager for the Sub-Funds.

Mirabaud Asset Management (Europe) S.A
25, avenue de la Liberté, L-1931
Luxembourg

Mirabaud Asset Management Ltd., whose registered office is in London, United Kingdom, was founded on 19 March 1982. Its main activities are asset management and advisory services.

Mirabaud Asset Management Ltd
5th Floor, 10 Bressenden Place, London
SW1E 5DH, United Kingdom

2.2. What are the asset manager's responsible investing history and principles?

Since it was founded in 1819, Mirabaud has respected the concept of sustainability in all of its activities and has never engaged in speculative trading or investing for its own account, or on behalf of the firm. Consequently, Mirabaud Group combines growth and sustainability.

Ever since its founding, Mirabaud Asset Management thrives to offer its clients quality products taking into account aspects of sustainable and responsible investing and has been taking the necessary steps to formalise ESG investment processes across its product range.

Moreover, as a founding member of the Swiss Sustainable Finance and Sustainable Finance Geneva associations, Mirabaud contributes to making Switzerland and Geneva a world-renowned sustainable finance hub and innovator.

2.3. How has the asset management firm formalised its investment approach?

Sustainable and Responsible Investment (SRI) is in our DNA and is underpinned by the following values and commitments that we have upheld over the last 200 years: Independence, conviction, responsibility and passion. By signing up to PRI (Principles for Responsible Investment) in 2010, we formalised our sustainable investment strategy, which we have steadily strengthened ever since.

Furthermore, our ESG-related policies can be found on our website as follows:

- [Sustainable & Responsible Investment Policy](#)
- [Voting Policy](#)
- [Engagement Policy](#)
- [Exclusion Policy](#)

2.4. How does the asset manager tackle the issue of ESG risks and opportunities including climate change?

ESG criteria are an integral and pivotal part of our investment decision-making. Analysis of ESG criteria brings further insights to our financial analysis. It completes our view of a company's risks and opportunities. We have no doubt that properly factoring in ESG criteria into our investment procedures results in improving our portfolio's risk/reward profile.

Calculating our portfolios' carbon footprints, as per Article 173, is the first step in our climate analysis strategy. Being a proud signatory of the Carbon Disclosure Project (CDP), Mirabaud AM supports the Task Force for Climate-Related Financial Disclosure (TCFD) and works with the Transition Pathway Initiative, and "Climate Action 100+".

2.5. Which staff are involved in the asset management firm's responsible investing business?

Our in-house SRI team ensures and monitors the integration of ESG and climate criteria within investment processes and decisions. Portfolio management teams work in close collaboration with the SRI team and are empowered and held accountable in regards to ESG analysis, monitoring and engagement.

Our dedicated SRI professionals are in constant interaction with fund management teams. In fact, fund managers 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.

Our Risk Management department performs pre and post trades monitoring on a daily basis. Stocks to be excluded are hard coded in our portfolio management system so as to prevent any breaches.

A risk committee ensures that SRI fund alerts and breaches are monitored and reported.

The Performance and Reporting, SRI and portfolio management teams collaborate to produce monthly SRI reports

In addition, the risk department carries out a quarterly review of fund management procedures and ESG analysis methodologies applied in relation to the funds.

With a view to strengthen and refine our SRI practices, dedicated training sessions are being introduced for various staff including Marketing & PR and Sales & Business Development teams. The purpose of this training is to ensure all staff is familiar with the various aspects of responsible investment.

2.6. How many SRI analysts and SRI fund managers does the asset management firm employ?

Mirabaud Asset Management has a 3-person SRI/ESG dedicated research team. In addition, all our fund managers and analysts are involved in embedding ESG criteria within the investment processes of our Long Only UCITS range. Consequently, all our fund managers integrate ESG criteria into their investment decisions, whether through top-down or bottom-up approaches.

2.7. In which SRI initiatives has the asset management firm taken part?

General Initiatives	Environment/climate initiatives	Social initiatives
<ul style="list-style-type: none"> ▪ PRI - Principles for Responsible Investment ▪ SBAI – Standards Board for Alternative Investments ▪ SSF – Swiss Sustainable Finance ▪ SFG – Sustainable Finance Geneva 	<ul style="list-style-type: none"> ▪ CDP (Carbon Disclosure Project) ▪ CDP Climate Change ▪ CDP Water ▪ CDP Forest ▪ Climate Action 100+ ▪ Transition Pathway Initiative ▪ TCFD (Task force on Climate related Financial Disclosures) ▪ Net Zero Asset Managers Initiative 	<ul style="list-style-type: none"> ▪ Interpeace ▪ Geneva Peace talks

2.8. What is the total value of the asset management firm’s SRI assets?

Mirabaud Asset Management is a UN PRI signatory. Consequently, all our Long Only UCITS range is eligible to integrate ESG criteria. Furthermore, exclusion, engagement as well as proxy voting policies common to all of MAM’s products range have been deployed and are used across all asset classes to reflect our commitment to responsibility and sustainability. All of our fund managers take full ownership of these common approaches.

Mirabaud Asset Management is also deploying continuous efforts in order to strengthen the integration of ESG criteria from early stages of investment processes to portfolio construction, using quantitative and qualitative research across most of our assets.

We ensure the entire fund range implements SRI criteria and constantly adheres to requirements. Its formal implementation is currently underway.

3. General information regarding SRI funds mentioned in this transparency code

The objective of the Mirabaud – Sustainable Global High Yield Bonds strategy is to seek an attractive total return through a high level of current income and long-term capital appreciation by investing primarily in global high yield bonds, whilst protecting its assets against capital loss.

The objective of the Mirabaud – Sustainable Global Strategic Bonds strategy is to seek out the best investment opportunities across the business cycle within the global fixed income universe

ESG integration requires a nuanced approach in fixed income, due to a wide spectrum of debt instruments and maturities. It can help enhance investment risk management; particularly given fixed income's capped upside compared to equities. As a result, there is more emphasis on the contribution of ESG factors to downside risk management than generating alpha.

3.1. What is/are the purpose(s) of factoring ESG criteria in for these funds?

ESG criteria are an integral and pivotal part of our investment decision-making process. The analysis of ESG criteria complements the traditional financial analyses and adds depth and insight to the investment team's understanding and knowledge of an issuer. It completes our view of a company's risks and opportunities. We are convinced that a pragmatic integrative approach of ESG factors within investment processes can only result in improving the long term risk-return profile of a portfolio.

The adoption of such an approach allows us to achieve the following objectives:

- Promote industry best practice among issuers through a robust engagement policy.
- Enhance the portfolio's risk/reward profile, by identifying non-financial risks, consequently reducing short-term risk and enhancing long-term value creation.

3.2. What internal and external resources do you use to assess ESG of the fund's issuers?

In regards to staffing, the analytics pertaining to the Mirabaud – Fixed Income funds are carried out by both the SRI team (three dedicated professionals) and the dedicated Fixed Income team (seven dedicated professionals). The SRI team is thus to be considered as an extension of the Fixed Income team in the context of ESG integration in the investment process as well as of the engagement policy in place.

Our staff draw on the following information for their analyses:

- External extra-financial data providers:
 - Sustainalytics for our ESG and controversies analysis
 - Trucost for Climate /Environment data
 - Science-Based Targets initiative
 - Transition Pathway Initiative
 - CDP (formerly known as the Carbon Disclosure Project)
 - Companies publications (corporate reports and presentations)
 - Specialised broker and sell-side publications
 - Providers of financial and extra-financial data (Bloomberg, Factset)
-

- Meetings with company management

3.3. Which ESG criteria does the fund apply?

All of the three ESG criteria are applied; we factor in Environmental, Governance and Social criteria when assessing companies from an extra financial point of view. When conducting our ESG analysis, it is to highlight that we take into account the regional and sectorial specificities of a company. This allows us to account for the material ESG issues a company is exposed to as those will vary from one industry or region to another.

For information, please find an indication of the main criteria considered when analysing the E, S and G pillars as follows:

- **Environment:** Energy efficiency, waste management, carbon emissions reduction.
- **Social:** Human resources management and customer/supplier relations.
- **Governance:** Board structure, independence and diversity; business ethics, bribery and corruption.

3.4. What climate principles and criteria does the fund apply? (Article 173-VI)

Mirabaud Asset Management uses Trucost data to assess the carbon footprint of current and potential investments, which is then embedded within the investment decision process of the relevant fund. In addition, we measure the portfolio's temperature and alignment with climate scenarios. To this purpose, we use the 2 Degree Alignment dataset developed by Trucost, our climate data service provider. In practice, this consists in aggregating the portfolio's positions emissions pathways based on their climate targets and historical emissions pathways. Insights from market industry leaders such as Science-Based Targets initiative, Transition Pathway Initiative and CDP (formerly known as Carbon Disclosure Project) are leveraged and factored into the climate analysis of the holdings.

3.5. How do you assess and measure your issuers' ESG practises?

Mirabaud Asset Management philosophy is guided by strong sustainable development guidelines, a long-term view and a responsible mind-set. Conscious of our responsibility as a financial services firm, we have formalised our ESG practices in relation to the Mirabaud – Sustainable Global High Yield Bonds and Mirabaud – Sustainable Global Strategic Bonds strategies.

The strategies have an advanced ESG integration approach that complements the existing financial analysis. As a result, the investment process for corporate bonds is as follows:

1. An ESG/Climate analysis narrows the investment universe and defines the eligible one
2. A fundamental, technical and valuation (FTV) analysis is conducted for bond picking/allocation
3. In-depth bottom-up analysis and dialogue/engagement is conducted with ESG laggards

In the case of sovereign bonds, we assign a score to a sovereign issuer based on the evolution of its ESG performance over a period of 5 years. This allows us to capture all national efforts and avoid any biases towards less developed countries.

3.5.1. Advanced ESG integration

Our recently augmented ESG/Climate process builds on existing framework and goes further to not only assess issuers on an ESG level but also directly focuses on their impact on climate change and alignment with 2°C scenarios. This enhancement to our portfolio construction and monitoring process reinforces our commitment to investing in line with a sustainable philosophy, a long-term vision, and a responsible attitude.

For the Mirabaud – Sustainable Global High Yield Bonds and Mirabaud – Sustainable Global Strategic Bonds strategies, the investment team, in conjunction with the in-house SRI team, employ a 3-step process to assess a company's viability for investment from a sustainability point of view.

Step 1: Exclusion of controversial activities

Mirabaud Asset Management is aware of the responsibility that a financial player like ours must have. Thus, true to our convictions and our values, the fund's upstream process applies an exclusion filter on the following controversial activities:

- Controversial weapons
- Tobacco production and related products (5% or more of company revenues)
- Adult entertainment (5% or more of company revenues)
- Thermal coal mining (10% or more of company revenues)

This filter also excludes companies involved in recent major controversies (e.g. companies with Category 5 controversy on a Sustainalytics basis).

Step 2: Positive screening

Following the application of the group wide exclusion filter, we apply a positive, best-in-class screening to the investment universe. The two lowest performing deciles are excluded from investment based on a Mirabaud Internal Score.

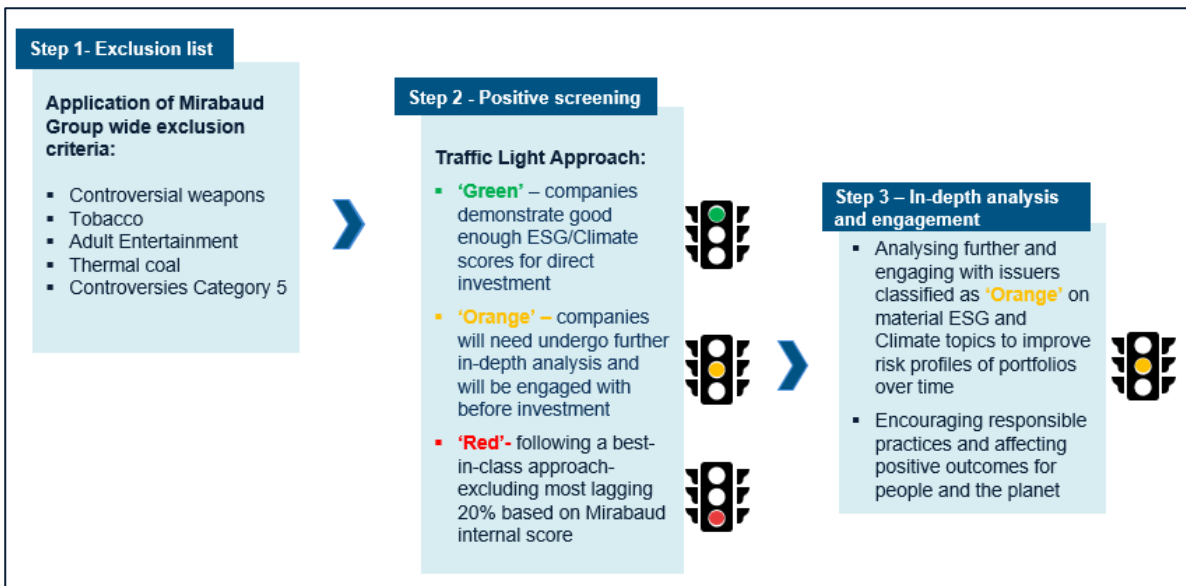
Our enhanced assessment is based on the data provided by Sustainalytics, Trucost, SBTi and TPI, as well as internal research.

- For Sustainalytics, we analyse the ESG issues (c.170) that are material to each sub-industry, (c.130)
- For Trucost, SBTi and TPI: we analyse the issuers' absolute emissions, intensity levels and Paris alignment pathways.

After we have analysed the data from the various ESG providers, we weight the criteria to take into consideration the materiality of each factor. The weighted score encompasses both ESG and Climate as two distinct contributors. By segregating the two criteria, we are able to closely analyse companies in their efforts towards managing their material ESG risks and adopting effective science-based climate strategies. Our approach enables us to monitor the overall ESG/Climate performance of the strategy, and improve the risk-return profile of the portfolio, in line with the interests of our clients.

The weighting produces a final traffic light system: **Green**, **Orange** and **Red**. The issuers classified as '**Red**' represent the lagging 20% of the investable universe and are immediately excluded from investment. Companies considered to be in deciles 1 to 5 are classified as '**Green**', meaning they present a strong enough overall score from both an ESG and Climate viewpoint and are therefore eligible investments. Post-investment, the fixed income team will continue to monitor issuers and ensure compliance with international sustainability standards. We therefore ensure that ESG risks and factors are closely integrated into all stages of our investment process: screening, analysis, portfolio construction and holding.

Step 3: In depth analysis of ESG and climate issues for low rated issuers, followed by a dialogue and, when possible, engagement.



Companies falling within deciles 6-8 are classified as **'Orange'**. These are the companies that must undergo further in-depth analysis and engagement, if the investment team consider their FTV credentials to be in alignment with the requirements of the portfolio.

The fixed income and SRI teams seek to directly engage with the company either through meetings, phone calls or email communications with company management or investor relations team. Following consultation by the investment team, if the company in question does not display a strong enough commitment to improving ESG or climate-related standards, then they too may be excluded from investment.

Our experience as active managers and our expertise across asset classes and environmental, social, and corporate governance (ESG) research are foundations of our investment philosophy. By being an active investor, we own bonds by conviction and choice and we conduct deep research and ensure ongoing dialogue with the companies in which we invest. Maintaining this ongoing communication is central to how we implement our stewardship responsibilities and informs the investment decisions we make on behalf of our clients.

Our engagement types and objectives are as follows:

I. Understanding risks associated with our investments, including those related to ESG factors

An informed, regular dialogue, through which the investment teams understand a company's corporate responsibility policy and identify their exposure to ESG risks and opportunities. This dialogue allows the teams to gain a deeper and more complete understanding of the different businesses. Long-term constructive engagement provides the teams with valuable and informed feedback on financial as well and extra-financial matters. In fact, direct contact with company management on a range of topics, including strategy, business development, financial statements and ESG considerations, is a core part of the investment process. In the same way portfolio managers and analysts inform their financial research by direct contact with company management, they take part in and have a shared responsibility for an ongoing ESG dialogue with companies.

II. Addressing material ESG issues

Dialogue and engagement on the adoption of best practices on material ESG issues we believe may ultimately benefit the companies, our clients and wider sustainability challenges. The investment teams identify and discuss with the companies the material ESG issues where they are lagging. When identifying a company's key ESG issues, investment teams can gather input from Mirabaud Asset Management's SRI team.

III. Participating in collaborative engagement initiatives

Engagements with the objective of implementing a change over a certain period. We participate in collaborative engagement initiatives, which are aimed at mitigating investment risks, improving practices (Climate Action 100+ and seeking greater disclosure and transparency of information (CDP)).

When engaging and communicating with a company, investment teams record and upload detailed engagement notes on internal platforms in order to track progress and to provide a knowledge center for other investment decisions.

3.6. How often are issuers' ESG reviewed? How are controversies dealt with?

We review ESG criteria of the issuers held in our portfolio on a regular basis. If a controversies alert is received, we review the issuer's ESG criteria immediately and take the necessary actions to assess the company given the new information.

4. Investment Process

4.1. How are ESG research results factored into portfolio construction?

ESG research results are systematically factored into portfolio construction and we constantly ensure that at least 90% of the AuM held in each SRI fund mentioned in this transparency code are subject to ESG reviewed investments provided that non-rated (or rating pending) investments are not subject to 'controversies' considered to be serious by our SRI team. Similarly, investments pertaining to the exclusion list cannot be included in the portfolio.

An in-depth ESG analysis is carried out on selected individual securities in order to pinpoint companies that best satisfy ESG criteria on important issues. Our analysts identify various material issues for every sub-sector so as to best reflect how companies identify and manage their various potential ESG risks and opportunities. We also conduct an in-depth review, where priority is given to companies we initially put in a "watchlist".

4.2. How are climate change criteria factored into portfolio construction? (Article 173-VI & HLEG)

Please refer to our response to question 3.4

4.3. How do we assess issuers in the portfolio that are not subject to an ESG analysis (excl. mutual funds)? (Article 173-VI & TCFD)

An analysis covers non-rated (or rating pending) issuers.

This analysis is structured as follows:

- We identify the relevant material issues affecting the company's business model
- We assess the company's corporate governance structure
- We assess the company's involvement in controversies deemed material
- We analyse the company's publications

The proportion of non-rated investments presented in the portfolio may not exceed 10%.

4.4. Have the ESG or investment process changed within the last twelve months?

We considerably strengthened the Mirabaud – Sustainable Global High Yield Bonds and Mirabaud – Sustainable Global Strategic Bonds strategies ESG procedure during 2022.

4.5. Are any assets invested in charities?

No, there are no assets invested in charities.

4.6. Does/do the Fund engage in stock lending or borrowing?

No, Mirabaud Fixed Income funds do not engage in such activities.

4.7. Does the Fund trade in derivatives?

Mirabaud's fixed income funds may use financial derivative instruments for currency, interest rate or other hedging purposes.

4.8. Does the Fund invest in mutual funds?

While Mirabaud – Fixed Income funds are entitled to do so (up to 10%), it does not invest in mutual funds.

5. ESG monitoring

5.1. What internal or external controls have been introduced to ensure that the portfolio complies with stated fund management ESG rules?

Mirabaud Asset Management has a dedicated 3-person SRI team. This team is responsible for ESG research, data review, tracking portfolio compliance and introducing ESG filters. The team also advises investment and fund management teams in establishing optimal responsible investment processes in line with the process of the product or asset class at hand.

With regards to monitoring portfolio compliance with ESG requirements, the Risk Management team carries out daily pre and post trade monitoring, as excluded investments have been hard coded within the portfolio management system in advance.

Any breach or deviation is immediately notified to fund managers for correction. Should such deviation persist and worsen, it will then be reported to executive management.

A risk committee ensures that SRI fund alerts are tracked and reported.

6. Impact measures and ESG reporting

6.1. How is the Fund's ESG quality assessed?

The Fund's ESG quality and robustness is reviewed monthly by the SRI team. The quantitative ESG score and assessment are derived from the analysis of Sustainalytics data and are then compared to a reference universe's average score and performance. The Fund's carbon footprint is also calculated based on Trucost data and is updated on a monthly basis. This assessment is also reported on through the dedicated SRI report.

6.2. What ESG impact indicators does the Fund apply?

Impact indicators are identified in order to enable a measure of the Fund's extra-financial performance.

The following indicators are calculated both for the portfolio and its reference universe:

- Exposure to ESG controversies
- Carbon intensity to measure emissions (Scope 1 and 2)
- Portfolio temperature
- Year-on-year change in carbon footprint
- Green Bonds allocation
- Engagement programme
- Staff freedom of association and diversity company policies
- Human rights company practices by identifying UN Global compact signatories and companies involved in human rights compliance controversies in their supply chains
- Executive management governance in regards to ESG practices and an assessment of supervisory board directors' independence and diversity.

6.3. How are investors informed of fund's investment process?

Investors get notified and can access dedicated information via the Mirabaud Asset Management website:

- Mirabaud - Sustainable Global Strategic Bond fund: [Specific fund page](#)
- Mirabaud - Sustainable Global High Yield Bonds: [Specific fund page](#)
- [Fund Prospectus](#)

6.4. Does the asset management firm publish the results of its voting policy and engagement policy?

Votes are systematically reported on the Mirabaud Asset Management website and can be accessed by clicking on the following link: <https://www.mirabaud-am.com/en/general-contents/proxy-voting/>

The same goes for our engagement policy, which can be viewed at: https://www.mirabaud-am.com/fileadmin/user_upload/legal/Copyright_and_Legal/Mirabaud_AM_Engagement_Policy_EN.pdf

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