

Swiss Sustainable Funds Awards

Rules and Regulations

Each year, a Jury grants the Swiss Sustainable Funds Awards to the best actors in the field of sustainable asset management.

The prizes are awarded to asset managers and to mutual funds in a number of selected categories. The Jury will be appointed by the board of the Forums for Sustainable Investment (Geneva Forum for Sustainable Investment and Zurich Forum for Sustainable Investment).

The jury will be independent, and its mission will be to assess asset managers and mutual funds respective performances and sustainability impact, following a number of qualitative and quantitative criteria.

Composition and functioning of the Jury

The Jury is composed of a Chairman and four to six Members representing the various actors of the Swiss wealth management industry as well as financial experts.

The Jury shall meet as often as necessary in order to reach agreement on the final ranking of the prize contenders. Each member has one vote.

Members will, prior to any selection, list the name of the fund(s) and asset managers with which they may have a potential conflict of interest and will thereafter abstain from voting for such fund(s) or asset manager.

The Jury's work and reflections focus on the sustainable features of each contender fund and its investment performance.

In order to avoid any conflict of interest, the providers of qualitative and quantitative data used by the Jury are not part of the Jury.

Eligibility criteria

To be eligible, an asset management company must have assets under management (AuM) of at least CHF 100 million (or equivalent) and meet certain non-financial requirements described below.

To be considered in a specific fund category, the mutual fund must systematically incorporate such non-financial criteria, have a 3-year performance history with the current investment process, have a minimum asset size of CHF 30 million (15 million for a thematic fund) and be authorized for distribution in Switzerland by Finma.

Categories

The different categories are:

1. *Best Asset Management Company*

This award will be given to the asset management company who received the most nominations in all the Equity and Bond categories.

2. *Best Swiss or non-Swiss Asset Management Company*

This award will be given to the Swiss company (respectively to the non-Swiss asset management company) which has received the most nominations in all the Equity and Bond categories when the winner of the Best Asset Management Company Award is a foreign company (respectively a Swiss company).

3. *Equity Funds*

World Equity

European equity

Swiss Equity

Global Emerging Markets Equity

Thematic Equity

4. *Fixed Income Funds*

Global Bond

Corporate Bond

Methodology

The prizes will be awarded based on qualitative and investment criteria.

The sustainable analysis is based on the input provided by Conser, a Swiss investment advisory firm dedicated to responsible investment, within the criteria described below. Financial data are provided by Anglo-Swiss Advisors, a Swiss consultancy company, specialised in funds and managers selection.

The final scoring is a combination of both assessments.

The Jury deliberates freely, pondering the various evaluation criteria that are considered most relevant for each category. Decisions are taken by a majority vote.

1. Sustainability criteria

Funds are analysed through Conser's proprietary tool: ESG Consensus[®]. It is based on a collective intelligence approach: the ESG Consensus[®] encompasses ESG active and passive management convictions related to Environmental, Social and Governance factors. It uses multiple ESG data sources that can be divided into three categories: data from experts, opinion of investors and wisdom of public

All underlying positions are assessed through the ESG Consensus[®] - the final rating illustrates an aggregated environmental, social & governance (ESG) quality influenced by major controversies (breaches of global compact), exposure to sensitive sectors as well as negative climate impacts.

The value of the sustainability analysis is given by a rating (best to worst) from A+ to D (A+ being the best score and D the worst).

Information on exclusions criteria (sectors and controversies), exposure of the funds to the cleantech, the water theme, the fossil fuel sector (energy and para-energy companies), the coal sector and, for fixed income funds, the percentage of green bonds are also provided.

2. Financial criteria

The funds will be classified by broad categories by Anglo-Swiss Advisors, using Morningstar database classification. All the calculation will be made on a monthly, net return base, in the selected reference currency, USD, EUR and CHF. Market indexes will be used as benchmarks (MSCI etc).

A fund will be compared using its investment style (value, growth or blend) and its market capitalisation category. Calculations will be made on a relative basis.

Performance and resilience will be the two main components of the calculation.

- Excess performance versus defined index (style and market capitalisation) will be the basis for the performance comparison.
- Upside and Downside deviation versus defined index will be the basis for the resilience comparison.

There is no limitation in the investment analysis criteria that can be used, and which may differ depending on the category of funds in consideration.

Appraisals will cover 3 years performances as at December 31.

Performance condition: only the funds which have a performance above their respective benchmarks can qualify for the award. When no funds satisfy this condition within a category, no award will be attributed.

3. Role of the Jury

Both the analysis criteria and their weighting are determined by the Jury.

4. Decision making process

4.1. Determining the long list.

All funds which qualify in the pre-determined categories can enter the selection provided:

- it respects the conditions for inclusion (size, distribution, ...)
- it is flagged as ethical
- a clear benchmark has been identified
- the underlying positions are accessible at the end of the year (3-months delay maximum)

The long list of funds in each category is built taking account all funds which outperform their respective benchmarks.

4.2 Determining the short list (the Nominees).

The Jury will receive information on sustainability global rating and performance quartile as well as a one pager summary for each fund qualifying in every category, in order to select up to 5 funds per category (Nominees).

5. Selection process.

Step 1: each member of the Jury selects up to 5 funds within the long list for each category,

Step 2: based on step 1 and after sustainability checks over the 3 years period under consideration, the Jury decides the Nominees for each category,

Step 3: based on step 2, the Jury selects the winner in each category.

Nominations and Awards

The first 5 mutual funds in each category will be nominated.

Winners in each category will receive the Award. All nominees will receive a Certificate.

Awards and Certificates will be presented at the annual ceremony organized by the Forums for Sustainable Investment.