

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Swiss Excellence

Legal entity identifier:
529900SDHQQ8Q78BZX87

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : ____% <div style="margin-left: 40px;"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy </div> <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective : ____%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <div style="margin-left: 40px;"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective </div> <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

Swiss Excellence (the “Sub-Fund”) promotes social and environmental characteristics by investing at least 85% of its net assets in shares, certificates of shares and equity-like transferable securities with exposure to the Swiss equity markets that exhibit strong ESG credentials, with a specific focus on CO2 emissions.

Indeed, the Investment Manager applies a rigorous investment due diligence process, that combines a negative and positive screening to assess the attainment of the promoted environmental and social characteristics.

The Sub-Fund aims to outperform a composite benchmark made up of 65% of the Swiss Leader Index Total Return (SLIC) and 35% of the Swiss Leader Index (SLI). However, the Sub-Fund is actively managed and does not replicate the composite benchmark made up of 65% of the Swiss Leader Index Total Return (SLIC) and 35% of the Swiss Leader Index (SLI) or other indices for the purpose of attaining the promoted environmental or social characteristics.

The Sub-Fund does not seek to invest in sustainable investments as defined by the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Sub-Fund uses various sustainability indicators for the selection of investments in order to be able to reduce the investment universe and assess the suitability of the investments in terms of the contribution to the promoted environmental and social characteristics.

As the sustainability indicators to be assessed may differ from investment to investment, the sustainability indicators detailed below are to be understood as in principle relevant and dependent on the specific investment. Other sustainability indicators might be more relevant and suitable to assess the level of contribution to the promoted environmental and/or social characteristics.

A. Exclusion criteria to reduce the investment universe

Exclusion criteria
Tobacco producers
Gambling
Controversial weapons

Investments that meet the exclusion criteria are assessed with regard to their MSCI ESG rating. MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. The assessment is made on a scale from "AAA" (best rating) to "CCC" (worst rating).

The Investment Manager thus further excludes:

- Companies with a MSCI ESG rating score of "CCC";
- Companies having severe violations of the UN Global Compact Code ("red flag");
- Companies having serious controversies according to the MSCI ESG Controversy ("red flag") related to the company's negative impacts on the environment, such as land use and biodiversity, toxic spills and releases, energy and climate change, water management, operational non hazardous waste, environmental impact of products and service and management of supply chain environmental impact.

Exposure to companies active in all fossil fuels, in aggregate, will not exceed 5% of the portfolio.

B. ESG Rating to identify and select the suitable investments

The Investment Manager gives special consideration to the MSCI carbon emission score. This score is out of 10, with 10 being the best and 0 the worst. To potentially enter the Sub-Fund's investment universe, the company must have a carbon emission score equal or superior to 8/10.

The Sub-Fund's investments in companies with a MSCI carbon emission score lower than 8 are residual (i.e. equal or below 15% of the net assets of the Sub-Fund) as they are not aligned with the E/S characteristics promoted by the Sub-Fund.

In order to assist the Investment Manager in the identification and selection of the suitable investments within the investment universe, a proprietary rating system called the "NScore", is used.

The NScore is composed of three elements:

1. The MSCI ESG rating score and its recent evolution. (best 7; worst 0)
2. The quartile test for each pillar (E, S and G) (best 11; worst 0). The purpose of this test is to compare companies at the same level and to favor those that are in the top 50% of their industry distribution for each pillar. Preference is given to companies with 2 or 3 pillars in the 3rd and 4th quartiles of the distribution (upper and top quartiles).
3. Negative environmental and social impacts (best 0; worst 14). For each of the 14 indicators, there will be assessed whether the company, according to an established limit, has an adverse impact or not.

A binary code for the interpretation is being used. For each indicator, if the level is above the limit it will have a negative impact: "1"; if the level is below the limit, there will be no negative impact: 0.

The NScore is the sum of the MSCI ESG rating score and its recent evolution, and the test quartile score penalized for negative impacts. This last element will impact negatively on the first two elements of the NScore. NS Partners limits investments in the lowest rated stocks.

Thus, the Investment Manager limits investments in companies with an MSCI ESG rating score of "B" and "BB" to no more than 5% and 20% respectively. A stock with an MSCI ESG rating score of "B" will not exceed 2.5% of the net assets of the Sub-Fund. Exposure to companies active in fossil fuels will not exceed 5% of the net assets of the Sub-Fund. A company that is downgraded to "CCC" will be removed from the portfolio and from the investable universe. A company downgraded to "B" will not exceed 2.5% of the net assets of the Sub-Fund. If a company has no MSCI ESG rating score and its industry has a median score of at least "BB", investment is still permitted. However, the investments in such companies are residual (i.e. equal or below 5% of the net assets of the Sub-Fund) as they are not aligned with the E/S characteristics of the Sub-Fund.

C. PAIs consideration

The Sub-Fund considers principal adverse impacts ("PAIs") on sustainability factors as described below in the section "Does the financial product consider principal adverse impacts on sustainability factors".

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Sub-Fund has no sustainable investment objective and does not intend to make sustainable investments, therefore this section is not applicable.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Sub-Fund has no sustainable investment objective and does not intend to make sustainable investments, therefore this section is not applicable.

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The Sub-Fund has no sustainable investment objective and does not intend to make sustainable investments, therefore this section is not applicable.

— ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Sub-Fund does not aim to make sustainable investments and will not consider alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the Sub-Fund takes into consideration PAIs.

The following table provides an overview of which PAI indicators are taken into account:

#	PAI	Coverage
		Via
1	GHG EMISSIONS	Limit
2	CARBON FOOTPRINT	Limit
3	GHG INTENSITY	Limit
4	EXPOSURE TO COMPANIES ACTIVE IN THE FOSSIL FUEL SECTOR	Limit
6	ENERGY CONSUMPTION INTENSITY PER HIGH IMPACT CLIMATE SECTOR	Limit

Investments in companies in breach with the PAI limit are still permitted. However, these investments will be part of the financial component of the Sub-Fund’s portfolio (i.e. not E/S aligned) and the sum of all these investments will not exceed 10% for each PAI(s) 1,2,3 and 6 and 5% for PAI 4 of the Sub-Fund’s total net assets.

Further information on principal adverse impacts will be provided in the annual report.



investment strategy does this financial product follow?

The investment objective of the Sub-Fund is to achieve a better performance in the Swiss equity market than a benchmark made up of 65% of the Swiss Leader Index Total Return (SLIC) and 35% of the Swiss Leader Index (SLI) by investing mainly in Swiss shares, certificates of shares and equity-like transferable securities.

The Sub-Fund promotes social and environmental characteristics by investing at least 85% of its net assets in shares, certificates of shares and equity-like transferable securities with exposure to the Swiss equity markets that exhibit strong ESG credentials, with a specific focus on CO2 emissions.

The Sub-Fund’s ESG methodology, as previously outlined, considers the following elements depending on the extent to which investments are expected to contribute to the promoted environmental and social characteristics:

- Negative Screening (Exclusion Criteria)
- Positive screening (ESG rating)
- Consideration of PAIs

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund has the following binding elements:

- the Sub-Fund will not invest in companies stemming from the exclusion list;
- the Sub-Fund will not invest in companies with a MSCI ESG rating score “CCC”;
- the Sub-Fund will not invest in companies with a “red flag” on serious controversy on environment according to the MSCI ESG Controversy and severe violations of the UN Global Compact;
- exposure to companies active in fossil fuels will not exceed 5% of the Sub-Fund’s net assets.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments.

● ***What is the policy to assess good governance practices of the investee companies?***

The assessment of compliance with the standards for good corporate governance is taken into account directly via the exclusion criterion "Serious violations of the UN Global Compact Code (without a positive outlook)" and indirectly via the MSCI ESG rating (min. BBB) of the respective investment. In the course of the assessment and evaluation of companies, MSCI also takes into account their good corporate governance practices. This applies to all investments that are intended to contribute to the achievement of the Sub-Fund's promoted environmental and social characteristics. The Investment Manager conducts a quartile test and favours companies with their Governance pillar in the 3rd or 4th quartile of the distribution.

Asset allocation describes the share of investments in specific assets.



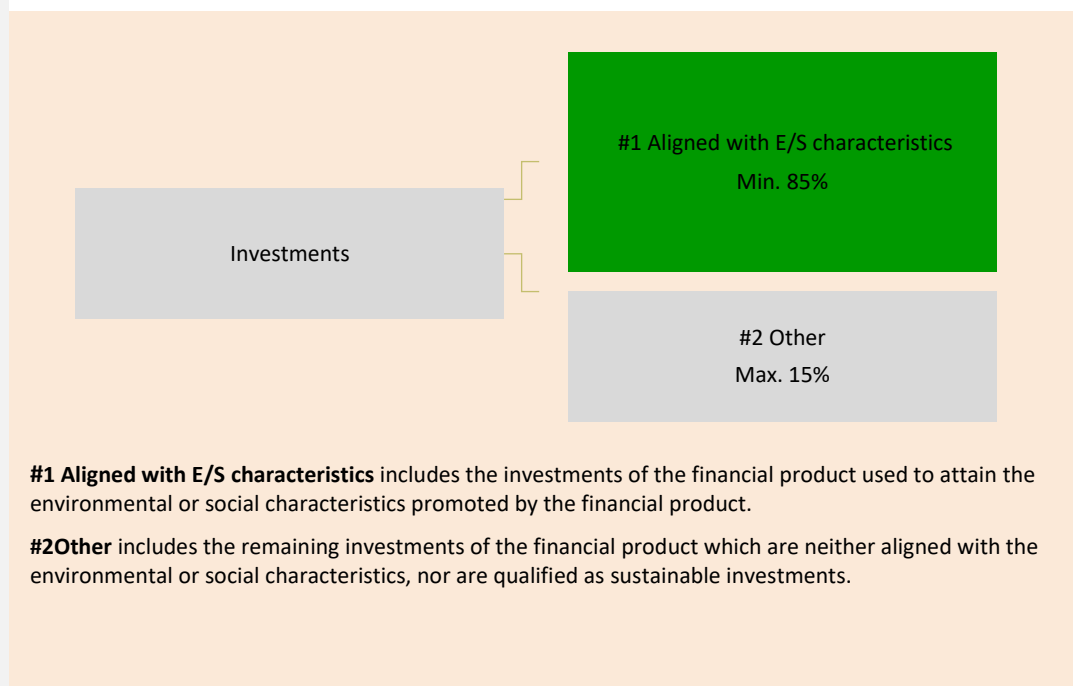
What is the asset allocation planned for this financial product?

The Sub-Fund invests at least 85% of its net assets in assets that have been determined as “eligible” as per the ESG methodology in place (hence in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics).

Up to 15% of its net assets are not aligned with these characteristics (#2 Other). A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of this financial product.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Sub-Fund does not use derivatives to promote the identified environmental and social characteristics.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to invest a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum percentage of environmentally sustainable investments aligned with the EU Taxonomy is 0% of the Sub-Fund's net assets.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁴?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

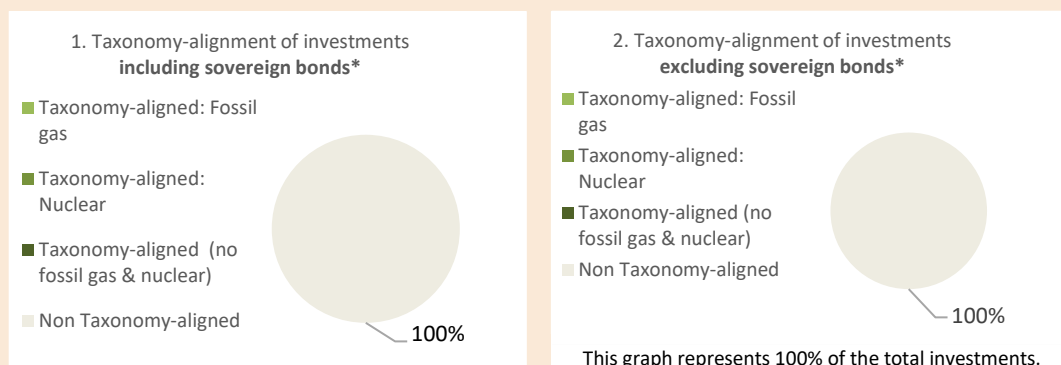
☒ No

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

⁴ 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?**
N/A



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A



What is the minimum share of socially sustainable investments?

N/A



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

This Sub-Fund promotes a predominant asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics). In addition, this Sub-Fund will invest into investments that are not considered aligned with the promoted characteristics (#2 Other). In line with the market positioning of this Sub-Fund, the purpose of these remaining investments is to provide investors with an exposure to non-ESG aligned investments while at the same time ensuring a predominant exposure to environmentally and socially aligned investments. Remaining investments can be used by the portfolio management for performance, diversification, liquidity and hedging purposes.

No minimum environmental or social criteria are applied to these investments. However, such Other investments do respect the exclusion criteria set by the Investment Manager.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the sustainable objectives followed by the financial product.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A



Where can I find more product specific information online?

For more information about the product, please visit the following link:

<https://www.nspgroup.com/management-company-services/sustainability-related-disclosures>