

EXCLUSION POLICY

MIRABAUD ASSET MANAGEMENT

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1 GENERAL INFORMATION

1.1 Principle

Since its foundation in 1819, the Mirabaud Group has always pursued a philosophy of sustainability, based on long-term vision and a responsible attitude. Remaining true to the spirit of our founders, we have successfully combined growth with a concern for the long-term continuity that has ensured our enduring independence.

Today, this approach takes the form of a pro-active and determined commitment. We are a responsible actor in the financial sector, promoting best practices and endorsing the Mirabaud Group's Corporate Social Responsibility Strategy (« CSR ») across all Group's business lines.

The entities of the Mirabaud Asset Management business line (« MAM ») recognize the significance of social and environmental factors, along with governance, in the valuation and selection of investments. Environmental, Social and Governance (« ESG ») issues and opportunities are a fundamental consideration in our investment processes. As a result, ESG criteria are integrated in the financial analysis and investment strategies of a broad range of our funds and mandates.

The diverse range of investment solutions developed by MAM are designed to comprehensively meet the needs of our private and institutional clients, reflecting their financial objectives, investor profiles and their concerns on ESG issues.

MAM commits resources and internal teams to continually expand ESG considerations across its range of investment products. The sustainable funds and mandates covered by our sustainable and responsible investment («[SRI](#)») strategy apply additional ESG selection and exclusion criteria.

1.2 Scope

This document (the « Policy ») outlines MAM's position on activities and sectors deemed as controversial and sets out the corresponding exclusion criteria applied by MAM, in addition to those stemming from regulations on international sanctions.

The Policy applies to all MAM long-only open-end funds as well as to selected alternative funds with direct investments, for which MAM acts as asset manager (the « Funds », see below at the end of this document).

This Policy lays down minimum standards for the approach also known as "negative screening". More stringent exclusion criteria in terms of thresholds or activities or sectors subject to exclusion can be introduced at any time. Furthermore, specific additional exclusions can be designed for certain MAM products, or mandates - to the extent agreed with a client.

Exclusions only apply to direct investments in the companies falling within the scope of this Policy.



2 LINE OF CONDUCT

Excluding a company from our investment universe is always the last resort. However, some activities or products are either controversial, in breach of international conventions, accords and national laws, or pose a risk to health or the environment, which cannot be offset through engagement. Accordingly, MAM refrains from directly investing in companies involved in controversial weapons as well as in companies that generate 5% or more of their revenues from thermal coal mining, tobacco or adult entertainment, as per criteria defined below.

MAM has adopted the following rules and standards to allow for a systematic, consistent and transparent exclusion process across the business line.

3 EXCLUDED ACTIVITIES

3.1 Controversial weapons

MAM follows a policy of not investing in the controversial weapons industry. MAM defines controversial weapons as weapons having indiscriminate effects and causing undue harm, injuries, and suffering.

Certain controversial weapons, namely cluster munitions, antipersonnel mines, chemical and biological weapons and nuclear weapons are regulated by international conventions or legal bans, including but not limited to:

- Anti-personnel mines: the Ottawa Convention, which took effect in March 1999, prohibits the use, stockpiling, production and transfer of anti-personnel mines;
- Cluster weapons: the Convention on Cluster Munitions (Oslo Convention) adopted in 2008 prohibits the use, stockpiling, production and transfer of cluster munitions;
- Nuclear weapons: the Nuclear Non-proliferation Treaty (NPT) of 1968, which took effect in 1970 aims at inhibiting the proliferation of nuclear weapons and limits the legal detention of nuclear weapons to a short list of countries;
- Biological weapons: the Biological and Toxin Weapons Convention (BTWC) of 1972 outlaws biological weapons;
- Chemical weapons: the Chemical Weapons Convention (CWC) of 1993 outlaws chemical weapons;
- Depleted uranium and/or white phosphorus ammunitions: no current international convention exists, but MAM acknowledges the concerns expressed by certain stakeholders regarding those ammunitions;
- The Swiss Federal war material act (as amended from time to time) bans direct and indirect investment in controversial weapons producers.
- The Swiss Association for Responsible Investments¹ (SVK-ASIR) exclusion list on cluster munitions and landmines.

In consequence, the companies involved in controversial weapons, regardless of the level of revenue generated from such activities are excluded.

¹ Recommendations for exclusion – SVK ASIR – Swiss association for responsible investments (svk-asir.ch)

MAM considers a company to be “involved in controversial weapons” when it produces, trades, or stores controversial weapons or components that are specifically designed for these weapons (tailor-made components) and which represent a critical component required for the functioning of the weapon (key component).

If one of the above-mentioned activities takes place within a subsidiary, the parent company is considered to be involved in controversial weapons if it holds a majority equity interest in the subsidiary. Likewise, any majority-owned subsidiary of a company involved in controversial weapons is also deemed to be involved.

3.2 Tobacco

Tobacco is a product of harmful nature, which poses significant health risks and serves as a leading cause of death in today’s world - with seven million people dying annually from tobacco-related causes². MAM acknowledges concerns related to public health, violation of human rights and the substantial economic cost associated with tobacco, which is believed to exceed USD one trillion annually on a global scale³.

MAM excludes companies that generate 5% or more of their revenues from tobacco production (such as cigarettes, cigars and/or pipe tobacco) and related products/services, that are:

- Supply of significant components of tobacco products (e.g. filters);
- Primary activity of trading tobacco and/or of distributing unprocessed tobacco wholesale to cigarette manufacturers or similar activities.

3.3 Thermal coal mining

Thermal coal is considered to be the most carbon-intensive fossil fuel. In order to limit global warming and align with the 1.5 degrees Celsius above pre-industrial levels of the Paris Agreement, scientific evidence indicates that thermal coal needs to be phased out by 2030 in OCED nations and by 2040 in the rest of the world⁴. In addition to its significant level of CO₂ emissions, thermal coal mining and combustion have several negative environmental, social and human health impacts. Viable alternatives to thermal coal exist in the form of renewables.

MAM excludes companies that generate 5% or more of their revenues from thermal coal mining. This includes companies that own and/or operate coal mines that engage in thermal coal mining (based on establishment through the company's own operations or those of its subsidiaries).

3.4 Adult Entertainment

Adult entertainment is associated with significant social risks in the form of the degradation of human rights dignity and human trafficking.

MAM excludes companies that generate 5% or more of their revenues from adult entertainment production.

² <https://tobaccoatlas.org/topic/deaths/> - <http://www.who.int/news-room/fact-sheets/detail/tobacco>

³ Tobacco - world health organization (WHO). Available at: <https://www.who.int/health-topics/tobacco>

⁴ Phase Out of Coal Is Key Climate Priority - United Nations Climate Change. Available at: <https://unfccc.int/news/un-chief-phase-out-of-coal-is-key-climate-priority>



4 APPROACH

4.1 Research

The responsibility for the research, definition and update of the exclusion list (the « List ») lies with MAM's SRI team.

The List contains the companies identified as falling within the criteria defined in this Policy. Exclusions apply to all types of securities issued by excluded companies, such as equity stocks, bonds, including single name derivatives on such companies.

MAM's SRI team relies on external reputable sources who provide relevant data and/or assist MAM in the underlying research. The List is reviewed at least twice a year, more frequently if necessary, to assess whether there have been any relevant changes in the activities or conduct of the companies. If significant changes are identified, the exclusion status may be reconsidered and potentially lifted.

4.2 Process

To ensure continued compliance with the Policy, MAM has implemented an integrated compliance system designed to prevent direct investments in companies falling within the scope of this Policy. MAM Risk Management team is responsible for ensuring that exclusions are implemented through pre- and/or post-trade checks.

Existing positions in companies that have been newly added to the List will be divested as per the following guidelines:

- For equity: the positions are to be sold as soon as possible while taking into account the safeguard the investors' interest, with the objective of completing the divestment within three months following the exclusion decision. During this period, no increase in the existing position is allowed.
- For fixed income: the positions are to be sold as soon as possible while taking into account the safeguard the investors' interest, with the objective of completing the divestment within six months following the exclusion decision. During this period, no increase in the existing position is allowed.

The competent governing body of the relevant MAM entity may decide to grant exceptions to the above guidelines.

If the grounds for exclusion of a company lapse, such company is removed from the List and re-classified as investable with immediate effect.

5 EXPENSES / COSTS

Any expenses/costs incurred in reviewing or updating the Policy and in undertaking business as usual activities arising from the Policy are borne by MAM.



6 REVISION AND APPROBATION

The Policy and any amendments thereof shall be approved by the competent governing body of the relevant MAM entity. Regular reviews are conducted and revisions carried out to capture developments in key areas.

7 PRODUCTS COVERED BY THE POLICY

The Policy covers the following funds with direct investments for which MAM acts as asset manager:

- Mirabaud (CH)
- Mirabaud Fund (CH)
- Mirabaud Multi Assets
- Mirabaud SICAV
- Mirabaud Patrimoine Vivant
- Mirabaud Private Capital SCA SICAV-SIF: Mirabaud Lifestyle Impact & Innovation
- Mirabaud Private Assets SCA SICAV-SIF: Mirabaud Grand Paris
- Mirabaud Private Assets SCA SICAV-SIF: Mirabaud Sustainable Cities
- Segregated mandates (where applicable)

