

EXCLUSION POLICY

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I. 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 financial responsible company, promoting best practice and enacting our Corporate Social Responsibility (hereinafter referred to as « CSR ») Policy in all our business lines.

Mirabaud Group's commitment to more sustainable and transparent global finance is grounded in the convictions that guide our governance and the way we work. Environmental, Social and Governance (hereinafter referred to as « ESG ») issues and opportunities are a fundamental consideration in our investment processes. Any investor applying ESG principles must commit to socially responsible investment.

The entities of the Mirabaud Wealth Management business line (hereinafter referred to as « WM Group ») see social and environmental factors and governance as important factors in valuing and selecting investments. This is why ESG criteria are included in the investment universe.

This document aims to describe the policy for the exclusion (hereinafter referred to as the « Policy ») of certain kinds of investment considered socially and environmentally harmful from the client portfolio, usually either by prohibiting new investment flows and/or by removing existing investments from client portfolios.

1.2 Scope

The Policy applies to the WM Group's product investment universe and consequently to all discretionary and advisory mandates. However, funds and products whose management process is external to the Mirabaud Group are excluded from the scope of application at this stage.

WM Group neither follows, nor recommends investing in companies involved in excluded activities according to its ESG methodology.



II. LINE OF CONDUCT /

Excluding a company from our investment universe is always the last resort. However, some activities or products are deemed controversial in line with international conventions, accords and certain national laws, or pose a risk to health or the environment.

Accordingly, WM Group has decided to exclude from its investment universe manufacturers of controversial weapons, tobacco product manufacturers and companies involved in thermal coal mining and adult entertainment activities.

WM Group has adopted the Policy described hereunder to allow a systematic, consistent and transparent exclusion process across all its investment services.

WM Group has an internal operational procedure that describes the processes and methods as well as the roles and responsibilities for the implementation of the Policy.



III. EXCLUDED ACTIVITIES /

3.1 Controversial weapons

WM Group has decided to no longer invest in companies involved in controversial weapons.

WM Group 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, such as without limitation:

- ◆ 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 Group recognises the concerns of certain stakeholders concerning those ammunitions.
- ◆ The Swiss Federal war material act (amended 2012) bans direct and indirect investment in controversial weapons producers.

WM Group considers that a company is “involved in controversial weapons” when the company:

- ◆ Produces, trades, or stores controversial weapons or components that are specifically designed for these weapons (dedicated 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 direct parent company is also 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.

WM Group undertakes to exclude investment in any companies directly involved in controversial weapons, as explained above, whatever the level of revenue generated from these activities¹.

3.2 Tobacco

WM Group has decided to no longer invest in companies involved in the tobacco industry.

With seven million people dying annually from tobacco-related causes, the decision takes into account concerns about public health, as well as human rights abuses and the substantial economic cost associated with tobacco, believed to be more than USD 1 trillion a year globally, according to World Health Organisation (WHO) estimates². In 2003 it implemented the Framework Convention for Tobacco Control (FCTC), the first ever global public health treaty. Some 180 countries have signed the FCTC, which aims to cut consumption by 30% by 2025 through new regulations and tax increases that will make tobacco less affordable.

WM Group considers that a company is “involved in the tobacco industry” when the company:

- ◆ Produces tobacco (such as cigarettes, cigars and/or pipe tobacco),
- ◆ Supplies significant components of tobacco products (such as filters),
- ◆ Primary activity is to trade tobacco and/or to distribute unprocessed tobacco wholesale to cigarette manufacturers or similar activities.

WM Group undertakes to exclude investment in any companies directly involved in the tobacco industry, that earn more than 5% of their revenue from these activities.

3.3 Thermal coal mining

WM Group has decided to exclude investment in companies involved in thermal coal mining.

In the recent years, the debate on fossil fuels and coal has been intense, especially following the COP21 Agreement. The core purpose of this Agreement is to reduce greenhouse gas emissions and limit the rise of global average temperatures below two degrees Celsius. Therefore, a strong focus on renewable energy along with a substantial decline in the use of fossil energy is key to achieving the Paris Agreement goals.

¹ Exceptions apply to the following companies : Airbus, Boeing, Thalès and Safran

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



Thermal coal represents one of the most carbon-intensive fossil fuels. In addition to generating a high level of GHG emissions, thermal coal mining and combustion have several negative environmental, social and human health impacts. Therefore, WM Group believes that a coherent climate policy warming must tackle thermal coal as a priority.

WM Group undertakes to exclude investment in any companies directly involved in the thermal coal mining industry, that earn more than 5% of their revenue from these activities.

3.4 Adult Entertainment

WM Group has decided to exclude investments in companies involved in adult entertainment.

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

WM Group excludes from its investments companies that generate 5% or more of their revenues from adult entertainment production activities.



IV. APPROACH /

4.1 Research

The responsibility for the research, definition and production of the exclusion list (hereinafter referred to as the « List »), at the WM Group level, lies with WM Group's Financial Research team.

The List includes all the companies that fall under an exclusion as defined by the Policy. All company-related investment instruments (e.g. equity, equity derivatives and corporate bonds) are in scope.

WM Group's Financial Research team has access to several external and independent sources to assist in the underlying research.

The List will be reviewed at least once a year, more frequently if necessary, to check if relevant changes have been made to the company's activities or behavior. A review of such changes may lead to the exclusion being lifted. This review is done in coordination with Mirabaud Group's other business lines, i.e. Mirabaud Asset Management and Mirabaud Securities.

4.2 Information

WM Group makes sure that the List of all excluded companies is made internally available in the WM Group's Financial Research database.



4.3 Post-trade approach

Existing positions in companies that have been newly identified as being in violation of this Policy will be divested given the following guidelines:

- ◆ **For equity:** the positions must be sold as soon as possible ensuring the protection of investors' interest, but at latest within *six months* after the decision to exclude a company. During this time, no increase in position is allowed.
- ◆ **For fixed income:** the positions must be sold as soon as possible ensuring the protection of investors' interest, but at latest within *six months* after the decision to exclude a company. During this time, no increase in position is allowed.

4.4 Reinstatement

If the grounds for a violation by a previously identified company lapse, it is removed from the List and may be considered to reenter the investment universe.



V. REVISION AND APPROBATION /

The Policy and any amendments thereof shall be approved, at WM Group level, by WM Group's Financial Research team. At least once a year, reviews are conducted.



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