

# » *Sustainability* *Report*

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November 2020

# Sustainability at Fisch Asset Management

## Overview

	E nvironmental	S ocial	G overnance
Company	- Carbon emissions - Recycling	- Investing in people - Giving back	- Culture based on transparency
Investment Process	- Sustainability approach on pooled funds and segregated mandates		

## Company

### Corporate Profile

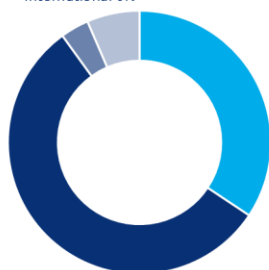
Fisch Asset Management (Fisch) is an asset manager specialising in select investment strategies. It offers convertible bond, corporate bond and absolute return solutions. Its objective is to create added value for long-term investors through active management. The company's core strength lies in its long experience in the fields of credit and momentum. Founded in Zurich in 1994 by two brothers, Kurt Fisch and Dr Pius Fisch, Fisch Asset Management has made a name for itself as an independent asset manager and as a global leader in convertible bonds. The company has 90 employees and manages assets of almost CHF 11 billion (EUR 10 billion) for institutional investors primarily based in Europe. We view our corporate culture, which includes transparency, open communication, mutual respect, team spirit and entrepreneurial incentives, as the basis for our long-term success. We are proud of the tremendous success that Fisch has achieved over more than 25 years thanks to this enduring corporate philosophy.

## Clients

Our client base comprises around 82% institutional and 18% wholesale investors. We have started our business in Switzerland and the German-speaking countries and we are now increasingly targeting investors from beyond these core markets. We offer segregated mandates as well as mutual fund solutions.

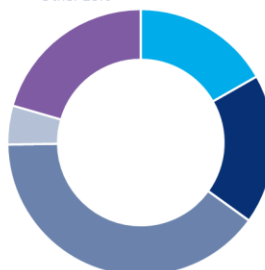
### Regions

- Switzerland 34%
- Germany 56%
- Austria / Liechtenstein 3%
- International 6%



### Sectors

- Insurance 17%
- Banks 18%
- Pension Funds 40%
- Independent AM 5%
- Other 20%



Source: Fisch Asset Management, June 2020

## Research

For Fisch, credit research is an important and integral part of the investment process. One of our key strengths is our ability to identify changes in credit fundamentals before they are reflected in valuations. Thus, Fisch has made considerable investments in credit research over time, through both its in-house credit analyst team as well as via its long-term strategic relationship with Independent Credit View (I-CV). Our credit research team is fully integrated within the portfolio management team and directly supports both the convertible bond as well as the corporate bond teams.

## Environmental

Fisch's resource consumption, whether of energy, electricity, paper or water has always been low in recent years.

The office building of Fisch complies with the Minergie standards. Minergie is a registered quality label for new and refurbished low-energy-consumption buildings. This label is mutually supported by the Swiss Confederation.

Our office is located adjacent to the platform of Tiefenbrunnen train station and to the terminus of two tram lines. This encourages our employees to commute via public transportation, with the majority of employees using either the train, tram or bus to reach the office. Only a few employees benefit of parking lots within the office building. At Fisch, recycling is of greatest importance. Switzerland is one of the leading nations in recycling glass, PET, aluminium, cans and batteries. We do it in the office the same way we do it home. Our Green IT Initiative helps us select energy-saving equipment and ensures its proper disposal.

## Social Responsibility

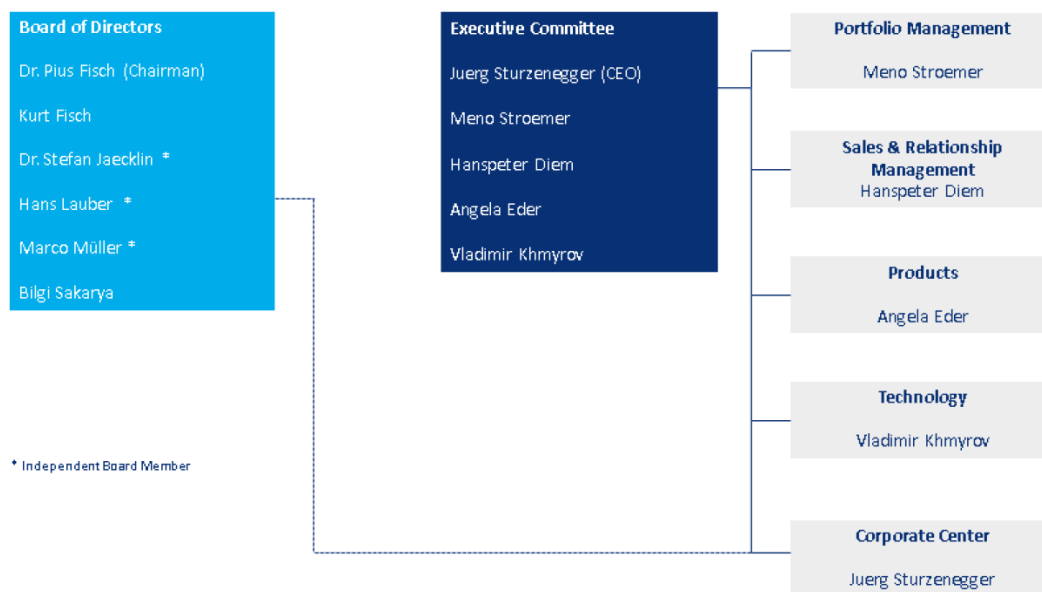
Fisch supports flexible working models which allow employees to balance their career and family.

Ongoing training and advanced education is actively promoted and receives generous financial support (e.g. through our own Fisch Academy). Fisch regularly contributes to social initiatives of its employees and clients.

Fisch manages its own pension fund on a professional level at no costs for the employees. The company's contributions are above average and significantly exceed the legal minimum.

Further we donate yearly to charitable organizations. We seek suggestions from our employees as to which organizations would most benefit from our support, and the executive committee selects three projects. In the past year these were two non-profit organizations in Africa and Latin America and a third one in Switzerland. Fisch also sponsors children's sports clubs and other activities based on the input of our employees.

## Governance



Fisch's corporate culture places great emphasis on comprehensive transparency. This culture applies to all internal information such as executive committee minutes, financial results and salaries. We take care to avoid conflicts of interest in any aspect of our business activities. All products of Fisch are designed to be as long-term investment opportunities.

Wage differentials between the employees are substantially smaller than with other financial service providers. At the same time, employee participation as shareholders in the company is actively supported. Fisch belongs to its employees.

We view a clearly articulated and actively supported corporate culture as the basis for our long-term success as an asset manager. Transparency, open communication, mutual respect, team spirit and entrepreneurial incentives therefore constitute the principles of our corporate culture. We are proud of the tremendous success that Fisch has achieved over the past 25 years thanks to this enduring corporate philosophy. We are also convinced of the need to continue along this positive path – as long as we remain true to our principles.

Mutual respect is the basis of our corporate culture. This respect requires each of us to consider the views and beliefs of our colleagues and to incorporate these into a constantly developing dialogue.

Views can only be drawn upon efficiently and profitably if communication works smoothly. Open communication is fundamental. In our company, every individual not only has the right but also a duty to share his/her personal viewpoint. This is because we believe diversity underlies the potential and strength of a team.

Individual abilities and potential can be deployed to optimum effect when all members of a team are fully informed and as a result act on the basis of shared knowledge. We believe this transparency is another decisive factor for the long-term success of our company. The rule therefore is that everyone must know everything! What's more, this open flow of information has led to satisfaction among all our colleagues.

Entrepreneurial incentives likewise help ensure internal satisfaction. Thus, in principle, anyone can become a shareholder in the company. Salaries are based on the performance of all products as well as the company, and not on the return of an individual fund. We are also systematically transparent on the subject of remuneration. We all know how much our colleagues earn. Salary disclosure forces the Executive Committee to communicate openly and fairly with all employees.

A strong and mutually supportive bond between employees fosters better teamwork and, we believe, better results. We arrange a number of events each year that are open to all employees, including an annual ski weekend funded entirely by the company. Employees are free to propose and arrange a diverse range of events, and are supported by the firm when so doing.

At Fisch, we greatly appreciate the support provided, and the role played, by the families of our employees. To this end, Fisch arranges and funds every second year a weekend break for employees, together with their partners and/or families, to spend their time in a variety of ways as suits each person. Further, employees are very welcome to bring their partners or a guest to the annual company meal each Christmas.

Truly upholding these principles encourages trust and fosters an unmistakable team spirit. It also ensures a high level of motivation – one that can move mountains. By trusting in these qualities, we are convinced that we as a team can continue to move ahead in the same direction in difficult as well as good times. This continuity is one of the most important components of lasting outperformance.

Our corporate culture applies both internally and externally. Respect, transparency and communication can be expected by all our business partners and investors. It is on this basis that we strive day-in and day-out to build successful, satisfied client relationships for the long term.

We walk the talk when it comes to sustainability, which we believe benefits our clients, our employees, our products and our company.

## Investment process

### Pooled funds

As an asset manager with a long-term approach and as a signatory of the UN Principles for Responsible Investment (PRI), we are diligent in doing our duty to our clients and to society, with the aim of producing lasting economic value.

Our investment philosophy takes ESG factors into account across the entire product range.

### *Sustainable Investing*

The FISCH Convertible Global Sustainable Fund invests globally in convertible bonds issued by companies that are classified as sustainable. The sustainability approach is based on a combination of exclusion criteria and best-in-class/best-of-class criteria. The sustainability research is provided by Bank J. Safra Sarasin Ltd, a leader in sustainability analysis since 1989. It is one of the first sustainable convertible bond funds worldwide.

The FISCH Convertible Global Sustainable Fund has been awarded the FNG Label and received one out of a possible three stars for its particularly ambitious and comprehensive sustainability strategy. Investment funds with the FNG Label meet the quality standard developed by Forum Nachhaltige Geldanlagen e. V. (FNG) for sustainable investments in the German-speaking countries.



### *Responsible Investing*

All other pooled funds are responsibly managed. Aside from encouraging issuers to publicly disclose their policies, we take a critical look at ESG issues and integrate them into our fundamental assessment:

- Evaluate ESG issues to determine the risk
- Actively engage with issuers
- Determine whether an issue leads us to exclude a company from investment considerations or justifies a higher risk premium

We invest globally and do generally not exclude systematically specific sectors or countries from the portfolios.

Fisch excludes issuers involved in manufacturing of anti-personnel landmines and/or cluster munitions (controversial weapons)<sup>1</sup>. We do not invest knowingly in those issuers as a standard. This does not apply to derivatives or indirect involvement e.g. financial institutions which may themselves invest in/offers services to these companies, nor does it exclude investment in companies who through their pension schemes, are invested in these companies.

These companies are on a “negative list” and will cause a red flag in the pre-trade check. The “negative list” will be reviewed annually. Fisch does not publicly disclose the “negative list”.

<sup>1</sup> Fisch exclusions are based on the 1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction concluded in Oslo on 18<sup>th</sup> September 1997 and the Convention on Cluster Munitions agreed in Dublin on 30<sup>th</sup> May 2008.

## Segregated mandates

We will not restrict segregated mandates from investments related to our negative list. The clients themselves control the investment policies for such accounts.

We apply tailor-made sustainable investment products according to the individual needs of our clients. Investors may select a sustainability filter according to their individual needs or they apply an exclusion list containing companies which repeatedly violate international agreements relating to unfair child labor, banned weapons or breaches of environmental protection.

We can provide references where we have successfully implemented this approach over years on request.



The European SRI Transparency logo signifies that Fisch Asset Management AG commits to provide accurate, adequate and timely information to enable stakeholders, in particular consumers, to understand the Socially Responsible Investment (SRI) policies and practices relating to the fund. Detailed information about the European SRI Transparency Guidelines can be found on [www.eurosif.org](http://www.eurosif.org), and information of the SRI policies and practices of the FISCH Convertible Global Sustainable Fund can be found at [www.fam.ch](http://www.fam.ch). The Transparency Guidelines are managed by Eurosif, an independent organisation. The European SRI Transparency Logo reflects the fund manager's commitment as detailed above and should not be taken as an endorsement of any particular company, organisation or individual.

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