swisscanto

Managed by Zürcher Kantonalbank

# Swisscanto (CH) Index Equity Fund Canada NT

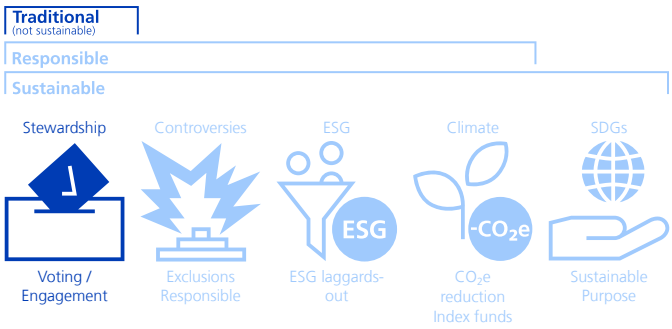
**Equity | reinvesting | September 2024 - Marketing Material**

## Fund Description

The objective of the subfund is to track the return and risk profile of the benchmark.

## Product line and sustainability approaches in use

When selecting investments, the product lines and sustainability approaches illustrated below and described in the "Explanations regarding product lines and sustainability approaches" are used.




Note:
- Light-coloured product lines and approaches are not applicable to the assets in question.
- Exclusions based on SVVK-ASIR are applied in all three product lines (Traditional (non-sustainable), Responsible and Sustainable).

## Swisscanto Sustainability Rating

high | A | B | C | **D** | E | F | G | low

## Profile/Suitability

This product is suitable for investors who
- have at least a medium-term investment horizon.
- wish to participate in the development of the Canadian equity market and wish to benefit from the yield potential of the underlying benchmark index. An excess return compared to the underlying benchmark index cannot be expected.

## Risk Indicator

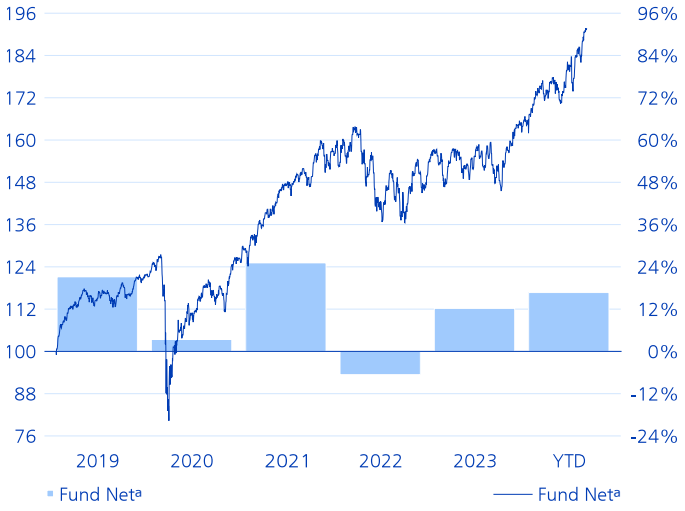
low | 1 | 2 | 3 | **4** | 5 | 6 | 7 | high

## Fund Facts

| | |
|---|---|
| NAV per Share (30.09.2024) | CAD 224.06 |
| 52-Week High (26.09.2024) | CAD 224.08 |
| 52-Week Low (27.10.2023) | CAD 171.56 |
| Fund Domicile | Switzerland |
| Share Class Currency | CAD |
| Fund Currency | CAD |
| Accounting Year End | 28.02. |
| Security Number | 11704486 |
| ISIN-Number | CH0117044864 |
| Bloomberg | ZKBCANN SW |
| Share Class Launch Date | 19.01.2011 |
| Inception Date Fund | 19.01.2011 |
| Start Performance Calculation | 01.02.2011 |
| Share Class Volume (million) | CAD 108.04 |
| Fund Volume (million) | CAD 158.42 |
| Shares Outstanding | 482'202.914 |
| Investment Method | Full Replication |
| Securities Lending | Yes |
| Benchmark | MSCI® Canada Index TR Net |
| Flat Fee p.a. | 0.00% |
| Total Expense Ratio p.a. | 0.00% |
| Issue Fees in Favour of the Fund | 0.04% |
| Redempt. Fees in Fav. of the Fund | 0.04% |
| Management Company | Swisscanto Fondsleitung AG, Zurich |
| Portfolio Management | Zürcher Kantonalbank |
| Custodian Bank | Zürcher Kantonalbank |

# Performance

## Indexed Performance and Performance in %[1]




Indexed performance (left scale). Performance in percent (right scale).

## Performance in %[2]

| Since | 1m | 3m | 1yr | 3yrs p.a. | 5yrs p.a. | 10yrs p.a. |
|---|---|---|---|---|---|---|
| Fund Net[a] | 2.87 | 10.52 | 26.57 | 9.34 | 10.20 | 7.40 |
| Fund Gross[b] | 2.87 | 10.52 | 26.57 | 9.34 | 10.20 | 7.40 |
| Benchmark | 2.88 | 10.57 | 26.65 | 9.42 | 10.23 | 7.32 |

## Annual Performance in %[1, 2]

| Year | 2019 | 2020 | 2021 | 2022 | 2023 | YTD |
|---|---|---|---|---|---|---|
| Fund Net[a] | 21.17 | 3.38 | 25.13 | -6.59 | 12.20 | 16.71 |
| Fund Gross[b] | 21.17 | 3.38 | 25.13 | -6.59 | 12.20 | 16.71 |
| Benchmark | 21.05 | 3.47 | 24.91 | -6.54 | 12.35 | 16.75 |

## Risk Figures

| annualised/realised | 1yr | 3yrs | 5yrs |
|---|---|---|---|
| Tracking Error | 0.06% | 0.05% | 0.08% |
| Volatility Fund | 10.91% | 13.71% | 15.83% |
| Volatility Benchmark | 10.94% | 13.71% | 15.81% |
| Sharpe Ratio | 2.16 | 0.65 | 0.60 |

## Portfolio Data

| | Fund | BM |
|---|---|---|
| Number of Positions | 85 | 85 |

[1] Year/period: Since start performance calculation or at the longest for the last five years/periods.

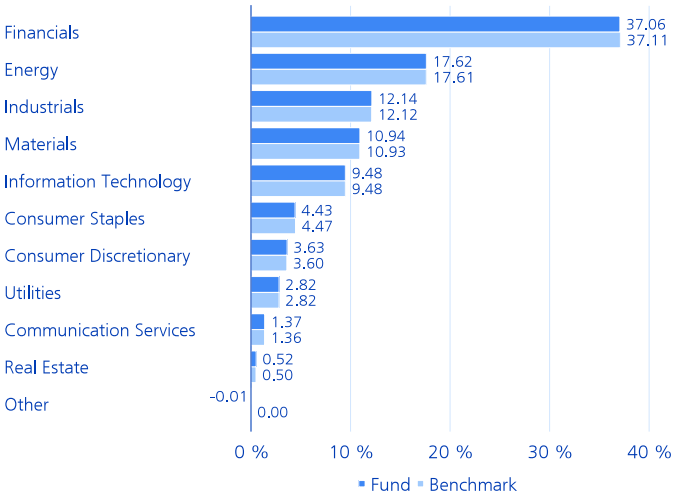
[2] Minor deviations can be caused by rounding errors.

[a] The represented net value development less all regular fund fees due. Any further costs due, which can be charged directly to the fund assets, are disclosed in the fund prospectus.

[b] The gross performance indicated before deduction of any regular fund fees incurred.

# Breakdowns

## Breakdown by Sectors in %




Exposure values reflect the economic perspective. Negative values thus do not necess. result from actual short positions, but can arise due to the calc. method (such as derivatives or value diff.).

## Largest Positions in %

| | Fund | BM |
|---|---|---|
| Royal Bank of Canada | 8.24 | 8.23 |
| Toronto-Dominion Bank | 5.15 | 5.15 |
| Shopify Inc - A | 4.51 | 4.51 |
| Enbridge Inc | 4.11 | 4.12 |
| Canadian Pacific Kansas City Ltd | 3.70 | 3.72 |
| Brookfield Corp | 3.37 | 3.37 |
| Canadian Natural Resources Ltd | 3.30 | 3.29 |
| Bank of Nova Scotia | 3.13 | 3.12 |
| Bank of Montreal | 3.07 | 3.07 |
| Constellation Software Inc | 3.06 | 3.05 |

# Explanations regarding product lines and sustainability approaches

**Product lines**
The sustainability product range comprises two product lines in which different sustainability approaches are applied. The «Responsible» product line includes as standard the application of further exclusions, systematic ESG analysis as an integral part of the investment process and a reduction in the $CO_2e$ intensity of the investments. In addition to the aforementioned approaches, the «Sustainable» product line includes the application of even more extensive exclusions and also invests in SDG leader or ESG leader (Sustainable Purpose). The exclusions based on SVVK-ASIR are applied in all product lines (including for assets that are not sustainably managed). These mainly include manufacturers of banned weapons and may also include states in addition to companies.

**Stewardship - Voting / Engagement**
As a shareholder, we actively engage in continuous dialogue with the companies management. This takes place in accordance with the engagement guidelines of Zürcher Kantonalbank's asset management. Among other things, companies are required to formulate ambitious greenhouse gas reduction targets, implement them consistently and report on them transparently. Our engagement activities and guidelines are published on https://www.zkb.ch/en/home/asset-management/sustainability/investment-stewardship.html. Our voting guidelines are based on Swiss and international corporate governance principles and on the United Nations Principles for Responsible Investment (UN PRI). The threshold for exercising voting rights in our foreign voting markets is CHF 5 million for Swiss domiciled funds and CHF 2 million for Luxemburg domiciled funds per share position. More information on our voting behaviour can be viewed at: https://www.swisscanto.com/voting

**Controversies - Exclusions Responsible**
Application of further exclusion criteria - in addition to the exclusions based on SVVK-ASIR - in order to reduce sustainability risks and with the aim of not investing in securities with business models that are critical from a sustainability perspective. The exclusion criteria apply to companies associated with the extraction of coal (excluding metal production; >5% revenue)*, coal reserves (excluding metal production)*, production of weapons and ammunition, manufacture of military hardware (>5% revenue), production of pornography, exploitative child labour and/or UN Global Compact violations (excluding green and sustainability bonds, if applicable). Violations of the UN Global Compact principles revealed by our screening are examined in closer detail by our analysts. As part of the engagement, we seek dialogue and encourage companies to change their behaviour. If no change occurs within a reasonable period of time, existing systems must be sold. *Excluding green and sustainability bonds

**ESG - ESG laggards- out**
The universe of securities is reduced by excluding securities that perform poorly in a peer comparison in terms of ESG criteria (laggard-out).

**Climate - $CO_2e$ reduction Index funds**
The asset manager reduces the average $CO_2e$ intensity of the investments in indexed Responsible portfolios by at least 20% compared to the benchmark index. In the case of portfolios with investments in government bonds or bonds from government-related issuers, this share is excluded from the stated target value (applicable to the portfolio and benchmark index). For this share, the asset manager aims to achieve a lower average COe intensity of the investments compared to the benchmark index (without a defined minimum reduction). When calculating the average $CO_2e$ intensities, the asset manager relies on data on $CO_2e$ emissions in relation to revenue for companies and, for countries, in relation to gross domestic product.

**SDGs - Sustainable Purpose**
The "Sustainable Purpose" approach focuses on returns through investments in companies and countries with social benefits (SDG leaders). SDG leaders use their investment power to create environmentally and socially responsible products and services. In doing so, they contribute to the fulfillment of one or more of the UN's Sustainable Development Goals (UN SDGs). For diversification purposes, a best-in-class approach can also be used to invest in securities that are considered to have above-average positive ESG criteria (ESG leaders).

Note:
- Light-coloured product lines and approaches are not applicable to the assets in question.
- Exclusions based on SVVK-ASIR are applied in all three product lines (Traditional (non-sustainable), Responsible and Sustainable).

**Further information**
Further, supplementary product-specific explanations regarding the sustainability approaches applied can be found in the relevant legal documents at products.swisscanto.com.

**Sustainability approaches**
The sustainability approaches apply to all assets or to a substantial part of the assets. Detailed information on this can be found in the prospectus, fund agreement or investment guidelines.

**$CO_2e$**
$CO_2e$ equivalents ($CO_2e$) are a measure to standardise the climate impact of the greenhouse gases carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$) and fluorinated greenhouse gases (CFCs). All of these gases remain in the atmosphere for different lengths of time and do not contribute equally to the greenhouse effect.

**ESG**
ESG stands for the aspects of environment (E), social (S) and governance (G).

**SVVK-ASIR**
The Swiss Association for Responsible Investments (SVVK) is an association of institutional investors and was founded in 2015. The association provides services to its members so that they can focus their investment decisions on the environment, society and the economy.

**Swisscanto Sustainability Rating**
The proprietary Swisscanto Sustainability Rating provides information on the current sustainability level of the portfolio. It is calculated from the values of the collective assets and individual securities contained in the portfolio and is divided into seven sustainability classes from A (highest level) to G (lowest level). To calculate the rating, companies and countries are assessed on the 4 pillars of our sustainability research: controversial areas of business (controversy), sustainable corporate governance (ESG), greenhouse gas emissions (climate) and impact of products on the environment and society (Sustainable Purpose). The Swisscanto Sustainability Rating is recalculated once per quarter end.

# Comments to the Fund

**Target Investor Group - Term**
Institutional investors with necessary contract

**Target Investor Group - Description**
N class is offered exclusively to Zürcher Kantonalbank investors with an individual asset management agreement and institutional investors with an individual investments contract, as well as institutional investors of other partners of Swisscanto Fund Management Company Ltd. with the corresponding agreement. An additional requirement is the conclusion of a cooperation agreement. The second letter «T» indicates that the class reinvests profits (accumulating).

**Flat Fee (FF)**
The AIF is used to compensate the fund management company and fund administration, asset management and - if compensated - the distribution of the fund as well as the custodian bank for the services it provides.

**Charging Fee N-Class**
The charging fee applied to the N-Classe is shown at a rate of 0%, as the FF is charged in the context of the individual asset management agreement.

**Total Expense Ratio (TER)**
The TER refers to the commissions regularly charged to the fund assets (operating expenses) and is expressed as a percentage of the fund's assets. The figure quoted relates to the level of the TER in the past financial year and does not guarantee that the level will be similar in the future.

**Issue and redemption charges in favour of funds ("crossing")**
The fact sheet mentions the currently valid and maximum charges incurred. To protect existing investors and cover transaction costs, the fund management credits all issue and redemption charges to the respective sub-fund assets. Issue and redemption charges in favour of the fund are reduced to the extent that issues and redemptions can be offset against each other on a bank working day (known as "crossing"). As a result, charges may be reduced. For further information, see fund agreement.

**Swinging single pricing (SSP) indirectly**
According to fund master data, this fund does not exhibit any swinging single pricing (SSP). However, it cannot be ruled out that an investment is made in a target fund with SSP indirectly.

**Explanation of general risks**
Investment involves risks, especially with regard to fluctuations in value and return. Investments in foreign currencies are subject to exchange rate fluctuations. Custody and counterparty risks represent further significant risks. We hereby refer to the detailed description of various risks which are included in the prospectus.

**Risk Indicator**
The historical data used to calculate the risk and return category cannot be used as a reliable indication of the future risk profile. The reported risk and return category may well be subject to change. The lowest risk category cannot be compared with a risk-free investment. There is no capital guarantee or capital protection. The risk of capital loss is borne by the investor.

**Breakdown Allocations**
Allocation refers to invested fund capital adjusted to 100%. Minor deviations can be caused by rounding errors. The weighting of the money market may include the synthetic exposure from the equity hedging strategy.

**Tracking Error**
Tracking error describes the volatility of differences in performance between a fund and its benchmark. Tracking error is a measure of the active risk of the portfolio manager. Passively managed funds have a low tracking error.

**Volatility**
Volatility is a statistical measure of risk which indicates the extent to which the absolute return on an investment or a portfolio fluctuates on average around its mean value in the course of a year.

**Sharpe Ratio**
The Sharpe ratio is a performance measure which indicates the risk-adjusted excess return (difference between the portfolio return and the risk-free return) compared to the investment risk incurred (volatility).

**ISO Certification**
Asset Management at Zürcher Kantonalbank is ISO 9001 certified. The ISO 9001 certification guarantees that the authorised user has a management system that meets the requirements of a suitable and recognised standard and has been successfully certified/assessed by the Swiss Association for Quality and Management Systems (SQS).

**Reporting**
- Analyses and data from MSCI Inc. (www.msci.com) were used to compile this report.
- Allocations by sector and credit rating are categorised according to the index provider.
- Copyright 2024 MSCI Inc. All rights reserved.

**Disclaimer**
This document is for promotional and information purposes only, is exclusively intended for distribution in Switzerland, and is not addressed to persons in other countries or to any person who by domicile or nationality is prohibited from receiving such information according to applicable law. Please note that historical performance is not an indicator for current or future performance and that the performance data have been calculated without taking account of the costs and commissions charged at the time of the issue and redemption of units.

This document was produced by Swisscanto Fund Management Company Ltd. and Zürcher Kantonalbank applying the highest standards of diligence and in good faith. However, they do not provide any guarantee with regard to correctness and completeness and accept no liability for losses that may occur through the use of this information. This document is neither an offer nor a recommendation for the subscription or redemption or purchase or sale of financial instruments or financial services and does not discharge the recipient from their own judgement. Zürcher Kantonalbank recommends that the recipient, if need be consulting professional guidance, assess the information in consideration of their personal situation with regard to legal, regulatory, tax and other consequences that might be invoked. Investments in a product should only be made following a thorough study of the current sales prospectus. The present document has not been drawn up by the "financial analysis" department as defined in the rules of the "Directives on the Independence of Financial Research" published by the Swiss Bankers Association, hence these rules do not apply to this document. This document is not a prospectus within the meaning of Article 652a or 1156 of the Swiss Code of Obligations or Article 27 et seq of the listing rules of SIX Swiss Exchange AG.

This publication and the information contained herein must not be distributed and/or redistributed to, used or relied upon by, any person (whether individual or entity) who may be a US person under Regulation S under the US Securities Act of 1933. By definition, "US person" includes any US resident, any corporation, company, partnership or other entity organised under any law of the United States. The categorisation under Regulation S likewise applies.

The prospectus with integrated fund agreement, the key information document as well as the annual and biannual reports are available free of charge from Swisscanto Fund Management Company Ltd., Bahnhofstrasse 9, 8001 Zurich, www.swisscanto.ch and Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich.