



Disclaimer

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EFW EFFICIENCY FUND – CORE

[European SRI Transparency Code Version 3.0](#)

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and has been designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The code comes with a Guidance Manual for fund managers on how to best use and respond to the Transparency Code. The present version of the Code has been approved by the Board of Eurosif on October 3, 2012.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1. The opportunity for retail SRI funds to clarify their SRI approach to investors and other stakeholders in an easily accessible and comparable format.
2. Proactively strengthen a self-regulation that contributes to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open, honest and disclose accurate, adequate and timely information to enable stakeholders, in particular consumers, to understand the ESG¹ policies and practices of the fund.

COMMITMENTS FROM SIGNATORIES

The order and exact wording of the questions shall be respected; Responses should be informative and clear, and the resources and methodologies deployed should be described with as much detail and precision as possible; Funds should report data in the currency that they use for other reporting purposes; Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such a case, signatories should state when they will be able to answer the question; Responses shall be updated at least on an annual basis and should have a precise publication date; Responses to the Code should be easily accessible from the fund's and/or fund manager's website. In any case, signatories should make it clear where to find the information required by the Code; Signatories are solely responsible for the answers to the questions, and should state this in their response.

¹ ESG stands for Environmental, Social and Governance



EFW EFFICIENCY FUND – CORE

Statement of Commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of EFW Swiss AG, Fund Promoter providing the data to Novum Asset Management AG. We have been involved in SRI since 1996 and welcome the European SRI Transparency Code.

This is our first statement of commitment and covers the period 01.01.2017 to 31.12.2017. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our web site.

Compliance with the Transparency Code

Novum Asset Management AG and EFW Swiss AG is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. EFW Swiss AG meets the full recommendations of the European SRI Transparency Code.

19 December 2016



EFW EFFICIENCY FUND – CORE

SECTION I – BASIC DETAILS

The Fund Management Company

1a. Provide the name of the fund management company managing the fund(s) to which this Code applies.

Novum Asset Management Ltd manages the funds to which this code apply;
EFW Swiss AG acts as Fund Promoter, providing the data to Novum Asset Management AG.

Name: Benjamin J. Ergas
Function: Director
Email: bergas@novum.li
Phone: +423 230 06 36 / +41 79 284 45 72

Fund Management Company

Novum Asset Management AG
Gewerbeweg 9
FL- 9490 Vaduz
Liechtenstein

Website: <http://novum.li/en/home>

Fund Promoter

EFW Swiss AG
Baarerstattstrasse 8D
6340 Baar
Switzerland

Website: <http://efw.swiss>

Novum Asset Management Ltd. offers tailor made investment and wealth management services. Each portfolio strategy is individually constructed and optimized in accordance with particular financial situation of its clients.

EFW Swiss AG is a Swiss-based research & investment firm focused on Energy, Food & Water (EFW) efficiency; it is a subsidiary of EFW Capital Advisors. We believe EFW efficiency offers one of the most compelling opportunities for investors in the context of natural resources scarcity and climate change deterioration. We develop investment solutions based on quantitative selections of companies with the most competitive edge in capturing value-creation through Energy, Food and Water efficiency.

1b. Describe the general approach of the fund management company with regards to how it takes environmental, social and governance (ESG) criteria into consideration.

• *Is the fund management company approach towards ESG criteria aligned or inspired by its corporate social responsibility approach? Yes/No. If yes, insert a link to the company's CSR policy. If not, explain why not.*

Yes. We focus on human wellbeing and environmentally responsible behaviour both at an investment and a corporate level. Our vision of corporate social responsibility is rooted in value creation through promotion of sustainable business model, one that transcends risk management.



EFW EFFICIENCY FUND – CORE

Our team has experience in environmental investment opportunities since 1994. It is its conviction that competitiveness, innovation, supply chain optimization related to environmental matters are key ingredients to long-term corporate success.

The basis of our corporate social responsibility can be found here in this link: <http://efw.swiss/efw-efficiency-index/philosophy/>. All aspects of economic, environmental and social considerations from our fund management relate to a sustainable long-term approach involving consumers, clients, competitors, investors and society in general.

• Has the fund management company signed the Principles for Responsible Investment? If yes, please insert the link to the answer to the PRI questionnaire. If not, explain why not.

No. For the moment, given the small size of EFW Swiss AG and recent inception, the Company has not yet initiated its process to sign the Principles of Responsible Investment.

• Is the fund Manager a signatory or a member of other international and/or national initiatives supporting SRI practices? Please answer if you deem this information to be useful.

As of December 2016, EFW Swiss AG is member of two reputable industry associations: Sustainable Finance Geneva (SFG, www.sfgeneva.org) and the Forum Nachhaltige Geldanlagen (FNG, www.forum-ng.org), a member affiliate of EUROSIF. We believe the Mission and Objectives of both Associations best support our investment decision making philosophy.

We look forward to joining other international and national initiatives in the future.

• Has the fund management company established an ESG engagement policy? If yes, describe the policy by outlining its objectives and its methodology and/or, if it is public, insert a link to the policy. If not, explain why not.

No. At this stage, our company has not yet written an ESG engagement policy. However, sustainable investing is integral to our overall strategy. We are convinced that ESG integration is critical to more advanced investment decision-making. Our research integrates a deeper understanding of corporate behaviour. We view sustainability as a long-term factor of performance, and driver of change.

We aim to identify companies that address and manage the environmental factors that impact their operations and are materials to their business. Our Mission in fact is to recognize and empower the “best-in-class” companies both through our EFW Efficiency Index™ and our EFW Efficiency Fund.

Key elements include: a) implementation of consistent methodology to measure environmental impacts, b) systematic divulgation of environmental impact (e.g. energy and water consumption, levels of efficiency), c) Innovation to improve environmental performance through efficiency, d) integration of climate change impact on policies, e) specific engagement in water-related policies.

• Has the fund management company established a voting policy? If yes, describe the policy by outlining its objectives and its methodology and/or, if it is public, insert a link to the policy. If not, explain why not.



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No. For the moment, we have not established a voting policy, mostly for two practical reasons. First, our investment universe is geographically broad based, capturing listed companies across the 34 members of the OECD, which include peripheral countries such as Chile, Mexico, South Korea and Japan. Second, our investment approach is mathematical, using algorithms and cognitive computing that prevent us from engaging as active Shareholders in our 150 investees that represent our Fund. However, we value the importance of responsible shareholders and studying with our Custodian the possibility of proxy voting.

- Describe how the fund management company or the group contributes to the promotion and the development of SRI.

We contribute uniquely and actively to the development of SRI. There is currently no similar approach in the market which looks at the negative effects of climate change from the prism of EFW Efficiency, and which delivers comparable outperformance versus the relevant benchmarks. This is the uniqueness of our approach that is clearly incremental to the body of knowledge and processes related to SRI best practices.

We have promoted our thesis in conferences and on television. For example, in October 2014, we presented the innovative nature of the EFW Efficiency Index™ to the World Investment Forum held in Geneva, positioning our Index as an insightful public policy tool to establish best practices. More recently, in November 2016, one of our Board Members promoted our SRI work by presenting our thesis on live Liechtenstein TV. A link to the interview can be found here: efw.swiss/news/ Finally, we have established a Twitter account (twitter.com/efw_swiss) to help disseminate our ESG work to a broad set of market stakeholders.

1c. Describe/List your SRI products and the specific resources allocated to your SRI activities.

Name of the Fund	EFW Efficiency Fund – Core
Legal Form	UCITS according to Liechtenstein law (unit trust) (Umbrella structure with one compartment)
Fund Domicile	Liechtenstein
Inception Date	03.10.2016
Short Narrative	<p>The EFW Efficiency Fund – Core is a systematic UCITS V fund.</p> <p>Its objective is capital appreciation through the selection of 150 OECD-listed mid/large-cap companies identified as “best-in-class” in their capacity to capture growth opportunities and minimize risks linked to Energy, Food and Water scarcity, one of the most severe environmental problems.</p> <p>The Fund is designed for investors looking to access a global equity portfolio positioned to outperform in the context of increasing natural resources scarcity and deteriorating climate change, based on the conviction that efficiency in Energy, Food & Water offers one of the most compelling investment opportunities.</p>



EFW EFFICIENCY FUND – CORE

	The Fund is focused exclusively on equities from the universe of the EFW Efficiency Index™ (Bloomberg ticker: EFWI) which was launched in 1.1.2014, and is rebalanced quarterly.
Link to Fund	www.ifm.li Searching under the Fund’s legal name: EFW Efficiency Fund - Core -USD-I-

The only product of EFW Swiss AG is the EFW Efficiency Fund – Core. 100% of the resources – both financial and human – of EFW Swiss AG are allocated to the research related to the EFW Efficiency Index, which serves as the basis for the Fund. The Index was created by a team of specialists in 2013, and its management transferred to EFW Swiss AG in 2016, at which point the EFW Efficiency Fund – Core was launched.

A description of our core team can be found on the following link: www.efw.swiss/about-efw/team/. EFW Swiss AG has two Directors responsible for portfolio analysis and management activities, as well as a Board.

We are committed to the quality and breadth of its data. External resources used for ESG analysis includes Bloomberg, Trucost (www.trucost.com) and Sustainalytics (www.sustainalytics.com), for the provision and validation of environmental data.

1d. Describe the content, frequency and resources allocated/used by the fund management company to inform investors about the ESG criteria taken into account.

The information about the ESG criteria used by EFW Swiss AG can be found in our dedicated website (www.efw.swiss/efw-efficiency-index/methodology). We provide there a detailed description of both our top down and bottom up methodology, including an example of SRI performance indicators that we are using as the basis for the application of our algorithms.

Please find here a link to the EFW Efficiency Index rule-book, which provides further transparency on the computation of the Index, basis of the EFW Efficiency Fund.
https://www.solactive.com/wp-content/uploads/2015/10/Solactive_rule-book_EFW-Efficiency-Index_final_v2.pdf

We aim to provide updated documents and website content either whenever methodology changes occur or when we believe that specific feedback or answers to questions from investors merit an update in our marketing documents.

The SRI Fund – EFW Efficiency Fund - Core

1e. Provide the name of the fund(s) to which this Code applies and its (their) main characteristics

The EFW Efficiency Fund – Core is a systematic UCITS V fund. Its objective is capital appreciation through the selection of 150 OECD-listed mid/large-cap companies identified as “best-in-class” in their capacity to capture growth opportunities and minimize risks linked to Energy, Food and Water scarcity, one of the most severe environmental problems.

It is an equity, long-only, thematic and quantitative fund with the main Characteristics show below:

EFW EFFICIENCY FUND – CORE

STRATEGY	
EQUITY	OECD Region 150 Positions Mid / Large Cap Multi Sector
THEMATIC	Operation Efficiency and Innovation applied to Natural Resources Scarcity
LONG ONLY	Approximately 60% Defensives, 40% Cyclical
QUANTITATIVE	Best-in-class Systematic Algorithms, Rules-Based Transparent Proprietary

Source: EFW Swiss AG

Name of the Fund	EFW Efficiency Fund – Core
Legal Form	UCITS according to Liechtenstein law (unit trust) (Umbrella structure with one compartment)
ISIN codes	EFW Efficiency Fund – Core USD-R - LI0332891717 EFW Efficiency Fund – Core USD-I - LI0332891709 EFW Efficiency Fund – Core EUR-R - LI0339233517 EFW Efficiency Fund – Core EUR-I - LI0339233491 EFW Efficiency Fund – Core CHF-R - LI0339233483 EFW Efficiency Fund – Core CHF-I - LI0339233467
SRI strategy	<ul style="list-style-type: none"> • Sustainability Themed Investment • Best-in-Class Investment Selection • Exclusion of Holdings from Investment Universe
Risk class (KIID)	The Fund is classified in category 6 because its share price typically varies widely and therefore both losses and profit opportunities are high.

1f. What is (are) this (these) fund(s) trying to achieve through taking into account ESG criteria?

The objective of the Fund is to provide equity investors higher risk-adjusted return through a selection of companies identified as best prepared and with most competitive edge in the context of increasing natural resources scarcity and deteriorating climate change.

Our conviction is that efficiency in Energy, Food & Water offers one of the most compelling investment opportunities given the megatrends of population increase, urbanization and rise of the middle class.

EFW EFFICIENCY FUND – CORE

Our entire research is based on the optimized insertion of “natural capital” into investment decision making, on the desire to understand and to facilitate the transition to sustainable natural resources production and consumption. The fund is based on the premise that Natural Resources Efficiency is a robust business opportunity for companies and investors, that it offers a new way to identify long-term winners, those companies with a competitive edge in dealing with these new limitations.

Investors today are overexposed to the risks and underexposed to opportunities linked to natural resources scarcity and increasing climate change. EFW Swiss, as Fund Promoter on behalf of Novum, aims to offer investors exposure to these megatrends without compromising on performance, focusing on operational and top line growth opportunities through efficiency and productivity.



The concept of EFW Efficiency provides an investment framework that helps navigate the potential impact of scarcity in natural resources – especially Energy, Food and Water – on equity portfolio. It offers an innovative narrative to capture companies with the most long-term competitive edge in the context of natural resources scarcity and climate change.



EFW EFFICIENCY FUND – CORE

SECTION II – APPROACH TO ESG EVALUATION OF COMPANIES (AND COUNTRIES)

2a. What fundamental principles underlie the ESG research methodology?

Sustainable development is one of the major drivers of industrial change in the 21st century. We believe this trend creates new opportunities for investors.

The key principle of our research methodology is the economic concept of *efficiency*, which we believe is critical to harness in a quantitative manner the macro concept of scarcity. By analysing companies through the prism of efficiency, we can measure and compare in a transparent and honest manner a factor of performance that is related to both reducing risks and capturing opportunities. This approach allows us to capture a correlation between EFW Efficiency and financial performance.

From a top-down perspective, our strategy is *thematic*, focusing on the long-term structural drivers of natural resource scarcity and climate change. While we focus specifically on the E of ESG, our theme inherently contribute to addressing social challenges. Additionally, it is our conviction that the principle of EFW efficiency represents an effective proxy to identify companies with more forward looking and disciplined governance. In this manner, all E, S, and G factors are touched upon to one degree or another.

From a bottom-up perspective, we select companies that are outperforming their peers or sector averages. Our proprietary algorithms aim to reward the companies with the most competitive edge. Fund weight is determined solely on a normalized “EFW efficiency score” independent of market capitalization.

While we strongly believe in an inclusion strategy, some sectors are excluded from the EFW Universe due the low relevance of EFW efficiency to their business models. These excluded sectors include Financials, Healthcare, Professional Services and Telecom Equipment. Tobacco and Gambling are also excluded.

2b. What internal and external resources are used to carry out this research?

To carry our ESG research, EFW Swiss uses financial and environmental data from third party providers (Bloomberg, Trucost, Sustainalytics). It also applies its internal, proprietary computation systems, which consist of rules-bases parameters and algorithms and which are saved in three servers hosted safely and remotely (in Frankfurt) using Amazon Web Services (AWS) technology.

Using these resources, EFW Swiss is able to narrow the EFW Universe from 4.000 companies to 150 constituents.

Links to websites of external providers are indicated in Answer 1c.

2c. Which ESG analysis criteria are used?

Companies in our EFW Universe are classified in three categories: a) “EFW Producers” which are direct producers of energy, food and/or water (sectors: Water Utilities, Agro Production, Food & Beverages, Energy Generation); b) “EFW Suppliers” which are companies that supply innovative EFW efficiency



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solutions (sectors: Agricultural Biotech, Energy Equipment & Services, Fertilizers, Irrigation Systems, Electric Heavy Equipment, Technology Software); and c) “EFW Consumers” which companies that demand an intense amount of EFW in their supply chains (sectors: Chemicals, Mining, Pulp & Paper, Oil & Gas, Consumer Goods, Capital Goods, Technology Hardware).

ESG Analysis Criteria depend on the business models in which the companies are located. For Energy Producers, we look at how much more efficient is, than a tailor-made set of direct peers, in its MWh generated per m3 water consumed. For Food Producers, we look at how much more efficient a company is, than a tailor-made set of direct peers, in terms of US\$ revenue per net MWh consumer and per m3 water consumed. For Water Producers, we look at their water scarcity footprint (location of operation relative to water-scarce regions in the world). For EFW Suppliers, we look at to what degrees their technologies and solutions impact E, F and W individually or the EFW Nexus as a whole; we also measure their level of innovation (how much of a company’s revenue is spent on resource efficient R&D vs peers). For EFW Consumers, we look at how much more efficient a company is, than a tailor-made set of direct peers, in terms of US\$ revenue per net MWh consumer and per m3 water consumed.

By way of practical example, for a Water Company like Aguas Andinas, which is the 2nd largest publicly traded water company in Latin America, the index methodology assigns greater weight to its high efficiency given the high levels of water scarcity experienced in Chile. For a US engineering company like Eaton Corp, the index methodology assigns greater weight assigned to its score since its efficiency solutions help resolve scarcity of Energy, Food and Water.

The exclusion criteria employed are:

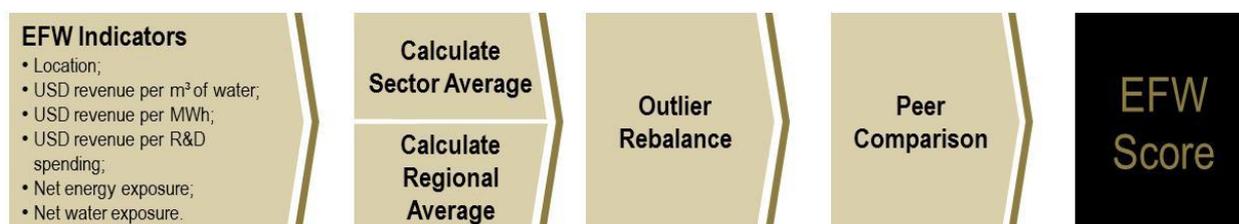
- **Sectors:** We excluded specific GICS industries and sub-industries (Financials, Telecom Services, as well as selected segments of Healthcare, IT and Consumer Discretionary) from the Universe on the basis that efficiency in the production and/or consumption of energy, food and water would not be relevant to their business models or materially impact the performance of these companies. These adjustments were made to increase the relevance of the EFW Efficiency thesis;
- **Market capitalization:** A market capitalization filter is applied to each of the GICS (Global Industry Classification Standard) sub-industries. Specifically, the EFW Universe uses a market capitalization filter that selects companies above US\$ 1 billion. By avoiding small capitalization companies, we mitigate the impact of speculative movements on relatively illiquid stocks. It was also our experience that environmental production and consumption data was less readily available in the small cap universe;
- **Liquidity:** Only stocks with a minimum Average Daily Turnover/Traded Value over 6 Months of US\$500.000;
- **Relevance:** Only companies with at least 30% of their revenues exposed to Energy, Food & Water as Producers, Suppliers or Consumers were included;
- **Data Availability & Transparency:** Companies with no consistent data availability (environmental performance indicators) would in effect be excluded, through the methodology’s scoring process, of a final evaluation.

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2d. What is your ESG evaluation methodology (how the investment universe is built, rating system etc.)?

Below is a step-by-step narrative of the Index Scoring approach which explains how our evaluation system is built:

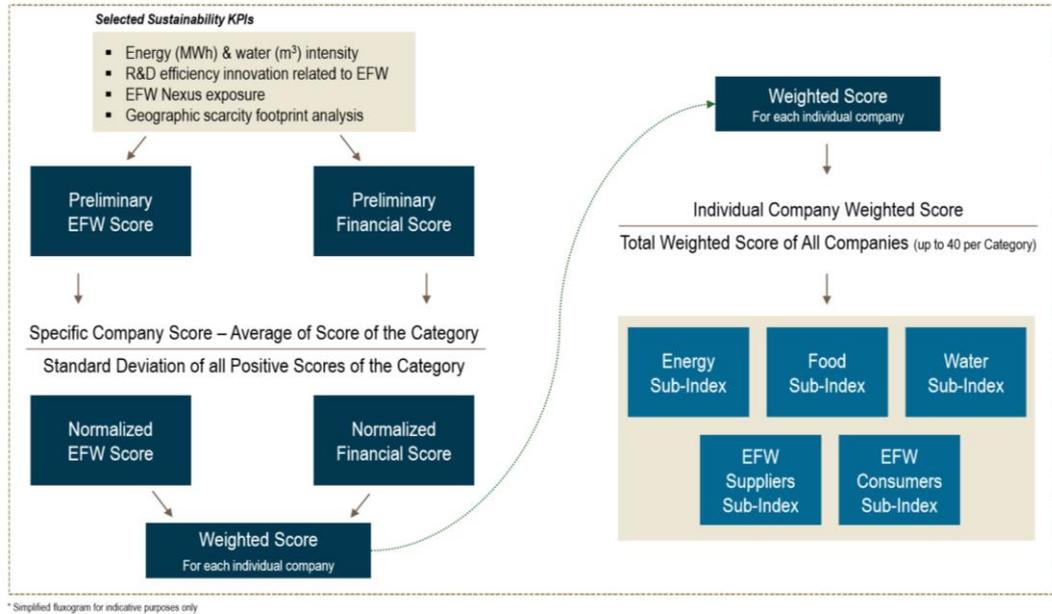
- a) The Index / Fund weighting is based on an EFW Efficiency Score, supported to a lesser extent by a Financial Efficiency Score for each individual company, within each respective category of the Index.
- b) EFW Efficiency Score (using ESG criteria):



Several individual company's performance indicators, including some of the ones shown above, are compared with those of its peers in their respective categories. While the environmental key performance indicators vary between categories, the scoring methodology is kept consistent. Companies are ranked based on their positive standard deviation from their peers, with the best 50 companies from each category being eligible to enter the Index.

- c) A Financial Efficiency Score is added to the EFW Efficiency Score to strengthen the underlying quality of index components. The financial indicators include 3-year CAGR revenue, 3-year EBITDA %, dividend yield and Return-on-Equity ratios, and may apply only to one or two of the categories.
- d) Respective EFW and Financial Scores are subsequently normalized across all five categories so that classifications could be compared on a similar basis, and ultimately integrated in the EFW Efficiency Index. To that end, scores are expressed in terms of points of positive deviations relative to average of individual sub-categories.

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- e) The normalized EFW and Financial Scores of each companies are then weighted to generate a Weighted Score for each company. The relative weights were determined during the Methodology Elaboration Phase. The Financial Efficiency Score never represents more than 25-30% of the total Weighted Score so as to preserve the predominant relevance of the EFW efficiency evaluation.
- f) Five individual sub-indices are then produced, based on the individual company scores and total Sub-Index weighted scores, for a maximum of 40 companies for each Sub-Index (Item 6).
- g) The relative weight of the respective five Sub-Indices are optimized based on historical sharp ratios, respecting the following inferior and superior limits:

EFW Universe - Categories	Superior Limit	Inferior Limit
Energy Producers	20%	10%
Food Producers	35%	25%
Water Producers	10%	5%
EFW Efficiency Suppliers	25%	10%
EFW Consumers	30%	15%

These min/max limits were calibrated during the Methodology Development Phase. They are designed to protect investors while remaining coherent with the benefits of the investment thesis captured by the EFW Efficiency Index.

- h) A geographic analysis is applied to ensure appropriate the established min/max regional limits are respected. The relative limits were determined during the Methodology Elaboration Phase.



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Geographic Limits (maximum): South America: 10%; Asia: 20%; Europe: 25%; Middle East: 10%; North America: 60%; Africa: 5%, and Oceania: 10%.

Obs: the geographic limits were introduced in part to cap the exposure to Asia, which would have otherwise led to a significant overweight to that region because of greater availability of EFW consumption data.

- i) The final EFW Efficiency Index is ultimately computed.
- j) The Index serves as the basis for the EFW Efficiency Fund – Core.

Further information can be found on the link: www.efw.swiss/efw-efficiency-index/methodology

2e. How frequently is the ESG evaluation reviewed?

The methodology was elaborated in 2013 during a 6-month development phase by a team of specialists with mathematical, engineering and statistical backgrounds. At that time, rules and parameters were calibrated, and thorough backtesting analysis was conducted.

The methodology has not changed since the EFW Efficiency Index became live on January 1st, 2014.

The Index, which serves as the basis for the Fund as indicated in 2d, is rebalanced quarterly.

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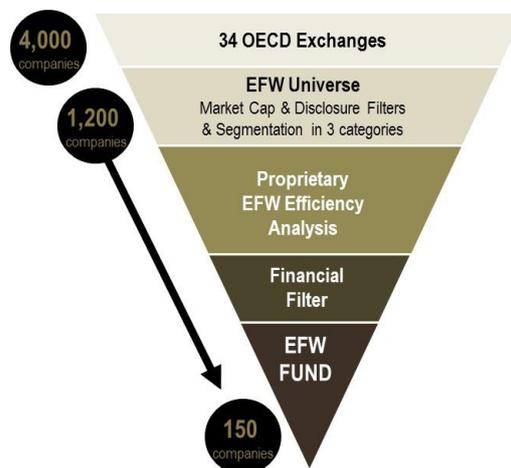
SECTION III – FUND MANAGEMENT PROCESS

3a. How do you take into account ESG criteria when defining the universe of eligible investments?

As we select our Energy, Food and Water (EFW) Universe of eligible investments, the very step that we take is determine the extent to which business models of target companies are exposed to Energy, Food and/or Water. In this manner, we can exclude companies related to Financials, Healthcare, Telecom Equipment and Professional Services, and categorize the resulting universe in our three groups as Producers of energy, food and water, or Suppliers of innovative solutions and technologies that help extract, transport or consumer more efficiently these resources, or Consumers that utilize these environmental resources intensively in their production chains. This selection and categorization allows us to apply a different set of ESG criteria for each business model.

Further thresholds applied in the definition of our universe are more technical in nature e.g. minimum market capitalization and daily liquidity. From the starting 4.000 companies, once we exclude some sectors and apply technical thresholds, we work with a resulting universe of 1.200 companies.

The consistent availability of environmental data points, or lack thereof, narrow further the universe of companies available for computation of EFW Efficiency Score.



3b. How do you take ESG criteria into account when building the portfolio?

The integration of ESG criteria is a complete part of the DNA of EFW Swiss AG. Our Mission is to better integrate concept of sustainable development in mainstream economics. Our Vision, in the context of increasing natural resources scarcity, is that efficiency in the management of energy & water in particular is a fundamental necessity to secure a corporate competitive edge.

Portfolio management of the EFW Efficiency Fund is passive, the constituents and respective weights of the Fun are based on the EFW Efficiency Index. The construction of the Index is entirely based on environmental considerations, given the thematic nature of the Fund: natural resources scarcity. The weights of individual stocks are determined by EFW Score (2/3 allocation) and Financial Score (1/3 allocation) per narrative provided in 2d.

The EFW Score is driven by comparative performance of environmental efficiency Key Performance Indicators of individual companies relative to their peers and respective sector averages, using a rules-bases and systematic methodology.



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From a Top Down perspective, the portfolio is constructed in such a way that provides diversification of business models (EFW Producers, EFW Suppliers of efficiency solutions and E&W users) as well as diversification of resources: Energy, Food and Water. Pre-established upper and lower limits have been determined to ensure diversification and optimizer risk-adjusted performance.

Divestments occur systematically upon rebalancing of the Index on a quarterly basis. The relative performance of companies based on our pre-selected ESG criteria determine, in part, the likelihood of the company remaining or not in the Index / Fund.

Additionally, from time to time, a company may be subject to de-listing due to a corporate action (acquisition, merger, LBO) independent from our ESG selection criteria. We can, however, that a series of companies selected in our Index have been acquired due to their competitive position, especially as it related to Energy, Food and Water efficiency positioning e.g. attractive business processes or strength of market positioning.

No specific exclusion related to ESG criteria is used *upfront*, except for the Data Availability & Transparency described in 2c. However, as our methodology is based on a best-in-class assessment of ESG criteria, companies with environmental KPIs (such as energy intensity, water intensity) below the average of their peers / synthetic benchmarks would eventually be filtered out of the final selection process.

3c. Does (do) the fund(s) have a specific ESG engagement policy?

No. We do not yet have a specific ESG engagement policy. However, sustainable investing is integral to the overall strategy of EFW Swiss AG, as indicated in 1b.

We are convinced that ESG integration is critical to more advanced investment decision-making. Our research integrates a deeper understanding of corporate behaviour. We view sustainability as a long-term factor of performance, and driver of change.

We aim to identify companies that address and manage the environmental factors that impact their operations and are materials to their business. Our Mission in fact is to recognize and empower the “best-in-class” companies both through our EFW Efficiency Index™ and our EFW Efficiency Fund.

Key elements of our Engagement Policy are described below:

a) implementation of consistent methodology to measure environmental impacts: companies such as Grupo Bimbo (BIMBOA MM), which produces and sells bakery products, has become a global model in environmental sustainability, implementing methodologies and baseline, measurement and analysis equipment, to track energy and water reduction across product lines and regions;

b) systematic divulgation of environmental impact (e.g. energy and water consumption, levels of efficiency): our EFW scoring is only activated if companies report key environmental measures in a consistent manner and over a multi-year period. A company that does not publish basic ESG data relevant to our selection process cannot be included in the Fund. As such, we reward corporate discipline and commitment to basic environmental disclosure;



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c) Innovation to improve environmental performance through efficiency: a key part of our thesis is based on innovation. It is our conviction that scarcity breeds innovation and creation, and that there exists an opportunity for investors not only to protect their equity portfolio but also to enhance its growth opportunities through innovation in new products, new business processes and new markets;

d) integration of climate change impact on policies: our EFW Scoring methodology rewards companies that demonstrate appropriate mitigation strategies and risk management. By integrating the Energy, Food and Water Nexus, we highlight the clear interconnection between the three resources, and the challenges related to the fact that such relationship is falling out of balance because of global warming, jeopardizing food, water and energy security;

e) specific engagement in water-related policies: our EFW Scoring methodology integrates water consumption in assessing the efficiency of companies, supporting companies with clearly water reduction and recycling targets. Our methodology also reward innovation related to solutions and technologies. We can provide the example of Pentair Plc, focused on improving water productivity through equipment and services used for the transport, treatment and testing of water. The global water industry is estimated to be a USD 500 billion market (growing annually at a rate of 2%-4%), half of which is in the market for equipment and services.

This is what we mean by Engagement: specific corporate behaviour and policies that help reduce natural resources scarcity through efficiency measures, either as Producers, or Suppliers or Users.

While our Fund is based solely on this environmental theme, it indirectly relates to social and governance best practices. It is our view that EFW Efficiency provides a compelling proxy for forward-looking and disciplined management teams.

3d. Does (do) the fund(s) have a specific voting policy integrating ESG criteria?

No. For the moment, we have not established a voting policy, mostly for two practical reasons. First, our investment universe is geographically broad based, capturing listed companies across the 34 members of the OECD, which include peripheral countries such as Chile, Mexico, South Korea and Japan. Second, our investment approach is mathematical, using algorithms and cognitive computing that prevent us from engaging as active Shareholders in our 150 investees that represent our Fund. However, we value the importance of responsible shareholders and studying with our Custodian the possibility of proxy voting.

3e. Does (do) the fund(s) engage in securities lending activities?

No.

3f. Does (do) the fund(s) use derivative instruments?

No.



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3g. Is a share of the fund(s) invested in unlisted entities pursuing strong social goals?

No.

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SECTION IV – CONTROLS AND ESG REPORTING

4a. What internal/external control procedures are in place to ensure the compliance of the portfolio with the ESG rules defined in section 3 of this Code?

Because of the quantitative nature of the Fund, full transparency and disclosure of each step in the selection process is made available. No stock picking is involved. Selection is determined in a systematic manner based on a methodology concept translated in pre-defined algorithms which have not changed since the EFW Efficiency Index™ was launched three years ago. As such, no specific control or adjustment is needed.

We can however emphasize that the methodology with utmost concern for robustness, data protection and respect of the underlying thematic thesis.

EFW Swiss AG carefully developed and tested the methodology of the Index Technology in 2013. The Technology is safely stored remotely as a matter of contingency and investor protection.

<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> ✓ 6-month development phase in 2013 ✓ Team of specialists with mathematical, engineering and statistical backgrounds ✓ Calibration of rules & parameters, and thorough backtesting analysis ✓ Successful conversion of a Strategic Thesis into a Quantitative Technology 	<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> ✓ Full Data Protection <ul style="list-style-type: none"> ▪ Stable operating system with high uptime ▪ Remote back-data storage in managed database ▪ Configuration of automatic back-ups ▪ Firewalls to minimize data hacking ✓ Flexibility <ul style="list-style-type: none"> ▪ Automatic calculations ▪ Ability to run alternative simulations ▪ Opportunity to optimize parameters
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EFW Swiss AG has developed a partnership with a Data Scientist team supporting the calibration and integrity of the underlying technology, as indicated in the right column of the figure above.

4b. Please list all public media and documents used to inform investors about the SRI approach to the fund, and include links as appropriate:

All information related to our Fund’s thesis, its methodology & divulgation, is available on our website www.efw.swiss, whose content is made available to investors and the broad market stakeholders both in the English and German language.

Fund Fact Sheet, Prospectus and KIID are available on the Fund’s Administration website: www.ifm.li searching under the Fund’s legal name: EFW Efficiency Fund - Core -USD-I-.



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Research findings are made available to investors through the Research section of EFW Swiss AG website: <http://efw.swiss/research-papers/> where a number of academic papers written or co-written by members of our Team have been posted. Further research commentary is made available on our Twitter account: twitter.com/efw_swiss



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SECTION V – ADDITIONAL

5. If applicable, specify the amount of donations and the percentage of management fees that the fund gave to charities in the last year.

N/A.



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About Eurosif

The European Sustainable Investment Forum (Eurosif) is the leading European membership association whose mission is to develop sustainability through European financial markets. Eurosif works as a non-for-profit partnership of the national Europe-based national Sustainable Investment Forums (SIFs) with the support and involvement of Member Affiliates.

Eurosif Member Affiliates include a range of organisations covering the value chain of the sustainable investment industry, from institutional investors, asset managers to financial services providers, ESG analysis firms, academic institutes and NGOs.

Eurosif speaks authoritatively and broadly on SRI (sustainable and responsible investment) issues. The main activities of Eurosif are public policy, research and creating platforms for nurturing sustainable investing best practices. For more details, please see www.eurosif.org.

National sustainable investment forums in Europe to date include:

- Dansif, Denmark
- Finsif, Finland
- Forum Nachhaltige Geldanlagen* (FNG) e.V., Austria, Germany, Liechtenstein and Switzerland
- Forum per la Finanza Sostenibile*(FFS), Italy
- Forum pour l'Investissement Responsable* (FIR), France
- Norsif, Norway
- Spainsif*, Spain
- Swesif*, Sweden
- UK Sustainable Investment and Finance Association* (UKSIF), UK
- Vereniging van Beleggers voor Duurzame Ontwikkeling* (VBDO), the Netherlands *Member of Eurosif

For further information on Eurosif or more details on the European SRI Transparency Code, please look at our website, www.eurosif.org and contact Eurosif at +32 2 743-2947 or by email at contact@eurosif.org.

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Disclaimer – Eurosif does not accept responsibility or legal liability for errors, incomplete or misleading information provided by signatories in their responses to the European SRI Transparency Code. Eurosif does not provide any financial advice nor endorse any specific funds, organizations or individuals