

IST Portfolio

Portfolio Manager	IST Investmentstiftung
ESG Rating ¹	Not available
SFDR Category ²	Not applicable
Investment strategy	Active

¹ MSCI ESG Report: www.msci.com

² SFDR: The Sustainable Finance Disclosure Regulation is a European regulation introduced to improve transparency in the market for sustainable investment products. <https://www.eurosif.org/policies/sfdr/>

Applied ESG Approaches

Exclusion

IST IMMOBILIEN SCHWEIZ WOHNEN („ISW“) is an actively managed investment fund that invests directly in Swiss real estate. The investment objective is to achieve risk-adjusted and sustainable long-term capital and earnings growth through real estate investments. This includes the active management, renovation, repositioning and, if necessary, resale of properties. IST is committed to the economic, energy-efficient and resource-saving management of its real estate portfolio. However, ISW has not defined any explicit exclusion criteria for its investments. Costs for the elimination of any environmental risks are included in the investment purchase price. All investment opportunities are discussed in an open direct manner among Investment committee members („IC“). Every investment decision requires a majority approval.

Source: <https://www.istfunds.ch/nachhaltigkeit/>

Proxy Voting

Not applicable

Engagement

Not applicable

ESG Integration

Not applicable

Best-in-Class

Not applicable

The basis of every investment decision is an investment recommendation, which the PM or an external expert provides to the IC. Part of the investment recommendation addresses ESG related risks and opportunities. IST believes that complying with strict ESG considerations in its investment decisions is essential to creating value for its investors and to developing a sustainable long-term strategy for its assets.

Thematic/Impact Investing

Not applicable

Portfolio manager: IST Investmentstiftung

Facts & figures

Assets under management	CHF 10 bn
Whereof in sustainable investment strategies	USD 2.4 bn
Number of inv. profess.	23
Whereof dedicated to ESG	2
Signatory to UNPRI	External managers are signatories
UNPRI rating	Not applicable
Memberships (selection only):	
• ASIP	• Swiss Sustainable Finance (SSF)
• KGAST	

Consultant/ Partnerships

- zRating/Inrate for proxy voting
- Sustainalytics for Engagement

Carbon Strategy

Carbon footprint is being measures since 2019

Voting Activity

Yes, report on exercise of voting rights is available

Source: <https://www.istfunds.ch/nachhaltigkeit/>

Engagement

Yes, Engagement report for 2022 is available.

Source: https://www.istfunds.ch/media/5539/ist_d_engagementbericht-2022.pdf

Investment Approach and Sustainability

The investment strategy of the directly managed real estate portfolios such as ISW and its guidelines are approved by the IC and drafted together with the dedicated portfolio manager („PM“). Those guidelines are then submitted for approval to the Board of Trustees („BoT“) Committee „Alternative Investments & Real Estate“ („STRA-AAI“). There are no external consultants advising on those guidelines. However, given that the IC comprises of experienced experts and investors and the BoT Committee STRA-AAI comprises of multiple representatives of the investor base, it is assured that the requirements and interests of the investors are being fully reflected in the investment guidelines of ISW. As stated in the section above, ISW has not defined any explicit exclusion criteria for its investments.

ISW comprises direct investments generally with full or majority ownership and thus all strategic business decisions are being taken by the representatives of the fund. In the case of objects with a minority ownership, ISW monitors closely the external property managers by evaluating and challenging the decisions taken and exercising influence whenever possible.

With few exceptions (such as ISW), the management of the investment groups is in the hands of external portfolio managers. Their selection is based on IST's broad best-in-class approach, which has proven its value over many years. This focuses not only on performance and risk indicators, but also on the successful and seamless integration of ESG criteria into the investment and risk control process of the external asset managers. These criteria are analyzed in a detailed Operational Due Diligence („ODD“) prior to mandating the portfolio manager and are regularly monitored onwards. Since 2013, a basic prerequisite for the award of a mandate has been the signing of the UNPRI by the portfolio manager.

As described, ESG inclusion takes place at portfolio manager level, but also at IST level. As a company, IST accepts its responsibility towards all stakeholders and has enshrined aspects of sustainability in its mission statement and corporate strategy. As an investor, IST illustrates this, among other things, by consistently exercising voting rights for its equity investments in Switzerland and abroad. This approach is supplemented by engagement where necessary. The approval of IST's ESG policy and its implementation are the responsibility of the Foundation Board Committee „Corporate Strategy & Organization“ (STRA-UO).

IST publishes its own sustainability report on an annual basis.

Source: https://istfunds.ch/media/5671/web_1_34_ist_d_nachhaltigkeitsbericht-2022.pdf

Next steps and further developments

IST timely implements new regulatory requirements respectively industry standards and continuously enhances its ESG reporting - on a corporate but also on a product level.