



SUSTAINABILITY-RELATED DISCLOSURES FOR THE EURO FIXED INCOME ETF ESG STRATEGY

Date of Review: 10 February 2023

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Summary

Pursuant to the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended ("SFDR"), the Euro Fixed Income ETF ESG strategy (the "Strategy") promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and only directly includes the securities of companies that follow good governance practices. When the Strategy is implemented in a client's investment portfolio, such investment portfolio will meet the criteria to qualify as an "Article 8 Financial Product". As client investment portfolios are tailored to each client and are treated as confidential, these sustainability-related disclosures have been prepared for the Strategy and not a specific client's investment portfolio for the purpose of meeting the financial product level website disclosure requirements contained in SFDR applicable to an Article 8 Financial Product. To the extent a client directs investments to be either restricted from, or included in, their investment portfolio, or used to manage tax sensitivities, such investments may not promote the Strategy's environmental and social characteristics, and as such, may lead to a client's portfolio implementing the Strategy to not meet the stated characteristics being promoted. Clients who have the Strategy implemented in their investment portfolio should refer to the SFDR pre-contractual disclosures for specific disclosure applicable to their investment portfolio.

Fisher Investments Luxembourg, Sàrl, trading as Fisher Investments Europe ("Fisher Investments Europe"), delegates its portfolio management function to its parent company, Fisher Asset Management, LLC, trading as Fisher Investments, subject to Fisher Investments Europe's oversight. The sustainability-related disclosures below describe how Fisher Investments manages the Strategy.

The Strategy seeks to generate the highest expected returns and to control risk relative to the ICE BofA Euro Broad Market Index (the "Benchmark"). The Strategy seeks to achieve its investment objective through a top-down process focused on identifying the fundamental drivers of fixed income returns in each phase of a market cycle with the goal of generating the highest expected returns based upon fundamental research. Such fundamental drivers include country, sector, industry, duration, yield curve, and credit quality positioning.

The Strategy promotes environmental and social characteristics by including corporate debt focused collective investment schemes ("Corporate Debt Funds"), such as ETFs, that either promote environmental and/or social characteristics or have a sustainable investment objective. While Fisher Investments does not apply specific environmental or social criteria for which such Corporate Debt Funds must meet, it does require each Corporate Debt Fund included in the Strategy to be classified as either an Article 8 or Article 9 financial product under SFDR by such Corporate Debt Fund's issuer. Article 8 financial products are those that promote environmental or social characteristics, but do not have a sustainable investment objective. Article 9 financial products are those with a sustainable investment objective. This SFDR classification requirement is monitored on a periodic basis (no less than quarterly), and any Corporate Debt Fund that is no longer classified as either an Article 8 or Article 9 financial product under SFDR by such Corporate Debt Fund's issuer will be elevated for replacement within the Strategy consistent with Fisher Investments' monitoring policies.

The Strategy only promotes environmental and social characteristics through its inclusion of Corporate Debt Funds, and not through the Strategy's inclusion of other assets. For example, the Strategy will likely include sovereign debt focused collective investment schemes ("Sovereign Debt Funds" and together with Corporate Debt Funds, the "Funds") in addition to Corporate Debt Funds. However, such Sovereign Debt Funds will not be aligned with the environmental and/or social characteristics promoted by the Strategy. Unfortunately, there are currently few Sovereign Debt Funds available that promote environmental and/or social characteristics (and classified as an Article 8 financial product) or have a sustainable investment objective (and classified as an Article 9 financial product) and have the assets under management and liquidity Fisher Investments looks for when including such Sovereign Debt Funds in the Strategy. Therefore, in order to gain exposure to sovereign debt, the Strategy includes Sovereign Debt Funds that do not promote the environmental and social characteristics of the Strategy. Sovereign Debt Funds may make up a significant portion of the Strategy.

The Strategy uses the Benchmark for performance measurement purposes only. The Strategy has not designated a reference benchmark for purpose of determining whether it is aligned with the environmental and social characteristics that it promotes.

The Strategy does not have sustainable investments as its objective and does not make any commitment to include a minimum proportion of sustainable investments.

Fisher Investments selects investments (primarily Funds) to be included in the Strategy that are consistent with Fisher Investments' market views about country, sector, industry, duration, yield curve, and credit quality positioning and are most likely to generate the highest expected returns and to control risk relative to the Benchmark. As part of the initial and on-going due diligence process, when considering investments included in the Strategy, Fisher Investments focuses on information including but not limited to, a

Fund's benchmark, its underlying holdings and the degree to which the characteristics of the investment are aligned with Fisher Investments' market views. This process also includes an assessment of a Fund's expenses and liquidity and whether or not the Fund is designated as Article 8 or Article 9 by its issuer using information from various public sources.

As the Strategy is not expected to directly include equity or debt securities, and instead will include Funds, with the Corporate Debt Funds being required to be designated as Article 8 or Article 9 financial products under SFDR by their respective issuers, Fisher Investments will not directly assess good governance practices of the companies whose securities are held by the Funds. As Article 8 or Article 9 financial products, the Corporate Debt Funds are required to assess good governance practices of the companies held in such Corporate Debt Funds. Fisher Investments relies on the respective issuers of the Corporate Debt Funds to assess good governance practices of the companies whose securities are held in such Corporate Debt Funds. Fisher Investments does not expect the Sovereign Debt Funds to be invested in anything other than sovereign debt, so does not expect the issuers of Sovereign Debt Funds to have policies to assess good governance practices.

Engagement is not currently part of the environmental or social characteristics promoted by the Strategy.

Fisher Investments does not expect to directly include debt securities in the Strategy, and instead the Strategy will primarily include Funds. As such, Fisher Investments relies on the respective issuers of the Funds and their policies, data sources, and data processing for the SFDR classification of their respective Funds. For information on data sources used, measures taken to ensure data quality, how data is processed and the proportion of data that is estimated for a Fund, as well as information on the limitations of using ESG data with respect to such Fund and how such limitations do not affect how the environmental or social characteristics promoted by such Fund are met, please see the prospectus for such Fund provided by its issuer. With respect to the Sovereign Debt Funds, as they are not expected to promote environmental or social characteristics, it is not expected that their respective issuers will include such information in their respective prospectuses.

IMPORTANT: Please note that because the Strategy promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, the Strategy may underperform or perform differently relative to other comparable Strategies that do not promote environmental and/or social characteristics.

No sustainable investment objective

The Strategy promotes environmental and social characteristics, but does not have as its objective sustainable investment. The Strategy makes no commitment to include a minimum proportion of sustainable investments.

Environmental or social characteristics of the financial product

The Strategy promotes environmental and social characteristics by including Corporate Debt Funds that either promote environmental and/or social characteristics or have a sustainable investment objective. While Fisher Investments does not apply specific environmental or social criteria for which such Corporate Debt Funds must meet, it does require each Corporate Debt Fund included in the Strategy to be classified as either an Article 8 or Article 9 financial product under SFDR by such Corporate Debt Fund's issuer.

The Strategy only promotes environmental and social characteristics through its inclusion of Corporate Debt Funds, and not through the Strategy's inclusion of other assets. For example, the Strategy will likely include Sovereign Debt Funds in addition to Corporate Debt Funds. However, such Sovereign Debt Funds will not be aligned with the environmental and/or social characteristics promoted by the Strategy. Sovereign Debt Funds may make up a significant portion of the Strategy. In addition to the Funds, in limited circumstances the Strategy may at times include other investments that are not aligned with the environmental and/or social characteristics promoted by the Strategy (such as collective investment schemes not focused on corporate or sovereign debt, cash and cash equivalents).

Investment strategy

INVESTMENT STRATEGY

The Strategy employs a top-down process focused on identifying the fundamental drivers of fixed income returns in each phase of a market cycle with the goal of generating the highest expected returns based upon fundamental research. Such fundamental drivers include country, sector, industry, duration, yield curve, and credit quality positioning. Fisher Investments selects investments (primarily Funds) for the Strategy consistent with its market views regarding such fundamental drivers in order to seek to generate the highest expected returns and to control risk relative to the Benchmark.

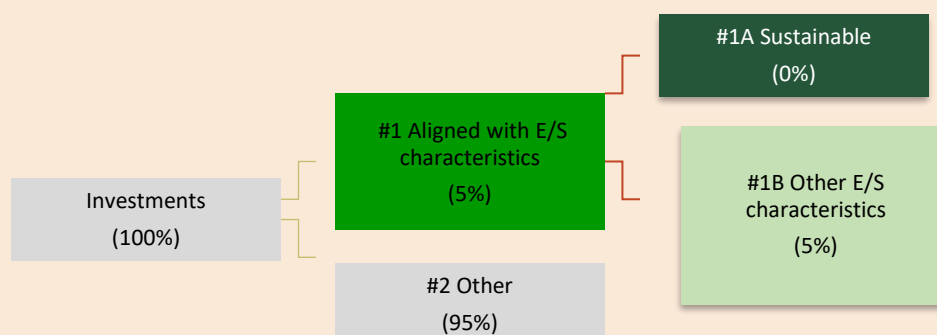
In order to promote environmental and social characteristics, with respect to the Corporate Debt Funds included in the Strategy, such Corporate Debt Funds are required to be classified as an Article 8 financial product (i.e., it promotes environmental and/or social characteristics) or an Article 9 financial product (i.e., it has a sustainable investment objective) under SFDR by their respective issuers. As well as including Corporate Debt Fund, the Strategy will likely also include Sovereign Debt Funds. Such Sovereign Debt Funds will not be aligned with the environmental and/or social characteristics promoted by the Strategy.

GOOD GOVERNANCE POLICY

As the Strategy is not expected to directly include equity or debt securities, and instead will include Funds, with the Corporate Debt Funds being required to be designated as Article 8 or Article 9 financial products under SFDR by their respective issuers, Fisher Investments will not directly assess good governance practices of the companies whose securities are held by the Funds. As Article 8 or Article 9 financial products, the Corporate Debt Funds are required to assess good governance practices of the companies held in such Corporate Debt Funds. Fisher Investments relies on the respective issuers of the Corporate Debt Funds to assess good governance practices of the companies whose securities are held in such Corporate Debt Funds. Fisher Investments does not expect the Sovereign Debt Funds to be invested in anything other than sovereign debt, so does not expect the issuers of Sovereign Debt Funds to have policies to assess good governance practices.

Proportion of investments

Below is a graphic showing the asset allocation planned for the Strategy, which includes the minimum proportion of the investments in the Strategy used to meet the environmental and social characteristics promoted by the Strategy (box #1).



1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

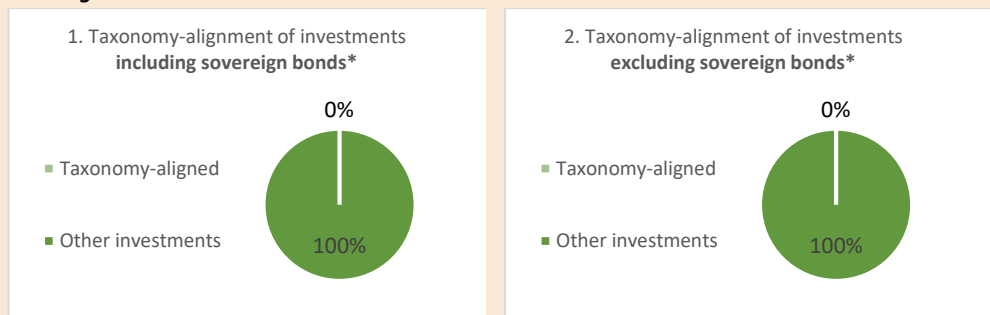
Box #1 (Investments Aligned with Environmental or Social Characteristics Promoted by the Strategy)

Under normal circumstances, the percentage of investments aligned with the environmental and/or social characteristics promoted by the Strategy, i.e., Corporate Debt Funds, will vary over time depending on Fisher Investments' market outlook and the weight of corporate debt in the composition of the Benchmark, which will vary based on market movements. For example, the Strategy may be overweight or underweight to corporate debt compared to the Benchmark based on Fisher Investments' overall market views. This overweight or underweight position to corporate debt will, in turn, drive the Strategy's allocation of Corporate Debt Funds and thus to the portion of the Strategy aligned with the environmental and/or social characteristics promoted by the Strategy. The allocation percentage of 5% to investments that align with the environmental and/or social characteristics promoted by the Strategy (i.e., Corporate Debt Funds) is just the planned minimum for the Strategy. Historically, the Strategy has maintained much more exposure to such investments than 5%.

Box #1A (Sustainable Investments)

The Strategy does not commit to include any proportion of its assets in sustainable investments, which also means it does not commit to include the securities of companies engaged in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the minimum share of EU Taxonomy-aligned investments is zero percent.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Box #1B (Non-Sustainable Investments Aligned with Environmental or Social Characteristics Promoted by the Strategy)

Fisher Investments expects at least 5% of the Strategy's portfolio to consist of Corporate Debt Funds that are aligned with the environmental and social characteristics promoted by the Strategy, but are not considered to be sustainable investments.

Box #2 (Investments Not Aligned with Environmental or Social Characteristics Promoted by the Strategy and Not Sustainable Investments)

While the Strategy will include Corporate Debt Funds that align with the environmental and/or social characteristics promoted by the Strategy, the Strategy is also expected to include Sovereign Debt Funds that are not aligned with the environmental and/or social characteristics promoted by the Strategy. Unfortunately, there are currently few Sovereign Debt Funds available that promote environmental and/or social characteristics (and classified as an Article 8 financial product) or have a sustainable investment objective (and classified as an Article 9 financial product) and have the assets under management and liquidity Fisher Investments looks for when including such Sovereign Debt Funds in the Strategy. Therefore, in order to gain exposure to sovereign debt, the Strategy includes Sovereign Debt Funds that do not promote the environmental and social characteristics of the Strategy. Sovereign Debt Funds may make up a significant portion of the Strategy. No minimum environmental or social safeguards will be in place in relation to such Sovereign Debt Funds.

In addition, the Strategy may at times include investments other than Funds, including, but not limited to, cash, cash equivalents, and other collective investment schemes not focused on corporate or sovereign debt that are not aligned with the environmental and/or social characteristics promoted by the Strategy. Such investments may be included for liquidity, hedging and/or cash management purposes, in circumstances of extreme volatility or if market factors require and if considered appropriate to the Strategy's investment objective. In limited circumstances, such investments may make up a significant portion of the Strategy. Furthermore, to the extent a client directs investments to be either restricted from, or included in, their investment portfolio, or used to manage tax sensitivities, such investments may not promote the Strategy's environmental and social characteristics, and as such, may lead to a client's portfolio implementing the Strategy to not meet the stated characteristics being promoted. No minimum environmental or social safeguards will be in place in relation to such investments.

Monitoring of environmental or social characteristics

The Strategy requires each Corporate Debt Fund included in the Strategy to be classified as either an Article 8 or Article 9 financial product under SFDR by such Corporate Debt Fund's issuer. Such requirement is used as a sustainability indicator to measure the attainment of the environmental and social characteristics promoted by the Strategy. This indicator is monitored on a periodic basis (no less than quarterly) by ensuring the Corporate Debt Funds included in the Strategy are classified as either an Article 8 or Article 9 financial product under SFDR by such Corporate Debt Funds' respective issuers. Any Corporate Debt Fund that is no longer classified as either an Article 8 or Article 9 financial product under SFDR by such Corporate Debt Fund's issuer will be elevated for replacement within the Strategy consistent with Fisher Investments' monitoring policies.

Methodologies

Fisher Investments' primary method for measuring how the environmental and social characteristics promoted by the Strategy are met is through the use of the following sustainability indicator:

Sustainability Indicator	Methodology
SFDR Classification	All Corporate Debt Funds included in the Strategy must be classified as an Article 8 financial product (i.e., it promotes environmental and/or social characteristics) or an Article 9 financial product (i.e., it has a sustainable investment objective) under SFDR by their respective issuers.

Data sources and processing

Fisher Investments does not expect to directly include debt securities in the Strategy, and instead the Strategy will primarily include Funds. As such, Fisher Investments relies on the respective issuers of the Funds and their policies, data sources, and data processing for the SFDR classification of their respective Funds. For information on data sources used, measures taken to ensure data quality, how data is processed and the proportion of data that is estimated for a Fund, please see the prospectus for such Fund provided by its issuer. With respect to the Sovereign Debt Funds, as they are not expected to promote environmental or social characteristics, it is not expected that their respective issuers will include such information in their respective prospectuses.

Limitations to methodologies and data

Fisher Investments does not expect to directly include debt securities in the Strategy, and instead the Strategy will primarily include Funds. As such, Fisher Investments relies on the respective issuers of the Funds and their policies, data sources, and data processing for the SFDR classification of their respective Funds.

Some of the general limitations to using ESG data include:

- *The accuracy of estimates:* Corporate ESG data is not widely disclosed and at times third party data providers supplement their data with estimates, which may be less accurate than direct corporate disclosures.
- *The timeliness of data:* Corporate disclosures may not be timely, which can lead industry participants to use out-dated information provided by third party data providers in the reporting and decision-making process. The timeliness of reported data is a limitation that is expected to improve as global reporting regulation come into effect over time.
- *The lack of reporting standards:* The lack of standards in corporate reporting may lead industry participants to use information provided by third party data providers that is not directly comparable across investee companies. Such risks should improve over time as reporting standards become more consistent across jurisdictions over time.

For further information on the limitations of using ESG data with respect to a Fund and how such limitations do not affect how the environmental or social characteristics promoted by such Fund are met, please see the prospectus for such Fund provided by its issuer. With respect to the Sovereign Debt Funds, as they are not expected to promote environmental or social characteristics, it is not expected that their respective issuers will include such information in their respective prospectuses.

Due diligence

Fisher Investments selects investments (primarily Funds) to be included in the Strategy that are consistent with Fisher Investments' market views about country, sector, industry, duration, yield curve, and credit quality positioning and are most likely to generate the highest expected returns and to control risk relative to the Benchmark.

As part of the initial and on-going due diligence process, when considering investments included in the Strategy, Fisher Investments focuses on information including but not limited to, a Fund's benchmark, it's underlying holdings and the degree to which the characteristics of the investment are aligned with Fisher Investments' market views. This process also includes an assessment of a Fund's expenses and liquidity and whether or not the Fund is designated as Article 8 or Article 9 by its issuer using information from various public sources.

Engagement policies

Engagement is not currently part of the environmental or social characteristics promoted by the Strategy.

In compliance with the requirements of the Shareholder Rights Directive II (EU/2017/828) (as transposed into Luxembourg law), Fisher Investments Europe has put in place a shareholder engagement policy (the “Shareholder Engagement Policy”) that applies to the investee companies of Fisher Investments Europe’s clients. Because the Strategy does not expect to directly include the equity or debt securities of corporate issuers, and instead will primarily include Funds, the Shareholder Engagement Policy is not applicable to the Strategy. A copy of the Shareholder Engagement Policy can be found here: <https://www.fisherinvestments.com/en-lu/shareholder-engagement-policy>.

Designated reference benchmark

The Strategy uses the Benchmark for performance measurement purposes only. Accordingly, the Strategy has not designated a reference benchmark for the purpose of determining whether the Strategy is aligned with the environmental and/or social characteristics that it promotes.

The methodology of the Benchmark can be found here: <https://www.theice.com/market-data/indices/fixed-income-indices>.

Amendments

10 February 2023

- The name of the Strategy was updated to include “ETF.”
- The good governance policy disclosure was amended to make it clear Fisher Investments relies upon the issuers of the Corporate Debt Funds to assess good governance practices of the companies held in the Corporate Debt Funds.
- The disclosure regarding data sources and processing, as well as limitations to methodologies and data, was updated to direct readers to the disclosures published by the issuers of the Funds for further information on what such issuers use for data sources, processing and methodologies.
- The engagement policies disclosure was updated to make it clear why the Shareholder Engagement Policy does not apply to the Strategy.
- Minor clean up edits were applied to various sections.
- The summary section was updated to reflect the changes described above (as applicable).