



**TYRUS CAPITAL**

## Article 8 Website Product Disclosure

**Tyrus Capital Global Convertible**



**Product name:** Tyrus Capital Investments – Tyrus Capital Global Convertible (the "Global Convertible Fund") **Legal entity identifier:** 222100EBVSSZ8CGMRF64

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: \_\_\_%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: \_\_\_%**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of 50% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



## A. Summary

The investment objective of the Global Convertible Fund is to achieve a long-term capital gain on invested capital. The Global Convertible Fund is actively managed and seeks to achieve its objective by investing in a diversified portfolio composed of different classes of financial assets, in particular Vanilla Convertible or Exchangeable Bonds. The Global Convertible Fund invests globally and is managed opportunistically with a return approach without reference to any benchmark and without any geographical or sector allocation constraints.

ESG plays an important role in the management of the Global Convertible Fund and is considered at every stage of the investment process by means of (i) an exclusion list, and (ii) best-in-class selection. To help prevent the Global Convertible Fund from investing in assets that do not promote ESG characteristics, it maintains and applies an exclusion list that prohibits investing in certain names, conduct, and/or activities. To help enable the Global Convertible Fund to invest in assets that do promote ESG characteristics, it uses a best-in-class selection policy that uses a proprietary, internal ESG scoring system to allow the Global Convertible Fund to, all else being equal, select assets with a better ESG score and/or create larger exposure to them.

The Global Convertible Fund will mainly be invested in Investment Grade assets. It will not invest in assets rated below B+ or equivalent. Money Market Instruments, bank deposits (cash and cash equivalents) and Investment Grade debt securities will represent at least 50% of the net asset value of the Global Convertible Fund. At least 80% of the Global Convertible Fund's net asset value will be aligned with the ESG characteristics promoted by the Global Convertible Fund.



## B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.



## C. Environmental or social characteristics of the financial product

### What are the environmental or social characteristics promoted by this financial product?

The Global Convertible Fund promotes the following environmental and social characteristics:

- Environmental characteristics:
  - GHG / CO2 emissions per revenue;
  - SO2 emissions per revenue;
  - Water consumption per revenue;
  - Contribution to water stress;
  - Environmentally sensitive area;



### C. Environmental or social characteristics of the financial product

- Energy consumption per revenue;
- Percentage renewable energy produced;
- Percentage renewable energy consumed; and
- Waste per revenue.

- Social characteristics:

- Percentage of female employees;
- Gender pay gap;
- Percentage of employees unionised;
- Lost time incident rate; and
- Employee turnover percentage.

#### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Global Convertible Fund measures the attainment of the environmental and social characteristics that it promotes by filtering sustainability indicators at two levels: (1) an exclusion list that remains under constant review and is updated on an ongoing basis; and (2) best-in-class selection.

Best-in-class selection is determined on the basis of a proprietary model that scores each Vanilla Convertible or Exchangeable Bond according to relevant ESG metrics. For each metric category, the model draws on available reported data to create a peer group that establishes best and worst scores and identifies where a give Vanilla Convertible or Exchangeable Bond falls within the range. The model requires a minimum of seven issuers within a peer group for there to be a sufficient sample size, with no score awarded for a metric if the sample size is insufficient.

A sample score for environmental metrics in respect of a Vanilla Convertible or Exchangeable Bond is as follows:

**Legend**

NR Not Reported  
IS Insufficient Data

Good  
Neutral  
Bad  
Insufficient Data

**Environmental Score: Good (+0.80%)**

Metric	Reported Data	Peer Sample Size	Best	Worst	Average	Tyrus Score
GHG Intensity <sup>(1)</sup>	48.53	47	0.11	552.94	50.73	Neutral (0)
Sulphure Dioxide per revenue	NR	9	0.00	0.00	0.00	IS
Emissions to water <sup>(1)</sup>	30.40	35	0.70	3769.55	747.26	Good (+1)
Exposure to areas of high water stress	NR	3	16.00	28.08	IS	IS
Activities negatively affecting biodiversity-sensitive areas	NR	0	0.00	0.00	IS	IS
Energy consumption intensity per high impact climate sector <sup>(1)</sup>	10.99	50	0.17	560.22	78.32	Good (+1)
% renewable energy produced	NR	0	0.00	0.00	IS	IS
% renewable energy consumed	62.85	19	82.30	0.00	32.41	Good (+1)
Waste per revenue	0.38	35	0.00	19.05	2.20	Good (+1)

<sup>(1)</sup> PAI Indicator



### C. Environmental or social characteristics of the financial product

Based in data available from third-party data providers, the model calculates for each peer group in each metric the best value where there is sufficient data available, the worst value and the average value. The same calculation is done for each (potential) Vanilla Convertible or Exchangeable Bond in which the Global Convertible Fund intends to invest or is already invested.

As illustrated in the table above, the proprietary model generates an internal score by awarding each metric one of three possible scores: good (+1), neutral (0), and bad (-1). Good indicates excellent relative ESG performance and a high degree of transparency in the public reporting of material ESG data. Neutral indicates satisfactory/good relative ESG performance and a moderate/above-average degree of transparency in the public reporting of material ESG data. Bad indicates poor relative ESG performance and an insufficient degree of transparency in the public reporting of material ESG data.

For any given metric in a particular sector (e.g., GHG Intensity), the Investment Managers will look at all issuers included in the peer group of the model which report sufficient data. Based on the calculation done by the model, the issuers in each peer group are then sorted: the bottom 25% (relative worst) performers of the group receive a score of -1 while the top 25% (relative best) performers will receive a score of +1. Companies with metric in the middle of the group will get a score of 0.

The score of each Vanilla Convertible or Exchangeable Bond is calculated by taking the sum of each score of each single metric (where sufficient data is available) and dividing it by the number of metrics where sufficient data has been reported. The environmental score in the example above is thus calculated as follows:

$$\text{environmental score} = \frac{4 * 1 + 0}{5}$$

The total score of each Vanilla Convertible or Exchangeable Bond is calculated by totalling the environmental, social, and governance score of such bond and dividing the sum by three. The Global Convertible Fund seeks to exclude all positions that have a score of -0.5 or below. Other things being equal, the Global Convertible Fund seeks to favour names with better scores.

**Does this financial product take into account principal adverse impacts on sustainability factors?**

Yes

No

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**



**C. Environmental or social characteristics of the financial product**

N/A

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A



**D. Investment strategy**

**What investment strategy does this financial product follow?**

The investment objective of the Global Convertible Fund is to achieve a long-term capital gain on its invested capital. The Global Convertible Fund is actively managed and seeks to achieve its objective by investing in a diversified portfolio composed of different classes of financial assets, in particular Vanilla Convertible or Exchangeable Bonds. The Global Convertible Fund invests globally and is managed opportunistically with a total return approach without reference to any benchmark and without any geographical or sector allocation constraints.

The Global Convertible Fund invests mainly in Investment Grade assets and not in assets rated below B+ or equivalent by a rating agency. Money Market Instruments, bank deposits (including cash and cash equivalents) as well as Investment Grade debt securities represent at least 50% of its net asset value.

The Global Convertible Fund’s exposure to equity, either directly or indirectly through Transferable Securities and efficient portfolio management, obtained as a result of the conversion of a Vanilla Convertible or Exchangeable Bond or any corporate action shall not exceed 100% of the Global Convertible Fund’s assets. The maximum proportion of ordinary shares held is 10% of the net asset value.

The Global Convertible Fund will use FDIs for efficient portfolio management and hedging purposes only as well as, in a temporary and limited manner for liquidity and other risk management purposes. In addition, the Global Convertible Fund may enter into securities lending transactions.

By applying the exclusion list and the best-in-class selection (see Section C above), the entire exposure of the Global Convertible Fund to Vanilla Convertibles or Exchangeable Bonds is aligned with the promoted ESG characteristics. Because the Global Convertible Fund believes that aligning its investments with good ESG characteristics will help provide a long-term capital gain on its



#### D. Investment strategy

invested capital, the Global Convertible Fund will ensure that at least 80% of the net asset value is aligned with the promoted ESG characteristics.

##### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The promoted ESG characteristics play an important role in the management of the Global Convertible Fund and are considered in every stage of the investment process by means of the following two binding elements:

- Exclusion list: maintaining and applying a list of restricted names (filtering against activities and conduct harmful to society, unethical or controversial activities, and activities with significant negative climate impact).
- Best-in-class selection: as described above, the strategy removes assets from its investible universe using a proprietary internal ESG scoring system and, all else being equal, selecting assets with a better ESG score and/or creating larger exposure to them.

##### **How is the strategy implemented in the investment process on a continuous basis?**

The Global Convertible Fund has policies that require every potential investment has the exclusionary list and best-in-class selection model applied to it. This is recurring as new and updated data becomes available. The Global Convertible Fund is also committed to review its exclusionary list and best-in-class model to ensure they remain aligned with regulations, standards, and best practices.

##### **Is there a commitment to reduce by a minimum rate the scope of investments considered prior to the application of the strategy? (Including an indication of the rate)**

The Global Convertible Fund does not have a committed minimum rate to reduce the scope of its investments. However, by applying the binding elements of the Global Convertible Fund, (i.e., the exclusion list and the best-in-class selection described above), the Investment Managers hope to reduce the scope of investments prior to the application of the investment strategy by approximately 20% to 25% as measured by market capitalisation.

##### **What is the policy to assess good governance practices of the investee companies?**

Prior to each investment and during the holding period, a screening on the basis of international norms and standards including the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, takes place in respect of the good governance practices of the investee companies in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The UN Global Compact principles are based on



**D. Investment strategy**

international standards concerning human rights, labour rights, the environment, and corruption. If abuses or breaches related to the standards are observed in the issuer, the incident is investigated, and measures are taken on a case-by-case basis. Depending on the severity, nature and extent of the breach, the possible measures may consist of direct dialogue with the issuer’s executive management, an engagement action or, as a last resort, selling the asset if the issuer does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame.



**E. Proportion of investments**

**What is the planned asset allocation for this financial product?**

The Global Convertible Fund will seek to achieve its objective by investing in a diversified portfolio composed of different classes of financial assets, in particular Vanilla Convertible or Exchangeable Bonds. The Global Convertible Fund will mainly be invested in Investment Grade assets and will not invest in assets rated below B+ or equivalent.

Money Market Instruments, bank deposits (cash and cash equivalents) and Investment Grade debt securities will represent at least 50% of the Global Convertible Fund’s net asset value.

The total exposure of the Global Convertible Fund to equity, either directly or indirectly through Transferable Securities and efficient portfolio management, obtained as the result of the conversion of a Vanilla Convertible or Exchangeable Bond or any corporate action on such asset shall not exceed 100% of the Global Convertible Fund’s assets. The maximum proportion of ordinary shares held by the Global Convertible Fund is 10% of its net asset value. If the proportion of ordinary shares exceeds 10% as a result of a conversion or a corporate action then the excess of shares above 10% will be sold in a timely manner in line with the underlying market liquidity. The Global Convertible Fund will not invest in unlisted shares.

FDIs may be used for efficient portfolio management and hedging purposes and on a temporary and limited basis for liquidity and other risk management purposes. In addition, the Global Convertible Fund may enter into securities lending transactions.

At least 80% of the Global Convertible Fund’s net asset value will be aligned with the ESG characteristics promoted by the Global Convertible Fund.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A

**What is the minimum share of investments in transitional and enabling activities? (expressed as a percentage of all investments of the financial product)**

As the Global Convertible Fund does not commit to invest in any “sustainable investment” within the meaning of the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.





#### E. Proportion of investments

**Where information relating to the taxonomy alignment of investments is not readily available from public disclosures by investee companies, how was equivalent information obtained directly from investee companies or from third party providers?**

N/A

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

As noted, the Global Convertible Fund may enter into FDIs for the purpose of hedging and for efficient portfolio management techniques as well as, in a temporary and limited manner, for liquidity and other risk management purposes. The use of FDIs does not have an effect on the environmental or social characteristics promoted by the Global Convertible Fund. Further, the Global Convertible Fund may also invest in Money Market Instruments and bank deposits (including cash and cash equivalents) for liquidity management purposes. Minimum safeguards are applied by screening for compliance with international norms and standards including the UN Global Compact and the OECD Guidelines for Multinational Enterprises.



#### F. Monitoring of environmental or social characteristics

**How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?**

Before the Global Convertible Fund makes an investment, it performs extensive due diligence, including using the best-in-class selection. This ensures that the Global Convertible Fund will continue to adequately promote the ESG characteristics.

During the holding period, the Global Convertible Fund continues to monitor its assets by reviewing and updating the best-in-class proprietary model and reviewing new and updated public data relating to the assets.

If abuses or breaches related to promoted ESG characteristics are observed in the issuer, the incident is investigated, and measures are taken on a case-by-case basis. Depending on the severity, nature and extent of the abuse and/or breach, the possible measures may consist of direct dialogue with the issuer’s executive management, an engagement action or, as a last resort, selling the asset if the issuer does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame.



### G. Methodologies

**What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?**

Best-in-class selection is determined on the basis of a proprietary model that scores each Vanilla Convertible or Exchangeable Bond according to relevant ESG metrics. For each metric category, the model draws on available reported data to create a peer group that establishes best and worst scores and identifies where a given Vanilla Convertible or Exchangeable Bond falls within the range. The model requires a minimum of seven issuers within a peer group for there to be a sufficient sample size, with no score awarded for a metric if the sample size is insufficient.

The total score of each Vanilla Convertible or Exchangeable Bond is calculated by totalling the environmental, social, and governance score of such bond and dividing the sum by three. The Global Convertible Fund seeks to exclude all positions that have a score of -0.5 or below. Other things being equal, the Global Convertible Fund seeks to favour names with better scores.

See Section C above for more information on the calculation of best-in-class scoring.



### H. Data sources and processing

**What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?**

The data sources that the Global Convertible Fund will use are publicly available information such as audited financial statements and other company data.



### I. Limitations to methodologies and data

**If any, what are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)**

Public data can be intentionally or unintentionally misleading, and may not be a perfect representation of how the company interacts with the promoted ESG characteristics. The Investment Managers may refer to external ESG data providers such as MSCI and S&P to challenge their internal, model-generated ESG scores and/or where there are insufficient data points to statistically define an internal score. With the large amount of public data and third-party data, we are confident that the limitations to our methodologies and data sources will not inhibit our ability to promote ESG characteristics.



**J. Due diligence**

**What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?**

For its due diligence, the Global Convertible Fund reviews all publicly available data in relation to the issuer and applies an exclusion list that remains under constant review and is updated on an ongoing basis and a best-in-class score is given. The Investment Managers may also refer to external ESG data providers such as MSCI and S&P to challenge their internal, model-generated ESG scores and/or where there are insufficient data points to statistically define an internal score.



**K. Engagement policies**

**Is engagement part of the environmental or social investment strategy?**

- Yes
- No

**If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)**

If abuses or breaches related to promoted ESG characteristics are observed in the issuer, the incident is investigated, and measures are taken on a case-by-case basis. Depending on the severity, nature and extent of the abuse and/or breach, the possible measures may consist of direct dialogue with the issuer's executive management, an engagement action or, as a last resort, selling the asset if the issuer does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame.



**L. Reference benchmark**

**Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?**

- Yes
- No

**What is the input data, the methodologies used to select that data, the rebalancing methodologies and how is the index calculated?**

N/A