

## No consideration of adverse impacts on sustainability factors

This document describes the consideration of adverse impacts on sustainability factors for Fidares Asset Management. Fidares Asset Management (“the Asset Manager”) is required to disclose whether it considers adverse sustainability impact in its investments decision making within the meaning of SFDR.<sup>1</sup>

The EU’s Regulation on sustainability-related disclosures in the financial services sector (the “Sustainable Finance Disclosure Regulation or SFDR”) was published in December 2019 and forms part of the EU’s package of measures relating to Environmental, Social and Governance (ESG) issues.

The SFDR requires the Asset Manager to publish whether it considers the principal adverse impacts (“PAIs”) of its investment decisions and investment advice on sustainability factors, in accordance with a specific regime as outlined in SFDR.

### **Opt-out of the PAI regime in SFDR**

The Asset Manager has carefully evaluated the requirements of the PAI regime in Article 4 SFDR (the “PAI regime”). The Asset Manager is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how financial market participants and financial advisors integrate consideration of the adverse impacts of their investment decisions on sustainability factors. However, taking account of the Asset Managers size, the nature and scale of its activities, the Asset Manager considers not to comply with that regime.

In addition, the Asset Manager notes that as of today its primary investment strategies do not support adoption of the PAI regime within SFDR:

- The Investment Strategy is bespoke and has been designed to accommodate the specific investor requirements.
- The Asset Manager believes that applying mandatory ESG criteria to its investment process would reduce the investment universe and thus exclude certain issuers, which would cause the Investment Manager to ignore investment opportunities that offer attractive risk-adjusted returns.
- For certain investment decision there is a lack of data and disclosure which prevents the Asset Manager from a reasonably accurate assessment.

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<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.



The Asset Manager will keep its decision not to consider the adverse impact of its investment decisions on sustainability under regular review.

Eschen, 04.01.2022