



EFG AM

No consideration of Adverse Sustainability Indicators (“ASI”)

In accordance with art 4 of EU Regulation 2019/2088

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Introduction:

The Sustainable Finance Disclosure Regulation (SFDR) (Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019) requires EU Entities to make a “comply or explain” decision whether to consider the principal adverse impacts (“PAIs”) of its investment decisions on sustainability factors, in accordance with a specific regime outlined in SFDR. PAIs are described as impacts that result, or might result, in negative effects on sustainability factors, such as social and employee matters, respect for human rights, anticorruption or anti-bribery matters.

2. Opt-out on PAIs decision

EFG AM has opted not to comply with that regime at Entity level for New Capital funds, but to consider PAI for some of its New Capital funds. EFG AM has carefully evaluated the requirements of the PAI regime in Article 4 of the SFDR, and in the draft Regulatory Technical Standards which were published in April 2020 and the Final report in February 2021 (the “PAI Statement”). On the one hand, EFG AM is supportive of the policy aims of the PAI regime to improve transparency to clients, but on the other hand EFG AM is aware that, considering the scale of its activities and the types of products, it would be challenging to comply with the specific regime of the SFDR. EFG AM also believes that some of its investment strategies cannot currently support the adoption of the PAI regime, as these strategies involve underlying securities or products where it is extremely difficult to conduct a detailed due diligence on the adverse sustainability impact. Finally, EFG AM is concerned about the current lack of readily available data to comply with the reporting requirements of the PAI Statement as companies and market data providers are not yet ready to make all necessary data available. EFG AM will at least yearly revisit its decision not to comply with the PAI regime and reserves the right to change its position in the future

3. Sustainable Investment approach

Despite EFGAM’s decision not to comply with the PAI regime and as part of its overall commitment to ESG matters, EFGAM has implemented positive ESG-related initiatives and policies. Our ESG Statements are available on our website.