

Adverse Sustainability Impacts at Entity Level

A. LEGAL FRAMEWORK

NS Partners Europe S.A. (hereinafter "NSPE" or "Company") is a management company authorised by the Luxembourg supervisory authority Commission de Surveillance du Secteur Financier (hereinafter "CSSF") pursuant to Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment (hereinafter "UCI Law") and is also authorised as an alternative investment fund manager pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers (hereinafter "AIFM Law"). NSPE is further authorised to provide services in accordance with article 101 (3) of the UCI Law respectively article 5 (4) of the AIFM Law.

Within the scope of its regulatory authorisation, the Company manages funds that qualify as undertakings for collective investment in transferable securities ("UCITS") or alternative investment funds ("AIF") and discretionary portfolio management mandates (hereinafter "products").

As per Article 4(1), point (b) of the 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 (hereinafter "SFDR"), *"Financial market participants shall publish and maintain on their websites, where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts."*

On 17 May 2022, the European Commission clarified in a SFDR Q&A that, *"A financial market participant that:*

- *Is below the threshold laid down in Article 4, paragraph 3 or 4, of Regulation (EU) 2019/2088; and*
- *Does not consider adverse impacts of investment decisions on sustainability factors at entity level; and*
- *Publishes and maintains on its website clear reasons for why it does not consider such adverse impacts, in accordance with Article 4(1), point(b), of that Regulation,*

May, notwithstanding the criteria set out in Article 7(1), first subparagraph of Regulation (EU) 2019/2088, manufacture a financial product that pursues a reduction of negative externalities caused by the investments underlying that product."

B. PURPOSE

This statement describes the Company's decision with respect to the requirements of article 4 (1) SFDR regarding the consideration of principal adverse impacts (hereinafter "PAIs") of investment decisions on sustainability factors.

C. NO CONSIDERATION OF ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS – ENTITY LEVEL

As of today, the Company has chosen to not consider adverse impacts of investment decisions on sustainability factors at the entity level for the following reasons:

- Application of the exemption for entities with less than 500 employees as per Article 4 (1), point (b) of the SFDR; and
- Significant regulatory uncertainty as the result of the ongoing review of the EU Sustainable Finance Framework, including the SFDR, therefore, NSPE prefers to await a clearer and more stable regulatory framework before committing to further PAI considerations; and
- Lack of publicly available data.

NSPE explicitly declares that the approach to not take into consideration principle adverse impacts at entity level, does not change our willingness to contribute to more sustainable and resource-efficient economic practices, with the goal of particularly reducing the risks and impacts of climate change and other ecological or social grievances.

D. SUITABILITY ASSESSMENT FOR PORTFOLIO MANAGEMENT SERVICES – ONLY APPLICABLE FOR DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES

To comply with the Commission Delegated Regulation (EU)2021/1253, NSPE took necessary steps to collect its clients' sustainability preferences.

In addition, NSPE assesses on a regular basis whether the portfolios are in line with the sustainability preferences defined by its clients.

E. POLICY REVIEW

This statement will be reviewed and updated annually, and on an ad hoc basis in case of relevant changes to the organizational structure of the Company, in case of amendments to the regulatory framework governing this policy or if otherwise deemed necessary. NSPE reserves the right to change its position in the future regarding the consideration of adverse impacts of investment decisions on sustainability factors on the entity level. The triggering factors could be but not limited to increased data availability, overall change in product strategies, increased investor demands, and clearer and more stable regulatory framework.