

Global Funds Management S.A. - Sustainability-related disclosures

Pursuant to the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”), it is required to disclose the manner in which sustainability risks can be integrated into investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of each fund. Sustainability risks can be integrated into investment decisions and are integrated into risk monitoring to the extent that they represent potential or actual material risks and/or opportunities relating to maximizing the long-term risk-adjusted returns. The potential impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, region and asset class. Such assessment of the impact must therefore be conducted at the portfolio level; further details and specific information are given for each fund GFM manages.

“Sustainability Risk” is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by each fund. Such sustainability risks are principally linked to climate-related events resulting from climate change (i.e. physical risks) or to society’s response to climate change (i.e. transition risks), which may result in unanticipated losses that could affect each fund’s investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, product quality and safety, selling practices, etc.) may also translate into sustainability risks. In general, where a sustainability risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value.

Global Funds Management S.A. (hereafter “GFM”) as part of Nomura Group is committed to the concept of Environmental, Social and Governance investments. We are expanding our products and services, and strengthening our global expansion and corporate governance structures based on the recognition that the protection of the global environment and the promotion of various initiatives are essential for the maintenance and development of both the economy and society. We prize relationships with stakeholders that share similar commitment..

GFM does not consider the adverse impacts of investment decisions on sustainability factors due to the current orientation of the investment strategies of its investment funds. Moreover, there is currently no sufficient data available to adequately assess the potential negative or adverse impact of its investment decisions on sustainability factors. GFM will continue to monitor the market development and may decide to consider adverse impacts of investment decisions on sustainability factors in the future.

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