DSP
ASSET MANAGERS

SFDR – Article 4 of Regulation (EU) 2019/2088
Transparency of adverse sustainability impacts at an entity level

No Consideration of Adverse Impacts of Investment Decisions on Sustainability Factors

1. Context

Article 4 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“the SFDR Regulation”) requires financial market participants to ensure transparency in terms of consideration of principal adverse impacts of investment decisions on sustainability factors (according to the “comply or explain” principle for entities with less than 500 employees). In this context, it should be mentioned that the Investment Manager does not fall within the scope of Article 4 (3) and (4) of the SFDR, which requires financial market participants that exceed an average number of 500 employees during the financial year to consider principal adverse impacts of their investment decisions on sustainability factors.

2. DSP Asset Managers Positioning

DSP Asset Managers (hereafter “the Investment Manager”) positions itself in the “explain” option described at Article 4(3) of the SFDR Regulation: The Investment Manager, as an entity, does not consider adverse impacts of investment decisions on sustainability factors.

3. Explanation

In order to assess adverse impacts identified at an entity level, the Investment Manager will have to collect this data for all assets under management, which is requiring a progressive work with different stakeholders. The Investment Manager does not currently consider adverse impacts of investment decisions on sustainability factors, within the meaning of SFDR regulation at the entity level.

The Investment Manager believes that a systematic consideration of principal adverse impacts of investment decisions on sustainability factors at entity level, as well as with regard to all services and products, would not be proportionate given the scope of its activities and ultimately the effort required for implementation. We may reassess the adoption of the Article 4 framework in the next fiscal year.

The current inability to assess adverse impacts meaningfully is attributed to the time delay in acquiring the necessary data at the entity level, which the Investment Manager is required to report on in alignment with the SFDR.

Nevertheless, all funds compliant with Article 8 or Article 9 SFDR, do take into consideration principal adverse impacts and will report on the indicators in their respective annual reports.