ROTHSCHILD & CO INVESTMENT MANAGERS

Explanation of non-compliance with SFDR's principal adverse impacts regime

This document sets out disclosures by Rothschild & Co Investment Managers (hereinafter referred to as "the Company"), a company organised under the laws of Grand Duchy of Luxembourg as a Société Anonyme for an unlimited period of time and duly authorised to act as a Management Company within the meaning of Chapter 15 of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended, and as an Alternative Investment Fund Manager within the meaning of Chapter 2 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers, as amended, in respect of the principal adverse impacts of its investment decisions on sustainability factors.

The EU Sustainable Finance Disclosure Regulation ("**SFDR**") requires the Company 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 as outlined in SFDR. The Company has decided not to comply with that SFDR regime. The Company is therefore required to publish and maintain on its website a statement to explain its reasons for not complying with the PAI regime in SFDR, and information as to whether and when it intends to comply with such regime.

1. Non-compliance with the PAI regime in SFDR

1.1 The Company has carefully evaluated the requirements of the PAI regime in Article 4 of SFDR, and in the draft Regulatory Technical Standards which were published in April 2020 (the "**PAI regime**").

1.2 The Company 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 integrate consideration of the adverse impacts of their investment decisions on sustainability factors. However, taking account of the nature and scale of its activities and the types of products it makes available, the Company considers that it would be difficult to comply with the specific regime in the SFDR starting 10 March 2021.

The Company is concerned about the lack of readily available data to comply with many of the technical reporting requirements of the PAI regime, as the Company believes that issuers and market data providers are not yet ready to make available all necessary data for the PAI regime.

1.3 The Company will keep its decision not to comply with the PAI regime under regular review and will formally re-evaluate the decision at least annually.

1.4 Notwithstanding its decision not to comply with the PAI regime, the Company wishes to re-affirm its overall commitment to ESG matters. In the remainder of this document is summarised the positive ESG-related initiatives and policies adopted by the Company. For the avoidance of doubt, none of the following information is intended to suggest that the Company complies with the PAI regime.

2. Responsible investing policy

2.1 The integration of Environmental, Social and Governance ("ESG") factors into the Company's investment processes and decision-making is amongst its top priorities. As per its ESG policies, the Company is focussed on three main objectives from a sustainability perspective:

i. The integration of ESG criteria into its investment decisions to create long term value for investors and support the development of a sustainable economy as a responsible investor;

ii. Pursuing an ESG engagement policy to create constructive dialogue with its companies, fund managers or sponsors to help them improve; and

iii. Offering innovative sustainable investment products.

All the strategies of the Company have a long-term approach and the Company strongly believes in the benefits of responsible investing for long-term value protection and creation. The Company aims to promote the principles of responsible investing within its investments and encourage its partners to consider ESG criteria in their activities.

2.2 Information concerning the ESG policies of the Company is available on its website at: https://rcim.am.eu.rothschildandco.com/en/regulatory-information/

3. Adherence to responsible business codes and international standards

3.1 In connection with ESG, the Company adheres to responsible business codes and internationally recognised standards for due diligence and reporting. For these purposes, the Company refers to its adherence to the following codes and standards:

- UN Principles for Responsible Investment
- Other local commitments

Last update: 10 March 2021