



3 Sustainability Considerations¹

- 3.1 The extent to which sustainability risks represent potential or actual material risks to the Fund is considered by the Investment Manager in its investment decision making and risk monitoring. Along with any other material risk, the Investment Manager will consider sustainability risks in order to seek to maximize long-term risk-adjusted returns for the Fund.
- 3.2 A sustainability risk in the context of the Fund 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 investment (**sustainability risk**).
- 3.3 The Investment Manager considers ESG factors as part of its broader analysis of individual issuers including with regards to sustainability risk assessment and has integrated various factors relating to ESG within its investment process. The factors which will be considered by the Investment Manager will vary depending on the security in question, but typically include the themes addressed by the sustainability risks.
- 3.4 In the event that a sustainability risk arises or changes, this may cause the Investment Manager to determine that a particular investment is no longer suitable and to sell it or decide not to make an investment in it.
- 3.5 An assessment is undertaken of the likely impacts of the sustainability risks listed in this Supplement on the Fund's return.
- 3.6 Assessment of sustainability risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and may be incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Fund's investments or proposed investments.
- 3.7 The impacts following the occurrence of a sustainability risk may be numerous and may vary depending on the specific risk, region and asset class. 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.
- 3.8 Any sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to other risks, such as market risks, operational risks, liquidity risks or counterparty risks.
- 3.9 Taking due account of the nature and scale of its activities and the range of financial products it makes available, the Manager, acting through the Investment Manager as its delegate, in accordance with Article 4(1)(b) of 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, as amended (the **SFDR**), has elected for the time being not to consider (in the manner specifically contemplated by Article 4(1)(a) of the SFDR) the principal adverse impacts of investment decisions of the Fund on sustainability factors. The Manager, acting through the Investment Manager as its delegate, considers this a pragmatic and economical approach to compliance with its obligations under the SFDR.
- 3.10 Investments underlying the Fund do not take account of the EU criteria for environmentally sustainable economic activities.

¹ Extract from **NEAM GLOBAL FUNDS ICAV - NEAM FUND A Supplement to the Prospectus dated 20 February 2024**