



Rothschild & Co Five Arrows

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

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Contents

Introduction	2
1. Non-compliance with the PAI regime in SFDR	3
2. Responsible investing policy	4
3. Adherence to responsible business codes and international standards	5

Introduction

This document sets out disclosures by Five Arrows Managers LLP, Five Arrows Managers SAS, Five Arrows Managers North America LLC, Five Arrows Managers USA LLC and the Five Arrows division of Rothschild & Co Investment Managers (each a “Firm”; collectively the “Firms”; “Five Arrows”; “we”; “our”), in respect of the principal adverse impacts of our investment decisions on sustainability factors.

The EU Sustainable Finance Disclosure Regulation (“SFDR”) requires the Firms to make a “comply or explain” decision whether to consider the principal adverse impacts (“PAIs”) of our investment decisions on sustainability factors, in accordance with a specific regime as outlined in SFDR. The Firms have decided not to comply with that SFDR regime. We are therefore required to publish and maintain on our website a statement to explain our reasons for not complying with the PAI regime in SFDR, and information as to whether and when we intend to comply with such regime.

1. Non-compliance with the PAI regime in SFDR

- 1.1 Five Arrows has carefully evaluated the requirements laid out in Article 4 of the SFDR, and in the Commission Delegated Regulation (EU) 2022/1288.
- 1.2 The Firm is supportive of the policy aims with regards to improved 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, the Company has determined that due to the nature and scale of its activities and the types of products it makes available, the Company considers the lack of readily available data required to comply with these requirements as well as issues related to the quality of this data and resources needed to ensure compliance to be disproportionate.
- 1.3 Notwithstanding our decision not to consider adverse impacts of investment decisions on sustainability factors at entity level, the Company wishes to re-affirm its overall commitment to sustainability matters and integration of sustainability risks within its investment process.
- 1.4 For more information on the integration of sustainability risks within the investment process as well as Five Arrows responsible investment approach, please refer to Five Arrows Responsible Investment Policy and Five Arrows Sustainability Risks Management Policy.