

## Principal Adverse Impacts (PAI):

Article 4 of the EU Sustainable Finance Disclosure Regulation (SFDR) requires FBAM to make a Comply or Explain decision on whether to consider the principal adverse impacts of the firm's investment decisions on sustainability factors. The firm has decided not to consider the PAI requirement. The assessment of sustainability risks is part of the existing FBAM investment process; however, it would be very difficult for the firm to comply with this requirement on the basis of proportionality relative to the small size, nature and scale of the firm and the level of data and information currently available from companies and issuers. FBAM is not of the opinion that the levels of data and information required by the regulations, could be garnered and assessed at a reasonable cost to clients/investors. The firm's current focus on suitable investment opportunities is a more effective use of our resources at present. The firm may in future consider the principal adverse impacts of our investment decisions on sustainability factors, when sufficient information is readily available. FBAM will continue to review this policy, and systems may be developed as further guidance is provided and more information and data availability on the sustainability factors is available.