

## **NOTIFICATION ABOUT THE ASSESSMENT OF THE PRINCIPAL ADVERSE IMPACT ON SUSTAINABILITY, AND OTHER INFORMATION RELATED TO SUSTAINABILITY**

7 August, 2023

In the present notification, the management company Nter Asset Management, LLC (hereinafter – **Management Company**) discloses information pertaining to sustainability, as required under 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 (hereinafter – Regulation).

### **Integration of sustainability risks into the investment decision making process**

ESG principles shall be read as environmental, social, and personnel issues, as well as issues related to the respect for human rights, anti-corruption, and anti-bribery, while sustainability risk shall be read as an ESG-related event or situation, which, if it took place, would have an actual or potential adverse impact on investment value. The applicability and importance of sustainability risks may vary for each investment-related decision, depending on the financial product and asset class under consideration.

The Management Company has an approved Sustainability Risk Integration Policy (hereinafter – Policy), the main purpose of which is to define the Management Company's approach to sustainability risks and their adverse impact on sustainability, which may occur in the course of managing collective investment undertakings (hereinafter – Funds), including during investment-related decision making. The Policy sets out the sustainability risk integration guidelines, based on which the Management Company not only conducts financial data analysis, but also monitors, assesses, and takes account of sustainability-related non-financial performance indicators, including environmental and social impact, as well as good management practices, that may impact not only return on investment, but also the long- and short-term performance of enterprises. The integration of sustainability risks into the investment decision making and implementation process encompasses several methods that may differ regardless of fund and asset class in question, and that may be applied both jointly and individually. Methods applied during investment assessments include a list of exceptions, the integration of sustainability indicators into potential investment analysis and investment management processes, as well as active property management and *įsitraukimas*. The Management Company undertakes to consider the key ESG aspects when making investments, performing comprehensive investment assessments, as well as monitoring and analysing managed investments, only to the extent that such is practicable given the prevailing conditions and the Management Company's commitment to generate the best possible returns for investors into Funds and to act in their best interests at all times.

### **Assessment of the principal adverse impact on sustainability during investment-related decision making**

Principal adverse impact shall be read as such impact of investment-related decisions that leads to a negative impact on ESG. While the Management Company has integrated ESG aspects and associated risk assessments into its investment-related decision making and investment management procedures, it does not take account of the principal adverse impact of investment-related decisions on ESG, as defined in the Regulation, because the Management Company is not currently managing any Funds promoting environmental or social characteristics, or a combination thereof, and/or aiming at sustainable investment, as defined in Article 8 and 9 of the Regulation.

Nevertheless, the sustainability risk integration process does reflect the Management Company's point of view that information on ESG and sustainability risks must be regarded as an important part of the Fund management process in its entirety.

The Management Company intends to periodically review this decision by considering and re-assessing the circumstances indicated above. In case of the emergence of financial products, which are in conformity with the provisions of Articles 8-9 of the Regulation, being oriented towards the promotion of environmental or social characteristics, or a given sustainable investment goal, and/or in case of a decision to consider the principal adverse impact of investment-related decisions, the Management Company, acting in compliance with the procedure set out in the Regulation, shall publish an updated version of the present Notification and the pre-contractual information related to specific financial products.

### **Integration of sustainability risks into the remuneration policy**

The Management Company has approved, and is currently implementing, an EU regulation-compliant Remuneration Policy, the aim of which is to ensure that the Management Company's remuneration policy matches and promotes the reliable and effective management of risks, including, to the extent such is relevant, sustainability risks.

### **Participation policy**

The Management Company has approved, and is currently implementing, a Participation policy that sets out the principles and guidelines, which the Management Company follows, as well as the actions to be taken [sitrukdama į dalyvavimą] related to the activities of companies – joint stock companies – that issue shares admitted to trading on a regulated market and whose shares the Management Company invests in on behalf of investors.

Since companies singled out for investment are expected to be compliant with strict sustainability standards, the Management Company cooperates with them in order to mitigate their adverse environmental and social impact, as well as to improve good governance practices, thereby mitigating sustainability risks and improving the financial indicators of investments.

### **Other sustainability-related information**

More detailed information on the integration of sustainability risks into the investment-related decision making process is provided in the Management Company's approved Sustainability Risk Integration Policy, rules appertaining to specific financial products, and other pre-contractual information documents and periodic reports. All sustainability-related information is published on the Management Company's website at [www.nteram.lt](http://www.nteram.lt).

To ensure the reliability of information provided in the present Notification, the Management Company intends to update it regularly and to supply the reasons for such revisions and changes.

### **[Sustainability Risk Integration Policy](#)**