



FINANCIAL SERVICES

**NO CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS (“PAIs”) OF
INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS**

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Definitions

“Sustainability Risks”	Means 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 Factors”	Means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters

1. Introduction

SPA FINANCIAL SERVICES LTD (the “Company”) is a limited liability company with share capital, incorporated in accordance with the Laws of the Republic (registration number HE270133). The Company is regulated as an alternative investment fund management company (“AIFM”) by the Cyprus Securities and Exchange Commission (“CySEC”) with license number AIFM53/56/2013.

This disclosure is issued in accordance with the obligations set out under Article 4(1)(b) of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector, as amended (the “SFDR”), and pursuant to Article 12 of Regulation (EU) 2022/1288 supplementing the SFDR (the “SFDR2” or “SFDR RTS”), which lays down regulatory technical standards specifying the details with respect to the content and presentation of information relating to:

- i. the principle of “do no significant harm”,
- ii. sustainability indicators and adverse sustainability impacts, and
- iii. the promotion of environmental or social characteristics, as well as sustainable investment objectives, in pre-contractual documentation, on websites, and in periodic reports.

This disclosure is made in the capacity of the Company acting as a financial market participant within the meaning of the SFDR and SFDR2 (the “SFDR Regime”).

2. Integration of Sustainability Risks

As per Article 3 of the SFDR, the Company as a financial market participant, must publish on its website information about its policies on the integration of Sustainability Risks in its investment decision-making process.

The Company does not currently incorporate Sustainability Risks into its investment decision-making process. This approach is the result of a thorough assessment of the strategies and characteristics of the funds it manages, which do not apply ESG-based selection or monitoring criteria.

Sustainability Risks have been considered. The Company has determined that, given the nature of its investment mandates and sectoral focus, such risks are not expected to materially affect the financial performance of its portfolios.

The Company continues to monitor developments in the market and regulatory environment and may reconsider its position should the circumstances or fund strategies change.

3. Compliance with the PAI regime

The Company does not consider the PAIs of its investment decisions on Sustainability Factors in the manner prescribed by Article 4 of the SFDR.

Article 4 of the SFDR requires fund managers to make a clear statement as to whether or not they consider the PAIs of investment decisions on Sustainability Factors. Although the Company takes sustainability and ESG seriously, it is unable to commit to the relevant considerations at this point in time.

None of the managed funds have ESG-related objectives as regards their investments. The investments are aimed towards the highest possible growth through well established, traditional and reputable investments and the respective investors are not actively pursuing sustainable orientated specific objectives as described under the SFDR Regime. Additionally, the Company's size and activity scope, the managed funds and their existing strategies/objectives and investors, as well as the value of AUM, do not presently justify the resources required for consideration and ultimate implementation of the PAI regime. Generally, the use of Company resources to be directed towards systematic consideration of PAIs and the pursuit of sustainable investments are currently disproportionate to the Company's size.

Accordingly, the Company does not currently intend to consider the prescribed adverse impacts of the investment decisions on Sustainability Factors within the meaning of Article 4 of the SFDR, including the indicators listed in Table 1, Annex 1 of the SFDR2. However, the Company keeps the situation under ongoing review and may reassess its approach towards ESG-related investments in the future.

4. Remuneration Policy

In accordance with Article 5 of SFDR, financial market participants shall include in their remuneration policies information on how those policies are consistent with the integration of Sustainability Risks and shall publish that information on their websites.

The Company's remuneration policy mirrors its investment approach in relation to ESG-related matters and risks. Although the Company understands the importance of taking ESG related matters and risks into consideration in all aspects of its business, currently it does not actively integrate such matters into its compensation framework. In general, the Company's remuneration policy is designed to be consistent with and promote sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds it manages, which also includes general ESG-related matters.

5. Review and Monitoring

The Compliance Officer in collaboration with the Risk Manager will monitor and review this disclosure and all associated policies on an annual basis and on an ad-hoc basis in the event of major changes to regulatory requirements or policy framework of the Company and will proceed to changes where and as needed.