

EU Sustainable Finance Regulation

Private and Confidential

EU Sustainable Finance Disclosure Regulation

While Aspect is not itself generally subject to the EU Sustainable Finance Disclosure Regulation (“SFDR”), by virtue of Aspect’s in-scope financial products, some limited disclosures under the SFDR must be made.

Sustainability Risks

The SFDR requires Aspect to determine, on a product-by-product basis, whether sustainability risks are relevant to Aspect’s in-scope financial products (“Products”). For the purposes of SFDR, “sustainability risk” means an environmental, social or governance (“ESG”) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Aspect has determined that sustainability risks are not relevant to its Products given the nature of the investment strategy of its Products, and particularly the quantitative, systematic strategy employed by Aspect. Aspect considers that ESG events or conditions are unlikely to cause a material negative effect on the returns of its Products.

Consequently, Aspect does not currently integrate sustainability risks into its investment decision making for its Products, and Aspect has not assessed the likely impacts of sustainability risks on the returns of its Products.

Aspect will keep its assessment that sustainability risks are not relevant to its Products under regular review.

Principal adverse impacts

The SFDR requires an in-scope firm to make a “comply or explain” decision as to whether to consider the Principal Adverse Impacts (“PAIs”) of its investment decisions on sustainability factors, in accordance with a specific regime outlined in SFDR. Aspect has opted not to comply with that regime. Accordingly, Aspect does not consider the PAIs of its investment decisions on sustainability factors.

Aspect has evaluated the requirements of the PAI regime in Article 4 of SFDR, and in the draft Regulatory Technical Standards which were published in April 2020 (the “PAI regime”). Taking into account the nature of Aspect’s activities and the types of products Aspect makes available, Aspect considers that it would be disproportionate to comply with the specific PAI regime of the SFDR.

In addition, Aspect considers that its primary investment strategies do not support adoption of the PAI regime within SFDR. Aspect’s Products involve quantitative, systematic portfolio management strategies where it is not possible to conduct detailed diligence on the principal adverse impacts of Aspect’s investment decisions on sustainability factors.

Aspect will keep its decision not to comply with the PAI regime under regular review.

Other disclosures

The investments underlying Aspect’s Products do not take into account the EU criteria for environmentally sustainable investments.