

Westbeck Principal Adverse Impact - Opt Out

Introduction

The Sustainable Finance Disclosure Regulation (SFDR) (Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019) requires Westbeck Capital Management LLP (“Westbeck”) to make a “comply or explain” decision whether to consider the Principal Adverse Impact (“PAI”) of its investment decisions on sustainability factors, in accordance with a specific regime outlined in SFDR.

PAIs are described as impacts that result, or might result, in negative effects on sustainability factors, such as social and employee matters, respect for human rights, anti-corruption or anti-bribery matters.

Opt-out on PAIs decision

Westbeck has opted not to comply with that regime, both generally and in relation to Investments products.

Westbeck has carefully evaluated the requirements of the PAI regime in Article 4 of the SFDR, and in the draft regulatory technical standards which were published in April 2020 and the final report in February 2021 (the “PAI Statement”), as well as the final regulatory technical standards to the SFDR published in April 2022. On the one hand, Westbeck is supportive of the policy aims of the PAI regime to improve transparency to clients, but on the other hand Westbeck is aware that, considering the scale of its activities and the types of products, it would be challenging to comply with that specific regime of the SFDR.

Westbeck also believes that some of its investment strategies cannot currently support the adoption of the PAI regime, as these strategies involve underlying securities or products where it is impossible to conduct a detailed due diligence on the adverse sustainability impact.

Finally, Westbeck is concerned about the current lack of readily available data to comply with the reporting requirements of the PAI Statement as companies and market data providers cannot provide consistent, reliable data. Westbeck will at least on an annual basis revisit its decision not to comply with the PAI regime and reserves the right to change its position in the future.

Sustainable Investment approach

Despite Westbeck's decision not to comply with the PAI regime and as part of its overall commitment to ESG matters, Westbeck has implemented positive ESG-related initiatives and policies. Our ESG Policy is available on our website at: www.westbeckcapital.com