

Statement on Principal Adverse Impacts of investment decisions on sustainability factors

Disclosure pursuant to Article 4 of Regulation EU/2019/2088

Introduction:

The Sustainable Finance Disclosure Regulation (“SFDR”), EU Regulation 2019/2088, requires investment firms, such as Midas Wealth Management S.A. (“Midas WM”), to make a “comply or explain” decision on whether to consider so-called principal adverse impacts (“PAI”) of investment decisions. Principal adverse impacts are understood as being potential negative impacts of investment decisions on sustainability factors such as environmental, social and employee matters as well as the respect of human rights, anti-corruption and antibribery matters.

No consideration of sustainability adverse impacts:

After a thorough analysis, Midas WM has decided not to apply to the PAI regime. However, Midas WM is supportive of the EU Action Plan for Financing Sustainable Growth, which has at its goal to implement the climate agreement and as such the transition to a low-carbon, more sustainable, resource-efficient and circular economy in line with the Sustainable Development Goals (“SDGs”) which are key to ensuring long-term competitiveness of the economy of the EU. At the same time, Midas WM today has no regulatory obligation to implement the PAI regime. The SFDR provides indeed a possible exemption for entities with less than 500 employees. Considering the scale of our investment activities as well as the provided investment services, the introduction of the PAI regime would represent a considerable challenge for currently limited effects as the evaluation of PAI remains delicate, notably due to the lack of market data, finalized regulations and methodologies.

Midas WM will continue to closely monitor regulatory developments with respect to the SFDR and other relevant laws and regulations related to Sustainable Finance. Midas WM will furthermore continue to develop its sustainability strategy and service offering. In this context, Midas WM aims to consider the main negative impacts of its investment decisions in the future and will therefore regularly review its decision not to comply with the PAI regime.

Responsible Investment:

Despite the fact that principal adverse impacts of investment decisions might not be considered as described by the EU Regulation, Midas WM would like to highlight that our investment philosophy and strategy is in line with responsible investment principles and standards. Midas WM has a strict exclusion policy in adherence to the following international standards and charters:

- (i) UN Global Compact Principles: the Global Compact asks companies to align their strategies and operations with the ten universal principles related to human rights, labour, environment and anti-corruption, and to take action to advance societal goals and the implementation of the SDGs.
- (ii) OECD Guidelines for Multinational Enterprise: the Guidelines are recommendations by governments to multinational enterprises to promote responsible business conduct in the areas of labor relations, human rights, environment, taxation, disclosure, anti-corruption, consumer interests, science and technology, and competition.

- (iii) UN Principles for Responsible Investment: the PRI defines responsible investment as a strategy and practice of taking environmental, social and governance (ESG) issues into account in investment decisions.

As of 2019, Midas WM has signed the United Nations Charter on Principles for Responsible Investment and has shifted its practices towards taking into account environmental, social and governance (ESG) issues in the investment decisions applying to its house funds. For example, the MWM SICAV Patrimonial and MWM SICAV Global Equities funds were awarded the LuxFLAG (Luxembourg Finance Labelling Agency) label in 2019, which guarantees that the funds' assets are truly invested in a responsible manner.

Midas WM believes that the financial sector has a key role to play in supporting the economy and society to build a more sustainable future.

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