



## Version Control

Version	Date	Author	Changes/Modifications	Approved by	Date Approved
1.0	Oct 23	Kyle Debono	In line with Regulations and MFSA Guidelines.	BOD	Oct-23

### No consideration of adverse impacts of investment decisions on sustainability factors

In line with Regulation (EU) 2019/2088<sup>1</sup> on **Sustainability-related disclosures in the financial services sector (“SFDR”)**, Medina Asset Management Limited (“the Company”, or “Medina”) falls within the scope of this Regulation and is required to disclose a decision as to whether it does or does not consider Principle Adverse Impacts (“PAIs”) of investment decisions on sustainability factors. PAIs are understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors.

Furthermore, the Commission Delegated Regulation (EU) 2022/1288<sup>2</sup>, supplementing Regulation (EU) 2019/2088 obliges firms like Medina that do not consider adverse impacts of their investment decisions on sustainability to disclose accordingly. Medina, does not consider the PAIs when taking investment decisions together with the impact these might have on the return it offers to its Shareholders in relation to sustainability factors. This is mainly due to the small size and low complexity of the business of Medina, the type of assets which it includes in its investment process and the initial feedback received from its clients. Moreover, the current data available on sustainability information is limited and not that comparable as the rules and regulations governing this area are still in their infancy and market participants are still refining their processes in line with such rules and regulations.

Medina would like to point out that this stance may change in the future depending on the development and availability of sustainability related information, the type of assets managed under the discretionary portfolio management mandates, the investment objective of the investment portfolios managed and client preferences. Another important factor which will allow Medina to start considering sustainability factors is the amount of relevant historical data that is available to assess the effects of sustainability risk on the investment returns. In any case, Medina shall ensure that the relevant precontractual documentation made available to any potential client clearly indicates that Medina currently shall not consider sustainability risks as part of its investment management process. It shall include a clear and concise explanation of its reasons for this.

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<sup>1</sup><https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R2088>

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R1288&qid=1696504310283>