

Investment Portfolios

Product name: CBL Asset Management Clients` Investment Portfolios



the manner in which sustainability risks are integrated into investment decisions

The Company manages sustainability-related factors indirectly since portfolios tend to hold a minuscule amount of voting rights in the final underlying financial instruments. This is done by mostly allocating to third party investment managers who are either UN PRI signatories and/or have published their sustainability-related disclosures on their websites.

For investment portfolios with mandates to have a minimum amount of sustainable investments there is regular monitoring to verify that the investments classify as either funds under SFDR articles 8 or 9, or, in the case of individual securities, their Sustainalytics ESG Risk Score is either Negligible, Low, or Medium.

The investment decision process is also governed by the Company's Sustainability and Engagement Policy, available at

https://www.cblgroup.com/files/policy/ilgtspejas_un_iesaistisanas_politika_en.pdf



the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products

The Company shares the view that by integrating the ESG factors in asset management, the return on investment grows or the impact is neutral at a lower overall risk level, as demonstrated by academic research as well.

Based on the internal materiality assessment of risks the Company considers that the ESG risk materiality in this product is below average, and other underlying risks might have higher impact on the return of this financial product.



considering principal adverse impacts on sustainability factors

The Company is closely monitoring the ongoing changes in market practices, regulation and data availability enabling systematic assessment of principal adverse impacts that investment decisions have on climate and other environment-related issues and in the field of social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

Unfortunately, there is still lack of quality, systematic data regarding these issues within the investment universe where the company is mainly operating; as well as, limited human resources to provide meaningful consideration of sustainability adverse impact of investment

decisions on sustainability factors. The reasons mentioned above do not allow incorporating the principal adverse impacts in management process.