



DISCLOSURE BY HOLD ASSET MANAGEMENT LTD**REGARDING THE INTEGRATION OF SUSTAINABILITY RISKS INTO THE
INVESTMENT DECISION MAKING PROCESSES****– ARTICLE 3 OF THE SFDR REGULATION –**

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1. General provisions

HOLD Asset Management Ltd (registered office: H-1123 Budapest, Alkotás u. 50.; Company registration number: 01-10-044222; LEI code: 549300H60Y2DUDX1VM52) (hereinafter: “**Asset Management Company**” or “**HOLD**”) pays special attention to the basic requirements of environmental protection, social responsibility, and responsible corporate governance in the course of its operation. HOLD is aware of the challenges posed by climate change.

The fight against these challenges called into life – among other things – the Paris Agreement adopted under the UN Framework Convention on Climate Change and approved by the European Union on 5 October 2016 (“**Paris Agreement**”). The Paris Agreement is designed to enhance the response to climate change, in connection with sustainable development and the efforts to eradicate poverty, including the goals to:

- hold the increase in the global average temperature to well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels;
- improve the capacity to adapt to climate change by enhancing the resilience to climate change and supporting low greenhouse gas emissions, without endangering food production; and
- to establish consistency between the flow of financial funds and the efforts to lower greenhouse gas emissions and to enhance resilience to climate change.



2. Integration of sustainability risks into the investment decision making processes

The European Parliament and the Council adopted Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector on 27 November 2019¹ (hereinafter: "SFDR") against this background.

Among other things, the SFDR requires the financial market players – thus HOLD – to publish information about their policies on the integration of sustainability risks² into their investment decision making processes.

HOLD considers the management of sustainability risks as an element of the investment decision and the related risk management process. Sustainability risks are considered together with the other risk categories.

In general, sustainability risks can be significant in themselves, but they can also have an impact on other risk factors. There may be investment assets in the portfolio that are positively affected by sustainability risks and those that are negatively affected by sustainability risks.

If the sustainability risk analysis concludes that there are no sustainability risks that are relevant for the funds and portfolios managed by the Manager, the Manager shall explain its reasons. If the assessment concludes that these risks are relevant, the Manager shall disclose the extent to which sustainability risks may impact the performance of the funds or portfolios managed by the Manager, either qualitatively or quantitatively

Budapest, 15 June, 2021

HOLD Asset Management Ltd

¹ In order to ensure a high level of protection for clients and investors, the SFDR introduced a set of mandatory sustainability-related disclosure rules, aimed at achieving the following goals:

- integration of sustainability risks by the financial market players into their processes
- consideration of adverse sustainability impacts in the course of their investment processes
- transparent and comparable disclosure of sustainability information on the given financial product to enable investors to make informed investment decisions.

² 'Sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.