Non-consideration of adverse impacts of investment decisions on sustainability factors (SFDR Article 4)

In accordance with Article 4(1)(b) of the Sustainable Finance Disclosure Regulation (SFDR), Tuleva states that it does not consider adverse impacts of investment decisions on sustainability factors at company level.

Under the SFDR, financial market participants with the average number of 500 employees during the financial year are required to publish their due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors. However, Tuleva has only 13 employees. Given the size and resources of our company, we are not currently required to publish an annual Principal Adverse Impact (PAI) statement under the SFDR. Nevertheless, we are committed to adhering to the principles of sustainable and responsible investment.

We have decided not to include PAI in our investment decisions for the following reasons:

- Investment strategy: Our investment strategy involves selecting passive index funds that already incorporate ESG criteria. These funds apply rigorous ESG screening processes, ensuring that our investments meet sustainable and ethical standards without additional consideration of PAI.
- We trust the ESG filter: When we invest in index funds that meet ESG criteria, we make use of the expertise and methodologies of the managers of these funds. They have the capacity and infrastructure to assess and manage ESG risks and impacts, and indirectly address many of the concerns associated with PAI reporting.
- Cost-efficiency and limited resources: As a small company, we have limited resources to carry out the in-depth data collection and analysis required for a comprehensive PAI statement. The costs associated with this process can be significant. Keeping costs low is essential to maintaining the low fees of our funds. Low fees, in turn, offer the best prospect of good long-term returns for the unitholders in our funds.

We believe that our current investment strategy effectively supports the principles of sustainable investment within our operational constraints. We will continue to follow regulatory developments and industry best practices to ensure that our investment processes are in line with our commitment to responsible investment. Tuleva analyses the situation and intends to start disclosing adverse impact indicators when it becomes mandatory.

Blackrock's statement on principal adverse impacts of investment decisions on sustainability factors can be found here.

Engagement policy

Tuleva does not apply an engagement policy. In accordance with the terms and conditions of Tuleva's funds and their model portfolios, we invest in index funds. Tuleva has no voting rights with regard to the investments made by the index funds. Nor do Tuleva's customers have any direct voting rights with regard to the composition of the model portfolio. Tuleva's model portfolios are approved by the Supervisory Council.