

Bridge Fund Management Limited

Integration of Sustainability Risks on Investment decision making process

Covale UCITS ICAV

EU Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation ('SFDR') entered into force on 10 March 2021. The Regulation requires managers to better inform end-investors with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, as applicable.

This document specifically addresses Article 3 of SFDR: "Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process."

Sustainability-Related Investment Risk

Sustainability-related investment considerations may be based on issuer disclosures or third-party information sources that are forward looking statements of intent and not necessarily fact-based or objectively measurable. This lack of uniformity and objective metrics can lead to missed opportunities or miscalculations as to the realised future impact of perceived positive and negative sustainability factors on issuer fundamentals, leading to poor investment outcomes.

Due to sustainability-related investment considerations or parameters set for a Fund, the Investment Manager may be less inclined or unable to invest in certain issuers that provide positive financial returns. The ICAV, the Directors, Manager, the Investment Manager, any the Sub-Investment Managers, and their respective officers, directors, employees, affiliates, and agents make no express or implied representations or warranties regarding the accuracy, completeness, effectiveness, fairness, or fitness for a particular purpose with respect to any Fund's assessments, negative screens, integration or engagement activities.

The integration of these Sustainability Characteristics and risks could have a positive or negative impact on the performance of a Fund.

Sustainability Risk

If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment. Sustainability risks may be risks in their own right, or may be combined with/exacerbated by or may contribute to other risks affecting the Fund(s), including market risks and data risks.