

## **Principal Adverse Impacts Statement**

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CQS (UK) LLP is a Financial Market Participant as defined in EU Regulation 2019/2088 (“SFDR”). Under Article 4 of the SFDR, Financial Market Participants are required to state whether they consider the potential adverse impacts of their investment decisions on the sustainability factors set out in the SFDR. CQS is supportive of the intention of the principal adverse impacts regime. Having considered the requirements of the SFDR, and the proposed Level 2 Regulatory Technical Standards alongside the level of data currently available to financial market participants, issuance of the reporting at this time could potentially reduce clarity and transparency of our funds’ sustainability practice through making disclosures without sufficient underlying data. CQS does not currently take into account the adverse impacts (as set out in the SFDR) of its investment decisions and reporting on sustainability factors. The Level 2 Regulatory Technical Standards are due to come into effect on 1 January 2023. In the 12-month period leading to this date CQS is working with third party providers of market data to prepare suitable reporting relevant to principal adverse impacts. Accordingly, CQS intends to be in a position to consider the adverse impacts of its investments on sustainability factors once the Level 2 Regulatory Technical Standards come into effect. Further information about our ESG commitments can be found here [www.cqs.com](http://www.cqs.com) and in our publicly available Responsible Investment Policy.