

SFDR classification ensures iMGP - US Value joins Europe's sustainable investing vanguard

Paris, Los Gatos California - February 3, 2022. The iMGP - US Value fund, managed by Scharf Investments, Partner of iM Global Partner since 2019, has been classified as Article 8 under the European Union's Sustainable Finance Disclosure Regulation 2019/2088 (SFDR).

Europe has blazed a leading trail with the implementation of SFDR and of the EU Green Taxonomy Regulation 2020/852, that set up a unified standard for its own principles and common language. Achieving this classification means iMGP - US Value fund joins European-based asset management strategies at the vanguard of ESG investing.

Eric Lynch, Managing Director of Scharf Investments said: "Asset managers outside of the EU must weigh up how their strategies measure and disclose ESG criteria in line with the SFDR, if they are to appeal to European investors and stay in line with regulation. Article 8 classification demonstrates that we are on the right side of the regulatory curve, while reflecting how much we value integrating the highest standards of ESG practices into our investing process."

For nearly 40 years, Scharf Investments has integrated extra-financial considerations into the work they do to preserve and grow capital for institutional and individual investors.

Since the firm was founded amidst the redwood trees of California's Central Coast, their investment process has focused on **quality**—specifically, sustainable earnings over an economic cycle—and **risk mitigation**—modeling downside risk as much as upside returns and demanding a spread between value and price. While demand and interest in ESG in the US has lagged the demand in Europe, Scharf Investments is among a short list of US investment managers that has started to align their investment approach with client-driven values since the 1980s.

Unlike many other ESG-focused funds, the managers have decided not to establish a specific ESG team in-house. Rather all members of the investment team will take into account ESG considerations as part of their usual work.

Eric Lynch explained: "We do not believe ESG research considerations should be primarily reviewed by a dedicated ESG research team. Given our strategy, we believe it is more effective and holistic to fundamentally integrate ESG into each step of the research and portfolio management process."

"The covering analyst leads research on company-specific ESG risk and leverages our ESG Committee for assistance. The ESG Committee focuses on corporate and industry ESG trends, best practices, and issues."

Another differentiating feature of the fund is that its main extra-financial focus will be the ‘carbon score’ metric.

“Historically, the investment team’s predilection for high earnings predictability and sustainable businesses has resulted in portfolios with relatively lower carbon risk measures. The investment team constructs portfolios with compelling aggregate Carbon and ESG Risk Scores. Specifically, the team seeks to construct a portfolio with a Carbon score lower than 10 on a scale from 0 (negligible) to 50+ (severe).”

Philippe Uzan, Deputy CEO, CIO Global Asset Management commented: “iM Global Partner has been working hard with its US Partners to bring them up to speed on European regulations around environmental, social and governance criteria. This announcement demonstrates the strength of our Partners’ convictions on the benefits of ESG investing.”

Eric Lynch, added: “We have been committed to impact investing since our firm’s inception and have aligned the responsible interests of our clients with our sustainable investment approach.”

“We believe buying high quality companies at compelling valuations is foundational to long-term investment success. Combined with our focus on quality and risk mitigation, we believe this creates portfolios of sustainable businesses with compelling Carbon and ESG Risk scores.”

“Doing so requires an integrity of our investment process, our people, and our actions. In investments as in life, there are no shortcuts over a long arc.”

The EU’s **Sustainable Finance Disclosure Regulation (SFDR)** legislation, in force since March 10, 2021 was created to increase transparency in how asset managers integrate sustainability risks and opportunities into their investment decisions and recommendations.

About iMGP Funds

iMGP Funds seeks to bring high-quality portfolio managers from around the globe to financial advisors, consultants, institutional clients, and individual investors. iM Global Partner’s mission is to find distinct strategies in asset classes that it believes offer the best opportunity to add value through active management. In most cases, the strategies that iM Global Partner brings to the market are not available through any other managed fund. The iMGP range is a UCITS SICAV with multiple sub-funds, created in 1996 and regulated by the CSSF. The SICAV is managed by iM Global Partner Asset Management, with the objective to appoint best-in-class fund managers to deliver high quality strategies into 18 iMGP compartments currently delegated to 12 different asset managers



About iM Global Partner

iM Global Partner is a worldwide asset management network. It selects and builds long-term partnerships with talented and independent asset management companies through direct capital ownership. iM Global Partner is present in 16 locations across Europe and the United States and provides its clients with access to the best management strategies of its Partners. It represents over US\$38 billion of assets under management as of December 2021.

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About Scharf Investments

Established in 1983, Scharf Investments is an independent and employee-controlled global asset and wealth management organization with \$3.9 billion in assets under management as of December 31, 2021. Through its time-tested investment process designed to identify high-quality and sustainable companies for client portfolios that will provide downside risk mitigation and outperform over the course of a market cycle, the firm partners with individuals, institutions, and intermediaries.

www.scharfinvestments.com

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