

Information on the ‘no consideration’ of principle adverse impacts of investment decisions

1. The AIFM and legal framework

Pancura (hereinafter “the AIFM”) is an alternative investment fund manager authorised pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers (hereinafter “AIFM Law”).

Within the scope of its regulatory authorisation, the AIFM manages funds that qualify as alternative investment funds (hereinafter “AIF” or “alternative investment funds”).

1.1 Sustainability-related disclosures in the financial services sector

On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (hereinafter “SFDR”) was published and entered into force on 10 March 2021.

The main objective of the SFDR is to create transparency on

1. how sustainability risks are considered in the management of AIFs; and
2. if principal adverse impacts of investment decisions on sustainability factors (“comply or explain”) are considered in the management of AIFs.

These transparency requirements apply in principle to both, the AIFM as well as the alternative investment funds managed by the AIFM.

2. Purpose of this document

This statement explains the AIFM’s decision not to consider principal adverse impacts (hereinafter “PAIs”) of investment decisions on sustainability factors for the time being.

Due to the delayed provision of the final draft of the “Final Report on draft Regulatory Technical Standards” with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a (3), Article 4(6) and (7), Article 8(3), Article 9(5), Article 10(2) and Article 11(4) of Regulation (EU) 2019/2088” (the “RTS”) to the European Commission and the subsequently delayed entry into force as well as the resulting uncertainty regarding the practical implementation of the SFDR requirements related to the consideration of PAIs, the AIFM has not yet implemented a systematic assessment of principal adverse impacts of its investment decisions within the meaning of the SFDR.

The AIFM, together with the Investment Advisor/delegated Portfolio Manager, may not always be able to quantify/qualify/assess all of the adverse impacts of its investment decisions on sustainability factors, mainly due to the lack of availability of harmonized, consistent and reliable data. As of today, the AIFM, together with the Investment Advisor/delegated Portfolio Manager, continues to review and analyze its obligations with

respect to whether it considers principal adverse impacts of investment decisions on sustainability factors as set out in Article 4 of the SFDR. In particular, the AIFM, together with the Investment Advisor/delegated Portfolio Manager, awaits further consultation and/or guidance on the Level 2 regulatory technical standards (the “RTS”) as well as the publication of the final RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to Articles 4 and 7 will be made taking into account the deadlines of the SFDR and similarly any disclosures will be included in a future version of the AIFs pre-contractual information, as required.

The policies and procedures of the AIFM have already been updated to reflect sustainability factors, especially the Code of Conduct, the Remuneration Policy and the Risk Management Procedure.

3. Policy review

This policy will be reviewed and updated annually, and on an ad hoc basis in case of relevant changes to the organizational structure of the AIFM, in case of amendments to the regulatory framework governing this policy or if otherwise deemed necessary.

The AIFM expects to perform its first review as of 01 January 2022, before the Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a (3), Article 4 (6) and (7), Article 8 (3), Article 9 (5), Article 10 (2) and Article 11 (4) of the SFDR shall be applied.

Johannes Reis (Policy Owner)/ Board of Directors (Validation body)

Luxembourg March 10, 2021