

## **IQ EQ Fund Management (Luxembourg) S.A.**

### **SFDR Disclosures**

IQ EQ Fund Management (Luxembourg) S.A. ("IQEQ FM") is an authorised Alternative Investment Fund Manager supervised by the *Commission de Surveillance du Secteur Financier* and manages Alternative Investment Funds ("AIF") investing in a broad range of illiquid investments under different investment strategies.

IQ EQ FM makes the following disclosures in accordance with the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR").

#### **Definitions:**

**"Sustainability risk"** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

**"Financial Market Participant"**: entities which manufacture the financial products, including AIFMs.

**"Financial Advisers"**: entities providing investment or insurance advice.

#### **No consideration of sustainability adverse impacts**

IQEQ FM does not consider, in the manner prescribed by Article 4 of the SFDR, the adverse impacts of investment decisions on sustainability factors (PAI) reported on behalf of the AIFs under management, including compartments of AIFs.

After consideration of the PAI framework, the AIFM has determined that the aggregation of investment strategies and approaches to sustainability risk integration of the delegated investment managers' PAI reporting (where available) brings no value to its stakeholders due to the vast range of investment strategies and approaches to sustainability risk integration of these relevant investment managers.

In addition, IQ EQ FM considers that non-financial data is still not available in satisfactory quality and quantity to allow it to adequately assess the potential adverse impact of its investment decision on sustainability factors.

IQEQ FM will formally re-evaluate this decision on a periodic basis.

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### **Description of the SFDR methodology**

IQEQ FM undertakes to offer selected investment strategies that, over time, promote and/or favor certain environmental and socio-economic characteristics or, in general, avoid exposure to investments with clearly unfavorable environmental and socio-economic characteristics.

IQEQ FM may classify those AIFs under Article 6, Article 8 or Article 9 of the SFDR, depending on the specific characteristics of the products as further described below.

At the elaboration stage of the AIF's investment objective and policy ("IOP"), or whenever this IOP is materially reviewed, IQEQ FM conducts a methodical and ongoing review of the descriptions of the promoted characteristics, the methodologies used to assess, measure and monitor them, the way in which the applicable law and regulations expect the characteristics to be fulfilled and the related background information is provided on the pages of the website dedicated to each of the Funds, as well as the minimum standards required with respect to pre-contractual disclosure.

IQEQ FM assess on a regular basis the performance of the applied investment strategy towards the promoted characteristics and taking into consideration inherent characteristics of respectively art. 8 and art. 9 funds.

### **Remuneration policy**

IQ EQ FM's remuneration policy meets the requirements of the established European Securities and Markets Authority (hereinafter ESMA), through the ESMA/ 2013/ 201 and ESMA/ 2013/ 232 guidelines and of the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by ESMA under document number ESMA/2016/411, in addition of the requirements of the Luxembourg AIFM Law of July 12, 2013 (the AIFM Law) are implemented.

In this regard, IQ EQ FM remuneration policies do not encourage risk-taking which is inconsistent with its internal risk limits or with the risk profile of the funds that IQ EQ FM manages, including regarding sustainability risks stemming in particular from climate-related events or from the society's response to climate change.

Furthermore, and pursuant to Article 5 of SFDR, the AIFM's remuneration policy is consistent with the integration of sustainability risks through ensuring that when considering an individual's remuneration, and in particular, variable remuneration, the following factors are taken into consideration:

- the individual's contribution to the implementation of IQ EQ Fund Management's sustainability initiatives and/or at the IQ EQ group level (as applicable);

whether that individual has demonstrated sound and effective risk management behaviour in relation to sustainability risks.

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