

# Sustainability Risk Policy – Disclosure Statement

June 2023

This disclosure statement clarifies how G10 Capital Limited (“G10 Capital”), in accordance with Article 3 of Regulation 2019/2088, approaches sustainability-related disclosures as part of its business as an Alternative Investment Fund Manager (“AIFM”). G10 Capital is required to publish information on its website with regard to its policies on the integration of sustainability risks in its investment advice or decision-making processes.

G10 Capital is an AIFM authorised and regulated by the Financial Conduct Authority in the United Kingdom and manages a broad range of liquid and illiquid investments under different investment strategies. In addition to providing services under the Alternative Investment Fund Managers Directive (“AIFMD”) G10 Capital also provides portfolio management services under the Markets in Financial Instruments Directive.

## 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.

## Principal Adverse Impacts

G10 Capital does not consider, in the manner prescribed by Article 4 of the SFDR, the adverse impacts of investment decision on sustainability factors (“PAI”) reported on behalf of the AIFs under management, including compartments of AIFs.

After consideration of the PAI framework, G10 Capital has determined that the aggregation of investment strategies and approaches to sustainability risk integration of the delegated portfolio 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 portfolio managers. In addition, G10 Capital 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.

G10 Capital will formally re-evaluate this decision on a periodic basis.

## Description of the SFDR Methodology

G10 Capital undertakes to offer selected investment strategies that, over time, promote and/or favour certain environmental and socio-economic characteristics or, in general, avoid exposure to investments with clearly unfavourable environmental and socio-economic characteristics. G10 Capital 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, G10 Capital 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. G10 Capital assesses 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**

G10 Capital's remuneration policy meets the requirements as set out in the FCA's Handbook SYSC 19B, ESMA guidelines on sound remuneration policies under the AIFMD and the FCA's finalised guidance in relation to the principles and proportionality of remuneration policies for AIFMs.

G10 Capital's remuneration policy does not encourage risk-taking which is inconsistent with its internal risk limits or with the risk profile of the funds that G10 Capital manages, including regarding sustainability risks stemming in particular from climate-related events or from society's response to climate change.

In addition, G10 Capital's remuneration policy is consistent with the integration of sustainability risks through ensuring that when considering an individual's remuneration, factors such as the following are taken into consideration:

- the individual's contribution to the implementation of G10 Capital's sustainability initiatives; and
- A qualitative assessment as to whether the individual has demonstrated sound and effective risk management behaviour in relation to sustainability risks.