

# G10 Capital Limited

## 28 February 2025

### Sustainable Finance Disclosures Regulation (“SFDR”) Entity Disclosure

This Disclosure statement clarifies how G10 Capital Limited (“G10” or the “Firm”), in accordance with Article 3 of Regulation 2019/2088, approaches sustainability-related disclosures as part of its business, G10 is a full scope Alternative Investment Fund Manager (“AIFM”) with MiFID ‘top up’ permissions, authorised and regulated by the Financial Conduct Authority (“FCA”) (Firm Reference Number, “FRN”, 648953).

In the course of its business and its FCA authorisation, G10 provides:

- A regulatory hosting platform, as a Principal Firm, for a number of Appointed Representatives (“ARs”), some of whom provide investment advice;
- Discretionary investment management on behalf of clients (“Clients”), where the Firm is appointed as a portfolio manager or delegated portfolio manager to funds; and
- Alternative Investment Fund Manager (“AIFM”) services to Alternative Investment Funds (“AIFs”).

The ARs, Clients and AIFs above are classed as Serviced Entities.

G10’s business model can be characterised as follows in the context of this Disclosure requirements:

- The Firm is an AIFM or a discretionary manager to both liquid and illiquid portfolios of investments managed by small investment management teams (“Investment Teams”) acting under its authorisation and working independently of each other, with diverse investment strategies and objectives;
- These Investment Teams are at an early stage of their growth. Portfolios are often managed for short periods for this reason; and
- Some AIFs are marketed in the EU and some other Serviced Entities may provide portfolio management services or investment advice in the EU.

**G10 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, where its services are provided in the EU.**

#### 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 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 has determined that the aggregation of investment strategies and approaches to the integration of sustainability risk with respect to 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 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 will formally re-evaluate this decision on a periodic basis.

### **Description of the SFDR Methodology**

G10 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 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 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 assesses on a regular basis the performance of the applied investment strategy towards the promoted characteristics and taking into consideration inherent characteristics of respectively Article 8 and Article 9 funds.

### **Remuneration**

The Firm is part of an Investment Firm Group ("IFG"), comprising IQEQ Group's regulatory hosting business, which includes another FCA authorised and regulated firm, Sapia Partners LLP, and in this context a service entity that employs c50 individuals directly ("Employees"). The Senior Management Function ("SMF") holders who are employed by IQEQ Group, but seconded to the IFG, are also classed as Employees.

A number of individuals are seconded ("Secondees") into the Firm's business on an ongoing basis, to manage monies under the Firm's MIFID and AIFM permissions.

Secondees and the Employees are referred to, collectively, as Staff in the context of the Firm's Remuneration Policy ("Policy"). The remuneration of all Staff involved with regulated activities performed by the Firm, have been considered in the Firm's Policy.

Due to the scope of its regulatory permissions and associated activities, G10 is subject to both the 'AIFM Remuneration Code' (based on AIFMD and incorporating ESMA guidelines on sound remuneration policies) and 'MIFIDPRU Remuneration Code'. The Firm considers that the MIFIDPRU Remuneration requirements, for SNI MIFIDPRU investment firms, are in general less demanding than the requirements under the AIFM Remuneration Code. Under SYSC 19G.1.20 R of the FCA Handbook, a firm such as G10, which is subject to multiple remuneration codes, with provisions imposing different remuneration requirements, only one of which can be complied with, must comply with the most stringent of the relevant provisions.

As all Employees are associated with both MIFID and AIFM activities, the Firm complies with the most stringent provisions in the AIFM Remuneration Code with regard to Employees. All Secondees who work exclusively on MIFID business are subject to the MIFIDPRU Remuneration Code while all other Secondees who work on both types of business are subject to the AIFM Remuneration Code.

The Firm has in place a Remuneration Policy (“Policy”) which has been approved by its governing body in the form of its Board of Directors. The Policy’s overarching aim is the promotion of sound and effective risk management, whilst reducing conflicts of interests and encouraging good conduct amongst Staff.

The purpose of the Policy is to set out how the Firm provides remuneration in a manner that is consistent with the relevant remuneration codes outlined above. The main objective of the financial incentives is to attract, motivate and maintain high-calibre Staff.

The Policy has been designed to ensure consistency with the risk profiles, rules and instruments of incorporation of the funds and managed accounts and with the objectives set out in the Firms’ business plan as well as to ensure that there is no conflict of interest between Staff and investors, as well as compliance with the FCA’s Conduct of Business rules.

In seeking to encourage risk-taking which is inconsistent with its internal risk limits or with the risk profile of the funds and portfolios that G10 manages, each Staff member’s approach with respect to sustainability risks stemming in particular from climate-related events or from society’s response to climate change are considered.

The Firm considers the factors below, which integrate sustainability risk, in its approach to remuneration for all Staff:

- G10 and the IFG’s overall regulatory capital and liquidity position;
- The maintenance of an appropriate surplus of regulatory capital and liquidity which is consistent with the IFG’s risk appetite;
- The performance of individual Staff members with respect to quantitative financial metrics;
- Each Staff member’s contribution to the implementation of G10’s sustainability initiatives;
- A qualitative assessment as to whether the Staff member has demonstrated sound and effective risk management behaviour in relation to sustainability risks;
- Assessment of the performance of personnel against non-financial metrics, such as good conduct; and
- The performance of the Firm and the IFG as a whole.

All remuneration payments take the form of cash payments.