

# SUSTAINABILITY DISCLOSURES

## PURSUANT THE EU SUSTAINABLE FINANCE DISCLOSURE REGULATION (2019/2088) OF THE EUROPEAN PARLIAMENT

AlphaGrep UK Limited (“AlphaGrep”) is authorised and regulated by the UK Financial Conduct Authority (“FCA”) as a collective portfolio management investment (“CPMI”) firm and shall serve as an alternative investment fund manager for one or more alternative investment funds (each, a “Fund”).

The disclosures below explain the details of how AlphaGrep complies with the disclosure requirements in accordance with the European Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

### Policies on the Integration of Sustainability Risks

Under SFDR, “sustainability risk” means an environmental, social or governance (“ESG”) event or condition that has the potential to have a material negative impact on the value of an investment if it occurs.

AlphaGrep recognises that a sustainable and responsible investment strategy adds to the long-term value creation for all stakeholders and is, accordingly, exploring the feasibility of incorporating methodologies and practices related to sustainability considerations into its models and strategies. Although AlphaGrep does not currently have sustainability-specific guidelines in place, its investment professionals are increasingly aware of sustainability considerations as both a risk factor and a potential source of alpha and certain strategies deployed by AlphaGrep may incorporate ESG factors as part of their investment approach. The extent to which AlphaGrep considers sustainability risks in its investment management activities varies from strategy to strategy and there is no standardised approach to integrating sustainability risks across all Funds it manages.

### No consideration of adverse impacts of investment decisions on sustainability factors

SFDR requires firms to make a “comply or explain” decision whether to consider the Principal Adverse Impacts (“PAIs”) of its investment decisions on sustainability factors, in accordance with a specific regime as outlined in SFDR. AlphaGrep has decided not to comply with the SFDR PAI regime at an entity level in relation to all of its investment decisions. AlphaGrep is therefore required to publish and maintain on its website a statement to explain its reasons for not complying with the PAI regime in SFDR and information as to whether and, if so, when AlphaGrep intends to comply with the regime.

AlphaGrep has carefully evaluated the requirements of the SFDR PAI regime in light of the types of Funds that it makes available. AlphaGrep notes that its investment strategies and client relationships do not support the consideration of the PAI across

all of its investment decisions as the consideration of PAI will depend specifically on the investment strategy for a particular Fund.

AlphaGrep will keep its decision not to comply with the SFDR PAI regime under review and will formally re-evaluate the decision periodically.

### **Integration of Sustainability Risks in Remuneration Policies**

Both financial and non-financial criteria are considered when setting staff variable remuneration. This may include but is not limited to, the performance of a portfolio or AlphaGrep as a whole. To the extent the performance of a portfolio or AlphaGrep as a whole is impacted by sustainability risk factors, this may in turn be reflected in staff variable remuneration.