

BYRON

CAPITAL PARTNERS

ESG SUSTAINABILITY RISK POLICY

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1. INTRODUCTION

Byron Capital Partners Ltd (hereinafter, the “Company”) operates as an Alternative Investment Fund Manager (“AIFM”) and as a UCITS Management Company, authorized and regulated by the Cyprus Securities and Exchange Commission (hereinafter, “CySEC”) with license number AIFM 13/56/2013.

Within the scope of its regulatory authorisation by CySEC, the Company manages Alternative Investment Funds and UCITS Funds (hereinafter, “Funds”).

2. APPLICABLE REGULATION AND INTERPRETATION

The Regulation (EU) 2019/2088 as amended by Regulation (EU) 2020/852 on sustainability-related disclosures in the financial services sector (hereinafter “SFDR”) requires financial market participants to disclose information on the integration of sustainability risks in their investment decision-making process (Article 3 SFDR).

As defined by the SFDR a sustainability risk is 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 the investment.

The Company acknowledges the impacts which sustainability risks may impose on the funds managed and the assets held by the funds and therefore considers the integrated approach outlined in this policy as strengthening its fiduciary duties towards the investors of the funds managed.

The document was developed in line with and to comply with the requirements set by Article 3 SFDR.

3. ORGANIZATIONAL STRUCTURE OF THE COMPANY

Portfolio Management Function

The Portfolio Management function may be either performed in-house by the Company or may be delegated to external parties. In both cases the final responsibility for the Portfolio Management function stays with the Company. When performing the Portfolio Management function, the Company may seek the support of external Investment Advisors who identify and propose potential target investments to the Company. All investment proposals by external Investment Advisors are duly assessed by the Company as Portfolio Manager and only executed after a positive vote on the proposal by the Company’s Investment and Risk Committee.

In cases where the Company delegates the Portfolio Management function to external parties, the Company ensures through a robust due diligence and monitoring process the capabilities and service quality of the delegates, including the integration of the sustainability risks as required.

Risk Management Function

The Company is responsible for a proper risk management of the Funds it manages. Therefore, the

Company has established a risk framework to constantly monitor the risk exposure of the Funds. Additionally, the Risk Management function is, inter alia, responsible to define the risk profiles of the Funds which define specific risk thresholds for each Fund. The thresholds may vary depending on the individual risk appetite of each Fund.

4. SUSTAINABILITY RISKS

Sustainability risks can either represent a separate risk category or have a reinforcing effect on other risk categories relevant to the Fund, such as market risk, liquidity risk, credit risk or operational risk and as such can substantially contribute to the overall risk of the Fund.

Insofar as sustainability risks materialize, they may have a significant impact on the value and/or return of the assets concerned up to a total loss. Such effects on the asset(s) can negatively influence the overall return of the Fund.

By taking into consideration sustainability risks, it is the aim of the Company, together with the Investment Advisor/delegated Portfolio Manager, to identify the possible occurrence of these risks at an early stage and to take appropriate measures to minimize the impact on the affected asset(s) or the overall portfolio of the Fund.

The sustainability aspects that can have a negative impact on the return of the Fund are divided into environmental, social and governance aspects (hereinafter "ESG"). While environmental aspects include e.g. climate protection, social aspects include e.g. compliance with workplace safety requirements, the consideration of compliance with employee rights and data protection are among the components of the governance aspects. In addition, climate change aspects are also considered, including physical climate events or conditions such as heat waves, rising sea levels and global warming.

5. SUSTAINABILITY RISK APPROACH

Depending on its role, the Company has implemented internal processes to assess sustainability risks of potential target investments in case the Company holds the Portfolio Management function itself, as well as a process to continuously monitor the risk exposure of a Fund throughout its lifecycle.

The ongoing monitoring is performed by the Risk Management function.

To effectively monitor sustainability risks, the Company identified specific risk aspects to be considered in the monitoring of each relevant Fund which are based on the investment strategy and target investments to be acquired by the Fund.

Additionally, the Company expands the existing risk profiles of each relevant Fund with sustainability related risk provisions. In case the overall sustainability risk exposure of a Fund is above the provisions set as per risk profile, it will be directly reported to the responsible Risk Manager as well as to the responsible Portfolio Manager.

6. SCOPE OF PRODUCTS

The Company identified all open-ended Funds, as well as Funds for which a subscription period is still ongoing, as relevant.

7. DOCUMENT REVIEW

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