

SFDR Article 8 – Website Disclosures Sections based on Articles 23 to 36 SFDR Delegated Regulation (EU) 2022/1288

QCG SPECIAL OPPORTUNITIES FUND (the “Fund”)

Legal entity identifier: 254900A0AB7Y8KBQE460

Sustainability-related disclosures

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Investment strategy

Subject to the investment restrictions, the Fund has a geographical focus primarily in Greece and Cyprus and will mainly invest in:

a) loans held by financial institutions that are in default or close to default, which are secured by Real Estate and, to a lesser extent, portfolios of unsecured loans (collectively “NPLs”);

b) Real Estate; and

c) Special situations stemming from the financial crisis, the resulting >€140 billion of NPLs, and the economic and social transformation taking place since the financial crisis (“Special Situations”).

The fund is already active and at the time of assessment it has proceeded with investing in Green Energy Group, a group of companies operating in the renewable energy sector involved in the production and selling of electricity, in addition to the installation of solar power panels and is expected to maintain this investment for the years to follow.

Environmental characteristics of the financial product:

The environmental criterion that will be taken into consideration during the investment process is the energy consumption of the real estate assets that the Fund is targeting for investment. Once a real estate asset is acquired, the Fund will aim to improve its energy efficiency and seek to obtain an Energy Efficiency Rating where possible.

Proportion of investments

Until 31 December 2022, the Fund, did not take into account any environmental or social criteria during the investment evaluation process. The existing investment that can be classified as having met the environmental characteristics set above is the investment in Green Energy Group. As of 1 January 2023, it is envisaged that approximately 30% of the total investments of the Fund will align with the above Environmental characteristics, including the existing investment in Green Energy Group (GEG) which accounts for more than 30% of the assets under management (AuM) of the Fund. The remaining 70% of the investments of the Fund, will fall under the “#2 Other” category.

Monitoring of environmental or social characteristics

Prior to any investment, the investment committee will review the energy consumption of the real estate assets it is considering for investment and the potential to improve their energy consumption via retrofitting / renovation.

On a periodic basis (at least annually) the Fund Manager will review the Fund's portfolio and investment universe to assess the energy consumption of the real estate assets it has acquired and verify that the energy efficiency of the assets has improved.

Methodologies

Each real estate asset that is an identified target for investment by the Fund, will be assessed, among others, based on its energy consumption based on expert reports and documentation received from the owners of the asset. At the same time, the potential for the asset's improvement of energy consumption will also be evaluated with the assistance of subject matter experts.

Data sources and processing

Data sources will be third party data feeds. Various third-party data sources will be used in combination with company meetings, interviews and qualitative assessment by investment managers to determine the quality and alignment of each asset with the targets of the Fund. Data will be securely stored in the Fund Manager's secure database.

Limitations to methodologies and data

The Fund Manager is dependent, to a large extent, on models and calculations being carried out by third parties. In addition, the Fund Manager may not have full visibility of the underlying assumptions. The Fund Manager is also dependent on information and data which may not be audited. Further, data quality and coverage in relation to investee companies has various challenges especially for less developed markets in this area.

Due diligence

When evaluating investments, the Fund Manager assesses the energy consumption of the real estate assets, and their potential to for improvement in this area. Investments are reviewed periodically through measurements and studies performed by external experts that the Fund Manager appoints.

During the due diligence process for the assessment of potential investments, the Fund Manager will also assess, where relevant, the good governance practices of investee companies by performing due diligence on:

- Management teams (including diversity, background checks on the CEO, CFO and Chairman and a review of the organisational structure)
- Employee relations (including key union/works council representation and potential transition issues)
- Compliance management system, anti-trust, anti-corruption, anti-money laundering, trade sanctions, export controls
- Data protection and anti-cybercrime measures.

Engagement policies

The Fund Manager believes that it is in the best interests of its clients to be responsible in its approach to investment and operates at the best of their ability to make sure that the investment goals of the fund are achieved.

Designated reference benchmark

The Fund does not have a designated reference benchmark.