

Principal Adverse Sustainability Impacts Statement (Article 4)

[effective date: 3 December 2021]

1. No consideration of sustainability adverse impacts

The Sustainable Finance Disclosure Regulation (“**SFDR**” or the “**Regulation**”) applied from 10 March 2021 (the “**Application Date**”). The Regulation requires financial market participants such as Alpha Leonis Partners AG (“**ALP**”) to provide information to investors with regards to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment.

ALP does not consider principal adverse impacts of investment decisions on sustainability factors.

ALP notes that pursuant to the Regulation, the EBA, EIOPA and ESMA (the “**ESAs**”) are mandated to develop regulatory technical standards with respect to climate and other environment-related adverse impacts, and with respect to social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (the “**RTS**”).

ALP notes further that as of the date of this Policy, the ESAs published a draft of the RTS (dated 2 February 2021), but they remain subject to adoption by the European Commission, which has requested the ESAs further develop the RTS before adoption of a single delegated act with an application date of 1 July 2022. This was announced in a letter from the European Commission to Chair of the Committee on Economic and Monetary Affairs and the President of the Ecofin Council, Council of the European Union, dated 8 July 2021.

ALP will also monitor the development and adoption of any further RTS and consider, where appropriate on a product-by-product basis, the adoption of those standards to be set out in such RTS.

2. Sustainability Factors

“Sustainability factors” are defined in Article 2 (24) of the Regulation as: “*environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters*”.

ALP will not as of the date hereof consider principal adverse impacts on sustainability factors with respect to the Investments of the Fund, for the following reasons:

- the obligations under the SFDR are novel and compliance with them (and the technical methodologies and data capture requirements) is not assured among the different portfolio managers that the Fund will invest with. As such there is no assurance that ALP will have access to clear, comparable and consistent data with which to report on principal adverse impacts of investment decisions on Sustainability Factors. ALP however is committed to working closely with its portfolio managers to develop information reporting requirements that will allow consistent reporting with respect to principal adverse impacts.

- There are still a number of uncertainties regarding this obligation, in particular because the relevant regulatory technical standards have not yet been finalised by the European Commission. ALP will continue to engage with its professional advisers as the technical standards are finalised and review its decision with regard to this obligation.

3. Review of the Statement

This Principal Adverse Sustainability Impacts Statement (Version 1) is effective as of 3 December, 2021 and will be reviewed at least once a year.