SFDR DISCLOSURES

Disclosures pursuant to Articles 3, 4 and 5 of the EU Sustainable Finance Disclosure Regulation (2019/2088) (SFDR)

Sustainability-related disclosures

As Serone Capital Management LLP (the "**AIFM**") manages certain alternative investment funds (the "**Funds**") that have been registered for marketing under the Alternative Investment Fund Managers Directive (2011/61/EU) (the "**AIFMD**") in one or more member states of the European Economic Area ("**EEA**"), the AIFM is required by the Sustainable Finance Disclosure Regulation (Regulation 2019/2088) (the "**SFDR**") to make certain disclosures on its website, including information about the AIFMs' policies on the integration of sustainability risks into its investment decision-making processes; its approach to adverse sustainability impacts; and the consistency of its remuneration policies with the integration of sustainability risks. For these purposes, 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 the investment.

SFDR classification of funds

For the avoidance of doubt, Serone does not manage funds that promote environmental or social characteristics for the purposes of Article 8 of the SFDR (known as "Article 8 funds") and does not manage funds that have sustainable investment as their objectives for the purposes of Article 9 of the SFDR (known as "Article 9 funds"). Accordingly, Serone manages funds that are classified as "Article 6 funds" under the SFDR.

No consideration of sustainability adverse impacts

Having taking into account the size, nature and scale of its activities, and as the primary objective of the Funds is to deliver the highest risk-adjusted returns for investors in the Funds, the AIFM considers it would be disproportionate to consider adverse impacts of investment decisions on sustainability factors at this time. The AIFM therefore does not currently consider adverse impacts of investment decisions on sustainability factors. The AIFM acknowledges that the pursuit of the Funds' objectives may, in some circumstances, have an adverse impact on sustainability factors.

Policies on the integration of sustainability risks into the investment decision-making process

Sustainability risk disclosures

The AIFM's ultimate goal and duty is to deliver the highest risk-adjusted returns for our investors. The AIFM believes that responsible investment as well as environmental, social and governance ("**ESG**") considerations are a part of risk management and ultimately influence the long term performance of the Funds' investments.
In line with the AIFM's ESG Policy, when managing the Funds, the AIFM will (i) incorporate ESG factors into its investment research, analysis and risk

management; (ii) where possible encourage other market participants or businesses the Funds invest in to also incorporate ESG into their processes; and (iii) continue to monitor ESG factors and considerations within the Funds' portfolios.

The AIFM manages two primary strategies: Structured Credit Investments and European Special Situations. The following sections set out the AIFM's approach to sustainability risks within each of these strategies. In general, sustainability risks will consist of one category of risk among others taken into account by the AIFM.

Structured Credit Investments

The AIFM considers sustainability risks from both a top-down and bottom-up perspective.

The AIFM's top-down view is informed by what the AIFM believes to be the systemic impact ESG factors can have in terms of default and recoveries on the underlying assets the Fund has exposure to.

From a bottom-up perspective, the AIFM considers ESG factors at both the underlying collateral level and the security level. At the security level, the AIFM will consider the ESG approaches of the originator/manager of the structured credit product.

European Special Situations

As part of its European Special Situations strategy, the AIFM will invest in single-name mid-market corporates. The AIFM believes that ESG factors can have a significant impact on the value of the underlying business or security in which it invests. As such, the AIFM aims, wherever possible, to have intensive company interaction at both the board and management level for the business in question. The AIFM believes that this approach enables it to evaluate effectively any potential environmental or social liabilities as well as assess whether there is adequate corporate governance.

Consistency of remuneration policies

The AIFM's remuneration policy is consistent with its approach to the integration of sustainability risks into the investment decision making process. As sustainability risks are a type of financial risk, the AIFM acknowledges that failure to consider such risks could have an adverse impact on the performance of investments and the performance the Funds. Pursuant to the AIFM's remuneration policy, the AIFM awards fixed and variable remuneration to staff. Variable remuneration is awarded on a discretionary basis and takes into account the performance of an individual employee, the performance of the Funds, and the overall financial performance of the AIFM's group. Accordingly, to the extent that sustainability risks have an adverse impact on performance of the Funds, this is likely to be reflected in the overall level of variable remuneration awarded to staff.