

SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

The Sustainable Finance Disclosure Regulation ("**SFDR**") is a European regulation that requires financial market participants, like NUNC Capital Management B.V. (the "**Manager**"), who is registered with the AFM on the basis of the 'light regime' of section 2:66a of the Dutch Financial Supervision Act ("**FSA**") and financial advisers in the EU to disclose information related to Environment, Social aspects and Governance ("**ESG**"). The SFDR entered into force on 10 March 2021.

The Taxonomy Regulation establishes the basis for the EU taxonomy by setting out overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable. This regulation also contains obligations for financial products which are not marketed as green or sustainable.

In accordance with the SFDR and the Taxonomy Regulation, the Manager provides the following statements.

1. Qualification of the Funds under the SFDR and Taxonomy Regulation

The investment funds managed by the Manager (the "**Funds**") do not promote environmental and/or social characteristics ("*light-green*") within the meaning of Article 8 SFDR and the Funds do not have sustainable investment as their objective ("*dark-green*") within the meaning of Article 9 SFDR. The investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities. The Manager therefore only complies with the disclosure requirements under the Articles 3, 4 and 5 of the SFDR, as further laid down below.

2. Integration of sustainability risks in investment decision-making process

The Manager acknowledges that environmental, social or governance-related events or conditions could, if they occur, cause an actual or a potential material negative impact on the value of the investments in the Funds. The Manager views ESG as a standard topic in the pre-investment due diligence process of Portfolio Companies. Sustainability risks are therefore part of the Manager's selection and due diligence policy and the risk management policy.

3. Remuneration policy in relation to the integration of sustainability risks

The Manager's remuneration policy is consistent with the integration of sustainability risks. The remuneration of the board members and staff is not based solely on financial performance criteria; the extent to which sustainability risks have been adequately taken into account within the Manager's selection, due diligence and risk management policies is also taken into account. The remuneration policy does not encourage the taking of excessive sustainability risks and does not award variable remuneration that would conflict with the integration of sustainability risks.

4. No consideration of adverse impacts of investment decisions on sustainability factors

The Manager integrates sustainability risks in its investment decision-making process as described under 1 above. The Manager does not consider the adverse impacts of its investment decisions on sustainability factors in accordance with Article 4(1)(a) SFDR. Therefore, the Manager does not prepare an annual "principal adverse sustainability impacts statement" ("**PAI-statement**"). This is mainly based on the following reasons:

- The Funds do not promote environmental and/or social characteristics, nor do the Funds have sustainable investment as their objective. Therefore, it is not meaningful to measure the possible impact of investment decisions in these areas.
- The Manager does not exceed the average of 500 employees during the financial year and is therefore not subject to the mandatory consideration of principal adverse impacts under Article 4(3) and 4(4) SFDR. Under the comply-or-explain regime of Article 4(1) SFDR, the Manager has chosen not to consider these adverse impacts, for the reasons set out in this section.
- If the Manager decided to consider principal adverse impacts of investment decisions on sustainability factors, a detailed statement would need to be prepared annually in a prescribed format, as required under the SFDR. In preparing these statements, numerous detailed requirements must be taken into account, many of which are not relevant to the type of investments the Manager includes in its portfolios. The Manager only considers it appropriate to issue a PAI-statement each year if one or more of the Funds would (i) promote environmental and/or social characteristics or (ii) have sustainable investment as their objective. In that case the investors could assess whether the planned actions to mitigate the principal adverse sustainability impacts have been taken.

The Manager may reconsider this position under different circumstances, for example where one or more of the Funds would (i) promote environmental and/or social characteristics or (ii) have sustainable investment as their objective, or where the majority of investors request a PAI-statement. Should the Manager decide to consider principal adverse impacts, it intends to do so on the basis of the indicators set out in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288, from the start of the following reference period (1 January to 31 December). At present, the Manager has no concrete plans or timeline to do so.