

Information on the Principal Adverse Impacts of Investment Decisions on Sustainability Factors

By the requirements of Regulation (EU) No. 2019/2088 (SFDR), SG Capital Partners AIFP (hereinafter – the Manager) provides information on the principal adverse impacts of investment decisions on sustainability factors.

Although the Manager considers material environmental, social and corporate governance (ESG) factors and associated sustainability risks when making investment decisions - with the aim of creating long-term value for investors and generating positive environmental, social and economic outcomes, the principal adverse impacts of investment decisions on sustainability factors are **not currently considered at the level of the Manager**, within the meaning of Article 4(1)(a) of the SFDR.

This approach is based on the following considerations:

- ***The Manager is a minor financial market participant in terms of its structure and scale of operations and is not subject to the mandatory requirements of Article 4(3) and (4) of the SFDR regarding the assessment of principal adverse impacts at the entity level.***
- ***The assessment and management of sustainability impacts are carried out at the level of the relevant financial products-alternative investment funds-where they are more relevant and can be implemented more effectively based on the specificities of each fund.***
- ***The Manager operates closed-end alternative investment funds with a fixed term; accordingly, management activities are carried out at the level of these funds (financial products), while the company-level activity itself has a relatively low impact on ESG factors. Consequently, it would not be proportionate or functional to assess the principal adverse impacts at the entity level; in fact, assessing them at the financial product level provides complete transparency, and consolidating the data would not increase transparency.***
- ***At the financial product level, the Manager applies the requirements of Article 7 of the SFDR where this is consistent with the investment strategy of the relevant fund, ensuring appropriate disclosures in pre-contractual documents and periodic reports, including the annual reports of the funds.***

The Manager will regularly review this approach in light of changes in legislation, the scale of its operations, or the investment structure of the funds under management.