



CITIGRADE CAPITAL LTD

ESG and Sustainable Finance Disclosures

1. Introduction

Citigrade Capital Ltd, (the “Company”) is a limited liability company with share capital, incorporated in accordance with the Laws of the Republic (registration number HE 339013). The Company is regulated as an alternative investment fund management company (“AIFM”) by the Cyprus Securities and Exchange Commission (“CySEC”) with license number AIFM08/56/2013.

In the framework of the entry in force of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (“SFDR”), the Company intends to ensure a clear definition of relevant factors and controls relating to sustainability risks.

The SFDR requires financial market participants to disclose additional information on the integration of sustainability risks and potential adverse sustainability impacts on an entity level. Towards this the Company must publish:

- Its sustainability risks policy (Article 3 of the SFDR),
- Information on adverse sustainability impacts (Article 4 of the SFDR), and
- Remuneration policy (Article 5 of the SFDR).

The following information is based on the current understanding of the regulatory framework in place and may therefore vary based on additional texts published by the regulators. Please contact the Company for up-to-date information on approach.

The Company is of the opinion that transparency regarding the implementation steps taken with regards to those requirements is in the best interest of the AIFs managed and the investors invested in those AIFs.

2. Sustainability risks policy

The Company acknowledges the impacts that sustainability risks can impose on the AIFs managed and considers the approach to integrate the risks stemming from sustainability issues described in this policy as strengthening its fiduciary duties towards the investors of the AIFs managed.

Detailed information on Company’s approach to integrate sustainability risks into the investment decision making process can be found in the dedicated policy which has been set-up in compliance

with the requirements set by the SFDR and which has been uploaded separately on the Company's website.

In case the Company delegated the portfolio management function to an external portfolio manager being located in one of the member states of the European Union, and the portfolio manager integrated sustainability risks in his investment decision additional information on the integration of sustainability risks into the investment decision making process (pre-trade assessment) can be found on the website of the specific portfolio manager.

For those cases, the Company fulfils its duties as AIFM by including sustainability risks in its post-trade risk assessments. However, in the case where Company delegates the portfolio management function to an external portfolio manager not being located in one of the member states of the EU, there may be no further information available on the integration of sustainability risks into their investment decision making process on the website of such external portfolio manager.

3. Information on adverse sustainability impacts

Principle adverse impacts ("PAIs") are potential adverse effects of investment decisions on sustainability factors. Sustainability factors are environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. In accordance with Article 4(1)(a) of the SFDR, the Company is obliged to take into consideration and management of adverse sustainability impacts and disclose the activities and due diligence strategies on this matter.

For the time being the Company does not consider adverse impacts of investment decisions on sustainability factors. In accordance with Art. 4(1)(b) of the SFDR, the main reason for not considering adverse impacts of investment decisions on sustainability factors at the company level is the lack of further information and data available to adequately assess the PAIs.

Where Company cooperates with duly authorized external portfolio managers being located in one of the member states of the EU who may already consider PAIs on their investment decision for the AIFs they manage; further information may be found in each AIF's relevant founding documents (i.e., prospectus or equivalent of the AIF), which can be provided by request to the Company.

Where the Company cooperates with duly authorized external portfolio managers not located in one of the member states of the EU, further information with respect to the PAIs of their investment decisions on sustainability factors might not be available.

Where the Company maintains the portfolio management internally, such PAIs on the investment decision for the AIFs managed; may be found where relevant in each AIF's relevant documentation and founding documents, which can be provided by request to the Company.

4. Remuneration policy

The Company currently does not expect to make any changes to its remuneration policy in relation to sustainability risks, as its remuneration policy does not encourage excessive risk taking, including risk taking in terms of sustainability risks.

Where sustainability based financial performance remuneration incentives exist, those will be explicit in the relevant founding documents (i.e., prospectus or equivalent of the AIF) and therefore will be bound to the AIF-specific fees and expenses schedule to which the Company will quantify, assess and monitor during the discharge of its fiduciary duties towards the AIFs' investors.

The remuneration policy can be separately provided on request by the Company.

5. Review and monitoring

The Company will monitor and review the SFDR disclosures and the Policy on an annual basis and will proceed to changes where and as needed.

Any update will be made in accordance with the regulations applicable and will be subject to the approval of the Company's Board of Directors.