ESG DISCLOSURES IN ACCORDANCE WITH SFDR

Vectis Partners is aware of its responsibilities to society with regard to environmental, social and governance ("**ESG**") matters. The transition to a more sustainable, low-carbon, resource-efficient and circular economy will affect all actors of the economy, including the companies in which the investment funds managed by Vectis Partners participate. Although no environmental or social features are promoted by the investment funds managed by Vectis Partners in accordance with Article 8 of Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector ("**SFDR**") and the Vectis investment funds do not target sustainable investments in accordance with Article 9 of the SFDR, the investment funds managed by Vectis Partners can achieve better returns by not fully ignoring sustainability factors.

1 Policy on sustainability risks

ESG-related events or circumstances may have a negative impact on the long-term valuation of the holdings of the investment funds managed by Vectis Partners. As these investment funds neither promote environmental or social characteristics nor target sustainable investments, Vectis Partners does not formally integrate a sustainability risk assessment into its decision-making process in accordance with Article 3 of the SFDR, nor does it intend to do so in the future.

That being said, a careful selection is made of sectors in which to invest. As described in the internal regulations and / or the investor agreements of the funds managed by Vectis Partners, no investments will be made in companies that are active in certain "prohibited sectors" (including sectors that pose substantial sustainability risks). For a list of these prohibited sectors per fund, please refer to the respective fund documentation.

Prior to potential investments in companies that are active in other than the "prohibited sectors", a thorough "due diligence" investigation is carried out, including compliance with ESG-related legislation. The result of this due diligence investigation is taken into account by Vectis Partners when making the final investment decision.

Furthermore, Vectis Partners is usually represented on the management bodies of the investments of the investment funds it manages, where, among other things, compliance with (ESG-related) legislation is supervised. Where possible, participatory initiatives that lead to reducing carbon emissions, contributing to a more sustainable, resource-efficient and circular economy and increasing diversity (including the representation of minorities and people with disabilities and the pursuit of gender equality) are supported.

2 Non-application of article 4 of Regulation (EU) no. 2019/2088 regarding negative sustainability effects

As described above, Vectis Partners is aware that its investment decisions and the activities of the participations of the investment funds managed by Vectis Partners can have an impact on sustainability factors. However, for the purposes of Article 4 of the SFDR, it is practically impossible for Vectis Partners to take into account the possible negative effects of the investment decisions on sustainability factors, for the following reasons:

- Vectis Partners is a small-scale investment fund manager with a limited workforce, which is one of the reasons why it is unable to determine exactly what the negative consequences of its investment decisions could be based on the different criteria set in the SFDR and the legislation to implemented of the SFDR.
- The investment funds managed by Vectis Partners participate in small and medium-sized companies that, due to their size and limited resources, are unable to provide the information necessary to accurately determine the negative impact of the investment decisions in accordance with the SFDR and the implementing legislation of the SFDR.
- The investment focus of the investment funds managed by Vectis Partners is mainly focused on sectors and geographic areas that generally have relatively limited negative impacts on sustainability.

Therefore, referring to the above reasons, Vectis Partners will not apply the procedures provided for in Article 4 of the SFDR in the future with regard to the negative impact of investment decisions on sustainability factors.

3 Integration of sustainability risks in the remuneration policy

As a small-scale manager of alternative collective investment undertakings, Vectis Partners has no obligation to have a formal remuneration policy in accordance with article 40 et seq. of the Belgian law of 19 April 2014 on alternative collective investment undertakings and their managers. As a result, sustainability risks are not integrated into the remuneration policy of Vectis Partners.