IXI Investments

IXI FUND MANAGERS LTD

Sustainability Risk Disclosures under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR")

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1. Introduction

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 (the "SFDR"), the Company as a "financial market participant" is obliged to disclose specific information regarding its internal approach on the integration of sustainability risks and the consideration of adverse sustainability impacts.

This Company has considered the following regulatory framework:

- **SFDR Regulation** (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

- **Commission Delegated Regulation 2021/1255** EU amending Delegated Regulation (EU) No 231/2013 as regards the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers.

- **Commission Delegated Regulation (EU) 2022/1288** supplementing the SFDR.

- **Taxonomy Regulation (EU) 2020/852** of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

It should be noted that the framework of SFDR applies to the financial products made available by the Company, irrespective of whether the investment strategy has an ESG focus/objectives or not. These products include the Alternative Investment Fund under management ("AIF") and managed accounts (receiving discretionary portfolio management and investment advice services by the Company).

2. Definitions

In accordance with the regulatory guidelines, the Company uses the following definitions of sustainability-related terms in its internal policies and controls:

- "Sustainable investment" is an investment in an economic activity which:
  - contributes either to an environmental objective or a social objective,
  - does not significantly harm any environmental or social objectives and
  - the investee company follows good governance practices.

- A "*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 of the value of investments.

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- The "*sustainability factors*" means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- "*Greenwashing*" is a practice where sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product or financial service. This practice may be misleading to consumers, investors, or other market participants.

3. Sustainability related disclosures

The Company's pre-contractual documentation (including the Prospectus and Offering Document and Investment Management Agreement/Disclosures), its marketing material and website are making the required disclosures on how sustainability risks are integrated into investment decisions as well as the likely impact of sustainability risks on the financial returns of the Company's financial products.

3.1 Integration of sustainability risks into the investment decision-making process

The Company's financial products do not have an ESG focus and the Company's investment strategy does not employ Sustainable Investments or integrate Sustainability Factors.

Nevertheless, the Company has integrated the assessment of sustainability risk into its internal procedures and organizational arrangements. The Company identifies, assesses and monitors sustainability risk that may arise when making investment decisions as well as on an ongoing when managing new or existing investments:

- on an ex-ante basis, as part of the investment decision-making process i.e. the Company assesses all applicable risks including sustainability risk of a new investment strategy,
- on an ex-post basis, as part of the investment strategies' ongoing risk monitoring.

The Company shall continue to analyze the portfolio instruments and the full cycle of the investment process (including the pre-investment process) to identify and monitor any arising sustainability risks which may impact the investment portfolio.

3.2 Impact of sustainability risks on the financial returns of the funds

Based on the Company's analysis of sustainability risk across various risk factors, the Company has assessed the sustainability risk on the investment portfolio of the IXI ICAV to be low and that the impact of such risks on the portfolio investment returns is not material. The low sustainability risk profile of the assets and the investment portfolio of the IXI ICAV aligns with the Company's risk aversion for sustainability risks.

3.3 No consideration of sustainability adverse impacts

The Company does not currently consider the adverse impacts of its investment decisions on sustainability factors, due to the fact that the Company's investment operations and products are focused on financial instruments that have no direct or material environmental sustainability impacts. Where there is appropriate and sufficient data available to the Company for the performance of a more adequate assessment of ESG factors into the investment decision making process of the Company's

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financial products, the Company will re-consider possible adverse impacts of its investment decisions on sustainability factors and update the relevant disclosures and policies.

Furthermore, the Company's financial products currently do not take into account the EU Taxonomy criteria (Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment) for environmentally sustainable economic activities unless otherwise stated in the relevant Offering Documents.

3.4 Remuneration

The Company's remuneration arrangements, among other things, promotes sound and effective risk management and most importantly does not encourage risk-taking (including ESG Risk and exposure to sustainability risks) which is inconsistent with the risk profile and investment objective of the Fund.

To the extent that sustainability risks have an adverse impact on performance, this is likely to be reflected in the overall level of variable remuneration awarded to staff.

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