

Sustainability Related Disclosures

Transparency of the promotion of environmental and social characteristics

Version history	Date
V.1	1 December 2022
V.2	30 April 2025

Transparency of the promotion of environmental and social characteristics

Product name (the "Fund")	LEI number
Blackstone Enhanced Global Systematic Credit Fund (Feeder)	635400R5CBUKPYQR8J37

This disclosure is made in respect of the Fund pursuant to Article 10(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022. This disclosure should not be used as a basis for a decision to invest in the Fund. Such a decision should be based on the prospectus of Blackstone Systematic Credit Ireland Fund plc and the supplement relating to the Fund, as amended, restated or supplemented from time to time (the "**Offering Documents**"). In case of discrepancy between this disclosure and the Offering Documents, the Offering Documents shall prevail. This disclosure has been prepared in good faith, but the matters referred to within do not reflect binding aspects of the management of the Fund except to the extent that they are such under the Offering Documents. Defined terms not otherwise defined have the meaning given to them in the Offering Documents.

a) Summary

The Fund invests substantially all of its assets in Blackstone Enhanced Global Systematic Credit Fund (UCITS), a sub-fund of Blackstone Systematic Credit Umbrella Fund PLC (the "Master Fund"). The investment objective of the Master Fund is to produce returns, net of fees and expenses above the performance of the Bloomberg Global Corporate Custom Weighted Index (the "**Index**").

The environmental and/or social characteristic promoted by the Master Fund is the directing of capital towards businesses that reduce long-term repricing and downside risk potential in relation to environmental and social grounds by evaluating the sustainability profile of issuers through the sustainability process, as further detailed below (the "**Sustainability Process**"). The Sustainability Process is designed to seek to mitigate the heightened risk of economic loss associated with such issuers.

The Master Fund may make one or more "sustainable investments" within the meaning of Article 2(17) of SFDR ("**Sustainable Investments**") but it does not commit to make any such investment. The Master Fund does not have sustainable investment as its objective.

The Master Fund may make investments in environmentally sustainable economic activities as defined in Regulation (EU) 2020/852 ("**Taxonomy-aligned Investments**") but it does not commit to make such investments as it is not part of the Master Fund's investment strategy to actively seek to invest in Taxonomy-aligned Investments and therefore the minimum extent of Taxonomy-aligned Investments has been assessed to be zero percent.

To the extent that the Master Fund reports in its annual report that a proportion of investments are Taxonomy-aligned Investments those figures may be derived from public disclosures and/or equivalent information directly obtained from investee companies. In some circumstances complementary assessments and estimates based on information from other sources may also be used. Any figures are not expected to be assured by one or more auditors or reviewed by one or more third parties.

The Fund intends to invest substantially all of its assets in the Master Fund. The Master Fund intends to invest a minimum of 80% of the Master Fund's assets in investments which attain the environmental

and social characteristics promoted by the Master Fund. It is intended that this minimum 80% amount will include 100% of the credit portfolio of the Master Fund. The remaining up to 20% may include non-core investments held for specific purposes, such as cash and derivative instruments held for efficient portfolio management, hedging and liquidity management purposes.

The Master Fund may also hold sovereign or quasi-sovereign exposures in the form of debt securities issued by sovereign or quasi-sovereign issuers as temporary investments. It is unlikely that it will be possible to assess whether these sovereign or quasi-sovereign exposures contribute to environmentally sustainable activities.

b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

c) Environmental or social characteristics of the financial product

The environmental and/or social characteristic promoted by the Master Fund is the directing of capital towards businesses that reduce long-term repricing and downside risk potential in relation to environmental and social grounds by evaluating the sustainability profile of issuers through the Sustainability Process. The Sustainability Process is designed to seek to mitigate the heightened risk of economic loss associated with such issuers. More detail on the Sustainable Process can be found under "Investment strategy".

d) Investment strategy

The Fund intends to invest substantially all of its assets in the Master Fund. The investment objective of the Master Fund is to produce returns, net of fees and expenses above the performance of the Index.

The Master Fund invests in a portfolio of exposures to the credit risk of companies, applying a quantitatively driven approach to asset selection and portfolio constitution. The Master Fund employs portfolio diversification controlled by active risk assessment and portfolio management. An additional element of return is expected to be achieved by investing in long exposures to attractively priced corporate credit assets and derivatives.

The investment strategy used to meet the environmental and social characteristics promoted by the product

In order to meet the environmental and social characteristics promoted, the Investment Manager applies the Sustainability Process to issuers. As a result of the Sustainability Process, the Master Fund's portfolio is expected to reduce exposure to long-term repricing and downside risk potential in relation to environmental and social grounds more than a portfolio which did not apply the Sustainability Process.

The Sustainability Process takes into account amongst other factors, the extent to which issuers derive revenue from certain categories that are typically exposed to greater repricing and downside risk stemming from environmental and/or social factors, including but not limited to, controversial weapons, retail sold assault weapons, thermal coal mining or power generation, private prisons, violation of global norms, payday lending, adult entertainment and the tobacco industry. As a result, the Master Fund directs capital in a way that takes account of environmental and social grounds more than a portfolio which did not apply the Sustainability Process.

A current list of applicable categories is available upon request from the Investment Manager. The Investment Manager reviews the Sustainability Process and the list of applicable categories from time to time.

The Sustainability Process applies at the time of acquisition of the relevant securities and in the event of any subsequent inadvertent holding of securities in breach of the principles applied in the Sustainability Process, the Investment Manager shall dispose of any such securities as soon as reasonably practicable, and as permitted by relevant law, having regard to the best interests of the Master Fund and its Shareholders.

In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. While the Investment Manager does not pursue an activist investment strategy in respect of the Master Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses. These risks typically manifest as low probability, but high cost, exposure to regulatory and legal actions that result in financial penalties, costly divestments, or other forms of economic loss.

The policy to assess good governance practices of investee companies

The Investment Manager considers the "good governance" practices of the investee company issuer (the "**Issuer**") in accordance with established governance requirements applicable to the securities (including liquid, public and secondary securities) (the "**Securities**") in which the Master Fund invests. This will include those good governance criteria established under the SFDR, specifically: sound management structures, employee remuneration, employee relations and tax compliance ("**Good Governance Criteria**").

The Investment Manager's assessment of "good governance practices" will consider range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of (at least) quarterly sustainability screening tools, such as controversies screening tools or public searches carried out by the Investment Manager's research team (or information garnered by the same as part of the Investment Manager's research-driven investment-process).

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to:

- (1) de-listing of the underlying issuer for breaches of applicable listing rules and/or requirements relating to Good Governance Criteria;
- (2) quarterly screening undertaken by the Investment Manager's research team (using sustainability screening tools) revealing material adverse results; and
- (3) any business found (by the Investment Manager's research team using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level,

where in each case there is no evidence that the Issuer has taken steps to remediate, mitigate and manage the same.

No single good governance indicator or disruptor will be determinative on its own and some

judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

The good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Master Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.

e) Proportion of investments

An investment will be treated as **"#1 Aligned with E/S characteristics"** where it complies with the Sustainability Process.

The Fund intends to invest substantially all of its assets in the Master Fund. The Master Fund intends to invest a minimum of 80% of the Master Fund's assets in investments which attain the environmental and social characteristics promoted by the Master Fund. It is intended that this minimum 80% amount will include 100% of the credit portfolio of the Master Fund. The remaining up to 20% may include non-core investments held for specific purposes, such as cash and derivative instruments held for efficient portfolio management, hedging and liquidity management purposes.

To achieve this, the Master Fund invests in a portfolio of corporate bonds, notes and paper (primarily fixed rate) issued by companies, and credit default swaps on the credit risk of such companies. As a result, the Master Fund's exposures to such companies may be direct or indirect.

The Master Fund may make one or more Sustainable Investments but it does not commit to make any such investment. The Master Fund does not have sustainable investment as its objective.

The Master Fund may make investments in environmentally sustainable economic activities as defined in Regulation (EU) 2020/852 ("**Taxonomy-aligned Investments**") but it does not commit to make such an investment - it is not part of the Master Fund's investment strategy to actively seek to invest in Taxonomy-aligned Investments and therefore the minimum extent of Taxonomy-aligned Investments has been assessed to be zero percent.

To the extent that the Master Fund reports in its annual report that a proportion of investments are Taxonomy-aligned those figures may be derived from public disclosures and/or equivalent information directly obtained from investee companies. In some circumstances complementary assessments and estimates based on information from other sources may also be used. Any figures are not expected to be assured by one or more auditors or reviewed by one or more third parties.

The Master Fund may hold sovereign exposures in the form of sovereign debt as temporary investments. It is unlikely that it will be possible to assess whether these sovereign exposures contribute to environmentally sustainable activities. The proportion of these exposures is expected to be low (if any).

f) Monitoring of environmental or social characteristics

The Master Fund monitors its promoted characteristic by the sustainability indicator of the percentage of investments that comply with the Sustainability Process.

To ensure data quality, the Investment Manager carries out due diligence on any third-party data provider, evaluates the methodology, carries out spot checks of data, and escalates data concerns to the data provider as needed.

The sustainability indicator is not subject to an assurance provided by an auditor or a review by a third party.

g) Methodologies

Sustainability Indicator

The percentage of investments that comply with the Sustainability Process is calculated as a percentage of the total number of trades made during the relevant reporting period. This calculation excludes investments relating to certain non-core activities undertaken by the Investment Manager in respect of the Master Fund, including but not limited to derivatives used for hedging, investments in government bonds and other cash management activities.

Sustainable Investments

To assess whether an investment qualifies as a Sustainable Investment under the SFDR, an analysis is conducted vis a third party as to whether such investment (i) contributes to an environmental or social objective; (ii) does no significant harm to any other environmental or social objective; and (iii) (where the investment is an investee company) follows good governance practices.

h) Data sources and processing

Sustainability Indicator

Issuers are evaluated in accordance with the Sustainability Process. Methodologies and information provided by third parties (including third-party service providers) may be used to assist in determining if issuers derive revenue from certain categories that are typically exposed to greater repricing and downside risk stemming from environmental and/or social factors.

The Investment Manager maintains a robust process to ensure that the application of the Sustainability Process is monitored and reviewed regularly. The Investment Manager has a post-trade monitoring system to detect non-compliance of investments with the Sustainability Process. Daily post-trade monitoring is performed by a team independent from the investment and portfolio management.

Sustainable Investments

When assessing whether an investment is considered a Sustainable Investment, such investment is deemed to not cause significant harm to any environmental or social sustainable investment objective by considering input from a third-party data provider. The Investment Manager's third-party data provider provides the Investment Manager with data on the alignment of investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights to allow the Investment Manager to make its determination.

i) Limitations to methodologies and data

Sustainability Indicator

The data landscape for sustainability analysis and reporting is rapidly developing and data quality and methodology currently face industry-wide challenges. Limitations on methodologies and sustainability data include the lack of consistency, reliability, comparability, and quality of the data available. This is driven by issues including, but not limited to:

- Lack of common methodology across providers of sustainability ratings;
- Lack of standardised reporting by companies;
- Different models and analytical tools for unreported data; and
- Backward looking information that fails to capture “direction of travel”.

These limitations are addressed by:

- Use of varied data sources; and
- Reliance on internal research and analysis using third party data as complementary information.

To ensure data quality, the Investment Manager carries out due diligence on any third-party data provider, evaluates the methodology, carries out spot checks of data, and escalates data concerns to the data provider as needed.

Sustainable Investments

The interpretation of the legislative instruments and guidance forming the EU Sustainable Finance regime is, as a whole, continuing to evolve. The processes on considering contribution, significant harm and good governance are inherently subjective and tailored to the investments which are particular to the Master Fund. There can be no assurance that these processes will align with the approach used by other asset managers or prospective investors now or in the future.

Methodologies used and information provided by third parties (including third-party service providers) may be used to assist in determining if an investment qualifies as a Sustainable Investment. Any reporting by the Master Fund on Sustainable Investments may be dependent on these inputs and any limitations associated with them. There can be no assurance that any methodologies or techniques employed will be successful in concluding whether or not an investment is a Sustainable Investment for the purposes of the relevant law and guidance at the time and such methodologies or techniques may change over time. Information and data provided by third parties may also be incomplete, inaccurate, not provided in a timely manner or unavailable, which may affect the ability to make a determination about whether an investment is a Sustainable Investment. As a result, conclusions regarding whether an investment is a Sustainable Investment may be subject to revision or reclassification over time.

There is also a risk that the availability of, services provided by, or cost of third-party service providers may change over time and this may result in different and/or no service providers being used at any given time, which may affect the categorisation of investments as Sustainable Investments and/or the costs incurred by the Master Fund. As a result, conclusions regarding whether an investment is a Sustainable Investment may be subject to revision or reclassification over time.

As part of an assessment of whether an investment can be considered a Sustainable Investment, subjective judgements may be made in respect of sustainability key performance indicators or other information and therefore a different conclusion may be reached by another person conducting the assessment with the same data. Methodologies may include natural language processing and machine learning and/or qualitative input from human analysts, which can both carry risks that certain relevant factors may not be identified, or that factors are categorised with an inaccurate importance level.

While a third-party service provider may provide an initial view as to whether an investment will qualify as a Sustainable Investment, the final conclusion may differ if, for example, the data is considered to be incorrect or incomplete or if additional details result in a different conclusion being

reached. The Investment Manager does not undertake to, and may not, independently formally test or verify the factors used or data provided by such third parties.

The concept of a 'sustainable investment' under the SFDR is the subject of ongoing uncertainty and may develop in the future to follow new or additional EU regulatory or legislative guidance or Q&As from the European Commission or the European Supervisory Authorities. No assurances are made that the current approach to determining whether an asset is a 'sustainable investment' will continue to satisfy regulatory requirements and expectations in the future.

j) Due diligence

As the investment strategy of the financial product is systematic and rule based, the investment strategy implementation as well as the monitoring of investee companies on relevant matters, including a firm's asset value, liability structure, volatility, social and environmental impact and corporate governance, are mainly based on quantitative measures. The Sustainability Process and the assessment of investments against the Good Governance Criteria form part of the due diligence process.

k) Engagement policies

The Investment Manager does not engage directly with any of the investee companies as engagement is not part of the environmental or social investment strategy of the Master Fund. The systematic approach forms broad portfolios using fundamentally driven models, with holding periods measured in months. The Investment Manager does not interact with the executives in its investment portfolio, nor does the Investment Manager try to shape business strategy or policy, as the strategy is primarily engaged in liquid, public securities on the secondary market.

l) Designated reference benchmark

There is no designated reference benchmark for the Master Fund.

Translations

Translations of section *a) Summary* are provided below in the following languages: German, French, Danish, Swedish, Greek, Icelandic, Italian, Dutch, Norwegian, Portuguese, and Spanish.

Sustainability Related Disclosures**Transparency of the promotion of environmental and social characteristics**

Version history	Date
V.1	1 December 2022
V.2	30 April 2025

Transparency of the promotion of environmental and social characteristics

Product name (the "Fund")	LEI number
Blackstone Investment Grade Systematic Corporate Fund (Feeder)	635400F2T3CG5YI3DB72

This disclosure is made in respect of the Fund pursuant to Article 10(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022. This disclosure should not be used as a basis for a decision to invest in the Fund. Such a decision should be based on the prospectus of Blackstone Systematic Credit Ireland Fund plc and the supplement relating to the Fund, as amended, restated or supplemented from time to time (the "**Offering Documents**"). In case of discrepancy between this disclosure and the Offering Documents, the Offering Documents shall prevail. This disclosure has been prepared in good faith, but the matters referred to within do not reflect binding aspects of the management of the Fund except to the extent that they are such under the Offering Documents. Defined terms not otherwise defined have the meaning given to them in the Offering Documents.

a) Summary

The Fund invests substantially all of its assets in Blackstone Investment Grade Systematic Corporate Fund (UCITS), a sub-fund of Blackstone Systematic Credit Umbrella Fund PLC (the "Master Fund"). The investment objective of the Master Fund is to produce returns, net of fees and expenses above the performance of the Barclays U.S. Intermediate Corporate Bond Index (the "**Index**").

The environmental and/or social characteristic promoted by the Master Fund is the directing of capital towards businesses that reduce long-term repricing and downside risk potential in relation to environmental and social grounds by evaluating the sustainability profile of issuers through the sustainability process, as further detailed below (the "**Sustainability Process**"). The Sustainability Process is designed to seek to mitigate the heightened risk of economic loss associated with such issuers.

The Master Fund may make one or more "sustainable investments" within the meaning of Article 2(17) of SFDR ("**Sustainable Investments**") but it does not commit to make any such investment. The Master Fund does not have sustainable investment as its objective.

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The Fund intends to invest substantially all of its assets in the Master Fund. The Master Fund intends to invest a minimum of 66% of the Master Fund's assets in investments which attain the environmental

and social characteristics promoted by the Master Fund. It is intended that this minimum 66% amount will include 100% of the credit portfolio of the Master Fund. The remaining up to 34% may include non-core investments held for specific purposes, such as cash and derivative instruments held for efficient portfolio management, hedging and liquidity management purposes.

The Master Fund may also hold sovereign or quasi-sovereign exposures in the form of debt securities issued by sovereign or quasi-sovereign issuers as temporary investments. It is unlikely that it will be possible to assess whether these sovereign or quasi-sovereign exposures contribute to environmentally sustainable activities.

b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

c) Environmental or social characteristics of the financial product

The environmental and/or social characteristic promoted by the Master Fund is the directing of capital towards businesses that reduce long-term repricing and downside risk potential in relation to environmental and social grounds by evaluating the sustainability profile of issuers through the Sustainability Process. The Sustainability Process is designed to seek to mitigate the heightened risk of economic loss associated with such issuers. More detail on the Sustainable Process can be found under "Investment strategy".

d) Investment strategy

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The Master Fund invests in a portfolio of exposures to the credit risk of companies, applying a quantitatively driven approach to asset selection and portfolio constitution. The Master Fund employs portfolio diversification controlled by active risk assessment and portfolio management. An additional element of return is expected to be achieved by investing in long exposures to attractively priced corporate credit assets and derivatives.

The investment strategy used to meet the environmental and social characteristics promoted by the product

In order to meet the environmental and social characteristics promoted, the Investment Manager applies the Sustainability Process to issuers. As a result of the Sustainability Process, the Master Fund's portfolio is expected to reduce exposure to long-term repricing and downside risk potential in relation to environmental and social grounds more than a portfolio which did not apply the Sustainability Process.

The Sustainability Process takes into account amongst other factors, the extent to which issuers derive revenue from certain categories that are typically exposed to greater repricing and downside risk stemming from environmental and/or social factors, including but not limited to, controversial weapons, retail sold assault weapons, thermal coal mining or power generation, private prisons, violation of global norms, payday lending, adult entertainment and the tobacco industry. As a result, the Master Fund directs capital in a way that takes account of environmental and social grounds more than a portfolio which did not apply the Sustainability Process.

A current list of applicable categories is available upon request from the Investment Manager. The Investment Manager reviews the Sustainability Process and the list of applicable categories from time to time.

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In this regard, it carries out a systematic approach of constructing a broad portfolio using fundamentally driven models, with holding periods typically measured in months. While the Investment Manager does not pursue an activist investment strategy in respect of the Master Fund, it takes account of additional risks that are inherent in socially and environmentally costly businesses. These risks typically manifest as low probability, but high cost, exposure to regulatory and legal actions that result in financial penalties, costly divestments, or other forms of economic loss.

The policy to assess good governance practices of investee companies

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The Investment Manager's assessment of "good governance practices" will consider range of criteria, methodologies and assumptions as part of pre-investment and ongoing monitoring processes (including but not limited to factors such as the market, size, sector or geographic location of the Issuer). As a minimum, meeting the criteria for public listing on a main market, and continuing public listing eligibility of the Issuer (including the regulatory oversight of the same) is considered to set a presumption of good governance processes in the absence of evidence to the contrary. The Investment Manager's assessment will also involve a review of information in support of (or, alternatively, which disrupts) that presumption. This will be done via the use of (at least) quarterly sustainability screening tools, such as controversies screening tools or public searches carried out by the Investment Manager's research team (or information garnered by the same as part of the Investment Manager's research-driven investment-process).

Where there are material good governance disruptors which the Investment Manager considers to be a material breach of the Good Governance Criteria, absent immediate action taken by the Issuer to remediate such a breach, this would result in either an exclusion against investing in the relevant Securities or a divestment of the same within a reasonable time period. Examples of good governance disruptors include but are not limited to:

- (1) de-listing of the underlying issuer for breaches of applicable listing rules and/or requirements relating to Good Governance Criteria;
- (2) quarterly screening undertaken by the Investment Manager's research team (using sustainability screening tools) revealing material adverse results; and
- (3) any business found (by the Investment Manager's research team using controversies screening tools or public searches) to have been involved in controversies or material breaches (such as material and ongoing breaches of labour laws) that would suggest a material and ongoing failure of good governance at the issuer level,

where in each case there is no evidence that the Issuer has taken steps to remediate, mitigate and manage the same.

No single good governance indicator or disruptor will be determinative on its own and some

judgement will be required to consider these both in the round and in the wider context of the investment when making a determination as to good governance practices at the issuer level. This judgement will be exercised in good faith. Where any investment(s) are determined to not sufficiently meet the applicable Good Governance Criteria, a decision will be made not to invest in the securities of the Issuer or if securities of the Issuer are an existing investment to divest it within a reasonable period taking into consideration factors such as market liquidity.

The good governance assessment process described above is applicable to corporate credit investments only and is not applicable to any of the Master Fund's investments in government bonds, other securities issued by sovereigns or supranational entities or derivatives such as interest rate futures.

e) Proportion of investments

An investment will be treated as **"#1 Aligned with E/S characteristics"** where it complies with the Sustainability Process.

The Fund intends to invest substantially all of its assets in the Master Fund. The Master Fund intends to invest a minimum of 66% of the Master Fund's assets in investments which attain the environmental and social characteristics promoted by the Master Fund. It is intended that this minimum 66% amount will include 100% of the credit portfolio of the Master Fund. The remaining up to 34% may include non-core investments held for specific purposes, such as cash and derivative instruments held for efficient portfolio management, hedging and liquidity management purposes.

To achieve this, the Master Fund invests in a portfolio of corporate bonds, notes and paper (primarily fixed rate) issued by companies, and credit default swaps on the credit risk of such companies. As a result, the Master Fund's exposures to such companies may be direct or indirect.

The Master Fund may make one or more Sustainable Investments but it does not commit to make any such investment. The Master Fund does not have sustainable investment as its objective.

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The Master Fund may hold sovereign exposures in the form of sovereign debt as temporary investments. It is unlikely that it will be possible to assess whether these sovereign exposures contribute to environmentally sustainable activities. The proportion of these exposures is expected to be low (if any).

f) Monitoring of environmental or social characteristics

The Master Fund monitors its promoted characteristics by the sustainability indicator of the percentage of investments that comply with the Sustainability Process.

To ensure data quality, the Investment Manager carries out due diligence on any third-party data provider, evaluates the methodology, carries out spot checks of data, and escalates data concerns to the data provider as needed.

The sustainability indicator is not subject to an assurance provided by an auditor or a review by a third party.

g) Methodologies

Sustainability Indicator

The percentage of investments that comply with the Sustainability Process is calculated as a percentage of the total number of trades made during the relevant reporting period. This calculation excludes investments relating to certain non-core activities undertaken by the Investment Manager in respect of the Master Fund, including but not limited to derivatives used for hedging, investments in government bonds and other cash management activities.

Sustainable Investments

To assess whether an investment qualifies as a Sustainable Investment under the SFDR, an analysis is conducted vis a third party as to whether such investment (i) contributes to an environmental or social objective; (ii) does no significant harm to any other environmental or social objective; and (iii) (where the investment is an investee company) follows good governance practices.

h) Data sources and processing

Sustainability Indicator

Issuers are evaluated in accordance with the Sustainability Process. Methodologies and information provided by third parties (including third-party service providers) may be used to assist in determining if issuers derive revenue from certain categories that are typically exposed to greater repricing and downside risk stemming from environmental and/or social factors.

The Investment Manager maintains a robust process to ensure that the application of the Sustainability Process is monitored and reviewed regularly. The Investment Manager has a post-trade monitoring system to detect non-compliance of investments with the Sustainability Process. Daily post-trade monitoring is performed by a team independent from the investment and portfolio management.

Sustainable Investments

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i) Limitations to methodologies and data

Sustainability Indicator

The data landscape for sustainability analysis and reporting is rapidly developing and data quality and methodology currently face industry-wide challenges. Limitations on methodologies and sustainability data include the lack of consistency, reliability, comparability, and quality of the data available. This is driven by issues including, but not limited to:

- Lack of common methodology across providers of sustainability ratings;
- Lack of standardised reporting by companies;
- Different models and analytical tools for unreported data; and
- Backward looking information that fails to capture “direction of travel”.

These limitations are addressed by:

- Use of varied data sources; and
- Reliance on internal research and analysis using third party data as complementary information.

To ensure data quality, the Investment Manager carries out due diligence on any third-party data provider, evaluates the methodology, carries out spot checks of data, and escalates data concerns to the data provider as needed.

Sustainable Investments

The interpretation of the legislative instruments and guidance forming the EU Sustainable Finance regime is, as a whole, continuing to evolve. The processes on considering contribution, significant harm and good governance are inherently subjective and tailored to the investments which are particular to the Master Fund. There can be no assurance that these processes will align with the approach used by other asset managers or prospective investors now or in the future.

Methodologies used and information provided by third parties (including third-party service providers) may be used to assist in determining if an investment qualifies as a Sustainable Investment. Any reporting by the Master Fund on Sustainable Investments may be dependent on these inputs and any limitations associated with them. There can be no assurance that any methodologies or techniques employed will be successful in concluding whether or not an investment is a Sustainable Investment for the purposes of the relevant law and guidance at the time and such methodologies or techniques may change over time. Information and data provided by third parties may also be incomplete, inaccurate, not provided in a timely manner or unavailable, which may affect the ability to make a determination about whether an investment is a Sustainable Investment. As a result, conclusions regarding whether an investment is a Sustainable Investment may be subject to revision or reclassification over time.

There is also a risk that the availability of, services provided by, or cost of third-party service providers may change over time and this may result in different and/or no service providers being used at any given time, which may affect the categorisation of investments as Sustainable Investments and/or the costs incurred by the Master Fund. As a result, conclusions regarding whether an investment is a Sustainable Investment may be subject to revision or reclassification over time.

As part of an assessment of whether an investment can be considered a Sustainable Investment, subjective judgements may be made in respect of sustainability key performance indicators or other information and therefore a different conclusion may be reached by another person conducting the assessment with the same data. Methodologies may include natural language processing and machine learning and/or qualitative input from human analysts, which can both carry risks that certain relevant factors may not be identified, or that factors are categorised with an inaccurate importance level.

While a third-party service provider may provide an initial view as to whether an investment will qualify as a Sustainable Investment, the final conclusion may differ if, for example, the data is considered to be incorrect or incomplete or if additional details result in a different conclusion being

reached. The Investment Manager does not undertake to, and may not, independently formally test or verify the factors used or data provided by such third parties.

The concept of a 'sustainable investment' under the SFDR is the subject of ongoing uncertainty and may develop in the future to follow new or additional EU regulatory or legislative guidance or Q&As from the European Commission or the European Supervisory Authorities. No assurances are made that the current approach to determining whether an asset is a 'sustainable investment' will continue to satisfy regulatory requirements and expectations in the future.

j) Due diligence

As the investment strategy of the financial product is systematic and rule based, the investment strategy implementation as well as the monitoring of investee companies on relevant matters, including a firm's asset value, liability structure, volatility, social and environmental impact and corporate governance, are mainly based on quantitative measures. The Sustainability Process and the assessment of investments against the Good Governance Criteria form part of the due diligence process.

k) Engagement policies

The Investment Manager does not engage directly with any of the investee companies as engagement is not part of the environmental or social investment strategy of the Master Fund. The systematic approach forms broad portfolios using fundamentally driven models, with holding periods measured in months. The Investment Manager does not interact with the executives in its investment portfolio, nor does the Investment Manager try to shape business strategy or policy, as the strategy is primarily engaged in liquid, public securities on the secondary market.

l) Designated reference benchmark

There is no designated reference benchmark for the Master Fund.

Translations

Translations of section *a) Summary* are provided below in the following languages: German, French, Danish, Swedish, Greek, Icelandic, Italian, Dutch, Norwegian, Portuguese, and Spanish.