ESG POLICY

MC Square S.A.		
Version	**Owner**	**Date**
2.0	Ana Dimitrachi	24/04/2023

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Introduction

MC Square S.A. (“MC Square” or the “Company”) is a public limited company governed by the laws of the Grand-Duchy of Luxembourg, with a share capital of EUR 500,000. It is registered with the *Registre de Commerce et des Sociétés de Luxembourg* under number B28949, with its registered office at 23, Val Fleuri, L-1526 Luxembourg.

The Company is licensed by the CSSF as a Management Company under the regime set out in Chapter 15 of the Law of December 17th, 2010 on undertakings for collective investment. Accordingly, the Company is what is commonly known as a ‘UCITS management company’.

Since November 11th, 2016, the Company is also licensed by the CSSF as an Alternative Investment Fund Manager (“AIFM”) as per the provisions of the July 12th, 2013 Law on alternative investment fund managers.

MC Square S.A. believes it has a moral commitment to play a role in improving the world by integrating environmental, social and governance (ESG) considerations into its decisions and procedures.

Legal framework

This Policy is designed with a view to comply with the requirements set out in:

- 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 (the “SFDR”);
- Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.
- 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;
- Commission Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

ESG:	"E" for Environmental considerations which refer to climate change mitigation and adaptation, as well as the environment more broadly and the related risks; and "S" for Social considerations which refers to issues of inequality, inclusiveness, labour relations, investment in human capital and communities; and "G" for Governance of public and private institutions, including management structures, employee relations and executive remuneration, plays a fundamental role in ensuring the inclusion of the social and environmental considerations in the decision-making process.
ESG Factors:	Means environmental, social or governance matters that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual.
Fund(s):	Means an undertaking for collective investment (UCI) managed by MC Square.
Sub-Fund(s):	Means a compartment of a Fund
Prospectus or Offering Document:	Means the prospectus in the case of a UCITS or Part II UCI or the prospectus, offering document, issuing document, offering memorandum, private placement memorandum or equivalent document of an AIF other than a Part II UCI
SFDR Regulation:	Means 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.
Sustainability Factors:	Means environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.
Principal Adverse Impacts:	Means negative effects, material or likely to be material on sustainability factors that are caused, aggravated by or directly linked to investment decisions and advice performed by the legal entity
Sustainable Investment:	Means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those

objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Sustainability Risk:	Means as defined in SFDR, an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Sub-Fund's investment.
Taxonomy Regulation:	Means 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 SFDR.

I- Integration of sustainability risks

This section gives an overview of the policy of how MC Square integrates sustainability risks into the investment decisions in accordance with Article 3(1) of the SFDR, it being understood that this decision-making process may be carried out internally or by a delegated third party, as the case may be.

A) Investment decision within a non-delegation framework

Investment decisions taken by MC Square are duly assessed against offering documents provisions before their execution.

MC Square will, for any Sub-Funds which considers Sustainability Risks to be relevant within the investment decision-making process and for which MC Square acts as an Investment Manager, incorporate Sustainability Risks as deemed relevant into the investment decision and into its Risk Management Policy ("RMP").

B) Investment decision within a delegation framework

The investment management function might be taken by a third-party. In that case, the external Investment Manager is responsible for the investment decision process, in accordance with the mandate granted by MC Square.

For any Sub-Funds that considers Sustainability Risks to be relevant to the investment decision-making process, MC Square will integrate the Sustainability Risks deemed relevant in the process of evaluating those investment decisions with Sustainability Risk considerations and will integrate them into its RMP.

C) Integration of sustainability risks into the investment decision process

MC Square is aware of the material impacts that ESG events or conditions may cause to ESG Funds and deems Sustainability Risks to be relevant to each Sub-Fund as applicable with their specific investment strategy.

MC Square performs a pre-trade check to ensure that the proposed investments are compliant with the risk profile of the Sub-Fund.

In addition, a scoring tool developed in-house allows us to assess the risks involved in an investment.

Details on the integration of Sustainability Risks into the investment decision-making processes of the relevant Sub-Fund can be found in the respective prospectus, operating memorandum or private placement memorandum.

In accordance with the Article 6 of the SFDR Regulation, MC Square will include, in the pre-contractual disclosures, the manner in which sustainability risks are integrated into investment decisions and the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products.

D) ESG Exclusion

In order to ensure reasonable ESG risk management and to guarantee that sustainable products respect the social and environmental attributes they promote, MC Square may adopt exclusionary criteria in its investment processes as it deems appropriate.

The company already opposes investments in companies that engage in reprehensible practices in violation of international treaties.

II- Principal adverse impact statement

The Board of Directors of MC Square has decided not to consider adverse impacts of investment decisions on sustainability factors at the present time.

In accordance with Article 4 (1) of the SFDR, the main reasons of not considering adverse impacts of investment decisions on sustainability factors are presented as follows:

- The lack of a higher degree of market evolution in relation to the ESG considerations and the insufficient level of quality of the data and information required for disclosures, for all issuers and financial instruments concerned,
- Various strategies of the Funds for which MC Square acts as a Management Company, implying different approaches on consideration of ESG and sustainability factors in the investment process and consequently different disclosure requirements,
- Uncertainty of the requirements associated with the voluntary consideration of adverse impacts on sustainability.

These above elements do not prevent the Company's Management decision regarding the consideration of adverse impacts on sustainability factors being changed in the future, should the regulation and requirements on sustainability factors establish new rules and should the level of quality of data and information required for the disclosure of adverse impacts increase.

When adverse impacts of investment decisions are considered at the level of a Sub-Fund managed by MC Square, the Company ensures compliance with the SFDR requirements.

III- Remuneration policy

MC Square amended its remuneration policy in accordance with Article 5 (1) of the SFDR which has been uploaded on the MC Square's website.

IV- Governance

The ESG Policy is approved by the Company's Board of Directors, which is also responsible for adopting the measures required for its effective implementation.

This Policy is effective on the date of its approval by the Board of Directors and shall be reviewed periodically at least once a year.

Furthermore, it shall be reviewed and revised or updated when circumstances or events arise that require it, such as:

- Amendments to the regulatory framework,
- Changes to the Company's organisational structure affecting this Policy,
- Changes to the business model or objectives set by the Company,
- Amendments to the processes affected by and developed in this Policy.

V- Disclosures

On the basis of the SFDR regulation, MC Square will keep all its customers and stakeholders informed of the main changes and new provisions by the following means:

- Website disclosures: The company will publish on its website a statement on the consideration of sustainability factors in remuneration policy, investment decisions and in the new pre-contractual disclosure documentation described below.

- Pre-contractual disclosures: The company will provide relevant pre-contractual information in the investor disclosures referred to in Article 23(1) of Directive 2011/61/EU for AIFs and in the offering documents for UCITS.
  This information will comply with the requirements of Article 6, Article 8, and Article 9 of the SFDR Regulation.

VI- Entry into force of the policy

This Policy is effective on the date of its approval by the Board of Directors: 24/04/2023.

Alexandre Hecklen

Andre Lecoq

Chairman of the Board

Alexandre Hecklen

Secretary of the Board