Sustainability Disclosures pursuant to the Sustainable Finance Disclosures Regulation (EU) 2019/2088 ("SFDR")

The Sustainable Finance Disclosure Regulation ("SFDR") is an EU Regulation introduced to improve transparency in the markets for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by the financial market participants and advisers.

FINYX (Cyprus) Investments Ltd (the "Company") qualifies as a "financial market participant" pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"). Under the SFDR, financial market participants are required to publish information on their website, including on their policies on the integration of sustainability risks in their investment decision-making process and on how they consider principal adverse impacts of investment decisions on sustainability factors.

According to the SFDR classification system a Company can be categorised as offering Article 6, 8, or 9 products, depending in the products' characteristics and level of sustainability:

- Article 6 products which are products which either integrate sustainability risks into their investment decisions or explain the reasons why they are not relevant but do not meet the additional criteria of Article 8 or Article 9 products.
- Article 8 products which are products that promote, amongst other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices (light green).
- Article 9 products which are products that have a sustainable investment objective (dark green).

Currently, the Company does not offer financial products that seek to seek to promote one or more environmental or social characteristics, nor does it have sustainable investment as its objective. All the financial products offered by the Company are therefore categorised as "Article 6" products.

The statements below are made in accordance with applicable provisions under Articles 3, 4 and 5 of the SFDR.

Published on 10 January 2024.

<u>Integration of sustainability risks in the investment decision-making process</u>

Pursuant to Article 3 of the SFDR, the Company is required to disclose the manner in which sustainability risks (as defined below) are integrated into the investment decision-making process and risk management process.

Sustainability risk means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause actual or potential material negative impact on the value of the investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors.

Such risks are principally linked to climate-related events resulting from climate change (i.e. physical risks) or to the society's response to climate change (i.e. transition risks), which may result in unanticipated losses that could affect an investment. Sustainability risks can also affect companies by introducing social risks (e.g. gender gaps, social inequality) and governance risks (e.g. bribery issues, selling practices).

The impacts following the occurrence of a sustainability risk event may be numerous and vary in significance depending on industries, regions and asset classes. The Company considers where material sustainability risks may arise when selecting financial products to be offered as part of the Company's overall risk assessment. Our financial products may be exposed to various sustainability risks which include:

- corporate governance malpractices (e.g. board structure/independence, executive remuneration, ownership and control, inadequate external or internal audit and tax management, workplace harassment, discrimination and bullying);
- shareholder rights (e.g. election of the likely directors, capital amendments, infringement or curtailment of rights of (minority) shareholders);
- changes to regulation (e.g. governance codes);
- legal, brand and reputational issues (e.g. labor rights, human rights violations, breaches of employee rights, cyber security breaches, poor safeguards on personal data/IT security of employees/customers);
- work practices (e.g. observation of health, safety and human rights provisions).

The Company considers that it cannot be excluded that further risks will be included in the risk management process in the future.

ESG factors are also taken into consideration when assessing investments. Where available, ESG indicators are sourced from third-party providers and are included in our due diligence methodology to help us evaluate potential ESG-related risks or opportunities.

The presence of an unfavourable ESG indicator or the discovery of a sustainability risk during the assessment of the investments are not necessarily reasons to exclude a specific investment from our services. In this regard, sustainability risk is treated in our process like other risks (e.g. credit, market, liquidity, etc.) in that it allows us to more extensively assess the risk-return profile of a given investment. The Company further acknowledges that when sustainability risks occur, there may be negative impact on an instrument's value.

Published on 10 January 2024.

No consideration of principal adverse impacts of investment decisions on sustainability factors

The SFDR requires the Company to make a "comply or explain" decision whether to consider the Principal Adverse Impact ("PAI") of its investment decisions on sustainability factors, in accordance with a specific regime outlined in SFDR.

Principal adverse impacts on sustainability factors refer to adverse impacts of investment decisions on sustainability factors that mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In accordance with the discretion granted pursuant to the SFDR, the Company does not currently consider the adverse impacts of investment decision on sustainability factors in respect of the products offered by the Company.

The Company does not consider PAIs since considering the scale of the Company's activities and the types of products it offers, it would be challenging to comply with the said regime of the SFDR.

The Company further believes that some of its products cannot currently support the adoption of the PAI regime, as they involve underlying securities or products where it is impossible to conduct a detailed analysis on the adverse sustainability impact. Further, sustainability factors are not considered material to the products the Company offers.

Finally, the Company is concerned about the current lack of readily available data to comply with the reporting requirements of the PAI Statement as companies and market data providers are not yet ready to make all necessary data available.

The Company may revisit its decision not to comply with the PAI regime and reserves the right to change its position in the future. Further, In the event that sustainability factors do, in the future, become material, the Company will consider the principal adverse impacts of its investment decisions on sustainability factors.

Published on 10 January 2024.

Integration of Sustainability Risks in the Company's Remuneration Policy

Pursuant to the SFDR, the Company is required to explain how its remuneration policy is consistent with the integration of sustainability risks.

The Company does not encourage or reward an excessive assumption of sustainability risks according to its remuneration policy. The said policy is consistent with the integration of sustainability risks. In particular the Company ensures that performance is evaluated on a number of key principles, such as, for example:

- Remuneration should be consistent with and promote sound and effective risk management; amongst other through encouraging risk-taking approaches which are consistent with the risk profile of the Clients.
- The Company does not currently offer any form of variable remuneration. The Company only offers fixed remuneration. The Company, on its discretion and on an annual basis, based on the financial performance of the Company (i.e. based on whether the Company has sufficient and sustainable financial resources, particularly in respect to own funds), may provide a 13th and/or 14th salary as a bonus to all its full-time employees as an ancillary, general, non-discretionary, AIFM-wide policy which poses no incentive effects in terms of risk assumption. If the Company ever decides to provide variable remuneration to its employees it will use both quantitative (financial) as well as qualitative (non-financial) criteria for assessing individual performance, which will include ESG criteria (such as the integration of ESG risks into the investment decisions; and adherence to the Company's sustainability policies and standards), where this is relevant and applicable.

Published on 10 January 2024.

EU Taxonomy criteria (Regulation EU 2020/852) on the establishment of a framework to facilitate sustainable investment) for environmentally sustainable economic activities

The Company does not offer products that take into account the EU criteria for environmentally sustainable economic activities.

Published on 10 January 2024.