

Approach to Principal Adverse Impact

1. Introduction

This approach to Principal Adverse Impact is followed by Invest4Growth Group which comprises Invest4Growth Asset Management plc, MFP Sicav plc and I4G Partners bvba.

Invest4Growth Asset Management Ltd is a limited liability company with registration number C71649 and licensed by the Maltese regulator MFSA to provide investment services to professional clients.

MFP SICAV plc, 'Malta Fund Partners', is a self-managed open-ended collective investment scheme organized as a multi-fund public limited liability company with variable share capital registered under the laws of Malta with registration number SV389 and Licensed by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370, Laws of Malta). The company qualifies as a UCITS fund in terms of the Investment Services Act Regulations.

I4G Partners bvba was founded as an independent insurance broker in Belgium with registration number 0849.478.191 and licensed by the Belgian Regulator FSMA.

Within this statement, Invest4Growth means Invest4Growth Group and its different entities comprising Invest4Growth Asset Management Ltd, MFP Sicav plc and I4G Partners bvba.

Invest4Growth's mission is to offer investment solutions that have a superior return risk balance and sustainability is an important element that impacts financial return and risks of our solutions. Investee companies with sustainable business practices tend to be more successful in the long-term.

In performing its activities, Invest4Growth takes into account sustainability risks and the potential impact of such risks on the returns of the respective investments. A sustainability risk is an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment (sustainability risks are referred to herein as "ESG risks").

Invest4Growth advocates sustainable investing by integrating environmental, social and governance (ESG) factors into the investment process in various ways. In particular, as part of the investment due diligence process certain environmental (including GHG emissions and energy performance), social risks (including product safety and public health) and governance risks (including management structure and compensation, and board composition) are considered alongside other material risks. The due diligence process takes into account publicly available information as well, when and where applicable, discussions with the management of the portfolio companies and other key stakeholders. Any ESG risks arising are reflected in the investment memoranda considered by the investment committee of the Scheme as part of its investment management process.

In light of the investment strategies offered and managed, Invest4Growth generally considers that the potential impact of ESG risks on the returns of Assets Under Management to be low. However, no assurance can be given that ESG risks will be avoided or, in the event that they arise, effectively mitigated and losses may be incurred.

2. Principal Adverse Impacts

As part of the approach on sustainable investing, Invest4Growth engages in activities that aim to mitigate the negative impact of its investments or investment advice, including:

- Complying with regulation
- Mitigating the negative impact of its investments by integrating an ESG approach which encompasses exclusions of the investable universe and directing its investments towards investee companies which contribute to the UN 17 Sustainable Development Goals

Invest4Growth's approach to mitigating negative impacts allows for the integration of Principal Adverse Impact, as introduced by the EU Sustainable Finance Disclosure Regulation, in our investment processes.

The EU SFDR defines Principal Adverse Impact (PAI) as follows: "Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors."

The SFDR framework will require the consideration of both mandatory and optional indicators. Within the mandatory indicators, there are Climate and other Environment-related indicators, Biodiversity indicators, and indicators related to Water and Waste factors as well as indicators on Social and Employee matters, on Human Rights and on Anti-Corruption and Anti-Bribery matters.

2.1. Identifying Principal Adverse Impacts

Within Invest4Growth's current screening tool, some of the mandatory PAI indicators are already integrated. In the coming months, this screening tool will be aligned with the criteria as laid out in the EU SFDR Final Draft on Regulatory Technical Standards (RTS) published in February 2021. However, it shall be noted that data availability and quality related to several sustainability metrics is an evolving field. If data is unavailable, Invest4Growth might make use of assumptions.

2.2. Prioritization of Principal Adverse Impacts

Invest4Growth intends to use the standards provided in the Final Report on draft Regulatory Technical Standards of 2 February 2021. As the transition to a climate neutral society is essential, the environmental-related PAI indicators will be prioritized. However, it is expected that the prioritization of PAI will meet our general expectations of companies to commit to good governance principles.

2.3. Addressing Principal Adverse Impacts

Invest4Growth addresses adverse impacts in its investment considerations through different methods including ESG integration, Exclusions and when the size of the assets under management increase, also by Active Ownership.

3. Alignment of Remuneration Policy with Sustainability Investments

The Remuneration Policies at Invest4Growth do not encourage risk-taking which is inconsistent with the risk profile of the mandates as well as the risk profiles of the Funds under management. Moreover, no variable remuneration is paid to staff unless it is determined to be justified following a performance assessment based on quantitative (financial) as well as qualitative (non-financial) criteria.

Considering the limited impact of variable remuneration of identified employees on the risk profile of the mandates of Invest4Growth and the nature of the business of Invest4Growth Invest4Growth deems that there is no risk of misalignment with the integration of any sustainability risks in the investment decision making process. Furthermore, Invest4Growth is of the view that its existing structures are sufficient to prevent excessive risk taking in respect of any sustainability risks.