

Disclosure on the implementation of the requirements of Article 4 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector regarding the transparency of adverse sustainability impacts at entity level

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Luxembourg, 1 January 2023

Contents

1. Legal framework	3
2. Sustainability-related disclosures in the financial services sector	3
3. Purpose of this statement	3
4. Statement review	4

1. Legal framework

Mercer Alternatives (Luxembourg) S.à r.l. (the "AIFM") is a management company authorised by the Luxembourg supervisory authority Commission de Surveillance du Secteur Financier pursuant to Chapter 16 of the Luxembourg law of 17 December 2010 on undertakings for collective investment and is also authorised as an alternative investment fund manager pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers.

2. Sustainability-related disclosures in the financial services sector

On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (hereinafter "SFDR") was published and entered into force on 10 March 2021.

The main objective of the SFDR is to create transparency on

- how sustainability risks are considered in the management of investment funds; and
- if principal adverse impacts of investment decisions on sustainability factors ("comply or explain") are considered in the management of investment funds.

These transparency requirements apply in principle to both the AIFM and the managed investment funds.

3. Purpose of this statement

This statement describes the AIFM's decision with respect to the requirements of article 4 (1) SFDR regarding the consideration of principal adverse impacts (hereinafter "PAIs") of investment decisions on sustainability factors.

As the employee count of the AIFM does not exceed 500, the AIFM is not required to consider principal adverse impacts of investment decisions on sustainability factors.

The AIFM has chosen for the time being not to consider principal adverse impacts of investment decisions on sustainability factors, after having taken into consideration

- the investment strategies of the managed investment funds (i.e. fund of funds considering different investment strategies),
- the current product classification of the managed investment funds under SFDR,
- the current ESG strategy of the managed investment funds qualifying under article 8 of the SFDR (i.e. no explicit PAI commitment), and

- the ongoing regulatory developments and clarifications from the European Supervisory Authorities as well as the European Commission in 2022 and the anticipated updates regarding PAIs for the year 2023.

4. Statement review

The AIFM will actively follow the regulatory and market developments regarding consideration of PAIs at the level of the managed investment funds, i.e. on a fund by fund basis, and may review the current position and plan any implementation in order to consider principal adverse impacts of investment decisions on sustainability factors at the level of the AIFM accordingly.

This statement will be reviewed by the Compliance Function and Senior Management at least every year, as well as on an ad-hoc basis, where necessary, for the statement to remain robust and fit for its purpose and/ or in order to reflect any updates in the applicable requirements.

Following such review, the statement must be approved by the Board of Managers and made available to the employees.