

## SFDR

### **Entity level website disclosures pursuant to Articles 3, 4 and 5 of the EU Sustainable Finance Disclosure Regulation (2019/2088) (SFDR)**

#### **Sustainability-related disclosures**

As Marathon Asset Management, L.P. (the “AIFM”) manages certain alternative investment funds (the “Funds”) registered for marketing under the Alternative Investment Fund Managers Directive (2011/61/EU) (the “AIFMD”) in one or more member states of the European Economic Area (“EEA”), the AIFM is required by the Sustainable Finance Disclosure Regulation (Regulation 2019/2088) (the “SFDR”) to make certain disclosures on its website, including information about the AIFM’s policies on the integration of sustainability risks into its investment decision-making process; its approach to adverse sustainability impacts; and the consistency of its remuneration policies with the integration of sustainability risks. For these purposes, sustainability risk means 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 the investment.

#### **No consideration of sustainability adverse impacts**

The AIFM does not currently consider adverse impacts of investment decisions on sustainability factors as the Funds are not designed to be ESG focussed investment products. The AIFM’s primary focus is therefore achieving attractive risk-adjusted returns for the Funds.

#### **Policies on the integration of sustainability risks into the investment decision-making process**

The Funds’ strategies do not explicitly incorporate sustainability-related restrictive screening or exclusionary criteria. However, as part of its fundamental approach to investing, the AIFM considers risks presented by ESG factors alongside liquidity risk, market risk and other circumstances that may influence the performance of the Funds’ investments.

The AIFM strives to integrate ESG factors across its research and investments to provide valuable, risk-adjusted returns for its clients. It aims to develop an ESG integration process, through which it will identify relevant ESG factors, assess the impact of these factors on target investments, model how ESG factors are accounted for in financial projections and risk assessments, and engage to mitigate residual ESG risk or enhance ESG opportunity. The Investment Manager’s due diligence process for analyzing ESG factors will be tailored to each investment on a case-by-case basis.

#### **Consistency of remuneration policies**

Although the AIFM acknowledges that sustainability risks may be relevant to the investments held by the Funds, the AIFM does not currently take account of sustainability risks as a separate part of its investment decision making processes. As it is not currently possible for the AIFM to separately assess the likely impacts of sustainability risks on the returns of the Funds, this is not reflected in the overall level of variable remuneration awarded to staff.