



PRINCIPAL ADVERSE IMPACT STATEMENT

BANOR CAPITAL LIMITED

The Sustainable Finance Disclosure Regulation (“SFDR” or the “Regulation”) entered into force on 10 March 2021. The Regulation requires fund managers like Banor Capital Limited (“Banor”, the “Firm” or “we”), as an authorised Alternative Investment Fund Manager (“AIFM”), to provide information to investors with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment.

This document specifically addresses Article 4 of the Regulation:

Financial market participants shall publish and maintain on their website:

- a. where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or
- b. where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.

Banor applies the definition of Principal Adverse Impacts (“PAIs”) prescribed by Recital 20 of the Regulation *“Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors”*.

NO CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS

Banor does not consider the PAIs of its investment decisions on sustainability factors in the manner prescribed by Article 4 of the Regulation.

Article 4 (b) of the Regulation requires fund managers to provide clear reasons why they do not consider the adverse impacts of investment decisions on sustainability factors. Although Banor is committed to incorporating Environmental, Social and Governance (“ESG”) factors into its investment decisions, it believes that considering its current investment strategy and processes, it would be challenging to comply with the PAI regime of the SFDR.