



Article 3 of SFDR - Transparency of sustainability risk policies

Integration of sustainability risks in Aztec AIFM Services S.A. (“Aztec AIFM”) in investment decisions

Pursuant to Article 3 (1) of the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “**SFDR**”), financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.

Aztec AIFM acknowledges for each Alternative Investment Fund (the “**AIF**”) it manages that a range of sustainability risks play a vital role at asset level and portfolio level. These sustainability risks include environmental, social or governance events or conditions that could cause an actual or a potential material negative impact on the value of the investment.

Aztec AIFM considers materially relevant sustainability risks in due diligence, portfolio creation and ongoing monitoring and valuation in conjunction with other material risk factors. Aztec AIFM’s assessment of sustainability risks will vary by AIF, reflecting individual AIF specificities i.e. investment strategy and objectives etc. Subject to the AIF specification, Aztec AIFM will conduct sustainability investment risk analysis of the AIF portfolio. The outcome of analyses is reported on a regular basis to Aztec AIFM’s Management Committee and on an ad-hoc basis to Aztec AIFM’s Investment Committee.

Prior to entering into a contractual relationship with an investment advisor or delegating the portfolio management function to a third-party, Aztec AIFM will take appropriate due diligence measures to understand the approach of such third party to the integration of sustainability risk depending on the qualification of the relevant AIF and, as a consequences thereof, ensure such investment advisor or delegated portfolio manager has the required expertise and the procedures in place to integrate sustainability risks in its investment advice or investment decision for the particular AIF. Aztec AIFM will contractually ensure compliance by the investment advisor or the delegated portfolio manager with relevant requirements.

Sustainability risks will not be relevant to certain non-core activities of the AIFs, such as hedging or liquidity management.

The Bright Alternative

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