<u>EU Sustainable Finance Disclosure Regulation (2019/2088) (SFDR)</u>

As Taconic Capital Advisors L.P. (the "**AIFM**" or the "**Investment Manager**") 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.

The AIFM does not manage Funds that take into account the EU criteria for environmentally sustainable economic activities. The AIFM does not offer Funds that seeks to promote one or more environmental or social characteristics.

The AIFM is not required, under Article 4 of the SFDR, by 30 June 2021 to publish and maintain on its website a statement on its due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors.

Policies on the integration of ESG and sustainability risks into the investment decision-making process

As a fiduciary, the Investment Manager puts the interests of its clients above the interests of the firm and its employees. Taconic recognizes that integrating Environmental, Social and Governance ("ESG") factors is fundamental to meeting its fiduciary duty. The Investment Manager also, recognizes and assesses sustainability risk, which is 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. Accordingly, the Investment Manager may, to the extent it deems appropriate and consistent with the fiduciary duty it owes to each Fund, take relevant ESG and sustainability risk factors into consideration in its investment process.

The Investment Manager has formed an ESG Committee consisting of representatives from different practice areas of the Investment Manager to assist in the implementation of a robust approach to Responsible Investment. Primarily, the Committee provides support and resources to the Investment Manager's portfolio managers, who have primary responsibility for identifying ESG risks and engagement opportunities in the investment process. In discharging this responsibility, portfolio managers are empowered to use discretion in determining how to best approach and address ESG and sustainability risk relative to the relevant asset class and investment being considered. In instances where material ESG risks are identified, investment professionals are responsible for documenting those risks and escalating those issues to the Chief Investment Officer.

The Investment Manager takes a "best efforts" approach to assessing the materiality of ESG factors and sustainability risks in its consideration of prospective investments and throughout the investment lifecycle. Consistent with its fiduciary duties and the investment mandates of the Funds, the Investment Manager does not negatively screen opportunities from the investable universe, but rather evaluates and monitors ESG and sustainability risks that may have a material impact on the Funds' investments.

ESG factors and sustainability risks are also integrated in Taconic's continuous risk monitoring processes. Sustainability risks consist of one category of risk among others taken into account by the Investment Manager, including market, liquidity and counterparty risks, when making investment decisions. Sustainability risks form part of the Investment Manager's assessment of market risk when making investment decisions. The Investment Manager takes care not to unduly overweight sustainability risks to the detriment of normal risk analysis.

Remuneration Policy

The AIFM's remuneration policies are consistent with its approach to the integration of sustainability risks into the investment decision making process. As sustainability risks are a type of financial risk, the AIFM acknowledges that failure to consider such risks could have an adverse impact on the performance of investments and the performance of funds managed by the AIFM. Pursuant to the AIFM's remuneration policies, the AIFM awards fixed and variable remuneration to staff. Variable remuneration is awarded on a discretionary basis and takes into account the performance of an individual employee, the performance of the Funds, and the overall financial performance of the AIFM's group. The AIFM's remuneration policies are intended to promote a sound and effective risk management process consistent with medium to long term risk profiles of the of the Funds managed by the AIFM. Accordingly, to the extent that sustainability risks have an adverse impact on performance of the Funds, this is likely to be reflected in the overall level of variable remuneration awarded to staff.