SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

The European Union Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("SFDR") requires financial market participants and financial advisers, such as Meritkapital Limited (the "Company", "MK"), to provide information to investors with regards to the integration of sustainability risks, the consideration of adverse sustainability impacts and the promotion of environmental or social characteristics, and sustainable investments in their investment decision making process. The regulation was enacted to address the objectives of increasing transparency of sustainability-related disclosures and comparability of disclosures for end investors.

ARTICLE I. Integration of sustainability risks in the investment decision-making process

(SFDR - Article 3 disclosure)

MK as part of its investment decision-making process/investment advice, and its risk management procedures, it carries out due diligence and monitors a spectrum of risk factors. The Company recognizes the need to consider integrating sustainability risk (environmental, social and governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material impact on the value of an investment) in its investment decision-making process.

Therefore, MK has elected to consider ESG factors as part of its wider investment decision-making process. Sustainability risks will be assessed among several other risk factors, as part of the risk assessment performed by MK for the fund it manages, and for the provision of portfolio management and advisory services to clients. When MK will be assessing the ESG factors, it will rely on information from external data providers, and although a qualitative review is to be performed, the Company cannot be responsible for the accuracy of this data.

ARTICLE II. No consideration of sustainability adverse impacts

(SFDR - Article 4 disclosure)

MK does not, at the present time, consider the adverse impact of sustainability factors in its investment decisions or investment advice since it considers that for the funds and portfolio strategies it currently manages or advice, principal adverse impacts are not relevant at the moment and there is currently not available, accessible, relevant and comparable data to perform the adverse impact assessment.

MK will continue to closely monitor regulatory developments with respect to SFDR and other applicable ESG-focused laws and regulations and will consider adopting the principal adverse impacts following the finalization of the SFDR Level 2 Regulatory Technical Standards (RTS).

ARTICLE III. Remuneration Policy

(SFDR - Article 5 disclosure)

MK currently does not expect to make any changes to its remuneration policy in relation to sustainability risks, as its remuneration policy in general does not encourage excessive risk taking, including risk taking in terms of sustainability risks. MK will reconsider whether to apply any changes to its remuneration policy in the future, and the relevant policy as well as MK's website will be updated.