

Disclosure on the implementation of the requirements of Article 4 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector regarding the transparency of adverse sustainability impacts at entity level

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Contents

1. Legal framework	3
1.1 Sustainability-related disclosures in the financial services sector.....	3
2. Purpose of this document.....	3
3. Policy review.....	4

1. Legal framework

ECE Real Estate Partners S.à.r.l. (hereinafter „ECE RE“ or „Company“) is an alternative investment fund manager authorised pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers (hereinafter "AIFM Law").

Within the scope of its regulatory authorisation, the Company manages funds that qualify as alternative investment funds ("AIF") (hereinafter "investment funds").

1.1 Sustainability-related disclosures in the financial services sector

On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (hereinafter "SFDR") was published and entered into force on 10 March 2021.

The main objective of the SFDR is to create transparency on

- how sustainability risks are considered in the management of investment funds; and
- if principal adverse impacts of investment decisions on sustainability factors (“comply or explain”) are considered in the management of investment funds.

These transparency requirements apply in principle to both ECE RE as well as the investment funds managed by ECE RE.

2. Purpose of this document

This document explains ECE RE’s decision not to consider principal adverse impacts (hereinafter "PAIs") of investment decisions on sustainability factors for the time being.

Due to the delayed provision of the final draft of the “Final Report on draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a (3), Article 4(6) and (7), Article 8(3), Article 9(5), Article 10(2) and Article 11(4) of Regulation (EU) 2019/2088” (the “RTS”) to the European Commission and the subsequently delayed entry into force as well as the resulting uncertainty regarding the practical implementation of the SFDR requirements related to the consideration of PAIs, ECE RE has not yet implemented a systematic assessment of principal adverse impacts of its investment decisions within the meaning of the SFDR.

ECE RE does, however, keep this situation under constant review and aims to consider the principal adverse impacts of its investment decisions within the meaning of the SFDR, when the applicable legal and regulatory framework is finalised.

3. Policy review

This policy will be reviewed and updated annually, and on an ad hoc basis in case of relevant changes to the organizational structure of the Company, in case of amendments to the regulatory framework governing this policy or if otherwise deemed necessary.

ECE RE expects to conclude its first review of this policy, before the Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to article 2a (3), article 4 (6) and (7), article 8 (3), article 9 (5), article 10 (2) and article 11 (4) of the SFDR shall be applied.