

This Principal Adverse Impact Statement (“PAI Statement”) is published subject to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”).

According to the SFDR, a financial market participant must, among other things, disclose whether, and if so, where and how it takes PAI into account. This must be done at an entity level (Article 4) and at product level (Article 7).

This statement applies only at the entity level under Article 4, and Selected Alternatives Management ApS (“Selected Alternatives”) may have products that differ from the content of this statement. These products will be assessed under Article 7 and can be found in the relevant pre-contractual disclosures and periodic reports for the individual products.

**Selected Alternatives has decided not to consider the adverse impacts of investment decisions on sustainability factors on an entity level**, since the preparation and maintenance of the documentation is deemed disproportional to the size of Selected Alternatives investment activities.

Adverse impacts on sustainability factors refer to the investment’s negative impacts on environmental, social, and employee matters, respect for human rights, anti-corruption, and antibribery matters.

Annex I of Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR (the “RTS”) includes a template “principal adverse sustainability impacts statement” with adverse sustainability impact indicators that an entity considering principal adverse impacts shall consider, report, and set targets in relation to.

The decision not to consider adverse impacts of investment decisions on the entity level is the consequence of an analysis, where Selected Alternatives, due to the size of the organization, finds that it may damage Selected Alternatives’ profitability with a negative impact on its investors within the current scope of the managed funds’ investment strategies as of today without reducing any potential adverse impacts on sustainability factors.

When Selected Alternatives manages more funds that either promote environmental or social characteristics (SFDR Article 8) or have sustainability as its investment objectives (SFDR Article 9) or when a proportionality assessment shows that consideration of adverse impacts of investment decisions on sustainability factors would be beneficial for investors, this decision will be reassessed.