TRANSPARENCY STATEMENT

under Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("**SFDR**") in respect of

WHITECROFT Core Bank Risk Sharing Fund S.A., SICAV-FIAR (the "**Company**"**)**

25 April 2024

The following statement is made in accordance with the requirements under Article 10 of SFDR. This document is prepared to meet the regulatory requirements only and should not be considered an offer or solicitation to invest in the Company. The terms not otherwise defined herein shall have the meaning given to them in the Information Memorandum.

Summary

Classification	The Company has been classed as a financial product which promotes an environmental characteristic under Article 8 of SFDR.
No sustainable investment objective	This Company promotes an environmental characteristic but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product	The Company seeks to promote the environmental characteristic of climate change impact reduction by investing a proportion of its assets in the Risk Sharing Assets of the Originating Banks, which are aligned with such Characteristic. The promotion of the Characteristic will be determined by assessment of the Originating Banks and not the reference portfolio underlying the Risk Sharing Assets.
Investment strategy	This Company seeks to achieve absolute returns and significant capital appreciation for shareholders by investing primarily in Risk Sharing Assets. The Risk Sharing Assets are assets created by the securitisation of on-balance sheet credit exposures of the Originating Bank to what the Originating Bank considers to be its core relationship customers. The Investment Manager's investment decision making process combines both non-ESG related factors as well as ESG related factors. With regards to the ESG related factors, the following approach is applied when identifying the Originating Banks and selecting potential investments: 1. *Originating Bank screening* 2. *Investment selection* 3. *Engagement*
Good governance assessment	Prior to any investment, the Investment Manager carries out an assessment on the Originating Bank to ensure that it is primarily undertaking transactions with counterparts who have good governance practices and responsible lending policies.

Proportion of investments	The Investment Manager will seek to select investments so that at least 60% of investments, by market value, promote the Characteristic.
Monitoring of environmental or social characteristics	The Investment Manager has put in place processes and procedures to monitor its adherence to ESG-related compliance requirements.
Methodologies	The Investment Manager has identified the following sustainability indicators against which it will measure the extent to which the Company's investments promote the Characteristic. All of the below sustainability indicators are assessed at the level of the Originating Banks: 1. *Implied temperature rise* 2. *Greenhouse gas emissions / Enterprise value including cash* *3. Equator Principles* 4. *United Nations Global Compact* 5. *Net Zero status* 6. *ESG rating*
Data sources and processing	The Investment Manager uses various data sources as part of its proprietary ESG process.
Limitation to methodologies and data	The Investment Manager acknowledges that its determination as to whether an investment meets the sustainability indicators is reliant to a large extent on data which issuers have recorded and published themselves, as well as third party data. The Investment Manager is also aware that ESG data which is currently available may be incomplete and/or incorrect.
Due diligence	The Investment Manager carries out initial due diligence at the point of each new investment by the Company. This ensures adherence is maintained at inception of each investment. The Investment Manager will continue to monitor and assess the Risk Sharing Assets and the extent to which they: (i) have good corporate governance practices; and (ii) promote the Characteristic. Further due diligence is carried out on a quarterly basis, with the Investment Manager carrying out documented reviews of the sustainability indicators for the Company as a whole.
Engagement policies	The Investment Manager typically looks to engage with the Originating Banks at the time of contemplating any new transaction.
Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the Characteristic promoted by the Company.

No sustainable investment objective

This Company promotes environmental or social characteristics, but does not have as its objective sustainable investment.

It is not currently expected that the Company will make any 'sustainable investments' within the meaning of Article 2(17) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 or Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Environmental or social characteristics of the financial product

The Company seeks to promote the environmental characteristic of *climate change impact reduction* (the "**Characteristic**") by investing a proportion of its assets in the Risk Sharing Assets of the Originating Banks, which are aligned with the Characteristic. The promotion of the Characteristic will be determined by assessment of the Originating Banks and not the reference portfolio underlying the Risk Sharing Assets.

Whitecroft Capital Management LLP (the "**Investment Manager**") will assess the extent to which an investment promotes the Characteristic by reference to certain specified sustainability indicators, which are described in more detail under "Methodologies" below.

The Investment Manager seeks to manage the Company in compliance with the requirements of Article 8 of SFDR.

Investment strategy

This Company seeks to achieve absolute returns and significant capital appreciation for shareholders by investing primarily in Risk Sharing Assets. The Risk Sharing Assets are assets created by the securitisation of on-balance sheet credit exposures of a bank or similar financial institution (the "**Originating Bank**") to what the Originating Bank considers to be its core relationship customers (the "**Obligors**").

The Company invests in Risk Sharing Assets with Originating Banks which meet the Company's ESG Policy criteria. This includes investing a proportion of its assets in investments which meet the sustainability indicators mentioned under "Methodologies" below.

The Investment Manager's investment decision making process combines both non-ESG related factors as well as ESG related factors. With regards to the ESG related factors, the following approach is applied when identifying the Originating Banks and selecting potential investments:

1. *Originating Bank screening*

Prior to any investment, the Investment Manager screens the Originating Banks against various factors. This assessment is discussed in more detail in the 'Good governance assessment' section below.

2. *Investment selection*

The primary motivation for the Originating Banks to issue the Risk Sharing Assets is to obtain regulatory capital relief. The capital, freed up by the issuance of these Risk Sharing Assets, supports the Originating Banks' capacity to extend new loans to new obligors. That opening of capacity for future activity is what the Investment Manager considers to be of crucial importance, as partnering with the Originating Banks who have strong ESG credentials means supporting them in that future activity. For that reason, the Investment

Manager considers analysing an Originating Bank against the sustainability indicators to be more relevant in relation to the Company's promotion of the Characteristic, than applying sustainability indicators to the reference portfolio underlying the Risk Sharing Asset.

However, the Investment Manager will also review the reference portfolio underlying the Risk Sharing Asset being issued by an Originating Bank from an ESG perspective, to the extent that information on the underlying borrowers names is disclosed[1]. If this is the case, the Investment Manager will review the reference portfolio against a pre-determined list of Obligors who are deemed by the Investment Manager, primarily due to the nature of their industry sector[2], to be ESG deficient (the "**Exclusion List**"). If the initial reference portfolio contains one or more Obligors from the Exclusion List then that whole reference portfolio is deemed to be impacted and, if that Risk Sharing Asset is then acquired by the Company, that investment will be deemed to be a "**Covered Investment**" by the Investment Manager.

The Investment Manager will not acquire any new Covered Investments if: (i) the acquisition of those Covered Investments will take the Company's holdings in the Covered Investments over 20% of the assets of the Company; or (ii) if 20% or more of the Company's holdings are already in the Covered Investments[3].

3. Engagement

As mentioned in the section above, the Risk Sharing Assets acquired by the Company support the future activity of the Originating Banks as they provide capital relief, thereby providing additional capacity for new loans. The Investment Manager undertakes to engage and discuss with the Originating Banks the extent to which the capital relief gained from the issuance of the Risk Sharing Asset will be used for the issuance of green finance loans (i.e. loans which support the green economy by being aligned with environmental and/or social activities). If possible, the Investment Manager will seek to obtain assurances from the Originating Banks that at least a pre-set percentage of the capital relief gained will be used to support green financing activities. The Investment Manager may also seek additional covenants or representations to be included into documentation to require the Originating Banks to avoid risk sharing exposures related to certain industries (e.g. weapons, tobacco, coal, etc.) or specific Obligors.

Good governance assessment

Prior to any investment, the Investment Manager carries out an assessment on the Originating Bank to ensure that it is primarily undertaking transactions with counterparts who have good governance practices and responsible lending policies. This assessment looks at various factors for the Originating Banks, including whether they have:

- a Bloomberg Governance Score[4] in excess of 5.0;
- compliance with UN embargoes and EU/US sanctions;
- adopted the Equator Principles;
- lending policies with regards to illegal labour practices (based on ILO guidelines); and
- signed up the United Nations Global Compact principles.

[1] The Investment Manager notes that fully disclosed portfolios may constitute a minority of transactions generally contemplated for investment.

[2] Examples of sectors covered by the Exclusion List include, but are not limited to weapons, tobacco, coal, etc.

[3] The Investment Manager notes that existing holdings in the Covered Investments could increase in value, passively taking the proportion of the Company's assets in the Covered Investments over the 20% threshold.

[4] Bloomberg Governance Score evaluates a company's aggregated governance performance, across themes such as board composition (covering diversity, refreshment, independence etc) and executive compensation (covering incentive structure, performance-related pay, pay governance etc).

Following investment, the Investment Manager assesses the above criteria on an ongoing basis, with formal reviews on at least an annual basis.

Proportion of investments

The Investment Manager will seek to select investments so that at least 60% of investments, by market value, promote the Characteristic. The remaining 40% of investments will be in: (1) investments where the Investment Manager is unable to source accurate and reliable data to enable measurement against the sustainability indicators referred to above and therefore is unable to confirm whether such investments promote the Characteristic; (2) investments which do not align with the Characteristic as they do not meet the sustainability indicators; (3) derivatives entered into for the purposes of hedging and liquidity management; or (4) other liquidity management tools, such as money market instruments, cash and cash equivalents.

Monitoring of environmental or social characteristics

The Investment Manager has put in place processes and procedures to monitor its adherence to ESG-related compliance requirements, including the sustainability indicators described in the 'Methodologies' section below.

Prior to any investment, and as part of the Investment Manager's investment approval process, the Investment Manager completes a checklist covering all ESG-related compliance requirements. This checklist is contained within the written investment memo that is produced for all new investments. This ensures that adherence is maintained at the point of each new investment by the Company.

As a further control to ensure compliance, on a quarterly basis, the Investment Manager carries out documented reviews of the sustainability indicators for the Company as a whole.

Methodologies

The Investment Manager has identified the following sustainability indicators against which it will measure the extent to which the Company's investments promote the Characteristic. All of the below sustainability indicators are assessed at the level of the Originating Banks and not the reference portfolio underlying the Risk Sharing Assets.

The first two indicators are more directly related to the Characteristic being promoted:

1. *Implied temperature rise:* the Investment Manager will select Risk Sharing Assets of Originating Banks who have an implied temperature rise of 2.0°C or less. The Investment Manager will base its determination on implied temperature rise data supplied by MSCI Inc ("**MSCI**") or Bloomberg Finance LP.

2. *Greenhouse gas emissions / Enterprise value including cash* ("**GHG/EVIC**")*:* the Investment Manager will select Risk Sharing Assets of Originating Banks who have a GHG/EVIC ratio of 0.5 or lower.

The remaining indicators support the Characteristic being promoted in a more indirect manner:

3. *Equator Principles:* whether the Originating Bank has adopted the Equator Principles[5] and integrates these into their internal environmental and social risk management policies and procedures.

[5] https://equator-principles.com/

4. *United Nations Global Compact:* whether the Originating Bank has signed up to be a participant to the UN Global Compact.

5. *Net Zero status:* whether the Originating Bank has disclosed its ambition and engagement related to achieving Net Zero greenhouse gas ("**GHG**") emissions. Net Zero refers to a state in which GHG emissions released into the atmosphere are balanced by removal of emissions from the atmosphere.

6. *ESG rating*: the Investment Manager will select Risk Sharing Assets of Originating Banks who have an MSCI ESG Rating[6] score of A or better.

Data sources and processing

The Investment Manager uses the following data / research as part of its proprietary ESG process:

(a) Bloomberg ESG Data;

(b) MSCI ESG Data;

(c) Originating Bank reports;

(d) financial news outlets (including, but not limited to, Bloomberg, Reuters), and

(e) specialist research.

The Investment Manager collates data from its primary data sources in a systematic and automated manner by pulling the data electronically from the providers. This reduces the likelihood of error in data processing.

Limitation to methodologies and data

The Investment Manager acknowledges that alternative methodologies to those selected could be used to determine whether investments promote the Characteristic.

The Investment Manager also acknowledges that its determination as to whether an investment meets the sustainability indicators is reliant to a large extent on data which issuers have recorded and published themselves, as well as third party data.

The Investment Manager is also aware that ESG data which is currently available may be incomplete and/or incorrect.

There may be other limitations to the methodologies and data used by the Company. These include, but are not limited to:

1. Engagement

The Investment Manager undertakes to engage and discuss with the Originating Banks the extent to which the capital relief gained from the issuance of the Risk Sharing Asset will be used for the issuance of loans which support the green economy by being aligned with environmental activities. However, the Investment Manager makes no guarantee or assessment that any such engagement will have a significant impact or influence on the behaviour of the Originating Banks.

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[6] An MSCI ESG Rating is designed to measure a company's resilience to material long-term industry ESG risks. MSCI use a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.

2. Data sources

ESG data received from third parties as well as the Originating Banks may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that the Investment Manager may incorrectly assess an investment or an Originating Bank, resulting in the incorrect direct or indirect inclusion or exclusion of an investment in the portfolio of the Company. The Investment Manager may also use unchanged data at times, particularly when there are no alternative data sources available.

Using multiple data sources reduces this risk but does not eliminate it. In addition, using fundamental internal analysis also allows the Investment Manager to question data directly with the Originating Banks.

Over time, and as industry and relevant resources develop, the Investment Manager may (1) change, amend or revise the sustainability indicators, which it uses to rate investments; and/or (2) choose to utilise alternative data sources in its due diligence and ratings processes.

Due diligence

Prior to any investment, and as part of the Investment Manager's investment approval process, the Investment Manager completes a checklist covering all ESG-related compliance requirements. This checklist is contained within the written investment memo that is produced for all new investments. This constitutes the initial due diligence that is carried out by the Investment Manager and ensures that adherence is maintained at the point of each new investment by the Company.

The Investment Manager will continue to monitor and assess the Risk Sharing Assets and the extent to which they: (i) have good corporate governance practices; and (ii) promote the Characteristic. Further due diligence is carried out on a quarterly basis, with the Investment Manager carrying out documented reviews of the sustainability indicators for the Company as a whole.

Any identified breach of the sustainability indicators will be considered on a case-by-case basis. The Investment Manager endeavours to always act in the best interests of the Company's investors and will aim to resolve any breaches in an effective manner, taking into account the nature of the breach, the extent of the breach, the options available to resolve the breach and each of their impacts on the existing portfolio.

Engagement policies

Engagement policies, together with their limitation, are detailed above in the sections titled "Investment strategy" and "Limitation to methodologies and data". The Investment Manager typically looks to engage with the Originating Banks at the time of contemplating any new transaction.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the Characteristic promoted by the Company.

While the Investment Manager seeks to promote the identified Characteristic by application of the investment processes set out above and in the Information Memorandum relating to the Company, there is no guarantee that the Characteristic will be promoted by the Company and investment losses may arise.