Raft Capital

Statement on Principal Adverse Impacts

Context

Article 4(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”) requires financial market participants to ensure transparency in terms of consideration of Principal Adverse Impacts (“PAI”) of investment decisions on sustainability factors. Principal Adverse Impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters. In line with article 4(3) financial market participants with fewer than 500 employees can adopt a "comply or explain" approach, choosing not to consider PAI.

The objective of this statement is to provide an explanation of the approach of Raft Capital Baltic Equity Fund KŪB (the “Fund”).

Fund’s position

As of the date of this statement, the Fund does not consider the adverse impacts of investment decisions on sustainability factors to the extent set out in Article 4 of the SFDR. The rationale for this approach is detailed below. As the Fund grows, diversifies its portfolio, or if regulatory expectations evolve, it will reassess its position regarding the consideration of PAI. This decision is made annually by the Fund’s Board.

Explanation

The Fund has elected to follow the “explain” approach under Article 4(1)(b) of the SFDR. This decision is primarily driven by the Fund’s size, organizational structure, and the current scale of its investment activities. The Fund has significantly fewer than 500 employees and maintains a highly concentrated portfolio, currently consisting of a single portfolio company.

Given this limited scope, the Fund considers that the systematic identification, measurement, and monitoring of PAI at the entity level would not provide meaningful or proportionate insights into sustainability risks or outcomes at this stage. The administrative burden and data requirements associated with full PAI consideration are also not commensurate with the size and nature of the Fund’s operations.

Nevertheless, the Fund remains committed to responsible investment principles and takes sustainability considerations into account in its investment decision-making processes where relevant by actively promoting selected social characteristics, as detailed in the pre-contractual disclosure for the financial products referred to in Article 8 of the SFDR.

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