

Matter UK Residential Income Fund SCSp

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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Product name:
Matter UK Residential Income Fund SCSp ("MUKRIF" or the "Fund")

Legal entity identifier:

RCS Number: B279735

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? [tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What environmental and/or social characteristics are promoted by this financial product? MUKRIF's investments consist of residential family homes based in the UK. MUKRIF's eligibility criteria for new acquisitions includes a

requirement that target assets are consistent with the MUKRIF's ESG Policy which includes the following key characteristics:

- **Targets Net Zero Carbon emissions by 2040.**
- **Launches energy efficiency measures.**
- **Invests in real estate with a minimum EPC rating of B or for assets that fail to meet this criteria their eligibility requires an Advisory Board approved business plan to achieve EPC B.**

Upgrades to UK family homes are necessary from a resilience to climate change point of view as well as an energy efficiency point of view, ensuring that these homes are more affordable to heat and light and more comfortable for residents to live well in.

Matter Real Estate LLP ("Matter"), as investment adviser to MUKRIF's General Partner has a focus on building real estate businesses where there is a societal or social need. Its ESG Strategy includes promoting investee company carbon reduction pathways to produce a low carbon, high energy efficient portfolio.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Fund measures its performance against the Net Zero target by the following indicators:

Table 2 PAI 17 – GHG emissions for Scope 1, 2 and 3

Table 2 PAI 18 – Energy intensity (GWH per SqM)

In the Fund measures the annual reductions in tonnes of CO₂e against the target Net Zero date.

The Fund reports to GRESB and will monitor its performance against this international benchmark.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A. The Fund promotes environmental and social characteristics and does not make sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A. The Fund promotes environmental and social characteristics and does not make sustainable investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A. The Fund promotes environmental and social characteristics and does not make sustainable investments.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A. The Fund promotes environmental and social characteristics

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

and does not make sustainable investments.



Does this financial product consider principal adverse impacts 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, anti-corruption and anti-

X

Yes, the Fund considers Principal Adverse Impacts (PAI) on sustainability factors.

Principle Adverse Impact Indicators have been taken into account for the Fund. As the Fund purely consists of real estate assets, the PAI are focused on the Real Estate indicators only. These are:

Table 1 PAI 15 Exposure of fossil fuels through real estate

Table 1 PAI 16 Exposure of energy inefficient properties

Table 2 PAI 17 GHG Emissions Scopes 1,2,3

Table 2 PAI 18 Energy intensity

This information can be found:

<https://matterrealestate.co.uk/impact-and-sustainability/>

No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund invests in residential properties that meet the Fund's specified eligibility criteria, which includes a requirement that target assets are consistent with the Fund's ESG Policy.

MUKRIF's ESG Policy includes the following key characteristics:

- **Target Net Zero Carbon emissions by 2040.**
- **Launch energy efficiency measures.**
- **Invest in real estate with a minimum EPC rating of B or for assets that fail to meet this criteria their eligibility requires an Advisory Board approved business plan to achieve EPC B.**

Upgrades to UK family homes are necessary from a resilience to climate change point of view as well as an energy efficiency point of view, ensuring that these homes are more affordable to heat and light and more comfortable for residents to live well in.

Matter, as investment adviser to MUKRIF's General Partner, has a focus on building real estate businesses where there is a societal or social need. Its ESG Strategy includes promoting investee company carbon reduction pathways to produce a low carbon, high energy efficient portfolio.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund invests in residential homes based in the UK that meet its eligibility criteria. However, in line with its investment adviser, Matter's ESG Policy, it will not invest in tobacco, gambling, adult entertainment, military weapons, fossil fuels and nuclear energy alongside PRI negative screening principals.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A. There is no committed minimum rate to reduce the scope of investments.

- ***What is the policy to assess good governance practices of the investee companies?***

The Fund invests in real estate assets directly or via real estate special purpose vehicles only and directs the governance of any such special purpose vehicles. Neither the Fund nor the real estate special purpose vehicles have any employees.

The Fund has implemented the following governance processes:

- **Anti Bribery and Corruption Policy.**
- **Sustainable Procurement Policy.**

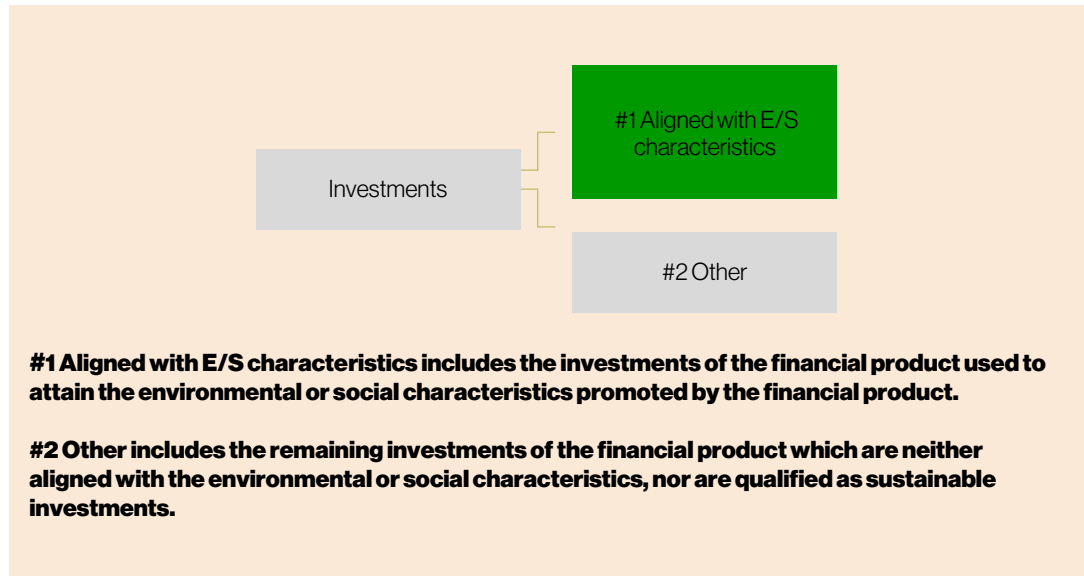
The Fund's investment adviser Matter, has implemented processes and policy:

- **to prevent modern slavery and human trafficking in its own business operations and supply chains.**
- **in relation to its remuneration.**
- **has in place a staff handbook accessible for all staff that includes, amongst others, a grievance policy, human rights policy, equal opportunities statement, health and safety and its IT security policy.**

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?



The Fund invests in residential real estate assets either directly or indirectly in line with the Fund's asset eligibility criteria which includes a requirement that target assets are consistent with the Fund's ESG Policy. The intention is that the investments promote E/S characteristics. The Fund may hold cash for liquidity purposes and the fund capital investment from time to time.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

N/A. The Fund will not use derivatives to attain any environmental or social characteristics.

Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of revenue from green activities of investee companies
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure (OpEx) reflecting green operational activities of



Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%

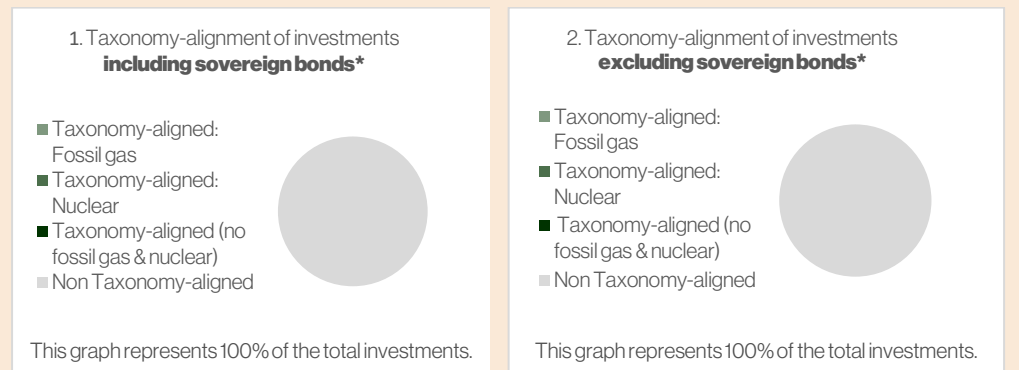
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

In fossil gas In nuclear energy

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




*** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.**

● **What is the minimum share of investments in transitional and enabling activities?**

N/A.

¹ **Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.**

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A.



What is the minimum share of socially sustainable investments?

N/A.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The investment included in “Other” is cash. The purpose of this is to meet liquidity and capital expenditure requirements and may not contribute to the environmental or social characteristics of the Fund.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Fund does not use any designated reference benchmarks. However, the Net Zero goal, which is the primary environmental characteristic of the Fund, has been aligned with science based targets. Additionally, the Fund also reports to Global Real Estate Sustainability Benchmark (GRESB).

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A.

● **How does the designated index differ from a relevant broad market index?**

N/A.

● **Where can the methodology used for the calculation of the designated index be found?**

N/A.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://matterrealestate.co.uk/impact-and-sustainability/>