

PAI Opt Out Statement

Introduction

The EU Sustainable Finance Disclosure Regulation (“**SFDR**”) requires Setanta to make a “comply or explain” decision whether to consider the principal adverse impacts of our investment decisions on sustainability factors.

“Sustainability factors” are defined in the SFDR as meaning environmental, social and employee matters, respect of human rights, and corruption and anti-bribery matters.

Opt-out explanation on considering PAI at entity level

“Setanta does not consider adverse impacts of its investment decisions on sustainability factors at an entity level. While Setanta assesses financially material ESG issues for all companies, we do not look for companies to achieve sustainability outcomes, in their own right, across all SFDR defined principal adverse impacts. Moreover, the consideration of the full list of principal adverse impacts (PAI) indicators is not consistent with our client mandates in all instances.”

However, notwithstanding this, for certain funds which pursue a reduction of negative externalities caused by the investment underlying the product, Setanta considers the impacts of its investment decisions on sustainability factors by reference to a subset of PAI indicators listed in Table 1 of Annex I. In such cases, information on how Setanta considers the principal adverse impacts on sustainability factors of the fund is provided in pre-contractual documentation for the fund.

Setanta will continue to keep its policy with regard to the consideration of adverse impacts of investment decisions on sustainability factors under review.