

## Introduction

### Setanta Asset Management Limited

Setanta Asset Management (Setanta) are an independent investment management firm based in Dublin, Ireland. Established in 1998, Setanta applies an active, long-term value investing approach to its equity and multi-asset funds. Our approach is research-driven, conducted by a team of investment professionals. We focus on selecting and owning high quality businesses at reasonable prices, while paying particular attention to the potential downside risk of each investment.

Setanta provide discretionary management services to institutional investors to help them achieve their long-term investment objectives. Client objectives typically centre around maximising long term investment returns, within a well understood risk framework. Environmental, Social and Governance (ESG) risks have long been considered within this framework, although not always explicitly characterised as such. Similarly, the opportunities presented by ESG factors have also always been considered in our decisions.

With a long-term investment horizon, we are attracted to businesses that share a long-term perspective, and are careful stewards of their resources, both financial and otherwise. These companies view factors such as corporate governance, sustainability, management incentive arrangements, and maximising shareholder returns as part of the efficient and effective running of their businesses.

This policy applies as from November 2023.

### Incorporation of ESG issues into the Research Process

We believe that over the long-term, good quality durable businesses, bought at an attractive price will generate superior returns. We research all companies in detail, and we monitor them actively and in-depth; our investment rationale is built around long-term ownership. As such, the consideration of financially material ESG factors is core to our process.

Setanta's team of investment professionals consider ESG factors as a part of their research and analysis – this work is not carried out by a separate ESG team. ESG assessment is a qualitative process undertaken by the portfolio managers, rather than a quantitative process involving the calculation of scores.

We consider material ESG factors in our analysis, in the main, to investments in equity securities, and, where appropriate, to other asset classes.

When evaluating ESG factors, portfolio managers use traditional data such as company filings, earning transcripts and industry reports.

ESG factors are considered alongside the many other factors when making an investment decision. How an ESG factor is weighted against other factors is a discretionary process based on the judgement of the portfolio manager.

We monitor material ESG risks and opportunities in the same way we monitor other material factors. We review company filings, third-party research, and news flows relevant to the company. We may also speak directly to the company or use additional resources such as expert networks.

## **Engagement & Voting**

Engagement with investee companies can be a key part of forming a financial and qualitative understanding of a business. ESG factors form part of our engagement and voting practices where we feel they are material to the investment case, or they are required by our investment mandates.

Our proxy voting policy is to vote for the securities of companies for which we have proxy-voting authority in a manner most consistent with the long-term economic interest of fund investors, including considering ESG factors where relevant. In determining how to exercise voting rights attached to securities, we rely on our own internal analysis and assessment and do not outsource the responsibility to proxy advisors.

## **Ethical Investing, SRI and Sustainable Investing**

As of Q3 2023, a portion of our AUM is aligned with Article 8 of the EU's Sustainable Finance Disclosure Regulation (SFDR). In addition, we manage a range of Ethical and SRI funds on behalf of clients who want to avoid stocks that do not meet certain environmental, social, governance and ethical criteria.

Over time we intend to offer more funds with positive ESG characteristics and objectives. These funds would also be supported by an extensive engagement program.

## **Ownership**

This policy is owned by the Executive Management Committee.