

Responsible Investment Policy

March 2025

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Overview

This Responsible Investment Policy (the “**Policy**”) sets out how Setanta Asset Management Limited (“**Setanta**”), integrates financially material sustainability factors into our investment decision-making process where our clients have granted us the discretion to do so.

Most recent review date of the policy – March 2025.



1. Introduction

Setanta is an independent investment management firm based in Dublin, Ireland. Setanta provides discretionary management services to institutional investors to help them achieve their long-term investment objectives. Established in 1998, Setanta applies a long-term, active, and value investing approach to its equity and multi-asset investment solutions. Our approach is research-driven and is conducted by a team of investment professionals, who aim to deliver competitive returns across our investment strategies. Our focus is on identifying good quality investments for our clients with particular emphasis on the potential downside risk of each investment.

Setanta considers responsible investment as the integration of financially material sustainability factors (together with non-sustainability related factors) into the investment management process. This helps mitigate potential risks, identify investment opportunities and is consistent with our fiduciary responsibilities to our clients.

Our clients typically seek to maximise long term investment returns within a well understood risk framework. When making investment decisions we take a long-term view including with regards to sustainability factors. When considering securities, we favour companies that share a long-term perspective and are careful stewards of their resources, both financial and otherwise. In our assessment of investments, we view factors such as corporate governance, sustainability, management incentive arrangements, and maximising shareholder returns as an important part of the efficient and effective running of a business.

2. Incorporation of sustainability factors into our investment research process

When making investment decisions our portfolio managers will consider financially material sustainability factors in conjunction with other criteria and use their judgment and discretion when weighing up all such factors. We do not apply thresholds in relation to sustainability factors unless this forms part of the specified characteristics of the investment solution.

When evaluating sustainability factors, our portfolio managers use traditional data such as company filings, earnings transcripts, sustainability related reports and industry reports. We also use data from specialised sustainability data providers, particularly for our investment solutions which are classified as Art 8 in accordance with the Sustainable Finance Disclosure Regulation 2019/2088 ("**SFDR**") and in relation to a range of portfolios that we manage for our clients which apply an ethical and socially responsible objective.

For our investment solutions that are classified as Article 8 under the SFDR, we apply an additional sustainability assessment. These sustainability assessments consider the decarbonisation strategy of each investee company in the relevant portfolios, as well as fossil fuel exposure, sustainability controversies and a subset of the principle adverse impact ("**PAI**") indicators set out in Table 1 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 ("**SFDR RTS**"). These sustainability assessments are led by our sustainability analyst.

3. Engagement & Voting

Engagement with investee companies can be a key part of forming a financial and qualitative understanding of their business. Sustainability considerations form part of our engagement and voting practices where we feel that such factors are material to the financial performance of the company or where they form part of the specified characteristics of the investment solution.

Exercising the voting rights for shares beneficially owned by our clients is a key component of Setanta's approach to responsible investment. Setanta will exercise these voting rights unless it is instructed not to do so by a client. Setanta has a Proxy Voting Policy which describes our approach to voting on the assets we manage on behalf of our clients. Our approach is to vote in a manner most consistent with the long-term economic interest of our clients including in relation to sustainability factors. 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 voting service providers.

Setanta also has a sustainability engagement program and a sustainability voting program which focus on environmental matters. These programs solely apply to investment solutions which are classified as Article 8 under the SFDR. Through these programs we seek to encourage investee companies to think and act sustainably with a long-term environmental focus. These programs are led by Setanta's sustainability analyst and ESG reporting analyst, working closely with the portfolio management team.

4. Governance

The Setanta Responsible Investment Committee ("**SRIC**") is responsible for overseeing adherence to this Policy. This Policy is reviewed annually (or more frequently if required) by the SRIC and all updates are approved by Setanta's Executive Management Committee. The membership of the SRIC and its terms of reference are available on request.

Disclosures

Setanta relies on data, ratings and measurements which have been obtained from third party data providers ("Third Party Data") to implement the procedures and practices set out in this Policy. Third Party Data may be limited due to a lack of availability or quality of the information, data and indicators for certain issuers/exposures or asset classes. Third Party Data may also be based on assumptions, forecasts, calculations, views and opinions of the relevant third-party data provider ("Estimated Data"). Estimated Data may vary from realised figures or may be otherwise inaccurate or incorrect. Setanta has not independently verified or assessed the assumptions underlying Estimated Data.

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Environmental, Social and Governance ("ESG") strategies may diverge from, increase or eliminate exposures found in other non-ESG strategies or broad market benchmarks. This may cause performance to diverge from the performance of these other strategies or market benchmarks. ESG strategies will be subject to the risks associated with their underlying investments' asset classes. Further, the demand within certain markets or sectors that an ESG strategy targets may not develop as forecasted or may develop more slowly than anticipated.

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Setanta Asset Management Limited is regulated by the Central Bank of Ireland.
