Principal Adverse Impacts Statement Summary

Landseer Asset Management (UK) LLP – March 2024

The Management Company has delegated investment management of the Sub-Fund (Landseer Asset Management) and hence its own policy on the integration of Sustainability Risks into its investment decisions relies on the application of such policies by the Investment Manager.

The ESG characteristics of the fund are obtained through a binding exclusions policy combined with careful screening of companies with the aim of consistently outperforming our benchmark from an ESG perspective. We will report on these on a monthly basis going forward commencing June 2021.

Background

This Policy has been drafted as required by the Regulation (EU) 2019/2088 of the European Parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR") financial market participants and are required to act in the best interest of end investors, including but not limited to, the requirement of conducting adequate due diligence prior to making investments, provided for in Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, and Regulations (EU) No 345/2013 and (EU) No 346/2013.

In order to comply with their duties under those rules, financial market participants should integrate in their processes, including in their due diligence processes, and should assess on a continuous basis not only all relevant financial risks but also including all relevant sustainability risks that might have a relevant material negative impact on the financial return of an investment or advice. Therefore, financial market participants and financial advisers should specify in their policies how they integrate those risks.

As part of our approach to Responsible Investing we aim to mitigate the negative impacts of our investment decisions on sustainability factors. These negative impacts are also called adverse impacts, whereby the most significant adverse impacts are referred to as principal adverse impacts. These principal adverse impacts can occur in different areas, such as related to environmental, social and employee matters, human rights, corruption and bribery matters. In the investment due diligence process, the Firm must consider the principal adverse impacts, whether material or likely to be material, of investment decisions on sustainability factors.

This Policy applies to Landseer Asset Management (UK) LLP in its capacity as a financial market participant.

Landseer Asset Management (UK) LLP considers positive and adverse impacts of its investment decisions on sustainability factors, including environmental, social and governance ("ESG") factors. This Principal Adverse Impacts Statement ("PAIS") applies to Landseer Asset Management (UK) LLP (The European Equity L/S Focus Fund) that promotes ESG characteristics in accordance with Article 8 under the Sustainability Finance Disclosure Regulation ("SFDR").

Information about Policies on Identification and Prioritization of Principal Adverse Sustainability Impacts and Indicators.

The Policy describes key elements related to sustainability risks, materiality, engagement, and governance. Description of Principal Adverse Sustainability Impacts and Actions Landseer Asset Management (UK) LLP addresses adverse impacts by systematically integrating what it deems to be financially material ESG factors in its fundamental company research. The assessment of potential ESG risks and opportunities is guided by a proprietary industry materiality framework that was developed internally by the Partners of the firm as set out in our ESG Policy and Disclosure.

Integration.

Landseer Asset Management (UK) LLP addresses sustainability risks by integrating ESG factors in a structured, quantitative, and qualitative process that provides a holistic assessment of an issuer's opportunities and risks. Sustainability risks are also integrated in the investment process through the active management of an exclusion list of companies engaged in cluster munitions manufacturing. Companies that are subject to sanctions, or that violate global norms and conventions, may also be excluded. Landseer Asset Management (UK) LLP also seeks to avoid companies that derive a significant portion of their revenues from tobacco-related businesses and child slave labour. In determining whether to invest based upon these principles, Landseer Asset Management (UK) LLP will incorporate industry accepted screening tools from vendors that it deems to be reliable.

The Investment Manager considers ESG factors in the investment decision-making process at both the stock and the aggregated portfolio level and has the option to take long and short positions in consideration of the ESG analysis, and/or exclude whole sectors from the investment universe. Such ESG factors include, but are not limited to:

Environmental

i. Climate Change,
ii. Water Stress,
iii. Biodiversity and Land Use,
iv. Toxic Emissions and Waste and Environment Opportunities.

Social

i. Labour management,
ii. Health and Safety,

iii. Privacy and Data Security,
iv. Stakeholder Opposition and Social Opportunities,
v. Mobility and Diversity.

Governance

i. Corporate Governance and Corporate Behaviour including Ethics,
ii. Corruption,
iii. Instability,
iv. Diversity and Remuneration.

The mitigation methods can be directly or indirectly related to a principal adverse impact. A direct example is board gender diversity, which we aim to influence via voting and engagement, which can lead to a direct improvement of the Board gender diversity PAI indicator. An indirect example is the restriction of companies involved in tobacco production.

Where practical we will engage in dialogue with companies to better understand, manage and address ESG issues, to support business growth, good governance, standards of conduct, and to invest accordingly. The Investment Manager may undertake to engage on ESG issues through the use of proxy voting, influence and ultimately investment decision making.

The Investment Manager considers that the integration of sustainability risks in the decision-making process is an important element in determining long term performance outcomes.

As part of SFDR, the European Supervisory Authorities have identified a potential list of principal adverse impact indicators that Financial Market Participants will need to report on annually.

This list is part of the draft Regulatory Technical Standards (RTS), which are not yet binding and are currently expected to apply as of January 2022. While various of the mandatory principal adverse impact indicators are already part of our Responsible Investment approach, others are not, or are only partially included in our current approach.

In addition, for some of the principal adverse impact indicators in the RTS, there is currently no reliable data available. For the mandatory principal adverse impact indicators that are not yet (or only partially) included in our current Responsible Investment approach. We are currently assessing how we can obtain reliable data and include these principal adverse impact indicators in our investment processes, monitoring, and reporting. When the list of mandatory and optional principal adverse impact indicators is finalized, we will consider formally including the mandatory adverse impact indicators in our Responsible Investment Policy and investment processes.

Furthermore, we will list all mandatory and relevant optional adverse impact indicators in this Statement, whereby we will also report their aggregated values annually.

Please refer to the Article 8 Disclosure document for further information.

Policy Review

This Policy shall be reviewed on at least a quarterly basis and approved by the Executive Committee.

Reviewed March 2024. Signed off.

End