

Principal Adverse Impacts Statement Summary

Landseer Asset Management (UK) LLP – Q1 2025

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 report on these on a monthly basis.

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 and consultants 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. Only long positions are scored for ESG purposes.

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 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 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 list of principal adverse impact indicators that Financial Market Participants will need to report on.

MANDATORY ADVERSE SUSTAINABILITY INDICATORS

Climate and other environment indicators

- GHG Emissions (Scope 1,2,3 & Total)
- Carbon Footprint
- GHG Intensity
- Fossil fuel sector
- Non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Biodiversity sensitive areas
- Emissions to water
- Hazardous waste ratio

Social and governance indicators

- Violations of UN Global Compact principles and OECD Guidelines
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines
- Gender pay gap
- Board gender diversity
- Exposure to controversial weapons

The first entity level PAI reports are due in June 2023, based on the reference period of January 1st 2022 to December 31st 2022. Starting in June 2023, by 30th June each year we will publish the information referred to in paragraphs 1(a), 2, 3 and 4 of Article 4 of the SFDR on our website (Articles 2 and 4 of the RTS) in a separate section titled 'Principal adverse sustainability impacts statement'. This information will be presented in accordance with the template in Annex I of the RTS.

Furthermore, we will select at least one additional indicator related to principal adverse impacts on a climate or other environment related sustainability factor that qualifies as principal as set out in Table 2 of Annex I, as well as at least one additional indicator related to principal adverse impacts on a social, employee, human rights, anti-corruption or anti-bribery sustainability factor that qualifies as principal as set out in Table 3 of Annex I. Measurement of principal adverse impacts will, to some extent, be subjective and based on judgement.

Landseer Asset Management has formally approved these policies on 21st December 2022. Partners will be primarily responsible for the implementation of these policies. However, all investment team members will be educated with regards to principal adverse impacts on sustainability factors in order to integrate these considerations in the investment process.

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 Q1 2025.**

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