

New England Asset Management Limited

Explanation of non-compliance with SFDR's principal adverse impacts regime



This document sets out disclosures by New England Asset Management Limited (the “Firm”), in respect of the principal adverse impacts of our investment decisions on sustainability factors.

The EU Sustainable Finance Disclosure Regulation (“SFDR”) requires the Firm to make a “comply or explain” decision whether to consider the principal adverse impacts (“PAIs”) of our investment decisions on sustainability factors, in accordance with a specific regime as outlined in SFDR. The Firm has decided not to comply with that SFDR regime at this time. The Firm is therefore required to publish and maintain on our website a statement to explain our reasons for not complying with the PAI regime in SFDR, and information as to whether and when we intend to comply with such regime.

Non-compliance with the PAI regime in SFDR

The Firm has carefully evaluated the requirements of the PAI regime in Article 4 of SFDR, and in the Final Report on draft Regulatory Technical Standards which were published in December 2023 (the “PAI regime”).

The Firm is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors. However, taking account of the nature and scale of our activities, we have elected not to comply with the regime at this time.

The Firm is also concerned about the lack of consistently available data from issuers outside the EU that would allow us to comply with the technical reporting requirements of the PAI regime. The Firm will keep its decision not to comply with the PAI regime under regular review and will formally re-evaluate the decision at least annually. Notwithstanding our decision not to comply with the PAI regime, the Firm wishes to re-affirm our overall commitment to ESG matters. Please see a summary of the ESG-related initiatives and policies adopted by the Firm and available on our website at: <https://www.neamgroup.com/regulatory-publications/non-us> Under this policy, the firm has integrated consideration of ESG issues into our investment processes.