

PGIM Netherlands B.V. (the “AIFM”)

**No Consideration of Adverse Impacts Of Investment Decisions On Sustainability Factors
pursuant to Article 4(1)(b) of the
SFDR (the “PAI Statement”)**

December 21, 2022

INTRODUCTION

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended (the “**SFDR**”) intends to provide harmonised disclosure requirements for investment products. The SFDR lays down harmonised rules for ‘financial market participants’ on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their investment processes and the provision of sustainability-related information with respect to financial products. For the purposes of this PAI Statement, ‘**financial market participant**’ means the AIFM and “**Financial Products**” mean each separately managed account managed by the AIFM (“**Account**”) and each alternative investment fund managed by the AIFM (“**Fund**”).

The AIFM is an alternative investment fund manager, authorised by the *Autoriteit Financiële Markten* (“**AFM**”) in the Netherlands, with registration number 15003620. In respect of each Financial Product, the AIFM delegates portfolio management to its affiliates as follows:

- In respect of the Accounts, the AIFM generally delegates portfolio management to PGIM, Inc. and PGIM Limited.
- In respect of the Funds, the AIFM generally delegates portfolio management to PGIM, Inc. which in turn can also appoint certain affiliated sub-investment managers including PGIM Limited, PGIM Quantitative Solutions LLC and PGIM Private Capital Limited to manage one or more of the Funds (each a “**Delegate**”).

The regulatory environment in which the AIFM is operating is evolving and the expectations of competent regulatory authorities regarding how sustainability factors and their adverse impacts should be defined and evaluated are not yet clear. **In light of these circumstances, and in particular taking due account of the nature and scale of its activities and the strategies of the Financial Products, as well as the investment approaches and considerations of the AIFM and each Delegate, the AIFM has decided not to voluntarily comply with the requirements under Article 4(1)(a) of the SFDR but will continue to keep this decision under review as the expectations of the regulatory authorities become clearer and the regulatory guidance and industry consensus on measures that would need to be taken to comply with this disclosure requirement further evolve.**

ADDITIONAL INFORMATION ON ENGAGEMENT POLICIES, RESPONSIBLE BUSINESS CODES AND INTERNATIONAL STANDARDS

In accordance with the Shareholder Rights Directive¹, as amended, the AIFM has put in place a shareholder engagement policy which sets out how the AIFM monitors issuers on various matters, including their strategy, financial and non-financial performance and risk. A copy of the shareholder engagement policy is available free of charge on request.

The AIFM and/or each Delegate adheres to a number of responsible business codes including, for example, The United Nations Principles of Responsible Investment and the SASB Investor Advisory Group.

DISCLOSURE

The SFDR requires the AIFM to publish on a website a statement in relation to its consideration of the principal adverse impacts of investment decisions on sustainability factors. The AIFM satisfies this requirement by disclosing this PAI Statement on a website for the purposes of, and in accordance with, Article 4 (1) (b) of the SFDR.

APPROVAL AND REVIEW

This PAI Statement has been approved by the AIFM and will be reviewed on an annual basis by the AIFM and updated, as necessary, for any changes or new arrangements.

¹ Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.