Pacific Capital UCITS Funds plc

Article 10 SFDR Website Disclosure in respect of

Name of Fund	Legal Entity Identifier
Pacific G10 Macro Rates	21380081MZI87Z1WS280

(the "Fund")

February 2025

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended ("**SFDR**") requires certain EU-regulated entities (including Pacific Capital UCITS Funds plc, the "**Company**") to disclose information on a public website regarding the promotion of environmental and/or social characteristics for certain financial products.

This document (hereinafter referred to as the "**Article 10 Statement**") constitutes the transparency disclosure with respect to the Fund for the purposes of Article 10 of SFDR and is available at the following website: www.pacificam.co.uk/core-capabilities/g10-macro-rates/

This Article 10 Statement should be read in conjunction with the latest prospectus of the Company (the "**Prospectus**") and the supplement in respect of the Fund (the "**Supplement**") which set out in detail the investment policy of the Fund and its approach to sustainable investment. The Supplement also incorporates the Annex setting out certain prescribed pre-contractual disclosures required under SFDR (the "**Sustainability Annex**").

Any capitalised terms appearing in this Article 10 Statement and not expressly defined herein shall have the meaning given to them in the Prospectus and / or the Supplement.

Summary

This summary section has been completed in furtherance of SFDR and, in particular, Article 25 of Commission Delegated Regulation (EU) 2021/1288 ("**SFDR Level 2**") and summarises the key information referred to in the remaining sections of this Article 10 Statement.

Classification	The Fund has been classified as a fund which promotes environmental and/or social characteristics under Article 8 of SFDR.
No Sustainable Investment Objective	The Fund promotes environmental or social characteristics in accordance with Article 8 of SFDR, but does not have a sustainable investment objective as contemplated by Article 9 of SFDR .
Environmental or social characteristics of the financial product	The Fund promotes both environmental and social characteristics. The environmental characteristics promoted by the Fund include reduced exposure to air pollution contributors; reduction of greenhouse gas footprints; and contribution to biodiversity and ecological protection. The social characteristics promoted by the Fund include equality at senior levels of society; access to health care; and digital inclusion.
Investment Strategy	The Fund's investment objective is to deliver positive returns over a rolling 12-month period. The Fund invests in a combination of sovereign debt securities and currencies. The Fund will also have indirect exposure to currencies, interest rates and inflation rates through Financial Derivative Instruments (FDI). The environmental and social characteristics of the Fund are integrated into the investment process and implemented on a continuous basis by ensuring that the Fund will only take exposure to sovereign issuers which score in the upper 50% of rankings pursuant to the Investment Manager's proprietary ESGP scoring system.
Proportion of investments	The Investment Manager intends to invest a minimum of 80% of the Fund's NAV in investments which attain the environmental characteristics promoted by the Fund. The majority of assets are aligned with the environmental and social characteristics of the Fund since all investments, including cash and currency allocations, are subject to country-level binding elements of the investment strategy to promote environmental and social characteristics The remainder of the portfolio shall be in investments such as cash and other liquid ancillary assets or investments for hedging or efficient portfolio management purposes.
Monitoring of environmental or social characteristics	The Investment Manager's portfolio management team will implement the various criteria set out in the body of this Article 10 Statement in making investment decisions. The Investment Manager's compliance function will monitor the integration of ESG requirements through a combination of automated, manual and periodic reviews.

Methodologies	The Investment Manager employs a 4-step process resulting in the production of an ESGP (Environmental, Social, Governance & Political) score in respect of each sovereign issuer to which it takes exposure. The process involved the calculation of E, S, G and P scores for each issuer and then combining into an overall figure for that country. The Fund will only invest in issuers which are ranked within the highest 50% of the investment universe based on the above assessment process. For the purposes of the above, any investments in bank debt guaranteed by governments shall have the ESGP score of the relevant government. While the Fund does not have a sustainable investment objective and does not commit to invest a minimum percentage in "sustainable investments" within the meaning of Article 2(17) of SFDR, certain principal adverse indicators ("PAIs") are used as a proxy to measure and test the environmental and social characteristics of issuer sovereigns and to measure and test how countries are performing regarding environmental and social characteristics.
Data sources and processing	The data source for calculating E, S and G (Environmental, Social, Governance) scores is the World Bank Open Data databank and the data source for the P (Political) score is Freedom House data.
Limitations to methodologies and data	Whilst it is recognised that data availability may impact the extent to which environmental or social characteristics promoted can be measured, this is managed through the use of both proprietary data and data sourced from third party data providers generally with broad capabilities and coverage.
Due diligence	Due diligence from an ESG perspective is completed by assessing each issuer in the investment universe using the ESPG scoring process outlined above. Information sourced from the World Bank and Freedom House is supplemented by information derived by the Investment Manager from its own, more general, due diligence process. The G10 Macro Rates strategy relies on the analysis of top-down macroeconomic drivers and bottom-up technical factors to identify investment opportunities that will generate returns for the fund through taking long and short exposure to the asset classes. Top-down macroeconomic considerations may include monetary policy, fiscal policy, demographic and regulatory changes within a given jurisdiction, geographical region or industrial or economic sector. Bottom-up technical factors may include relative pricing of the interest rate securities and asset flows between various interest rate market participants. The Investment Manager will have regard to the environmental policy and social policies of the issuer as part of this review. The Investment Manager will utilise both research sources that may include research notes and official communications from investment banks and central banks and internal discussions within the Investment Manager.

Engagement policies	Not applicable as the Fund invests in government bonds (and hence to associated instruments, including currencies or derivatives in respect of sovereign issuers) and not investee companies. Notwithstanding the above, the Investment Manager views governance through a sovereign lens by looking at the functioning institutional and regulatory frameworks. The assessment of good governance at the sovereign-level is central to the Fund's exclusion criteria. Countries which fail to exhibit good governance, in the form of functioning institutional and regulatory frameworks, are expected to score poorly on the G score which feeds into the overall ESGP score used in the Fund's exclusion criteria. Therefore, countries that score particularly low in this category will be excluded from the investible universe.
Designated reference benchmark	The Fund does not have a 'Designated reference benchmark' to attain the environmental or social characteristics promoted.

Introduction

This Article 10 disclosure document sets out information in relation to the sustainable investment approach of the Fund in accordance with the requirements of Articles 23 to 36 of SFDR Level 2. The headings below are in the order mandated by SFDR Level 2 and the information included beneath each heading address the prescribed information to be provided to investors pursuant to the above Articles.

As further described below, the Fund, a sub-fund of the Company, promotes, among other characteristics, certain environmental or social characteristics, by investing in a combination of sovereign debt securities and currencies. The environmental and social characteristics of the Fund are integrated into the investment process and implemented on a continuous basis by ensuring that the Fund will only take exposure to sovereign issuers which score in the upper 50% of rankings pursuant to its proprietary ESGP scoring system.

1. No Sustainable Investment Objective

This Fund promotes environmental or social characteristics, as set out below but does not have sustainable investment as its objective.

The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of SFDR.

2. Environmental or Social Characteristics of the Fund

- The Fund promotes both environmental and social characteristics.
- The following list are environmental characteristics promoted by the Fund as a result of its investment approach:
    - reduced exposure to air pollution contributors;
    - reduction of greenhouse gas footprints; and
    - contribution to biodiversity and ecological protection.
- The following list are social characteristics promoted by the Fund:
    - equality at senior levels of society;
    - access to health care; and
    - digital inclusion.
- The following list are governance and freedom characteristics promoted by the Fund:
    - application of the rule of law;
    - protection of legal rights;
    - insulation from corruption; and
    - political freedom and freedom of expression.

3. Investment Strategy

The Fund's investment objective is to deliver positive returns over a rolling 12-month period.

The Fund invests in a combination of sovereign debt securities and currencies. The Fund will also have indirect exposure to currencies, interest rates and inflation rates through Financial Derivative Instruments (FDI).

The debt securities in which the Fund invests will comprise sovereign and central bank debt; debt securities issued by government agencies, government and government guaranteed bonds of the highest credit quality (broadly equivalent to AAA) issued by banks in the U. S. and other OECD countries.

The Fund's currency investments and exposures will be principally focused on 'G10 currencies', being the ten most heavily traded currencies in the world and hence the most liquid. The Fund is not constrained geographically and will focus primarily on OECD countries and their investment grade sovereign debt; but may invest in other jurisdictions or have net exposure of up to 10% (long or short) in debt securities rated below investment grade.

The Fund may use exchange traded and OTC derivatives for both efficient portfolio management and investment purposes. Derivative instruments, including futures, forwards, options, contracts for difference and swap contracts will be used to express the Investment Manager's views as to the likely direction which will be taken by interest rates or foreign currency exchange rates.

The Fund has regard to "top-down" factors such as monetary policy, fiscal policy, demographics, economic performance, central bank actions and regulatory environment in making investment decisions. It will also have regard to "bottom-up" factors such as pricing of securities and asset flows.

The Investment Manager will implement these views by taking long and short exposure in respect of certain debt instruments, interest rates, inflation rates and foreign currencies (directly or by using derivatives in the case of long positions and through FDI only in the case of short positions).

The environmental and social characteristics of the Fund are integrated into the investment process and implemented on a continuous basis by ensuring that the Fund will only take exposure to sovereign issuers which score in the upper 50% of rankings pursuant to the Investment Manager's proprietary ESGP scoring system (details blow).

Evaluation criterial are systematically applied to a full universe of sovereigns, where the resulting investment universe is determined by eliminating any investments from any sovereign or quasi-sovereign issuers that do not meet the minimum sustainable requirements.

Article 8 of SFDR and the European Commission Q&A on SFDR published on 25 May 2022, confirm that good governance practices referred to in Article 2, point (17), and Article 8(1), first subparagraph, of SFDR, relate to investee companies and do not apply to government bonds (and hence to associated instruments, including currencies or derivatives in respect of sovereign issuers).

Notwithstanding the above, the Fund views governance through a sovereign lens by looking at the functioning institutional and regulatory frameworks. The assessment of good governance at the

sovereign-level is central to the Fund's exclusion criteria. Countries which fail to exhibit good governance, in the form of functioning institutional and regulatory frameworks, are expected to score poorly on the governance score which feeds into the overall ESGP score used in the Fund's exclusion criteria. Therefore, countries that score particularly low in this category will be excluded from the investible universe.

4. Proportion of investments

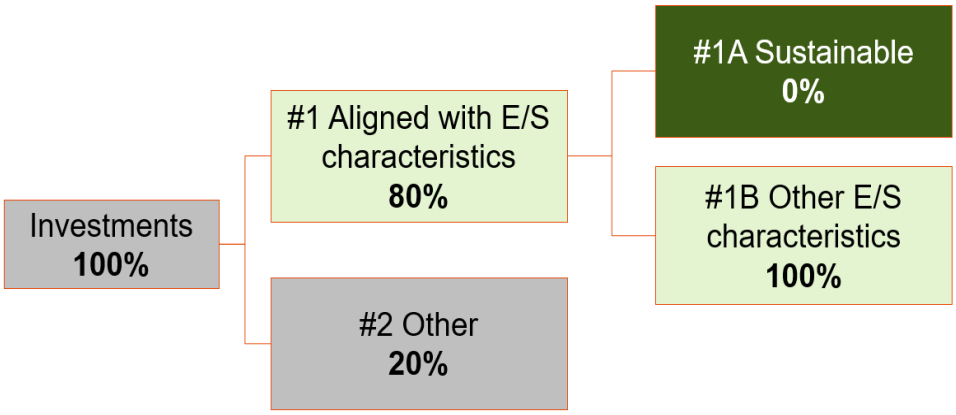
The following allocations apply to the Fund:

#1 Aligned with E/S characteristics: The Investment Manager intends to invest a minimum of **80%** of the Fund's NAV in investments which attain the environmental characteristics promoted by the Fund. The majority of assets are aligned with the environmental and social characteristics of the Fund since all investments, including cash and currency allocations, are subject to country-level binding elements of the investment strategy to promote environmental and social characteristics.

#1A Sustainable: The Investment Manager does not commit to invest a minimum percentage of the Fund's NAV in sustainable investments.

#2 Other: The remaining **20%** of the Fund's NAV will be in investments which seek to achieve the broader objectives of the Fund, including those where it is not possible due to available data or other reasons to categorise the investment against the ESGP criteria or which may not match the Fund's ESG criteria in its entirety. This category may also include investments whose ESGP rating has fallen since the time of initial investment. By allowing for 20% exposure to such investments, the Fund can exit exposure to that sovereign over a time period where liquidity is most opportune.

The table below illustrates the intended allocation.



There may be times when the Fund is not in a position to maintain a minimum commitment due to extenuating circumstances or reasons beyond the control of the Investment Manager. In such circumstances, the Investment Manager will take all reasonable steps as soon as reasonably possible to rectify any deviation taking into account the best interests of Shareholders.

The Fund does not commit to holding sustainable investments within the meaning of SFDR.

5. Monitoring of environmental or social characteristics

Although the Fund does not have a sustainable investment objective and does not commit to invest a minimum percentage in "sustainable investments" within the meaning of Article 2(17) of SFDR, certain principal adverse indicators ("**PAIs**") are used as a proxy to measure and test the environmental and social characteristics of issuer sovereigns. Specifically, greenhouse gas ("**GHG**") emissions, GHG intensity, carbon footprint and diversity in parliament or government. PAIs are used to measure and test how countries are performing regarding environmental and social characteristics. These PAIs help the Fund in analysing the potential negative impact of investments on the environment and society.

The Investment Manager will also implement the various criteria set out in this Article 10 Statement in making investment decisions. The Investment Manager's compliance function will monitor the integration of ESG requirements through a combination of automated, manual and periodic reviews.

6. Methodologies

The Investment Manager employs a 4-step process resulting in the production of an ESGP (Environmental, Social, Governance & Political) score in respect of each sovereign issuer to which it takes exposure.

The first 3 steps are to calculate the separate E, S, G & P scores and the final step is to combine these into one average, representing that country's overall metric. The data source for calculating E, S and G scores is the World Bank Open Data databank and the data source for the P score is Freedom House data.

Metrics used to calculate Sovereign ESPG scores:

		Metrics used to calculate Sovereign ESGP Score
E	E1	CO2 emissions (metric tons per capita)
	E2	PM2.5 air pollution, mean annual exposure (micrograms per cubic meter)
	E3	Terrestrial and marine protected areas (% of total territorial area)
S	S1	Individuals using the Internet (% of population)
	S2	Mortality rate, under-5 (per 1,000 live births)
	S3	Proportion of seats held by women in national parliaments (%)
G	G1	Control of Corruption: Estimate
	G2	Strength of legal rights index (0=weak to 12=strong)
	G3	Rule of Law: Estimate
P	P	Global Freedom

Evaluation criteria are systematically applied to a full universe of sovereigns, where the resulting investment universe is determined by eliminating any investments from any sovereign or quasi-sovereign issuers that do not meet the minimum sustainable requirements.

The result of the investment process is that the Fund will only invest in relation to sovereign or quasi-sovereign issuers from the investable universe if the relevant issuer has an ESGP score (see above) ranked within the highest 50% . For the purposes of the above, any investment in bank debt guaranteed by governments shall have regard to the ESGP score of the relevant government.

7. Data Sources and Processing

Information and data is sourced from in-house analysis and from third parties.

The Investment Manager may use, in the course of evaluating sustainable performance, data obtained from a variety of sources. These can include quantitative data from Bloomberg, or from our third party data sources such as the World Bank Open Data databank (DataBank | The World Bank) and Freedom House (Freedom House ¦ World Scores). Furthermore, the Investment Manager may at times blend this data to form its own view on Sustainability and create internal metrics. Python code is used to process the data and calculate sustainability scores. The current process does not incorporate data estimates.

The indicators applied by the Investment Manager are assessed in reliance on one or a number of third parties. Data quality and coverage are regularly assessed and data errors are removed where appropriate.

8. Limitations to methodologies and data

Data obtained from third parties may be incomplete, inaccurate, or unavailable. As a result the Investment Manager is faced with the risk of incompletely or incorrectly assessing a country's overall metric. Any incomplete data primarily comes from a small subset of emerging countries, resulting in no impact on the fund's ability to meet the environmental and social characteristics promoted by the fund.

The Investment Manager looks to gather data from from a variety of sources, which include direct interactions with issuers and utilising multiple third-party research datasets. This allows the Investment Manager to create a fuller picture of a country's overall metric and assess data quality and consistency.

9. Due diligence

Due diligence from an ESG perspective is completed by assessing each issuer in the investment universe using the ESPG scoring process outlined above. Information sourced from the World Bank and Freedom House is supplemented by information derived by the Investment Manager from its own, more general, due diligence process.

The ESG investment process resides with the individual investment teams and is supported across teams by the Chief Sustainability Officer. The process is overseen by the Responsible Investment Committee which is chaired by the Chief Sustainability Officer and includes the CIO and all investment teams. The Responsible Investment Committee meets quarterly and has the objective of developing, performing and monitoring ESG incorporation and stewardship activities within the relevant funds as well as providing internal and external controls on the due diligence process.

The strategy relies on the analysis of top-down macroeconomic drivers and bottom-up technical factors to identify investment opportunities that will generate returns for the fund through taking long and short exposure to the asset classes. Top-down macroeconomic considerations may include monetary policy, fiscal policy, demographic and regulatory changes within a given jurisdiction, geographical region or industrial or economic sector. Bottom-up technical factors may include relative pricing of the interest rate securities and asset flows between various interest rate market participants. The Investment Manager will utilise both research sources that may include research notes and official communications from investment banks and central banks and internal discussions within the Investment Manager. Research, analysis and discussions will drive the Investment Manager's views on the future economic growth of a given jurisdiction, region or sector, the likely trend in terms of inflation within a given jurisdiction or market and the Investment Manager's assessment of the likely actions of central banks, including the resulting effects of such actions on interest rates and foreign exchange markets. The Investment Manager will pursue the implementation of the investment strategy by identifying any debt instruments, currencies or other permitted investments where there is a disconnect between current prices and trends and the Investment Manager's evaluation of future prices and trends based upon the above analysis.

The Investment Manager will implement these views by taking long and short exposure in respect of certain debt instruments, interest rates, inflation rates and foreign currencies (directly or by using FDI in the case of long positions and through FDI only in the case of short positions). The Investment Manager will pursue the construction of a diversified investment portfolio that offers asymmetric payoff characteristics (ie, a portfolio where the Investment Manager believes that the upside potential of investments is greater than the downside risks). In addition, the Investment Manager will actively manage the exposure incurred through specific trades within the overall investment portfolio and will implement hedging arrangements as necessary to manage the volatility of the returns of the investment portfolio. The Investment Manager will determine which instruments to invest in upon the basis of price and liquidity.

The Investment Manager will pursue the implementation of its investment views formed by undertaking investment research by entering into trades that take advantage of identified mispriced relative and absolute opportunities.

10. Engagement policies

Article 8 of SFDR and the European Commission Q&A on SFDR published on 25 May 2022, confirm that good governance practices referred to in Article 2(17), and Article 8(1), first subparagraph, of SFDR, relate to investee companies and do not apply to government bonds (and hence to associated instruments, including currencies or derivatives in respect of sovereign issuers).

Notwithstanding the above, the Fund views governance through a sovereign lens by looking at the functioning institutional and regulatory frameworks. The assessment of good governance at the sovereign-level is central to the Fund's exclusion criteria. Countries which fail to exhibit good governance, in the form of functioning institutional and regulatory frameworks, are expected to score poorly on the governance score which feeds into the overall ESGP score used in the Fund's exclusion criteria. Therefore, countries that score particularly low in this category will be excluded from the investible universe.

11. Designated reference benchmark

The Fund does not have a 'Designated reference benchmark' to attain the environmental or social characteristics promoted.