

# STEWARDSHIP CODE

## Statement on the UK Stewardship Code

This statement outlines Serone Capital Management LLP's ("**the Firm**") position with respect to the UK Stewardship Code (the "**Code**"), which was published by the Financial Reporting Council ("**FRC**") in July 2010 and amended in 2012 and 2020. Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, the Firm is required to make a public disclosure about the nature of its commitment and level of compliance to the Code or, where it does not commit to the Code, to explain its alternative investment strategy.

The Code is a voluntary code, which aims to enhance the quality of engagement between asset managers and listed companies in the UK, to help improve long-term risk-adjusted returns to shareholders and the efficient exercise of governance responsibilities. It sets out good practice on engagement with investee companies and is to be applied by firms on a "apply and explain" basis. It also describes steps that asset owners can take to protect and enhance the value that accrues to the ultimate beneficiary.

The FRC recognises that not all parts of the Code will be relevant to all institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate. It is of course legitimate for some asset managers not to engage with companies, depending on their investment strategy.

The Code comprises twelve Principles that can be summarised as follows:

### Purpose and Governance

1. Purpose, strategy and governance
2. Governance, resources and incentives
3. Conflicts of interest
4. Promoting well-functioning markets
5. Review and assurance

### Investment Approach

6. Client and beneficiary needs
7. Stewardship, investment and ESG integration
8. Monitoring managers and service providers

### Engagement

9. Engagement
10. Collaboration
11. Escalation

### Rights and Responsibilities

12. Exercising rights and responsibilities

Whilst the revised Code covers a broader range of assets, it has been determined that currently the Code's relevance has limited applicability to the Firm's investment activities.

The Firm has chosen not to formally commit to the Code given the nature of the Firm's asset base and investment approach.