

1859 Capital LLP (“1859” or the “Firm”) Stewardship Code Disclosure

Under the Financial Conduct Authority’s (“FCA”) Conduct of Business Rules 2.2A.5, 1859 Capital LLP is required to make a public disclosure on its website in relation to the nature of its commitment to the Financial Reporting Council’s (“FRC”) Stewardship Code.

The Code was first published by the FRC in July 2010 and it was updated in September 2012. Subsequently, the FRC published the new UK Stewardship Code 2020 (“2020 Code”), which took effect from 1 January 2020, and consists of 12 Principles for asset managers and asset owners, and six Principles for service providers.

The Code applies on a ‘comply or explain’ basis and is voluntary, aiming at enhancing the quality of engagement between institutional investors and companies, to help improve long-term returns to shareholders and provide for the efficient exercise of governance responsibilities by setting out good practice on engagement with investee companies that institutional investors should aspire to.

The FRC defines ‘stewardship’ as *‘the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.’*

The 2020 Code Principles are:

- 1.** Signatories’ purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
- 2.** Signatories’ governance, resources and incentives support stewardship.
- 3.** Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first
- 4.** Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.
- 5.** Signatories review their policies, assure their processes and assess the effectiveness of their activities.
- 6.** Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.
- 7.** Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.
- 8.** Signatories monitor and hold to account managers and/or service providers.
- 9.** Signatories engage with issuers to maintain or enhance the value of assets.
- 10.** Signatories, where necessary, participate in collaborative engagement to influence issuers.
- 11.** Signatories, where necessary, escalate stewardship activities to influence issuers.
- 12.** Signatories actively exercise their rights and responsibilities.

The Firm provides sub-investment management services to a fund (“the Fund”) that uses a systematic investment process to deliver a diversified strategy across a broad range of diversified, liquid, asset classes which may include, from time to time, UK listed equities. While the Firm generally supports the objectives that

underlie the Code, the Firm has chosen not to commit to the Code at this time. The nature of the Firm's investment strategy is such that it does not generally engage with issuer management teams when trying to generate returns on behalf of its clients and underlying investors, so the Code is not presently relevant to the Firm's investment strategy.

For further information on the Firm's approach contact: Olivia Cooper or Julia Besnard at compliance@1859capital.com.