

Capricorn Fund managers

STATEMENT ON THE UK STEWARDSHIP CODE

Under Rule 2.2.3R of the FCA’s Conduct of Business Sourcebook, We are 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 institutional investors 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.

The FRC recognises that capital is invested in a range of asset classes over which investors have different terms and investment periods, rights and levels of influence. Hence the Code does not solely apply to equity investments.

The FRC also 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	<ol style="list-style-type: none">1. Purpose, strategy and governance2. Governance, resources and incentives3. Conflicts of interest4. Promoting well-functioning markets5. Review and assurance
Investment approach	<ol style="list-style-type: none">6. Client and beneficiary needs7. Stewardship, investment and ESG integration8. Monitoring managers and service providers
Engagement	<ol style="list-style-type: none">9. Engagement10. Collaboration11. Escalation
Rights and Responsibilities	<ol style="list-style-type: none">12. Exercising rights and responsibilities

For further details on any of the above information please contact the Capricorn Compliance Officer at dnoik@capricornfundmanagers.com