

Commitment to the UK Stewardship Code

March 2021

Under the Financial Conduct Authority's Conduct of Business Rule 2.2A.5, CapeView Capital LLP ("CapeView" or "Firm") is required to make a public disclosure in relation to the nature of its commitment to the Financial Reporting Council's ("FRC") Stewardship Code.

The Stewardship 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 ("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 Code's 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.

CapeView has considered the Code as set out by the FRC, as well as the Shareholder Rights Directive II (SRD II) as set out by the European Union. CapeView supports the objectives underlying both the Code and Directive, and adheres to the highest standards of corporate governance and due diligence in respect of its investments. However, CapeView generally holds positions in portfolio companies in derivative form and therefore CapeView is not typically eligible to actively and systematically exercise underlying shareholder rights and responsibilities. Consequently, CapeView is not a Signatory to the Code.

Should that change in the future, CapeView will review its commitment to the Code and update this disclosure accordingly. This disclosure will be reviewed at least annually.