

Specimen disclosure for a firm pursuing an alternative investment strategy

[Firm's Name] UK Stewardship Code Disclosure

Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, [*name of firm*] (the "Firm") is required to include on this website a disclosure about the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "Code") or, where it does not commit to the Code, its alternative investment strategy. The Code sets out a number of principles relating to engagement by investors with UK equity issuers, as follows:

The seven principles of the Code are that institutional investors should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities;
- Have and publicly disclose a robust policy on managing conflicts of interest in relation to stewardship;
- Monitor their investee companies;
- Establish clear guidelines on when and how they will escalate their activities;
- Be willing to act collectively with other investors where appropriate;
- Have a clear policy on voting and disclosure of voting activity; and
- Report periodically on their stewardship and voting activities.

The Firm pursues an investment strategy to which the aims of the Code are not relevant.

[*describe strategy, e.g. global macro, credit, managed futures, quant*] strategy that does not [result in it trading in single equities]/[involve it trading in single equities other than on a short term, systematic basis].

Or

[We take a top down quantitative approach to investment based on objective financial indicators seeking exposure to particular investment sectors/markets/currencies and/or geographical locations. We do not seek to engage with management since we believe this might obscure our objective analysis, nor do we make subjective judgements on the state of investee companies' corporate governance.]

Or

[We manage index tracking funds where the investment decision is based on the composition of the index tracked. Given this is our clear mandate we do not view engagement with investee companies as part of the investment process and therefore do not actively engage with investee companies.]

Or

[We pursue a technical trading strategy and have developed in-house trading programmes that make all our investment trading decisions. Investment holding periods are determined solely by the proprietary models, which do not consider corporate governance issues.]

Consequently, while the Firm supports the general objectives that underlie the Code, the provisions of the Code are not relevant to the type of trading currently undertaken by the Firm. If the Firm's investment strategy changes in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

For further information on the Firm's approach contact:

[Note: your statement must be:

- Approved by the Firm's board/partners
- Loaded on the Firm's website or D&P's website on request.

Note: the FRC encourages all institutional investors to advise:

- To the FRC: stewardshipcode@frc.org.uk. Explanations will be logged on a non-public log but not published by the FRC]