

## The Stewardship Code

The UK Stewardship Code (“The Code”) which was first published in July 2010, revised in September 2012 and January 2020, promotes effective stewardship in the UK setting out good practice for institutional investors and asset managers. Stewardship relates to the responsible allocation and management of capital across the institutional investment community, to create sustainable value for beneficiaries, the economy and society. Stewardship activities include monitoring assets and service providers, engaging issuers and holding them to account on material issues, and publicly reporting on the outcomes of these activities. The Code asks asset managers to explain how they have exercised stewardship across asset classes including listed equity, fixed income, private equity, infrastructure investments, and in relation to investments in or outside the UK.

The FCA requires Ravel Associates Limited (“Ravel”) to publish a statement on its website regarding the nature of its commitment to The Code.

Ravel’s investment strategy is to achieve absolute returns investing in long/short positions in European equities. The Firm has decided that it is not in the best interests of its clients for it to become a signatory to The Code at this time.

Although the Firm is not currently a signatory to The Code it fully supports The Code’s objectives and the twelve principles for asset managers below:

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

## **Shareholder Rights Directive II**

The FCA has published the requirements in relation to the Shareholder Rights Directive II ("SRD II") in SYSC 3.4 of the FCA Handbook.

The objective of the SRD II is to encourage long-term shareholder engagement with investee companies regarding performance on strategy, governance, environmental and social issues. Firms like Ravel must either develop an engagement policy and publish it on the firm's website or publish a statement explaining why it has chosen not to.

Ravel fully endorse the objectives of SRD II. However, it has decided that it is not in the best interests of its clients to develop an engagement policy at this time.