



Stewardship Code Disclosure 2018

UK Stewardship Code Disclosure Statement 1 January 2018

Under COBS 2.2 of the FCA Handbook, Odyssean Capital LLP (the “Firm”) is required to make a public disclosure in relation to the nature of its commitment to the UK Stewardship Code (the “Code”), which was published by the Financial Reporting Council (the “FRC”) in September 2012.

The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term 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 “comply or explain” basis. The FRC 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, and in such cases firms are required to explain why it is not appropriate to comply with a particular principle.

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

- publicly disclose their policy on how they will discharge their stewardship responsibilities;
- have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.
- monitor their investee companies.
- establish clear guidelines on when and how they will escalate their stewardship activities.
- be willing to act collectively with other investors where appropriate.
- have a clear policy on voting and disclosure of voting activity.
- report periodically on their stewardship and voting activities.

The Firm has a single investment strategy which is to add value over the medium to longer term through a non-market correlated, conviction-based investment style.

The Firm’s statement of compliance with the seven principles of the Code is set out below:

Policy on discharging stewardship responsibilities

The Firm operates a due diligence process when considering any investment for its clients. This process will include a number of key factors in the establishment of whether an investment is suitable for a client’s portfolio and will include the following:

- Likelihood of offering an acceptable return for the risk undertaken;
- Financial and structural soundness;
- Competent Management;
- Regular Reporting;
- Sound business plans; and
- Compliance with current governance and regulatory requirements.

Monitoring investee companies and escalation of activities to protect and enhance shareholder value

After an investment has been made by the Firm, it will monitor its performance by obtaining information on the investee company from different market sources as well as directly from the company itself. Regular discussions with the management of the investee companies are carried out during the period of ownership by the Firm.

Regular investment meetings are held with the client by the Firm's investment team.

The Firm are made aware of all investee company meetings and corporate actions through the market data suppliers and the clients' custodians.

The Firm will actively engage with the management of an investee company to increase shareholder value or if it believes that the interests of its clients are at risk.

Policy on managing conflicts of interest in relation to stewardship

It is the Firm's policy and duty to act in the best interest of all of its clients. This includes considering matters such as company engagement and voting on shares held on behalf of its clients. Should a conflict of interest arise, the senior management of the Firm would take appropriate steps to ensure fair treatment of all clients, including disclosure of the conflict to the affected clients, if appropriate. The Firm maintains a conflicts of interest policy and inventory, which is reviewed on a regular basis, to help manage and mitigate its potential conflicts of interest.

Acting collectively with other investors

There may be situations where it is appropriate to act collectively with other shareholders in order to more successfully engage with an investee company. This would be considered if a material issue arose and in the Firm's view it was in the best interests of the clients to do so.

Policy on voting and disclosure of voting activity

The Firm may on occasion challenge the Management of investee companies, but is granted absolute discretion by its clients over the exercise of voting and other rights and privileges attaching to the investments within the clients portfolio.

Where there is an unresolved issue with an investee company the Firm will consider an abstention or vote against the relevant resolution. In such a case, the Firm would normally inform the investee company in advance of its intention and the reasons for such an action.

The Firm does not as a matter of course publicly disclose its voting records as it does not consider this adds any further information than that published by the investee company.

Reporting on stewardship and voting activities

Given the scale of the Firm and the nature of its relationship with its clients, it does not provide them with details of how it has voted in respect of any resolutions in investee companies. The Firm obtains the clients consent to this approach within its client agreement.

For further details on any of the above information, please contact:

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