UK Stewardship Code Disclosure Statement

August 2021

Introduction

Under Rule 2.2.3R of the FCA Conduct of Business Sourcebook ("COBS"), Odyssean Capital LLP (the "Firm") is required to disclose the nature of its commitment to the UK Financial Reporting Council's Stewardship Code 2020 (the "Code") or where it does not commit to the Code, its alternative strategy.

Stewardship is 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 Principles

The Code has 12 principles that signatories to the Code must address:

1. Their purpose, investment beliefs, strategy and culture to enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
2. Their governance, resources and incentives available to support stewardship.
3. How they manage conflicts of interest to put the best interests of clients and beneficiaries first.
4. How they identify and respond to market-wide and systemic risks to promote a well-functioning financial system.
5. How they review their policies, assure their processes and assess the effectiveness of their activities.
6. How they take account of their client and beneficiary needs and communicate their activities and outcomes of their stewardship and investment to them.
7. How they systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.
8. How they monitor and hold to account managers and/or service providers.
9. How they engage with issuers to maintain or enhance the value of assets.
10. Where necessary, how they participate in collaborative engagement to influence issuers.
11. Where necessary, how they escalate stewardship activities to influence issuers.
12. How they actively exercise their rights and responsibilities.

The Firm acts as discretionary portfolio manager to a UK listed investment trust, which holds long equity positions in portfolio and invests primarily in smaller company equities quoted on markets operated by the London Stock Exchange.

The Firm actively monitors and often engages with the management of these companies. Engagement with companies is a key component of our investment process and our mission, which is to protect and grow our client's long-term capital by being responsible, patient and engaged stewards. Please refer to our engagement policy below.

We consider and vote each proposal with the objective of maximising long-term investment returns for our clients.

Voting on these companies is assessed on the individual merits of each motion based on the accounts' objectives at the time as well as the Company's opinion of the situation.

Whilst the Firm is supportive of the Code, at the present time it does not consider it necessary to commit to a voluntary code of practice and has, therefore, chosen not to sign up to the Code.

Engagement Policy

August 2021

Introduction

We share a common investment philosophy, based on many years' experience in private equity, of long term, engaged, value-based investment, based on bottom-up in-house fundamental research. We believe premium returns are delivered through expertise, rigorous analysis, and an engaged, long-term view.

We undertake engagement in order to promote and contribute to wealth-creation, development and prosperity for our clients and the companies and economies in which we invest.

Engagement with companies is a key component of our investment process and our mission, which is to protect and grow our client's long-term capital by being responsible, patient and engaged stewards. This involves closely monitoring how each company operates with regard to all stakeholders as well as the environment and intervening where necessary.

1. What is engagement?

Engagement is the process by which investors leverage their position as shareholders to influence corporate decision-making and it involves structured, purposeful dialogue with companies.

We consider there to be two types of engagement:

- 'engagement for change' which is a purposeful dialogue to influence positive change, with defined objectives; and
- 'engagement for information' which forms part of investment research and company monitoring and is influential in communicating to companies what we consider important, in addition to building relationships and an understanding of companies' strategies and business practices.

Engagement is integral to our long-term investment thesis. The objectives of engagement are to ensure a better outcome for all stakeholders over the long term. We always engage with the companies in which we invest.

In addition to our regular dialogue with executive management of investee companies, we engage with non-executive board members, other shareholders, corporate advisers, key customers, suppliers, competitors and other market participants when appropriate, whilst also monitoring company announcements, financial statements and industry trends.

2. Why does engagement matter to our organisation?

Engagement is part of our responsibility as an investor of our clients' money and it enables us to ensure our investee companies act in the best interest of our clients, as well as other stakeholders and the environment. We believe that rigorous and long-term orientated analysis of investment opportunities and holdings, proactive exercise of shareholder rights, and engagement with boards and management, protects and creates value for our clients and other shareholders. We believe it is our responsibility to engage with other stakeholders and, where necessary, to support them in improving operations or governance.

3. What do we believe good engagement looks like?

We believe that engagement should be targeted at senior management or board level to achieve real and lasting change. We generally prefer a non-adversarial approach, as we have found that this results in better outcomes. We undertake engagement in a holistic way, whereby we discuss strategic, governance, environmental and social issues as part of the same agenda. Our engagements focus on the issues most relevant and material for the companies concerned and are linked to sustainable improvements in the value of our investments over the longer term.

4. How does engagement fit within our investment approach?

No company is introduced into the portfolio unless a member of the investment team has interacted with management and we typically meet with a company a number of times before its introduction into the portfolio. These meetings can be over the phone or at a conference but are often on-site visits to the company's premises. The topics and issues discussed with management include governance, risk management, historical operational performance, future investment plans, and reporting oversight as well as environmental and social responsibility principles.

Opportunities for engagement are identified pre-investment as part of our due diligence process.

We consider high-quality management to be a requirement for successful investing. We undertake regular dialogue with management of investee companies as part of our ongoing investment process.

5. How are companies monitored and selected for engagement?

Our in-house research includes on-site visits, management meetings, tracking of corporate news, and competitor analysis.

We invest in companies across different sectors so each company will face different environment, social and governance issues. Companies may be selected for engagement for change as a reaction to an event or arise as the investment team proactively identifies salient issues. It is the investment team's responsibility to communicate with the company and monitor the progress and outcomes. Engagements may lead to instantaneous results whilst others can take longer to bring change.

6. How is engagement undertaken?

We typically meet with a company several times before making an investment. We set our engagement objectives based on what we believe will protect and create the most value for the companies and economies in which we invest.

Depending on the circumstances, the engagement will be seeking to improve value, prevent value being destroyed, or recover value when we may not be able to find sufficient liquidity to sell shares. Engagement topics will be likely to include, but not be limited to corporate strategy, organisational complexity, corporate governance and remuneration, environmental and social issues, margin improvement potential, R&D cost allocation, capital expenditure allocation, asset utilisation, and investor relations.

When we are engaging for change, we pursue direct one-on-one dialogue with the management and boards of investee companies, in a series of face-to-face meetings and calls, with defined objectives and an agenda. We also follow up in writing to confirm our understanding and any undertakings given by the company concerned.

7. What is the link to voting?

In determining how to vote, we apply our Voting Policy, which is available on our website. We consider and vote each proposal with the objective of maximising long-term investment returns for our clients.

We believe that the quality of management of a company is a pre-requisite to any investment. We generally look to support the management of the companies in which we invest. However, where proposals are not consistent with the interests of shareholders, we will vote against the relevant resolutions.

Where appropriate, we also seek to reflect the objectives of any on-going engagements in our voting actions.

8. How does Odyssean Capital LLP undertake collaborative engagement?

We deploy various techniques such as voting, meeting with management and boards and collaborating with other shareholders to protect and enhance shareholders' value.

Whilst we prefer to conduct our own individual dialogue with investee companies, we recognise that there may be situations where it may be beneficial to act collectively with other shareholders to engage more successfully with an investee company and/or effect change, for instance where our approach has not resulted in the satisfactory resolution of a concern. 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.

9. How are conflicts of interest relating to engagement handled?

Our Conflicts of Interest Policy underpins our commitment to acting in the best interests of our clients at all times. The policy aims to identify those conflicts of interest that may give rise to a material risk of damage to the interests of a client and summarises the procedures and measures to be followed in order to identify and manage any such material conflicts of interest.

In order to ensure that we vote in our clients' best interest and are not affected by conflicts of interest, we will vote in line with our Voting Policy.