



## Stewardship code

The Financial Services Authority's COBS 2.3.2 requires all firms other than a venture capital firm, which is managing investments for a professional client that is not a natural person, to clearly disclose the nature of its commitment to the Financial Reporting Council's Stewardship Code published in January 2010. AK Jensen Limited recognizes the importance of engagement in the companies we invest in.

### *The Firm*

AK Jensen Limited ("AKJL") manages investments for Professional investors under its Accelerator structure. Although the primary trading strategy of the funds currently under AKJL management employ an opportunistic investment style and pursue opportunities in the markets as they arise, often trading on an intraday or short term basis, there may be times when opportunities involve longer horizons. In that case the firm may increase the level of engagement with the investee companies where practical to achieve long-term returns for its clients. The firm generally supports the aims and principles of the Code.

### ***Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.***

When investing with a long term view AKJL believes regular dialogue with investee companies when possible is a key component to the investment process and helps develop knowledge of the investee's business strategy, future prospects, and attitude to risk, corporate governance and board cohesion. AKJL makes available on its website in "terms of Use" its stewardship code outlining the principles we follow and details why it is appropriate when we do not follow the principles.

### ***Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.***

Per the rules outlined in SYSC 10, AKJ has a robust conflict of interest policy in place which outlines the potential conflicts of interest, and how we manage and report them. The firm does not trade on its own account. Dealing in investments is only undertaken on behalf of its clients. The conflict of interest policy is available upon request.

### ***Principle 3: Institutional investors should monitor their investee companies***



AKJL undertakes comprehensive and continuous research and monitoring of Investee companies. Investment managers at AKJL utilize a number of different tools including but not limited to company accounts and published information, in order to fully understand the companies we invest in. When investments are made for long term purposes, AKJL aims to invest in companies which are well-managed, with sound corporate governance, and a clear focus on producing long-term share holder returns.

***Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.***

AKJL typically invests on a short term basis. However when Investments are large in size and are made with a view to invest long term, we will tend to invest in such companies which are thought to be well managed rather than invest in a company that is poorly managed with the aim of taking action against the management to enhance shareholder value. That said, in the case where it turns out that we were wrong about the investee company we may initially raise our concerns at meetings with the management where possible. If the latter turns out to be unsuccessful we may join other shareholders with a view to building a consensus strong enough to influence change. If the latter proves to be unsuccessful then we would most probably sell our investment in the investee company.

***Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.***

In light of the relevant circumstances at the company, AKJL considers each vote on an individual basis, when applying client policies and best practice guidelines. AKJL would take the necessary steps to act collectively with investors when the situation requires it and where it feels that coordinated action would be beneficial to its clients' interests.

***Principle 6: Institutional investors should have clear policy on voting and disclosure of voting activity.***

AKJL will only use its voting power at company meetings when our investment is large enough to warrant it. Any voting taken place can be provided upon request.

***Principle 7: Institutional investors should report periodically on their stewardship and voting activities.***



We do not normally disclose our stewardship and voting activities other than in the AKJL investment committee.

Subject to underlying client confidentiality and strategic investment reasons, where requested, AKJL may disclose to a client or a client's fiduciaries the manner in which we exercised voting rights on behalf of that client.