

## UK Stewardship Code

Under COBS 2.2.3 of the Financial Conduct Authority Handbook, Andurand Capital Management LLP (“Andurand”) is required to make a public disclosure in relation to the nature of its commitment to the UK Stewardship Code (the “Code”). The new Code was published by the Financial Reporting Council (“FRC”) in 2020 and replaced the Code published in July 2010 and is a voluntary code that sets out a number of principles relating to engagement by investors with UK equity issuers.

The main changes from the previous Code relates to a redefinition of stewardship, which is more holistic and includes accounting for environmental, social and governance (ESG) factors, the formal expansion of asset classes beyond UK listed equities, focus on purpose and governance as well as more detailed reporting expectations on activities and outcomes. With regards to asset managers, there are 12 principles covering purpose and governance, investment approach as well as engagement and exercising rights.

Firms may either comply with the Code or choose not to comply with certain aspects of the Code, in which case an explanation of non-compliance is required.

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 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.

On behalf of the funds that it manages, the Firm pursues an energy biased commodities and macro strategy, in one of its funds and may invest in UK equities, which represent only a part of the Firm’s investment strategy. The Code is therefore only relevant to some aspects of the Firm’s trading. The Firm’s global approach is consistent in all of the jurisdictions in which it invests.

Although the Firm supports the objectives that underlie the Code, the Firm does not consider it appropriate to commit to any particular voluntary code of practice relating to any individual jurisdiction.

However, whilst the Firm has not made a formal commitment of compliance with the Code, the Firm is generally supportive of the spirit and aims for good stewardship as contained within the Code. As such, in practice, the Firm takes into consideration the principles as set out in the Code.

This Statement is reviewed annually and updated where necessary to reflect changes in circumstances and actual practice. Should the Firm’s position change we will review our commitment to the Code and make appropriate disclosure at that time.