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# The Stewardship Code

Oxburgh Partners LLP ("Oxburgh") is a U.K. based hedge fund manager investing in European equity markets.
Oxburgh supports the introduction by the Financial Reporting Council ("FRC") of its UK Stewardship Code which sets out good practice for institutional investors in their dealings with companies in which they are invested. Oxburgh's investment strategy and approach is naturally aligned with the principles of the Stewardship Code enhancing good corporate governance and shareholder engagement. The FRC have noted that certain aspects of the Code are not directly relevant to all institutional investors and so this document follows a rubric on the basis of "comply or explain" basis.
We have sought to explain how we achieve this below.

## Principle 1

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

Oxburgh undertakes detailed research of companies prior to investment. Our over-riding principle is the protection of our clients' capital and good corporate governance is one of the criteria used to assess whether to invest in a company. Contact with the management of companies in which we invest is a core principle of our investment strategy. This involves regular face to face meetings with the executives of the company as well as contact with the investor relations departments. Continued monitoring of the company and corporate governance through face to face meeting continues for as long as we hold the investment.
Oxburgh recognises the importance of voting rights in the protection of their clients' interests and will always vote in accordance with what we judge to be our clients' best economic interest even if this involves voting against the company's management. We have no outsourcing and so these controls outlined above are closely monitored within the firm by the fund managers who are also partners in the firm.

## 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.**

All employees of Oxburgh are under a duty to report to compliance any potential conflicts of interest that they become aware of in respect of proxy voting. In reality, being a very small privately held partnership, there are unlikely to be many potential conflicts with regard to stewardship. However, conflicts could potentially occur if for example a family member is connected to one of the company's in which we invest. In such a case, Oxburgh will always vote in the client's interest and note the conflict. It should be noted that if clients of Oxburgh have divergent views, Oxburgh will always vote in what we believe to be the best interest of our clients and will not be influenced by a dissenting voice. Oxburgh does not trade for itself in financial markets, and does not have any proprietary holdings.

The compliance officer will regularly review all potential conflicts of interest and if a conflict exists he will ensure that Oxburgh's fiduciary responsibility to its clients takes precedence over all other considerations.

## Principle 3

**Institutional investors should monitor their investee companies.**

All companies that Oxburgh invests in are monitored on a regular basis by the relevant portfolio manager.

Monitoring includes analysing the annual report and financial statements, using independent third party and broker research, meeting with the senior management of the investee companies, as well as attending company meetings and road shows. In addition peer group companies and industry trends are taken into account while press reports and industry publications are followed. The monitoring of the company is also likely to give consideration to the social, environmental and governance procedures that the company employs, and to ensure that these are also in accordance with those expected of the company. Any divergence from the corporate governance code will need an explanation from the company and if Oxburgh deem the explanation to be lacking the rationale behind holding the investment will be reconsidered with a view to exit.

With regard to being made an insider, usually Oxburgh will ask not to be brought "over the wall", but on the occasions where it is in our client's interest only key senior managers are made insiders (of course including the compliance officer).

## 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.**

Oxburgh will always escalate its involvement with investee companies where it believes their actions or potential actions are detrimental to its clients. In reality, this is only likely to occur if a change of direction in management or strategy is occurring. However, the relatively small size of its clients' holdings severely limits its ability to influence company management, but Oxburgh will make its opinions known not only to the company but also to the company's corporate broker / advisor. We will also collaborate with other shareholders if we deem such action to be in our client's best interest in order to obtain a favourable outcome. Oxburgh will engage directly with the executives of the company as well as the board and non-executives if necessary. Often the best policy, when we believe that company management is pursuing a course of action that is detrimental to shareholder value, is to exit the position at the earliest opportunity.

## Principle 5

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

As mentioned in Principle 4 Oxburgh is willing, where appropriate, to co-operate with other investors and shareholders to consider any specific course of action where it is in our client's best interests. We will contact shareholders on the shareholder's register as well as via shareholder groups in order to collaborate. The senior management of Oxburgh would all be actively involved. Oxburgh will always take a cautious approach to collective action to ensure that it does not constrain us in any way from acting in our clients' best interests.
Investors interested in engaging collectively should contact:
info@oxburghpartners.com

## Principle 6

**Institutional investors should have a clear policy on voting and disclosure of voting activity.**

Oxburgh will exercise its proxy vote on all resolutions for long term holdings where we believe, with reference to our investment strategy, that it is appropriate and to be in our clients' interest. We will generally support the board assuming their business strategy has not changed though Oxburgh has not hesitation in voting against management where it disagrees with them on a particular matter. We will notify the board prior to casting such a vote. Oxburgh does not publicly disclose voting records as we believe that information to be confidential to our clients. Our voting record will be available to our clients on request. Our shareholdings may be lent out by our custodian, though we retain the right to call the shares back and then vote accordingly.

## Principle 7

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

Oxburgh has regular meetings with its clients in which performance, strategy, and individual investments are discussed. Oxburgh will also make voting activity reports and the reasons for such votes available to any of its clients that request such reports. All rationale behind each decision is explained in detail and emphasis on why such decisions are deemed to be in the client's best interest.

Oxburgh does not to seek independent assurance or opinion as to its engagement and voting processes. As described above, reports and policies are made available to our clients, and on a quarterly basis to the independent board of directors of the underlying funds that Oxburgh manage. Our shareholdings and our engagement with the management are discussed in detail at each of these meetings.