

Commitment to the UK Stewardship Code

Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, Kestrel Partners LLP & Kestrel Investment Partners LLP (the "Firm") are required to disclose the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "Code") or where it does not commit to the Code, its alternative strategy.

The Code has 7 principles:

1. Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.
2. Institutional investors should have an effective policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.
3. Institutional investors should monitor their investee companies.
4. Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.
5. Institutional investors should be willing to act collectively with other investors where appropriate.
6. Institutional investors should have a clear policy on voting and disclosure of voting activity.
7. Institutional investors should report periodically on their stewardship and voting activities.

The Firm acts as discretionary investment adviser to collective investment schemes (a UCIS and a UCITS), two managed accounts and individual client accounts. These entities and these accounts all hold long equity positions in their portfolios and the Firm is responsible for voting on their behalf in respect of these positions. The Code is, therefore, relevant to the Firm in respect of this activity.

The UCITS and its related managed account invests in large liquid listed global companies as part of a benchmark tracking strategy. The Firm does not vote on these positions as the UCITS' strategy is passive investment mandate. Each equity holding represents a very small percentage of the voting rights of each issuer.

The UCIS, its related managed account and the individual client accounts trade in AIM listed stocks and SME listed on the LSE. The Firm actively monitors and often engages with the management of these companies. 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 Firm's opinion of the situation.

Whilst the Firm is general supportive of the Code, 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 and, therefore, does not fully comply with all of the 7 Principles above.

This disclosure document was approved by the Partners on 26 June 2017.