

## **Prestige Capital Services**

UK Stewardship Code Policy



## UK STEWARDSHIP CODE – POLICY STATEMENT

This document details the manner in which Prestige Capital Services Limited (PCSL) adheres to and applies the UK Stewardship Code, which was adopted by the Financial Reporting Council (“FRC”) on the 2<sup>nd</sup> of July 2010, subsequently revised in September 2012, and was superseded in Jan 2020 by the UK Stewardship Code 2020. The code requirements have been applied as a Financial Conduct Authority (formerly Financial Services Authority) requirement since the 6<sup>th</sup> of December 2010.

The UK Stewardship Code 2020 (the Code) sets high stewardship standards for asset owners and asset managers, and for service providers that support them. The Code comprises a set of ‘**apply and explain**’ Principles for asset managers and asset owners (12) and a separate set of Principles for service providers (6). The Code does not prescribe a single approach to effective stewardship. Instead, it allows organisations to meet the expectations in a manner that is aligned with their own business model and strategy. Asset owners and asset managers cannot delegate their responsibility and are accountable for effective stewardship. Stewardship activities include investment decision-making, monitoring assets and service providers, engaging with issuers and holding them to account on material issues, collaborating with others, and exercising rights and responsibilities.

The Code sets out a number of areas of good practice to which the FRC believes institutional investors should aspire. It also describes steps asset owners can take to protect and enhance the value that accrues to the ultimate beneficiary. The FRC sees the UK Stewardship Code as complementary to the UK Corporate Governance Code for listed companies and, like that Code, it should be applied on a ‘comply or explain’ basis. The intention of the Stewardship Code is 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.

In July 2016 the FRC subsequently introduced public tiering of signatories to assess implementation of the code, and provide investors with improved feedback with regards to how their fund manager (or equivalent) is delivering on their commitments under the Stewardship Code. The system introduced by the FRC to assess signatories is based on a two tier approach with each one carrying the following assessment conclusion: -

- Tier 1 - meeting reporting expectations in relation to stewardship activities; or
- Tier 2 – not meeting those reporting expectations.

Since December 2010 all UK-authorized Asset Managers excluding Venture Capital firms are required under the FCA's Conduct of Business Rules (COBS 2.2.3R and 2.2A.5R) to produce a statement of commitment to the Stewardship Code or explain why it is not appropriate to their business model.

PCSL has the ability to manage investments within its’ scope of permission, however it does not actively manage investments itself and, currently, only provides marketing and administrative services for a number of fund management clients who operate outside of the scope of the code not investing into UK listed equities. Therefore, there is no current applicability throughout the business model of PCSL to the Stewardship Code.

Despite non applicability to PCSL, it is in full agreement with the code’s principles. If PCSL should start to manage or be linked to clients who invest in UK listed equities in the future it will duly abide by and apply the principles in full.

This statement is valid as of April 2021.



INVESTMENT ADMINISTRATION AND MARKETING SUPPORT

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