
J.P. Morgan Mansart Management Limited UK Stewardship Code Disclosure Statement

Last updated: [December 2019](#)

Stewardship code disclosure

Since December 2010 all UK-authorized Asset Managers are required under the FCA's Conduct of Business Sourcebook (COBS) to produce a statement of commitment to the UK Stewardship Code (the "Code") as published by the Financial Reporting Council ('FRC') or where they do not commit to the Code it does not commit to the Code, its alternative investment strategy.

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

The Code sets out good practice on engagement with investee companies and is to be applied by firms on a "apply and explain" basis.

The Code has one set of Principles for asset managers and asset owners, and a separate set of Principles for service providers. It does not prescribe a single approach to effective stewardship, but instead allows organisations to meet the expectations in a manner that is aligned with their own business model and strategy.

The twelve principles of the Code are that asset owners and asset managers should:

- Have a purpose, investment beliefs, strategy and culture which enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society;
- Have governance, resource and incentives which support stewardship;
- Manage conflicts of interest to put the best interest of clients and beneficiaries first;
- Identify and respond to market-wide and systemic risks to promote a well-functioning financial system;
- Review their policies, assure their processes and assess the effectiveness of their activities;
- Take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them;
- Systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities;
- Monitor and hold to account managers and/or service providers;
- Engage with issuers to maintain or enhance the value of assets;
- Where necessary, participate in collaborative engagement to influence issuers;
- Where necessary, escalate stewardship activities to influence issuers; and
- Actively exercise their rights and responsibilities.

The UK Stewardship Code does not currently apply to J.P. Morgan Mansart Management Ltd for the following reasons:

Firstly, Mansart is an investment manager that generally applies passive investment strategies to its managed funds. Such strategies typically employ a synthetic (or derivatives based) approach to portfolio management. This has the effect that the assets held by Mansart managed funds constitute funding investments, are interchangeable with other assets and are replaced (and/or are able to be replaced) regularly, as determined by an overarching, formulaic investment strategy and not by actively choosing investment assets. As such Mansart managed funds generally do not envisage shareholder engagement or interaction with investee companies when pursuing their investment strategy.

Secondly, in order to accommodate shareholder engagement, exercise of voting rights or monitor investee companies, Mansart would have to put in place adequate systems and controls that facilitate such activities. This would result in cost implications which, compared to the resulting benefits, would not be justifiable and potentially detrimental to investors in light of the passive investment strategies that Mansart managed funds currently pursue.

Finally, Mansart as part of the J.P. Morgan Group remains mindful of exercising voting rights or having shareholder engagement with investee companies which may generally not be in line with policies and/or positions taken by other J.P. Morgan affiliates and counterparties and potentially creating conflicts of interest.

In case of any changes to circumstances or the factors explained above, our commitment to the Code will be reviewed accordingly and appropriate disclosures will be produced.
For further details please contact Mansart.funds@jpmorgan.com.

J.P. Morgan Mansart Management Limited

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