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

December 2020

## 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 it does not commit to the Code, its alternative investment strategy.

Stewardship aims to promote the long term success of companies in such a way that the ultimate providers of capital also prosper. Effective stewardship benefits companies, investors and the economy as a whole.

The Code 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 asset managers and that smaller institutions may judge that some of the principles and guidance are disproportionate. In these circumstances, asset managers are encouraged to take advantage of the "comply or explain" approach and set out why this is the case.

The seven principles of the Code are that institutional investors should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities;
- Have a robust policy on managing conflicts of interest in relation to stewardship which should be publically disclosed;
- Monitor their investee companies;
- Establish clear guidelines on when and how they will escalate their activities;
- Be willing to act collectively with other investors where appropriate;
- Have a clear policy on voting and disclosure of voting activity; and
- Report periodically on their stewardship and voting activities.

The UK Stewardship Code does not currently apply to J.P. Morgan Mansart Management Limited ("Mansart") 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 reasons 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](mailto:Mansart.funds@jpmorgan.com).

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