

# Narrow Water Partners

## UK Stewardship Code Disclosure

Under the Financial Conduct Authority's ("FCA") Conduct of Business Rules 2.2A.5, Narrow Water Partners Ltd ("NWP") is required to make a public disclosure on its website in relation to the nature of its commitment to the UK Financial Reporting Council's ("FRC") Stewardship Code (the "Code") or, where it does not commit to the Code, its alternative investment strategy.

The Code was first published by the FRC in July 2010 and it was updated in September 2012. Subsequently, the FRC published the new UK Stewardship Code 2020 ("2020 Code"), which took effect from 1 January 2020, and consists of 12 Principles for asset managers and asset owners, and six Principles for service providers.

The Code applies on a 'comply or explain' basis and is voluntary, aiming at enhancing the quality of engagement between institutional investors and companies, to help improve long-term returns to shareholders and provide for the efficient exercise of governance responsibilities by setting out good practice on engagement with investee companies that institutional investors should aspire to.

The FRC defines 'stewardship' as '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 2020 Code Principles are:

- Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
- Signatories' governance, resources and incentives support stewardship.
- Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first
- Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.
- Signatories review their policies, assure their processes and assess the effectiveness of their activities.
- Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.
- Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.
- Signatories monitor and hold to account managers and/or service providers.
- Signatories engage with issuers to maintain or enhance the value of assets.
- Signatories, where necessary, participate in collaborative engagement to influence issuers.
- Signatories, where necessary, escalate stewardship activities to influence issuers.
- Signatories actively exercise their rights and responsibilities.

NWP is an emerging market specialist investment fund manager. Accordingly, direct investment in UK single equities is not expected, or would only represent a small part of investment operations. As such, whilst NWP supports the objectives that underlie the Code and adhere to the highest standards of corporate governance and due diligence in respect of its investments, NWP has

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chosen not to commit to the Code. NWP takes a consistent approach to engagement with issuers and their management in all the jurisdictions in which it invests and, consequently, does not consider it appropriate to commit to any voluntary code of practice relating to any individual jurisdiction at this time. Should NWP's approach change in the future, NWP will review its commitment to the Code and update this disclosure accordingly. This disclosure will be reviewed at least annually.

For further information on NWP's approach, please contact us via email: [ir@narrow-water.com](mailto:ir@narrow-water.com)

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