

## **Stewardship Code Disclosure**

Under COBS 2.2.3R of the FCA Handbook, Lumen Asset Management Limited (“the Firm”) must disclose clearly on a durable medium the nature of its commitment to the Financial Reporting Council’s Stewardship Code (“the Code”) or, where it does not commit to the Code, its alternative investment strategy. The Code sets out a number of principles relating to engagement by investors with UK equity issuers, as follows:

- Principle 1: 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
- Principle 2: Signatories’ governance, resources and incentives support stewardship
- Principle 3: Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first
- Principle 4: Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system
- Principle 5: Signatories review their policies, assure their processes and assess the effectiveness of their activities
- Principle 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them
- Principle 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities
- Principle 8: Signatories monitor and hold to account managers and/or service providers
- Principle 9: Signatories engage with issuers to maintain or enhance the value of assets
- Principle 10: Signatories, where necessary, participate in collaborative engagement to influence issuers
- Principle 11: Signatories, where necessary, escalate stewardship activities to influence issuers
- Principle 12: Signatories actively exercise their rights and responsibilities.

At present the Firm does not manage any funds which hold equities in UK companies. The Firm does not have any investment management mandates for UK pension funds. As such, the Code does not at present apply to the Firm. Nonetheless, the Firm fully supports the 12 principles for asset managers and asset owners listed above. The Firm will consider whether to become a signatory to the Code at the time when it starts managing mandates.

## **Shareholders Rights Directive II (‘SRD II’) Disclosure**

SRD II establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in general meetings of companies which have their registered office in an EEA Member State and the shares are traded on a regulated market situated or operating within a Member State. The requirements apply to intermediaries, proxy advisers, institutional investors, asset managers and issuers.

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Institutional investors and asset managers must comply with the requirements of SRD II or publicly disclose a clear and reasoned explanation as to why they have chosen not to comply with one or more of the requirements.

Lumen Asset Management Limited has considered whether it will need to develop and publicly disclose an engagement policy and concluded it does not require an engagement policy at present because it does not manage any holdings in EEA listed companies or exercise any shareholder rights on behalf of its clients.