

UK Stewardship Code Disclosure Statement YK2 Partners LLP

Under COBS 2.2 of the FCA Handbook, the Firm is required to make a public disclosure in relation to the nature of its commitment to the above Code, which was published by the Financial Reporting Council ('FRC') in July 2010.

The Code aims 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. It 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 institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate. It is of course legitimate for some asset managers not to engage with companies, depending on their investment strategy, and in such cases firms are required to explain why it is not appropriate to comply with a particular principle.

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

- Publicly disclose their policy on how they will discharge their stewardship responsibilities;
- Have and publicly disclose a robust policy on managing conflicts of interest in relation to stewardship;
- Monitor their investee companies;
- Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value;
- 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.

YK2 Partners LLP manages or advises multiple funds and accounts. The Code is therefore relevant to some aspects of the Firm's activities. While the Firm supports the objectives that underlie the Code, it has chosen not to commit to the Code.

The Firm determines its approach to stewardship on a case by case basis, taking into account its duties to the funds and accounts that it manages and the actions that will lead to the most favourable outcome for the value of its investments and the interests of its investors.

Furthermore the Firm takes a consistent approach to engagement with issuers and their management in all of the jurisdictions in which it invests and, consequently, does not consider it appropriate to commit to any particular code relating to any individual jurisdiction.

Should any of the above factors change, the Firm will review its commitment to the Code at that time and make appropriate disclosure.

For further details on any of the above information, please contact David Mace, the Chief Operating Officer, at david@yk2partners.com.