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STEWARDSHIP CODE

FEBRUARY 2019

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Nevastar Finance complies with the UK Stewardship Code (the "Code") which was issued by the Financial Reporting Council in July 2010 and amended in September 2012 in respect of our activities for professional clients. "Stewardship" means the way in which we look after our clients' best interests and manage their investments by actively monitoring the companies in which we invest on their behalf. Given that Nevastar Finance primarily manages the assets of natural persons and institutions classified as professional investors, this policy statement focuses on them and summarises how we apply the seven principles of the Code.

## **PRINCIPLE 1: INSTITUTIONAL INVESTORS SHOULD PUBLICLY DISCLOSE THEIR POLICY ON HOW THEY WILL DISCHARGE THEIR STEWARDSHIP RESPONSIBILITIES**

Nevastar Finance mainly manages client assets on a discretionary basis, seeking to maximise investment returns for each client. It is central to our investment process to consider each company's ability to create, sustain and protect value. Therefore, we continually assess the performance of the management of companies in which we have invested on behalf of our clients and whether or not our clients' interests are being best served. Effective monitoring of investee companies is fundamental to fulfilling our responsibility of our clients. An investment is unlikely to be made if we have significant concerns about either management or matters of corporate governance.

From time to time where deemed appropriate, discretionary proxy voting decisions may be taken. This is done with our clients' best interests in mind at all times.

## **PRINCIPLE 2: INSTITUTIONAL INVESTORS SHOULD HAVE A ROBUST POLICY ON MANAGING CONFLICTS OF INTEREST IN RELATION TO STEWARDSHIP WHICH SHOULD BE PUBLICLY DISCLOSED**

Nevastar Finance maintains a robust policy on managing conflicts of interest which is designed to ensure its decisions are taken wholly in the interest of its clients. Nevastar Finance aims to ensure that all potential and actual conflicts are identified, recorded, evaluated, managed and monitored. A summary of Nevastar Finance's conflicts of interest policy is available on our website.

## **PRINCIPLE 3: INSTITUTIONAL INVESTORS SHOULD MONITOR THEIR INVESTEE COMPANIES**

Comprehensive and continuous research and monitoring of investee companies is fundamental to Nevastar Finance's investment process as our investment strategy typically looks to long term investment rather than continual turnover of clients' portfolio holdings. Monitoring typically occurs through financial reporting, general meetings, in connection with news and announcements and research, Nevastar Finance may conduct when looking into investment ideas or reviewing our approved lists of securities.

## **PRINCIPLE 4: INSTITUTIONAL INVESTORS SHOULD ESTABLISH CLEAR GUIDELINES ON WHEN AND HOW THEY WILL ESCALATE THEIR ACTIVITIES AS A METHOD OF PROTECTING AND ENHANCING SHAREHOLDER VALUE**

Where we have concerns about the performance or strategy of an investee company or where we have reason to believe that our client's rights as shareholders are being compromised in any way, we will escalate our engagement with the investee company's management and take any trading decisions accordingly.

## **PRINCIPLE 5: INSTITUTIONAL INVESTORS SHOULD BE WILLING TO ACT COLLECTIVELY WITH OTHER INVESTORS WHERE APPROPRIATE**

Nevastar Finance's long term investment strategy and research process mean that it will rarely be necessary for such collective action to be taken. However, if such collective action is deemed to be in the best interests of our clients, it will be carefully considered and may be taken accordingly.

## **PRINCIPLE 6: INSTITUTIONAL INVESTORS SHOULD HAVE A CLEAR POLICY ON VOTING AND DISCLOSURE OF VOTING ACTIVITY**

Where we take voting decisions on behalf of our clients, we will always act in a manner consistent with our clients' best interests. Where necessary or appropriate, we endeavour to engage with investee companies. Records of our votes on behalf of particular clients are available to those clients upon request. We do not lend stock.

## **PRINCIPLE 7: INSTITUTIONAL INVESTORS SHOULD REPORT PERIODICALLY ON THEIR STEWARDSHIP AND VOTING ACTIVITIES**

We regularly report investment activity to our clients, and where it is considered relevant to the client, we will report details of our stewardship and voting activities.

Registered address:

**Nevastar Finance Ltd**

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Authorised and regulated by the Financial Conduct Authority whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS.