

# UK Stewardship Code Disclosure Statement

Bellevue Asset Management (UK) Ltd

(“BAM UK” / the “Firm”)

Effective from 1 January 2020, the Financial Reporting Council’s (“FRC”) UK Stewardship Code (the “Code”) has been substantially updated to be applicable to a broader range of investment strategies, other than purely listed equity, such as fixed income bonds, real estate and infrastructure. It also reflects the growth of environmental factors, particularly climate change, as well as social and governance factors (together, “ESG”) as material issues for asset managers to consider when making investment decisions and undertaking stewardship.

In the 2020 version, the Code 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 Principles of the Code

There are twelve Principles of the Code that apply to asset owners and asset managers. These are grouped under four headings:

### **Purpose and governance**

1. Purpose, strategy and culture
2. Governance, resources and incentives
3. Conflicts of interest
4. Promoting well-functioning markets
5. Review and assurance

### **Investment approach**

6. Client and beneficiary needs
7. Stewardship, investment and ESG integration
8. Monitoring managers and service providers

### **Engagement**

9. Engagement
10. Collaboration
11. Escalation

### **Exercising rights and responsibilities**

12. Exercising rights and responsibilities

The FRC requires that firms aiming to be signatories to the Code must produce an annual Stewardship Report explaining how they have applied the Code in the previous 12 months. The FRC will evaluate Reports against an assessment framework and those meeting the reporting expectations will be listed as signatories to the Code.

## FCA Regulatory Disclosure on the Stewardship Code

Rule 2.2.3R of the Financial Conduct Authority (“FCA”) Conduct of Business Sourcebook (“COBS”) requires an FCA authorised firm to disclose the nature of its commitment to the FRC’s UK Stewardship Code or, where it does not commit to the code, its alternative investment strategy.

BAM UK pursues an investment strategy which is to be a long term investor in the healthcare sector. We aim to generate shareholder value through stock selection and then through engagement with the portfolio companies by understanding and challenging senior management either directly or through the proxy voting process.

Whilst BAM UK supports the spirit of the Code, it does not comply with it at this time.