

ALDER INVESTMENT MANAGEMENT LIMITED

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Disclosure Statement on the UK Stewardship Code

Under COBS 2.2 of the FCA Handbook, Alder Investment Management Limited (Alder) 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

Alder's policy in relation to each of the principles set out in the Code is as follows:

Stewardship Responsibilities: Alder has a duty to act in the best long-term interests of its clients and as such will always seek to invest in companies that offer an acceptable return for the risk undertaken as well as ensuring best practice in terms of compliance with corporate governance and regulatory requirements.

Conflicts of interest: Where conflicts of interest on voting or engagement exist between Alder or a particular client and the wider client base, Alder will act in the best interests of the majority of its clients, in accordance with the regulatory responsibility to treat all customers fairly. Alder's conflicts of interest policy is detailed in each client's Investment Management Agreement.

Monitoring: All companies in which Alder invests for its clients are monitored by analysts in Alder's research team. Monitoring can include the study of company statements and third-party reports, attendance at public meetings as well as 'one-to-one' meetings with the board and senior management of many investee companies at Alder's or the companies' offices.

Escalation: When an issue is identified, Alder may raise it directly with the board or senior management of the investee company. Performance issues might be raised at regular one-to-one meetings with senior management, or on an ad hoc basis, by Alder directly approaching the company or its advisers. Governance issues might be more appropriately raised in separate meetings. These could be with executive or non-executive members of the board (eg Chairman, senior non-executive or independent directors). If appropriate, Alder would intervene with other shareholders (see below), or would submit resolutions to, or requisition an EGM.

Acting collectively: Where acting collectively is likely to make intervention more effective, Alder may engage with other shareholders in the investee company in order to decide upon or implement a course of intervention. In collaborating with other investors, Alder is mindful of legal and regulatory requirements, for example in relation to conflicts of interest, the use of information, or acting in concert with other parties.

Voting: Alder may attend and/or vote at company shareholder meetings. It is Alder's policy to vote on AGM or EGM resolutions and corporate actions where:

- 1) Alder's clients have a material interest in the outcome of the resolution or action, for the protection or enhancement of their shareholder value and beneficial interest and;
- 2) Holdings of Alder's clients are material to the outcome of the resolution or action

When Alder does vote, it votes in what it considers to be the best interest of its clients.

Alder does not engage in stock lending or use proxy voting or other voting advisory firms.

Reporting: Alder treats information on its voting activity as confidential. Given the size and nature of Alder's business it is not considered necessary to obtain an independent opinion on the voting and engagement processes however details of Alder's voting record are available to clients on request.