

ISAM Funds (UK) Limited (the “Firm”)

UK Stewardship Code Disclosure Statement

Introduction

The Stewardship Code (“the Code”) was published by the Financial Reporting Council (“FRC”), the UK’s independent regulator responsible for promoting high quality corporate governance and reporting in order to foster investment. The latest version of the Stewardship Code was published in October 2019 and has taken effect from 1 January 2020. The Code establishes a clear benchmark for 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 FCA’s regulations outline a firm’s obligations in relation to the Code and for firms who manage assets for corporate professional clients to disclose to these clients the nature of their commitment to the Code, or where it does not commit to the Code its alternate business model.

The Stewardship Code

The Code sets out good practice on engagement with investee companies to which the Financial Reporting Council believes institutional investors should aspire. The Code is applied on a ‘apply and explain’ basis and consists of 12 Principles for asset managers and asset owners. These 12 principles are divided into 4 main categories: Purpose and Governance, Investment Approach, Engagement and Exercising Rights and Responsibilities. The Code is applied on a ‘comply or explain’ basis.

The Principles of the Code are as follows:

Purpose and governance

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.

Investment approach

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

Engagement

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.

Exercising rights and responsibilities

Principle 12 - Signatories actively exercise their rights and responsibilities.

ISAM Systematic Trend

The Firm's ISAM Systematic Trend investment strategy is a pure quantitative, diversified managed futures trend following strategy which runs 24 hours a day on a continuous basis with trades generated automatically in response to fresh market data. ISAM Systematic Trend strategy does not trade securities of individual issuers or derivatives based on individual issuers.

ISAM Systematic Equities

The Firm's ISAM Systematic Equities strategy is a pure quantitative strategy applied across liquid equities. The strategy uses a number of multiple statistical methodologies applied on a number of different datasets and publicly available information on individual companies.

For both of the above strategies, investment trading decisions are determined solely by proprietary models, which do not consider corporate governance issues. The strategies do not invest in companies with the intention of taking any activist role in directing management or of taking any form of controlling interest. Consequently, while the Firm supports the general objectives that underlie the Code, the provisions of the Code are not relevant to the investment strategies currently undertaken by the Firm.

The Firm has established a comprehensive Conflicts of Interest Policy in order to mitigate and manage conflicts or potential conflicts. In addition, the Firm is committed to maintaining the integrity and well-functioning of the financial system.

If the Firm's investment strategies change in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

This non-commit disclosure fully encompasses the Firm's regulatory obligations in complying with the FRC's Stewardship Code and the FCA's regulatory requirements.