

Powe Capital Management LLP

UK Stewardship Code Disclosure Statement 5th December 2010

Under COBS 2.2 of the FSA Handbook, we are required to make a public disclosure in relation to the nature of our 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.

The funds managed by Powe Capital Management LLP have investment strategies focused on European Equity long/short - investing in investee companies which includes moderate engagement and dialogue with companies as well as voting on company resolutions.

Our statement of compliance with the seven principles of the Code is set out below:

Policy on managing conflicts of interest in relation to stewardship

It is our policy and duty to act in the best interest of all of our clients. This includes considering matters such as company engagement and voting on shares held on behalf of our clients. Should a conflict of interest arise, the senior management of Powe Capital Management LLP would take appropriate steps to ensure fair treatment of all clients, including disclosure of the conflict to the affected clients, if appropriate.

Monitoring of investee companies

Where appropriate, we will monitor our investee companies on a regular basis through our monitoring process. Our monitoring process may include the following:

- Satisfying ourselves as to the governance arrangements of the companies, including the operation of the Board and any non-executive oversight.
- Where appropriate, meeting members of the Board and/or the Chairman.
- Retaining adequate records of company meetings and of votes cast on behalf of our clients
- Records of reasons for voting against a company's management, or for abstaining
- Attending General Meetings.
- Maintain records of any companies we have met with
- Maintain records of which analysts we have met at any company and what their area of expertise relates to

Our investment monitoring process aims to identify any problems or concerns that Powe Capital Management LLP may have about an investee company at an early stage

Guidelines on escalation

If we become concerned about any aspect of an investee company's investment strategy, performance, governance or any other matter, we may wish to escalate this to the management of the company.

Examples of the way in which such matter could be escalated include:

- Holding additional meetings with management
- Expressing concerns through advisers or analysts
- Meeting with chairman or other independent directors
- Intervening jointly with other investors
- Submitting resolutions at shareholder's meetings
- Requisitioning an EGM

Acting collectively with other investors

There may be situations where it is appropriate to act collectively with other shareholders in order to engage with an investee company. This would only be considered if a material issue arose that we felt required the involvement of at least one other shareholder.

Internal arrangements

The Stewardship code is integrated with our existing record keeping practices that we maintain on any company and analyst meetings we have. Stewardship will also be taken in to consideration when making investment decisions

Policy on voting and disclosure of voting activity

It is not our policy to automatically support the Board of our investee companies, but we will seek to vote all shares held on behalf of clients. Any voting will always be instructed with careful consideration and with the best interests of our investors in mind

Where we have had dialogue with a company and an issue has not been resolved to our satisfaction, we may register an abstention or vote against the relevant resolution. In accordance with good practice, we will normally inform the company in advance of our intention and state the reasons for this.

A record of all voting instructions is maintained; whether this includes attending a meeting in person or making use of a proxy (and if so detail on how they are used).

We do not publicly disclose voting records as this may not necessarily be in the best interests of our investors.

Reporting on stewardship and voting activities

We do not regularly provide our clients with information on the above, including a summary of how we have voted in respect of relevant shares, although this can be disclosed given such a request be received by Powe Capital Management LLP in writing

For further details on any of the above information, please contact:

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