

Oxford Investment Partners Limited

UK Stewardship Code Disclosure Statement – 1 December 2010

Under COBS 2.2 of the FSA Handbook, Oxford Investment Partners Limited (“the Firm”) 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.

Stewardship refers to how firms’ protect and manage client investments through active monitoring of UK listed investee companies, which includes inter alia engaging with company management on strategy, performance, governance and risk management.

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.

OXIP’s clients are the OXIP Limited Partnership and the OXIP Diversified Fund for which it operates a long-term investment strategy, primarily through investments across a diversified range of mutual funds managed by other Investment Firms.

By the nature of the Investment Strategy which the Firm has adopted, no investments are made directly into companies. This activity is effectively discharged to the Managers with whom we invest. To this extent the Code does not have complete applicability to OXIP.

Regardless, the Firm supports the objectives of the Code and has committed to the Code. Its statement of how the principles of the Code have been applied and, where appropriate, an explanation of those principles which have not been complied with, is set out below:

Policy on discharging stewardship responsibilities

Investment decisions are based on the research performed by the Firm and Towers Watson into the prospects of those Managers in which it is intending to invest. This research may be supplemented by meetings with the senior management of those businesses together with independent reports and other data, in order to arrive at the Firm’s own assessments of business strategies and likely turnout.

The process emphasises the long-term intent of the investment decision and includes an on-going monitoring review and internal challenge of the investment thesis. Engagement with the senior management of the businesses is followed through where considered necessary to augment the initial investment and subsequent review process.

As the process of Company Ownership is performed by the Managers in which we invest, any shareholding that the OXIP LP has does generally not give rise to the ability to vote at general meetings. Although the Firm is, therefore, unable to vote in respect of the vast majority of Company investments it has exposure to, it does have the ability to decide to sell a holding with a particular Manager where this is considered the most appropriate response to any given situation.

Due consideration is given to the Financial Reporting Council's UK Corporate Governance Code when assessing the responses of underlying Managers to the Firm's queries.

Policy on managing conflicts of interest in relation to stewardship

At present the Firm has only one portfolio and this section is not relevant. However, it is the Firm's policy and duty to act in the best interest of all of its clients. Should a conflict of interest arise, the firm's senior management 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

As mentioned the Firm does not invest in direct companies but via pooled vehicles managed by other Managers. However the Firm monitors its Managers closely and maintains regular dialogue with them. The monitoring process may include the Managers approach to Stewardship and good Governance.

It is not the Firm's intention to micro-manage the business of our Managers however, where there are concerns about any aspect of an investee Managers investment strategy, performance, governance or any other matter, this may be escalated 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
- Intervening jointly with other investors

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 Manager in the most effective manner. This would only be considered if a material issue arose and there were no perceived conflicts.

Policy on voting and disclosure of voting activity

As mentioned the Firm does not tend to have the rights to vote at general meetings of investee companies its Managers invest in. The Firm does not, accordingly, have a disclosable voting history.

Reporting on stewardship and voting activities

The Firm will respond appropriately to requests but, for the reasons explained above, it has no voting record upon which to report.

For further information on the Firm's approach to the Stewardship Code, please contact:

Paul Martin
Chief Operating Officer
Oxford Investment Partners Limited
Christ Church
Oxford
OX1 1DP
01865 988155
(paul.martin@oxip.co.uk)

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