

UK Stewardship Code (2020) Disclosure Statement

Canyon Capital Advisors (Europe) Ltd

November 2020

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.

Adherence to the Code is voluntary.

Canyon Capital Advisors (Europe) Ltd does not currently comply with the Code for the following reasons:

- We are a sub-manager to Canyon Capital Advisors LLC and therefore do not engage in stewardship practices because Canyon Capital Advisors LLC is or may be responsible for such activities.

Consequently, while Canyon Capital Advisors (Europe) Ltd generally supports the objectives that underlie the Code, the provisions of the Code are not considered to be relevant to the activities currently undertaken by the Firm. If Canyon Capital Advisors (Europe) Ltd’s activities change in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

For further details on any of the above information, please contact Doug Anderson.