

NAPF Statement of Support of the Stewardship Code

The National Association of Pension Funds strongly supports the Stewardship Code which was published by the FRC in July. Pension funds, through the NAPF, made a material contribution to the formulation of the Code, as well as the ISC Principles which preceded it and have an important role in encouraging its adoption by the asset management industry.

While the immediate focus is on FSA-regulated firms, who were encouraged to publish their policy statements by 30th September, we expect pension funds to examine their investment managers' approach to compliance with the Code. They will then be in a position to revise their Statements of Investment Principles and over time incorporate an analysis of stewardship into their investment manager review processes. The NAPF plans to provide guidance for its members on applying the Code shortly.

Already, a significant number of pension funds have publicly declared their support of the Code, which has the potential to enhance the quality of engagement between institutional investors and companies and the efficient exercise of governance responsibilities, thus helping to improve long-term returns to shareholders.

Pension schemes which have signed up to the Stewardship Code will be listed on a new page on the FRC website which will be live from mid-October

Investment Council
National Association of Pension Funds
30 September 2010