



ASSEGESTIONI

associazione del risparmio gestito

**ITALIAN STEWARDSHIP  
PRINCIPLES**

for the exercise of  
administrative and voting  
rights in listed companies

Self-regulation

## **INTRODUCTION**

Assogestioni believes that good governance standards are essential to ensure the confidence of capital markets, and that the role played by institutional investors, managers and their respective advisors is crucial in the internal dynamics of Italian listed companies.

The Association's Board has adopted the following principles aimed at companies that provide collective investment management or portfolio management services, in order to promote discussion and cooperation between management companies and listed issues in which they invest.

The adopted Principles are in line with those contained in the EFAMA Code for External Governance<sup>1</sup> approved by the European Fund and Asset Management Association, of which Assogestioni is a member.

Though aimed primarily at portfolio managers, these Principles indirectly reflect on the conduct (i) of the listed issuers, which are called upon to promote dialogue with investors, managers and their respective advisors, and (ii) of institutional investors that entrust to third parties the management of their assets, and are requested to share with their managers certain decisions on how to interact with the companies in which they invest.

The Board has not deemed advisable to set a peremptory time limit within which the recipients of the Principles are required to implement them, as each one of them is free to decide whether, when and how to comply with them in accordance with the general principles of proportionality and progressiveness in adopting market best practices. However, the first monitoring on the progress in implementing these Principles is expected to be carried out by the end of 2015.

## **PURPOSE OF THE PRINCIPLES**

The purpose of these Principles is to provide a set of high-level best practices designed to promote discussion and cooperation between management companies and listed issuers in which they invest the portfolio under management, as part of the collective management or portfolio management services they provide.

Compliance with these Principles should encourage interaction between management companies and the listed issuers in which they invest, in order to ensure that governance and investment process are closely linked.

With a view to improving transparency and demonstrating commitment to high external corporate governance standards, management companies publicly declare their intention to adhere to the following Principles, e.g. on their website or their annual financial statements. This declaration will demonstrate to investors the management company's express commitment to good external governance.

<sup>1</sup> Available at [http://www.efama.org/Publications/Public/Corporate\\_Governance](http://www.efama.org/Publications/Public/Corporate_Governance)

## DEFINITIONS

**Undertakings of collective investment in transferable securities (UCITS):** collective investment undertakings are open-ended mutual investment funds and SICAVs.

**Management company:** an Italian or foreign company that provides collective investment management and/or portfolio management services. If the management company offers other services than the management of UCITS or portfolios, only the management of UCITS or portfolios shall be subject to these Principles; the other services it provides will not be involved. Self-managed SICAVs or similar entities are considered to be management companies.

**Institutional investors:** this term includes several legal entities, such as pension funds, insurance companies, mutual investment funds and other collective investment vehicles which are not themselves management companies. These are generally the management company's Clients/Investors.

**Client/Investor:** any natural or legal person to which a management company provides collective or portfolio management services, regardless of the legal form of the investment.

**Investee listed issuer:** a company whose shares are listed on a regulated market, of which the management company holds financial instruments on behalf of managed assets.

## AREA OF APPLICATION

The Principles set out below define the best practices for management companies when the latter choose to trade in the securities of investee listed issuers on behalf of managed assets, as part of collective investment management or portfolio management services.

Within this context, management companies have a fiduciary obligation to their respective Clients/Investors. This fiduciary obligation includes the commitment to keep to the investment strategy with long-term performance objectives indicated by the Client/investor or reflected in the investment policies of the collective investment undertakings.

The Principles are applicable every time a management company intends to trade in the securities of investee listed issuers, and apply to any investee listed issuer regardless of market capitalization; however, for practical reasons, the Principles can be implemented following a proportional approach based, for example, on the percentage of the investment in the issuer involved, or on the proportion of the investment compared to the assets of the managed collective investment undertakings.

The following Principles are relevant to the extent that the management companies hold rights pertaining to the financial instruments of the managed collective investment undertakings and portfolios with respect to:

- strategy and performance of a investee company;
- ordinary corporate governance matters, such as establishment, election, successions and remuneration of the Board of Directors;
- approach to corporate social responsibility;
- risk management.

The Principles are aimed at improving the quality of communications with investee listed issuers, and encourage management companies to create value added for their Clients/ Investors by effectively addressing the issues related to corporate performance.

The Principles are not an obligation to take part in the micro-management of the investee issuers' business, nor do they preclude the decision to sell an investment, should this be the most effective solution to the above-mentioned issues.

## **PRINCIPLES**

**PRINCIPLE 1:** IMC should have a documented policy available to the public on whether, and if so how, they exercise their ownership responsibilities.

**PRINCIPLE 2:** IMC should monitor their investee companies.

**PRINCIPLE 3:** IMC should establish clear guidelines on when and how they will intervene with investee companies to protect and enhance value.

**PRINCIPLE 4:** IMC should consider cooperating with other investors, where appropriate, having due regard to applicable rules on acting in concert.

**PRINCIPLE 5:** IMC should exercise their voting rights in a considered way.

**PRINCIPLE 6:** IMC should report on their exercise of ownership rights and voting activities and have a policy on external governance disclosure.