

## SHAREHOLDER RIGHTS DIRECTIVE II DISCLOSURE

The EU Directive (EU) 2017/828 (“SRD II”) was implemented in the UK on 10 June 2019. The objective of SRD II is to encourage long-term shareholder engagement with investee companies regarding performance on strategy, governance, environmental and social issues.

Such an engagement policy requires a firm to describe how it:

- integrates shareholder engagement in its investment strategy;
- monitors investee companies on relevant matters, including:
  - strategy
  - financial and non-financial performance and risk
  - capital structure
  - social and environmental impact and corporate governance
- conducts dialogues with investee companies
- exercises voting rights and other rights attached to shares
- cooperates with other shareholders
- communicates with relevant stakeholders of the investee companies; and
- manages actual and potential conflicts of interests in relation to the firm’s engagement.

The FCA’s Conduct of Business Sourcebook requires that firms publicly disclose on an annual basis how that engagement policy has been implemented in a way that meets the requirements or to publish a clear and reasoned explanation of they have chosen not to comply with any such requirements.

Cove Investment Partners has considered the engagement policy and concluded at this time it does not require a formal engagement policy. However, as Cove exercises a longer term, fundamental approach to investing in businesses by default we do not favour short term excessive risk taking. The firm’s active engagement with, and analysis of, the companies held with regard to risks that may affect its value, and the proper exercising of voting powers, are key to its investment process. Furthermore, members of firm hold significant investments in the fund alongside our clients and therefore are highly aligned to managing risks.

For further details on any of the above information please contact us at [ir@coveinvest.com](mailto:ir@coveinvest.com)