

## PRIVIUM FUND MANAGEMENT (UK) LIMITED

### SRD 2 Disclosure Statement 2022

Shareholder Rights Directive II (“SRD2”) amended the first Shareholder Rights Directive, which came into effect in 2007, with the objective of improving corporate governance in companies whose securities are traded on EU regulated markets. As an amending directive, it required transposition into each Member State’s national law. The relevant provisions for UK asset managers entered into force on 10 June 2019, prior to Brexit, and as such SRD2 was onshored into UK domestic law.

SRD2 established requirements for asset managers in relation to the exercise of certain shareholder rights attached to voting shares of UK and EU listed companies. It also establishes specific requirements to encourage long-term shareholder engagement.

In particular, COBS 2.2B requires UK asset management firms to either develop and publicly disclose a shareholder engagement policy, setting out how it fulfils the SRD2 requirements, or to publicly disclose a clear and reasoned explanation of why it has chosen not to comply with these requirements.

While Privium UK supports the objectives of SRD2, it does not fully comply for the following reasons:

- The Firm's business model includes funds and accounts being managed by a variety of portfolio managers who operate independently of each other and as such, enforcing a uniform approach to shareholder engagement is not feasible or appropriate;
- The investment strategies employed by each portfolio manager are also diverse, meaning that it is not possible to apply a firmwide shareholder engagement policy to all strategies or to have a single policy that covers all situations;
- Sometimes the funds and accounts are managed for temporary periods only and it would not be either feasible or appropriate to make temporary changes to the investment approach;
- We determine our approach to engagement on a case by case basis, taking into account the actions that will lead to the most favourable outcome for the value of our investments.

Should any of the above factors change, we will review our commitment to SRD2 at that time and make an appropriate disclosure.