



# Principles regarding shareholder engagement

## BACKGROUND

The principles stated in this document concerns the corporations within the Coeli group (below referred to as “Coeli”) of which are conducting asset management within mutual funds, alternative investment funds as well as any additional portfolio management.

In order to simplify the statements in this document, the term **asset management** will be used to describe all the asset allocation that are being carried out within the “Coeli” and the term **portfolio manager** will refer to the company that is performing the asset management.

As portfolio manager we are representing all our clients whom are using our services or are investing in our funds. For all matters regarding asset management and thereby shareholder matters, we solely act in the interest of our clients. Since stocks constitutes a financial security which might be a part of our asset management services, we generally have the power to exercise voting rights and other rights on behalf of our clients. Thereby, the portfolio manager has potential influence within a specific company and can affect the company in a direction which are deemed favourable to our clients.

The purpose of this document is to account for how we as portfolio manager, exercises our shareholder engagement, i.e. declare how we intend to exercise the voting rights related to the stocks of which are a part of our asset management services. This area is not to be mistaken for matters concerning corporate governance which addresses the separation of powers between shareholders, board of directors and top management.

## MONITORING OF MATTERS OF INTEREST

Our investment decisions are normally based on corporate analysis that considers factors such as business model, market position and potential of growing and improving the business. In order to assess whether a firm is considered an interesting investment, we take into consideration the firm’s strategy, the financial and non-financial performances and risks, capital structure and/or corporate governance.

ESG-matters (Environmental, Social and Governance) are integrated in our investment analysis. We are of the opinion that a responsible ownership does not solely arise from economic returns on investments, but also how the ownership affects the environment, social issues and a sound corporate governance. We aim to invest in companies which are actively working with these matters and we believe that it will benefit the quality of the investment process, which in turn, will benefit our clients. The nature of our services will affect the extent of which matters of ESG will be integrated in the asset management. You will find more information about how we as portfolio managers work to integrate matters of ESG in our operations on our website <https://coeli.se/vara-fonder/ansvarsfulla-investeringar/>.



## **COMMUNICATION WITH THE CORPORATIONS**

The portfolio manager is actively gathering information regarding the status of the corporations and how they plan to operate. Using such information, the portfolio manager is able to assess whether the corporation is moving in the right direction or if the portfolio manager needs to take action.

The information of the corporations is initially collected from corporate presentations, financial and non-financial reports, but also by participating in investor relations meetings, roadshows and capital market events.

From the initial information, the portfolio manager assesses the risks involved in a potential investment.

The outcome of the assessment may lead to that the portfolio manager deems that the most appropriate cause of action is to initiate a conversation with the top management of the corporation (CEO, CFO and/or board of directors) with the purpose of affecting the corporation in a direction deemed to be most in line with the interest of our clients. In such cases, the portfolio manager will be directly in contact with the top management. If we consider our own holdings, or together with holdings of others, to be of such a considerable size that provide the opportunity to have a significant impact at an annual general meeting, we will attend those meetings with the purpose of exercising our voting rights to affect the corporation in a way that best aligns with our clients' interest.

Normally, the portfolio manager does not attend the general annual meeting nor gets involved in the nomination committee for the corporations in our portfolio unless there exist special reasons to do so. In the case of us being dissatisfied with the management of the corporation, we will, if possible, take action to sell our holdings.

## **THE EXERCISING OF VOTING RIGHTS AND OTHER RIGHTS RELATED TO THE CORPORATION**

If the portfolio manager participates in the annual meeting for one of the corporations in the portfolio with the purpose of exercising the voting right or any other right related to the holding, it should be conducted in a way that best aligns with the interest of our clients. The portfolio manager may also participate in a general annual meeting if there is specific information that is expected to be obtained by attending the meeting.

## **COLLABORATION WITH OTHER SHAREHOLDERS AND STAKEHOLDERS**

The portfolio manager may, if deemed appropriate, engage in a collaboration with other shareholders in order to work towards a common interest.

In addition to what has been mentioned above, the portfolio manager is a member of organisations which conduct advocacy work in matters of ESG. For more information about ESG matters, please go to our website <https://coeli.se/vara-fonder/ansvarsfulla-investeringar/>.



## **HANDLING OF EXISTING AND POTENTIAL CONFLICTS OF INTEREST**

In order to ensure that the interest of the clients takes priority above other matters, the portfolio manager will always assess whether an investment creates, or potentially creates a conflict of interest.

Potential conflicts of interests that may arise in conjunction with the shareholder engagement will be dealt with in accordance with the internal rules and regulations of the portfolio manager, which can be found on Coeli's website.

## **PRINCIPLES OF PARTICIPATING IN THE NOMINATION COMMITTEE**

It is possible for the portfolio manager to take part in nomination committees and being a part of the board of directors, if the size of the holdings is warranting such actions. However, this sort of action is unusual.

## **MANAGING INSIDE INFORMATION IN RELATION TO THE SHAREHOLDER ENGAGEMENT**

The portfolio manager shall conduct the work in a manner resulting in that the portfolio manager will not take part of any inside information, since it will complicate the work of the fund company. If however, the portfolio manager was to come across any inside information as a result of the shareholder engagement, the fund company shall always comply with existing rules and regulations regarding market abuse as well as internal regulations within the area.

## **THE USE OF VOTING ADVISORS**

Only in exceptional cases, such as voting matters of a complicated nature or that applies to foreign countries, may Coeli consult a voting advisor.

## **PRINCIPLES FOR STOCK LOANS**

Normally, the portfolio manager does not take part in transactions or agreement regarding stock loans. Some of the funds managed by the portfolio manager is part of a stock loan program which means that the holdings of the fund may be lent out against a fee. Such fees will go to the shareholders of the fund.

## **ACCESSABILITY AND INFORMATION**

The principles of shareholder engagement are subject to a yearly review.

A statement which presents how these principles have been applied will be published on Coeli's website, [www.coeli.se](http://www.coeli.se).

For more information, please contact the fund company on number +46 (0)8 506 223 00 or by e-mail, [info@coeli.se](mailto:info@coeli.se).