



Slater Investments Limited

Remuneration Policy January 2022

Slater Investments Limited (the “Company”)

Remuneration Policy

Introduction

This policy is intended to set out how the Company promotes sound and effective risk management in accordance with the requirements of both the UCITS Directive and the AIMF Directive and subject to the Remuneration Codes set out in ESMA and in Chapters 19B and 19E of the FCA’s SYSC Handbook (**Remuneration Codes**).

Following the introduction of the new MIFIDPRU Remuneration Code (**RemCode**) under the Investment Firm’s Prudential Regime, the Board has reviewed the RemCode and updated the Remuneration Policy to ensure that from 1 January 2022 it complies with these requirements and specifically to incorporate the basic remuneration requirements detailed in the RemCode.

The Policy has therefore been designed to incorporate all relevant remuneration regulatory obligations for the business into a consolidated policy.

Scope of the Policy

This Policy now applies to all staff within the Company with additional controls for staff identified in the Remuneration Codes as Code Staff (**Code Staff**).

For the year under review, there were two Code Staff, namely, the Chairman and the Chief Operating Officer. During the second quarter of 2022, the Company identified a third Code Staff employee, who is a co-manager to one of the Company’s UCITS Funds.

Purpose and Objective of the Policy

The objectives of this Policy are to:

- set out the principles governing the Company’s approach to remuneration;
- ensure that remuneration is in line with applicable regulations on remuneration;
- ensure that remuneration is properly monitored; and
- inform all staff of the applicable rules on remuneration

Remuneration Policy

Slater Investments's Remuneration Policy during 2021 was designed to ensure that the Company complied with the Remuneration Codes and that its compensation arrangements:

- were consistent with and promote sound and effective risk management;
- did not encourage excess risk taking;
- included measures to avoid conflicts of interests; and
- were in line with both the Company’s and the AIF/UCITS the Company manages business strategy, objectives, risk profile, values and long-term interests.

From 1st January 2022, in addition to the main aims listed above, the following aims have also been explicitly incorporated into the Remuneration Policy to ensure that:

- it is gender neutral (that is, based on equal pay for equal work or work of equal value);
- it is in line with the Company's business strategy (including environmental, social and governance risk factors) and objectives; and
- it contains measures to avoid conflicts of interest, encourage responsible business conduct and promote risk awareness/prudent risk-taking.

Decision Making Process for Remuneration

The Board of Directors of the Company (the **Board**) has overall responsibility for the remuneration policy and is responsible for overseeing its implementation to ensure that the Company's pay structures are in line with the Remuneration Policy. The Board is comprised of two Executive Directors (Code Staff) and two independent Non-Executive Directors;

Remuneration is a standing agenda item reviewed by the Company's Compliance and Risk Committee. The Board also receives regular updates from the Chief Operating Officer, including an annual report which details how effective the Company has been in managing risk within the Company's stated risk profile.

The Non-Executive Directors are specifically responsible for scrutinising and holding to account the performance of management and individual Code Staff against agreed performance objectives.

The Remuneration Policy is reviewed annually by the Board.

Remuneration structure

The remuneration structure is simple. All employees are remunerated with an annual fixed salary and discretionary variable payments. All variable amounts are distributed as cash. For non-Code employees, there is an appropriate balance between fixed and variable remuneration.

One of our employees, who has been identified by the Company as Code Staff, is part of the fund management team and does not participate in the same annual discretionary bonus scheme as the other Code staff and non-Code employees. The individual receives a fixed salary and instead is eligible for a discretionary variable bonus payment which is assessed by reference to the growth of the UCITS Fund he co-manages. Any such bonus is subject to a performance adjustment mechanism and a deduction of costs. There are also provisions as to when a bonus payment will not be made. Any discretionary variable bonus payment will be distributed in cash.

For all Code staff, there is also a cap on the variable remuneration of 500% of salary which is designed to ensure excessive risk taking is discouraged. There are no arrangements in place for elements of the cash awards to be deferred.

Annual fixed salaries are gender neutral and for all roles are determined only by reference to relevant market practice. All salaries are bench marked against the appropriate market.

The structure of the remuneration packages for all employees are designed to be in line with the Company's business strategy, take account of conflicts of interests and the existing and future capital requirements of the business. It takes account of the profitability of the Company and the adequacy of its regulatory capital as set out in the ICARA.

The variable remuneration is capped for all Code Staff. In addition, the Board have a policy of maintaining a minimum capital base of twice the regulatory requirement; this ensures that the Company's variable remuneration does not affect the Company's ability to ensure a sound capital base.

Assessment of performance

The overall structure is designed to reward employees for their performance and contribution to the success of Company. Individuals are assessed on both financial and non-financial criteria. The financial criteria is based on the Company's financial performance is based principally on net profits. Non-financial criteria include achieving agreed personal objectives, compliance with regulatory obligations, adherence to effective risk management and the Company's business principles and

policies.

Additionally, all investment employees should support responsible investment and integrate Environment, Social and Governance (ESG) considerations into their investment processes, including the consideration of Sustainability Risk. ESG metrics and research are embedded into the investment process. Consideration of how investment employees demonstrate their commitment to ESG processes forms part of the determination of performance.

The variable remuneration for the Chairman and Chief Operating Officer is based on net profit of the Company, the individual conduct and performance as well as the Company's and the AIF/UCITS' the Company manages progress against long-term strategy. They are allocated their bonus dependent on how the Company and its employees have performed during the financial period.

Risk Management

The Company now completes an Internal Capital Adequacy and Risk Assessment (ICARA) on an annual basis where the key business risks are identified and modelled to determine the potential financial loss that could arise. This is reviewed alongside the Company's Fixed Overhead Requirement and the available capital of the Company. The ICARA and the Pillar One information is provided to the Board to allow them to assess the levels of remuneration against the capital available and required to support the business and against identified risks (further information can be found in the Pillar Three Disclosures)

The Board have agreed to maintain at least twice the regulatory capital required for the business, currently they have agreed a level of £4m in liquid assets.

Business Strategy

The founding shareholders of the Company, who have been identified as Code Staff, have a condition attached to their employment that they remain shareholders of the Company. They are also major investors in the products the Company manages thereby ensuring, their interest, the shareholders of the Company and investors are aligned.

After a two-year period of employment, employees are encouraged to buy equity in the Company, again, to ensure all stakeholders interests are aligned. Many of the employees are also investors of the products the Company manages.

The equity ownership and significant investments in the products which the Company manages by both the Code Staff and other employees, ensures alignment with the Company's business strategy, objectives, values and long-term interests, as they are aligned with those of other investors. In addition, when remuneration levels are assessed, the Board reviews performance indicators about key aspects of the Company to ensure that this Policy is in line with the overall business strategy. This now also includes ESG and Sustainability Risk factors (further information on ESG can be found on our website).

Conflicts of Interests

The Company maintains a Conflicts of Interest policy and register which are updated when necessary and reviewed annually. It is the Company's policy to take all reasonable steps to maintain and operate effective organisational and administrative processes to identify and manage conflicts. The Company applies a consistent and transparent approach to the management of conflicts of interest.

It is the Company's policy to avoid conflicts of interest wherever possible. If a conflict arises which cannot be avoided it will be disclosed to our clients and a course of action will be agreed with the client. The Compliance and Risk Committee (which acts as the Conflicts of Interest Committee) reviews any potential conflicts as part of its weekly governance reviews to ensure compliance with the policy. Any

identified conflicts are reviewed and a final decision will be made ensuring that they serve the interests of the Company's clients and investors as a whole.

Control Functions

In view of the size of the organisation it is not practical or proportionate to have true independence. All control functions are carried out by the Code Staff who are also the majority owners of the Company. Roles have been split so there is segregation of duties. However, the appointment of the two independent Non-Executive Directors provides independent oversight and scrutiny over all the Code Staff.

The Board oversees the remuneration of the Chief Operating Officer – who is responsible for risk management, effective controls and compliance functions. The Chief Operating Officer's variable payment is conditional upon effective risk mitigations and the effectiveness of controls throughout the business.

The Chief Operating Officer reports directly to the Board and has access to the Non-Executive Directors. This provides both independence and authority.

The Board reviews committee meeting minutes from the Compliance and Risk Committee, Operations Committee, Pricing Committee and Investment Committee to provide sufficient oversight of all areas of the business.

Pension Policy

The Company does not award discretionary pension benefits.

Personal Investment Strategies

The Company has a comprehensive Personal Dealing Policy in place which requires either the Chairman or the Chief Operating Officer to sign off prior to any individual dealing. In addition, Code Staff are not permitted to undertake personal hedging strategies in respect of any variable remuneration.

Avoidance of Remuneration Codes

The Board would not allow any vehicles or methods that would facilitate the avoidance of the Remuneration Codes.