

SVM Remuneration Policy

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It is SVM's policy to ensure that all members of staff are effectively rewarded and incentivised to perform to the best of their ability for both the company and its clients. SVM's remuneration policy seeks to balance individual and team incentives and avoid the risk of conflicts between clients, and between clients and the company. The combination of fixed salary and variable remuneration components promotes long term orientation and effective risk management. SVM's policy is to align incentives with the interests of our clients.

The fixed remuneration for each permanent employee is discussed by the Managing Director and Chief Financial Officer on at least an annual basis. These discussions take into consideration the employee's performance, the achievement of their team's objectives, compliance with company policies and procedures, contribution to company purpose and culture, market rates and progress of value of the company.

Members of the sales and investment teams participate in annual variable remuneration schemes. Both the sales and investment schemes are based on value creation and not short-term performance. Value creation includes the development of investment track records, building strong client relationships linked to stable share registers and growth and retention of funds under management creating income flows beyond the current year. This structure should result in variable remuneration being contracted in periods of subdued performance.

The SVM Board may also make discretionary awards to other members of staff. Employees who leave part way through a year will not be entitled to receive any variable remuneration.

All remuneration decisions are recorded in the employee's confidential personnel file. Remuneration decisions for sales and investment employees are approved by the Board.

The Board reviews this policy annually.

Investment management scheme summary

The purpose of this scheme is to incentivise the investment team to grow and retain funds under management. The scheme encourages client retention and stability of revenues. Payment is made annually in proportion to revenues generated. The rolling 5 year performance of SVM's funds will also be taken into consideration. This arrangement discourages risk taking and encourages longer term client retention and consistent investment performance. Only a proportion of revenue is distributed. The scheme does not recognise future earning streams.

Sales scheme summary

The purpose of this scheme is to incentivise sales staff to develop strong relationships with financial advisers and institutional intermediaries and thereby grow and retain funds under management. Payment is made annually in proportion to new business generated (gross and net). Only a proportion of revenue is distributed. The scheme does not recognise future earning streams.

Discretionary award summary

Discretionary variable remuneration awards will be based on an employee's individual performance and their contribution to the success of the company, compliance with company policies and procedures and the progress of value of the company.

Awards made to different employees may not be in the same proportion to their salary. The Board undertakes that it will not use its discretion irrationally or perversely.

UCITS Remuneration Code

As a UCITS management company SVM is required to comply with the UCITS Remuneration Code ("UCITS Code"). Under the UCITS Code a management company must establish and apply remuneration policies and practices that promote sound and effective risk management and do not impair a management company's compliance with its duty to act in the best interests of the UCITS.

The UCITS Code only applies to those categories of staff whose professional activities have a material impact on the risk profiles of the management company or the UCITS managed by the management company. At SVM this is the Board, the investment team, the dealer and the Head of Sales and Marketing.

The UCITS Directive states that management companies should comply with the remuneration principles "in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities." Following a thorough review of the UCITS Code the Board considers that it is proportionate to dis-apply the rules relating to retained units, shares or other instruments, deferral and performance adjustment. In addition the Board will continue to be responsible for implementing SVM's remuneration policy and reviewing it annually.