

A. Firm Specific Information					
A.i	Please list all of the firms within your group that are caught by the Code.				
	Firm Name	FRN	Business Type	No. of AIFM and UCITS Remuneration Code Staff	Type of AIFM
	Slater Investments Limited	165999	Investment Managers	2	2
A.ii	Provide contact details of the key individual(s) who we should contact within your firm regarding your firm's compliance with the AIFM/UCITS Remuneration Code.				
	Name	Job Title	Phone No.	Email	
	Ralph Baber	Director	020 7220 9460	ralphb@slaterinvestments.com	
A.iii	What dates does your performance year run from/to:	From 01/01/2019 To 31/12/2019			
A.iv	What performance year is this RPS in respect of:	31.12.2019			
<p>Parts of Slater Investments Limited (SIL) business are subject to the Alternative Investment Fund Managers Directive and/or Undertakings for Collective Investment in Transferrable Securities (UCITS) V Directive.</p> <p>Slater Investments Limited (SIL) is subject to SYSC 19B (AIFM Remuneration Code) and SYSC 19C (BIPRU Remuneration Code).</p> <p>Noting the guide outlined in SYSC 19C.1.1A G:</p> <p>The AIFM Remuneration Code also applies to a BIPRU firm which is a full- scope UK AIFM (ie a full scope UK AIFM that is an AIFM investment firm subject to BIPRU). Such a full-scope UK AIFM that complies with SYSC 19B will also comply with SYSC 19C. In such cases, the FCA will not require the full-scope UK AIFM to demonstrate compliance with SYSC 19C.</p> <p>In August 2017, SIL was appointment as Authorised Corporate Director to the Slater Income Fund and Slater Artorius Fund, and Manager of the Slater Growth Fund and Slater Recovery Fund, and is therefore subject to SYSC 19E (UCITS Remuneration Code).</p> <p>Applying SYSC 19C.1.1B G (1) it is noted:</p>					

	<ul style="list-style-type: none"> the UCITS Remuneration Code (SYSC 19E) also applies to a BIPRU firm that is a UK UCITS management company that is a UCITS investment firm subject to BIPRU. SYSC 19C 1.1B G (2) A BIPRU firm that is a UK UCITS management company will meet its obligations under SYSC 19C and SYSC 19E by complying with SYSC 19E. SYSC 19C 1.1.B G (3) Under (1) and (2), the FCA will not require the UK UCITS management company to demonstrate compliance with SYSC 19C. <p>The FCA has not issued guidance on how to apply the UCITS Remuneration Code. They have, however, advised that there are many points of correspondence between the remuneration requirements of the UCITS V Directive and AIFMD, and between the ESMA guidelines applicable to each Directive. SIL have therefore chosen to consider the principles in the FCA's AIFMD guidance and have adopted a proportionate approach to implementing the AIFM Remuneration Code.</p> <p>Accordingly, SIL's remuneration policy is designed to ensure that it is consistent with the principles outlined in both SYSC 19B, (AIFM Remuneration Code) and SYSC 19E (UCITS Remuneration Code) of the FCA Handbook, as required.</p>
B.	<p>Remuneration Schemes</p> <p><i>Please refer, in particular, to SYSC 19B.1.21R (Remuneration Principle 6: Measurement of performance) and SYSC 19B.1.12R to SYSC 19B.1.20G (Remuneration 5: Remuneration structures).</i></p> <p><i>Please also refer to Part 3 of 'General Guidance on the AIFM Remuneration Code (SYSC 19B)' on the circumstances where certain principles of the Remuneration Code may be disapplied, published on the FCA's website.</i></p>
	<p>Based on the General guidance on the AIFM Remuneration Code (SYSC 19B) issued by the FCA in January 2014 SIL has dis-applied the following rules of the SYSC 19B Remuneration Code:</p> <p>Principle 5 – Remuneration Structures</p> <ul style="list-style-type: none"> SYSC 19B.1.17R – Retained units, shares and other instruments SYSC 19B.1.18R – Deferral SYSC 19B.1.19R and SYSC 19B.1.20G – Performance Adjustment <p>SIL has dis-applied the following rules of the SYSC 19E Remuneration Code:</p> <p>Principle 5 – Remuneration Structures</p> <ul style="list-style-type: none"> SYSC 19E.2.18R – Retained units, shares and other instruments SYSC 19E.2.20R – Deferral SYSC 19E.2.22R – Performance Adjustment SYSC 19E.2.15R – Fixed and Variable Remuneration <p>Slater Investments Limited's approach</p> <p>The Board of Directors of SIL (the 'Board') are shareholders in the SIL and are also significant investors in the products that are managed on behalf of SIL clients. This creates an alignment of interest with SIL's clients. The Remuneration Policy for Code Staff is to have a fixed element of salary plus a discretionary element which is capped. The cap is increased by £20,000 per annum. Code Staff hold significant shareholdings in SIL from which dividends are paid.</p>
B.i	<p>List all bonus schemes or other reward or compensation schemes (including those in place for partnerships and other legal structures) that will be in place to reward AIFM and UCITS Remuneration Code Staff for performance during the current performance year and provide a high-level description of each scheme, including:</p> <ul style="list-style-type: none"> the purpose of the bonus scheme is to retain and reward the most able individuals. the participants are: Mark Slater and Ralph Baber.

- There will be two participants for the current performance year:

Name	Salary - Fixed	Bonus Cap – Variable
Mark Slater	Base Salary	500%
Ralph Baber	Base Salary	500%

- the bonus scheme is structured on the following basis:
 - participants will be given first call on distributable profits up to the capped amount;
 - any such bonus will vest immediately there will be no deferral. The ownership of the shares in SIL provides alignment of interest consequently there is no requirement to defer the vesting of the bonus;
 - the Risk Officer's bonus is dependent upon effective risk mitigation and the effectiveness of controls within SIL;
 - it is a requirement of the bonus scheme that the participants hold shares in SIL throughout the period in question.

C.	AIFM and UCITS Remuneration Code Staff	
	<i>It is up to each firm to determine how they identify their AIFM and UCITS Remuneration Code Staff; as a starting point you should include senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers. (SYSC 19B.1.3R) with reference to relevant ESMA guidelines.</i>	
C.i	Please set out the high-level framework you have used to determine which of your staff are 'AIFM and UCITS Remuneration Code Staff'	
	SIL categorises all executive directors of SIL to be Code Staff and management who hold significant influence positions. The Chairman of the Investment Committee and the Chairman of the Risk Committee are considered to be Code Staff.	
C.ii	How many BIPRU and UCITS Remuneration Code Staff have been identified?	
	Two	
C.iii	List all AIFM and UCITS Remuneration Code Staff using the RPS Tables spread sheet	
C.iv	How many AIFM and UCITS Remuneration Code Staff are likely to rely on the guidance set out in SYSC 19B.1.13A G (and further developed in <u>General Guidance on the AIFM Remuneration Code (SYSC 19B)</u>)?	Two
C.v	Briefly describe the measures you have taken to ensure that all AIFM and UCITS Remuneration Code Staff understand the implications of this status in relation to the requirements of the Code.	
	Briefing on the Remuneration Policy and FCA Guidance (as updated from time to time).	
C.vi	How have you been able to determine how to identify your delegates and how many have been identified?	
	Not applicable.	

1.	<p>Principle 1 – Risk management and risk tolerance</p> <p><i>Please refer to SYSC 19B.1.5R and SYSC 19E.2.5 R</i></p>
1.1	<p>Briefly describe how you ensure that your firm’s remuneration policies promote sound and effective risk management, and do not encourage risk-taking that exceeds the firm’s levels of tolerated risk.</p> <p>The Remuneration Policy is designed to ensure that SIL complies with the Remuneration Code and that its compensation arrangements:</p> <ul style="list-style-type: none"> • are consistent with and promote sound and effective risk management; • do not encourage excess risk taking; • include measures to avoid conflicts of interests; and • are in line with both SIL’s and the AIF/UCITs managers’ business strategy, objectives, values and long-term interests.
2.	<p>Principle 2 – Supporting business strategy, objectives, values and long-term interests of the firm</p> <p><i>Please refer to SYSC 19B.1.6R and SYSC 19E.2.6 R</i></p>
2.1	<p>Briefly describe how your firm ensures that its remuneration policies are in line with the business strategy, objectives, values and interests they have alongside the AIFs/UCITs they manage or the investors of such AIFs/UCITs, and includes measures to avoid conflicts of interest.</p> <ul style="list-style-type: none"> • The Remuneration Policy is simple and the bonus structure is one which rewards success. By having a cap on the overall bonus avoids unnecessary risk from being taken. • The equity ownership and significant investments in the products which SIL manages aligns Code Staff interests with Principle 2; • Remuneration and the Remuneration Policy is reviewed annually by the Board of Directors which has now been expanded to include two independent Non-Executive Directors; • Remuneration is a standing Board agenda item and is also a standing Risk Committee agenda item; • The Non-Executive Directors are specifically responsible for scrutinising and holding to account the performance of management and individual executive directors against agreed performance objectives; • Salaries for all roles are determined with reference to relevant market practice; • All employees’ salaries are benchmarked against the appropriate market; • Annual performance incentives are awarded on a discretionary basis, based on SILs overall performance, the business, team and individual performance; • The aggregate level of annual performance; • The Chief Operating Officer’s bonus is conditional upon effective risk mitigations and the effectiveness of controls throughout the business; • Directors have a general duty under English company law to avoid situations in which they have or may have interests which conflict with those of the Company, unless that conflict is first authorised by the other Directors of the Company. SIL’s articles of association allow the Board to authorise such potential conflicts, taking into account all the circumstances. This includes potential conflicts that may arise when an Executive Director takes up a position with another company. Where Executive Directors wish to take up an external appointment, they are under an obligation to obtain authorisation before doing so. Each appointment is considered by the Board on its individual merits, taking into account the expected time commitment and any relationships with SIL. Executive Directors must also notify the Board if circumstances regarding external appointments change. All potential conflicts approved by the Board are recorded in a Conflicts Register, the Board reviews this annually to confirm that any potential

	<p>conflicts have been dealt with appropriately. Having reviewed the Conflicts Register, it was concluded that potential conflicts have been considered appropriately and that the authorisation process is operating effectively.</p> <ul style="list-style-type: none"> • The decision to undertake external activities is a matter for an individual Executive Directors to decide, bearing in mind their responsibilities to SIL, including the time commitment we expect of them. We believe that an Executive Directors' external appointments benefit SIL by providing them with a wider range of skills, experience and knowledge which will be relevant to their role at SIL. Where an Executive Director takes up such an appointment, they may retain any fees they receive. Details of any such fees received by Executive Directors can be found in the Conflicts Register. Executive Directors are limited to two paid external appointments. • SIL does not trade as principal. All trades for clients are on market. SIL carries out research, but this is solely for the benefit of clients and is not published or distributed in any way (other than to existing clients). Historical research may be distributed to potential clients by way of example only. SIL pays for all external research and does not pass these costs onto the clients. SIL has no soft commission arrangements with brokers, nor does it benefit from any commissions or other pay back from brokers utilised for trades on behalf of clients. • SIL maintains a Conflicts of Interest policy which updated when necessary and reviewed annually. The Risk Committee (which acts as the Conflict of interest Committee) reviews any potential conflicts as part of its weekly governance reviews to ensure compliance with the policy. 		
<p>3.</p>	<p>Principle 3 – Governance</p> <p><i>Please refer to SYSC 19B.1.7R to SYSC 19B.1.9R and 'General Guidance on the AIFM Remuneration Code (SYSC 19B)' and SYSC 19E.2.7R to SYSC 19E.2.9R.</i></p> <p><i>Please also refer to Part 3 of 'General Guidance on the AIFM Remuneration Code (SYSC 19B)' which sets out the circumstances under which an AIFM may be able to justify not establishing a remuneration committee.</i></p>		
<p>3.1</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;">Does your firm have a Remuneration Committee (RemCo) established within the UK?</td> <td style="width: 30%; text-align: center; padding: 5px;">No</td> </tr> </table>	Does your firm have a Remuneration Committee (RemCo) established within the UK?	No
Does your firm have a Remuneration Committee (RemCo) established within the UK?	No		
<p>3.2</p>	<p>Describe how remuneration governance arrangements operate within your firm including:</p> <ul style="list-style-type: none"> • The name of the RemCo if known by any other name • whether there are any sub-committees of the RemCo, what they are called and what their purpose is; • If your FIRM doesn't have a RemCo established in the UK, who makes remuneration decisions for the AIFM (please refer to 'Application of Proportionality' under Principle 5); • How information is shared between committees such as the Risk and Audit Committees; • Whether the RemCo has appointed remuneration consultants for advice; <p>and</p> <ul style="list-style-type: none"> • How the AIFM can ensure that the implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration <hr/> <p>Given the size of SIL and applying the principles detailed in SYSC 19B 1.9R and SYSC 19E.2.9R, the Directors of SIL do not believe it is proportionate at this time to establish a separate remuneration committee. However, the following functions have been established to apply the principles which would otherwise be applied by a remuneration committee:</p> <ul style="list-style-type: none"> • Remuneration is determined by reference to the Code Staff's individual conduct, responsibility and contribution; 		

	<ul style="list-style-type: none"> The objective is to provide appropriate incentives to encourage and enhance performance and are in a fair and responsible manner, rewarding the Code Staff for their individual contribution to the success of SIL and the AIF and UCITs it manages; On the basis SIL only has Code Staff who are also the Directors of SIL it is appropriate that they with the Board set the Remuneration Policy for the business; The Remuneration Policy is reviewed on an on-going basis for appropriateness and relevance. <p>The current scheme has been established over a ten-year horizon. This remuneration policy is approved by the Board and captures Code Staff.</p>
3.3	<p>How does your firm ensure that remuneration decisions take into account the implications for risk and risk management of the AIFM?</p> <p>In setting the remuneration the Board considers the risk of the remuneration of key staff in its annual Risk Assessment of the business and in producing its ICAAP.</p>
3.4	<p>Does the equivalent governing body have the ability to apply discretion to adjust the bonus pool and individual payments including those paid out in individual incentive schemes?</p> <p>There are no individual incentive schemes. The Directors would have the ability to apply discretion to adjust the bonus pool and individual payments.</p>
3.5	<p>Has the governing body ever exercised that discretion? If so, when and in what circumstances?</p> <p>No.</p>
3.6	<p>How does your firm ensure that the long-term interests of shareholders, investors and other stakeholders are taken into account?</p> <ul style="list-style-type: none"> The founding shareholders of SIL are also the Executive Directors of the business and as such shareholders. It is a condition of their office that they remain shareholders of SIL; These two group of interests are aligned; The Executive Directors are also major investors in the products SIL managers and so, again, the interest of Executive Directors, the shareholders of SIL and investors are aligned; The appointment of two Non-Executive Directors to the Board in November 2019 also serves to ensure external stakeholders interests are taken into account; The Board have agreed to maintain at least twice the regulatory capital required for the business so that other stakeholders are protected; After a two-year period of employment, staff are encouraged to buy equity in the business, again, to ensure all stakeholders interests are aligned; The bonus scheme is aligned with the business strategy, objectives, values and long-term interests of SIL, the AIF and UCITs it manages and the investors in such AIFS and UCITs.
4.	<p>Principle 5 – Control function</p> <p><i>Please refer to SYSC 19B.1.10R to SYSC 19B.1.11R and the AIFMD Level 2 requirements relating to the payment of persons engaged in risk management (as set out in FUND 3.7.3 EU) and SYSC 19E.2.10 R to SYSC 19E.2.11 R</i></p>
4.1	<p>With regard to employees engaged in control functions, briefly explain how you ensure that these employees are:</p> <ul style="list-style-type: none"> independent from the business units that they oversee; have appropriate authority; and

	<ul style="list-style-type: none"> o are remunerated: <ul style="list-style-type: none"> a) adequately to attract qualified and experienced staff; and b) in accordance with the achievement of objectives linked to their functions, independent of the performance of the business areas they control. <p>In view of the size of the organisation it is not practical or proportionate to have true independence. All controlled functions are carried out by the Executive Directors of the firm who are also the majority owners. Roles have been split so there is segregation of duties. However, the appointment of the two independent Non-Executive Directors in November 2019 will serve to oversee and scrutinise the Executive Directors.</p>
4.2	<p>If applicable to your firm, describe how risk and compliance functions input into the setting of individual remuneration policies and individual remuneration awards across the firm. Please provide examples as appropriate.</p> <p>SIL does not have a separate compliance and risk function. One Executive Director is responsible for these functions whilst the other Executive Director is responsible for the investment function. The Board review all of the 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.</p>
4.3	<p>Who oversees the remuneration of senior officers in risk management and compliance functions?</p> <p>The Board of Directors oversee the remuneration of the Chief Investment Officer – who is responsible for risk management and compliance functions – please see 2.1 above.</p>

5.	<p>Principle 6 – Remuneration and capital</p> <p><i>Remuneration Principle 5 consists of a series of rules, evidential provisions and guidance relating to remuneration structures. Please refer to SYSC 19B.1.12R to SYSC 19B.1.20G.</i></p> <p><i>Please also refer to Part 3 of 'General Guidance on the AIFM Remuneration Code (SYSC 19B)' on the circumstances where certain principles of the Remuneration Code may be dis-applied.</i></p>
5.1	<p>How do you ensure that your firm's total variable remuneration does not limit its ability to strengthen its capital base?</p> <p>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.</p>
Application to Proportionality	
5.2	<p>Where your firm wishes to rely on the Principle of Proportionality to dis-apply any of the pay-out rules in this section, please provide your rationale for why you believe this to be appropriate in line with Section 5 of the 'General Guidance on the AIFM Remuneration Code (SYSC 19B)'.</p> <p>SIL have applied the guidance referred to in Section 5 and determined the firm to be a Type 2/Aum threshold – Less than £1 billion applying Table 2: Proportionality AuM thresholds.</p> <p>SIL manages one AIF and four UCITs investing in equities. Its AuM as at 31 December 2019 were £991 million. Taking the guidance SIL presumes that it can disapply the pay-out rules. Its internal organisation is straightforward as most of the owners are employed in the business, with a very small</p>

	<p>number of external shareholders who together compromise a minority. SIL is not listed. The portfolio of the AIF is characterised by strict investment restrictions and SIL strives to limit the volatility of its portfolio. The UCITs also implement conservative equity strategies and investment restrictions.</p> <p>SIL has therefore concluded that it is appropriate to disapply all of the Pay-out Process Rules because SIL carries out non-complex activities, namely conservative, low volatility strategies; it is not listed; and it does not have significant external ownership with respect to internal organisation.</p>
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Assessment of Performance
Please refer to SYSC 19B.1.12R to SYSC 19B.1.13A G

5.2	<p>Please set out a high-level description of your AIFM's approach to measuring the performance of individuals including both financial and non-financial metrics and explain how this assessment influences an individual's remuneration.</p>
	<p>Pre-tax operating profits are the key drivers to bonus pay-out as well as the effectiveness of controls and risk mitigations as outlined above.</p>

Guaranteed variable remuneration
Please refer to SYSC 19B.1.14R

5.3	<p>Please outline circumstances in which your AIFM may offer guaranteed variable remuneration awards, including how they meet the requirements of the Remuneration Code.</p>
	<p>There are no guaranteed variable remuneration awards.</p>

Fixed and Variable components of total remuneration
Please refer to SYSC 19B.1.15R

5.4	<p>How do you ensure that the fixed and variable components are appropriately balanced, with the fixed component representing a sufficiently high proportion of total remuneration allow the operation of a fully flexible policy on variable remuneration components?</p>
	<p>Not applicable.</p>

Payments related to early termination
Please refer to SYSC 19B.1.16R

5.5	<p>Have you ensured that any early termination payments to staff in the current performance year have been compliant with the Code?</p>
	<p>Not applicable.</p>

6. Principle 6 – Measurement of Performance
Please refer to SYSC 19B.1.21R

Bonus schemes that reward AIFM/UCITS Remuneration Code Staff

6.1	<p>Provide a high-level summary of how you determine the overall bonus pool amount (i.e. the total value of all pools of variable remuneration), including whether it involves a top-down and/or bottom up process (if appropriate).</p> <ul style="list-style-type: none"> • The bonus scheme is based on the operating profit of SIL. It is a first call on the distributable profits of SIL. It is capped for each participant. The cap is reviewed every year. • Long term incentive is based on share ownership. It is the Boards policy to retain a minimum of £1.5 million of net assets.
6.2	<p>a) Please describe what key performance measures are used to determine the bonus pool and the overall weighting of these measures.</p> <p>The bonus pool for Code Staff is based on operating profit of SIL, the individual conduct and performance as well as SIL's and the UCITS' progress against long-term strategy. Code Staff are then allocated their bonus dependent on how SIL and its team have performed during the financial period.</p> <p>b) Provide a high-level summary of how these key performance measurements are risk-adjusted (e.g. use of a pre-agreed numerical formula or other factors)</p> <p>As per response in 6.2 (a) above.</p>
6.3	<p>Are any discretionary factors applied to adjust the bonus pool for risk? Please include:</p> <ul style="list-style-type: none"> • the stages of the process when such discretion can be applied; • the items to which discretion can be applied; • the bodies or individuals who may exercise that discretion, and • the boundaries/parameters used on these discretionary elements. <p>The Board of Directors have sole discretion in determining whether the Chief Operating Officer- who is responsible for effective risk mitigation – has achieved SIL's objectives in respect of effective risk mitigation and effective controls.</p>
6.4	<p>How does your bonus pool determination process take account of situations where the firm's performance is weak or loss-making?</p> <p>The Board of Directors policy to retain at least £1.5 million capital in SIL. In the event of weak performance or there not being pre-tax operating-profits, no bonus would be paid. Any bonus is awarded at the discretion of the Board of Directors.</p>
6.5	<p>Explain how often the performance measures are set; who sets them; who reviews them and how often they are reviewed.</p> <p>The Board of Directors sets the performance measures and reviews them at least annually.</p>
Executive reward schemes e.g. Long Term Incentive Plans (LTIPs)	
6.6	<p>Set out the key financial performance measures and weightings that are used to determine the total pay-out for the scheme.</p> <p>Pre-tax operating profits are the key drivers to bonus pay-out as well as effectiveness of controls and risk mitigations and overall performance of the AIF and UCITs SIL manages as outlined above.</p>

6.7	Explain how the performance measures are subject to risk adjustment, including formulaic adjustments or whether discretionary adjustments are applied.	
	As per responses above.	
6.8	How and under which circumstances might the governing body use their discretion to apply ex-post performance adjustment to the scheme's pay-out? Please illustrate your response with examples.	
	There are no ex-post performance adjustments.	
7.	Principle 7 – Pension policy <i>Please refer to SYSC 19B.1.22R</i>	
7.1	Do you have a policy for discretionary pension benefits?	No
7.2	If your answer to question 7.1 is 'Yes', please outline how your policy is in line with business strategy, objectives, values and long-term interests of the AIF you manage.	
	Not applicable.	
7.3	Please advise the retention period and the instruments used for any discretionary pension payments.	
	Not applicable	
7.4	Do you utilise discretionary payment benefits?	
	No	

8.	Principle 8 – Personal investment strategies <i>Please refer to SYSC 19B.1.23R and SYSC 19E.2.26 R</i>	
8.1	What arrangements do you have in place to ensure that your employees undertake not to use personal hedging strategies or remuneration or liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements?	
	We have a comprehensive Personal Dealing Policy in place which requires the Executive Directors sign off prior to any individual dealing. In addition, SIL does not take risks whereby Code Staff could effectively hedge their bonus participation.	

9.	Principle 9 – Avoidance of the Remuneration Code <i>Please refer to SYSC 19B.1.24R and SYSC 19E.2.27 R</i>	
9.1	How do you ensure that variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements of the AIFM Remuneration Code?	
	Executive Directors have to clear any other paid financial commitment with the Board. A full list of outside interests is reviewed by the Board each year. The Board would not allow any vehicles or methods that would facilitate the avoidance of the Code.	

10. Other

10.1 If necessary, please provide further evidence of how your remuneration policies, procedures and practices are consistent with and promote sound and effective risk management?

Not applicable.