EVENLODE
INVESTMENTS FOR LIFE

MIFIDPRU 8 Disclosure

Year end 31 December 2023

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1. Introduction

The Investment Firm Prudential Regime (IFPR) is the prudential regime that applies to MiFID (Markets in Financial Instruments Directive) Investment Firms in the UK. The Financial Conduct Authority ("FCA") sets out its rules in the Prudential sourcebook for MiFID Investment Firms (MIFIDPRU).

The IFPR has introduced requirements in MIFIDPRU 8 for MIFIDPRU firms to produce an annual disclosure to increase transparency and confidence in the market and provide an insight into how each firm operates. This disclosure replaces the former Pillar III disclosure.

Evenlode Investment Management Limited "Evenlode" or "the firm" is an FCA authorised asset management firm classified as a non "small and non-interconnected" (Non-SNI) MiFID Investment Firm and is therefore required under MIFIDPRU 8 of the FCA's Prudential sourcebook for MiFID Investment Firms to disclose information relating to governance arrangements, risk management objectives and policies, own funds, own funds requirements and remuneration policies and practices. In accordance with MIFIDPRU 8, this disclosure is prepared on an individual company basis.

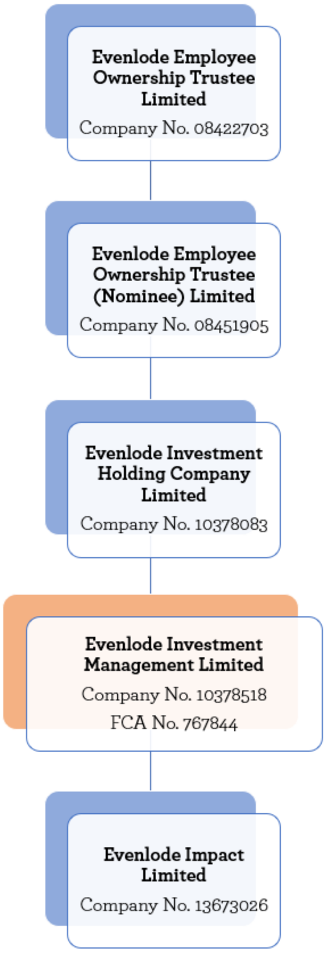
Unless otherwise stated, all figures are as at 31 December 2023, the firm's financial year end. The disclosure has been approved by the Evenlode Board and is published on the firm's website at the same time the Statutory Accounts have been made available. The disclosure will be updated annually.

In accordance with the rules, the disclosures herein are appropriate to the size and internal organisation, and to the nature, scope, and complexity of the firm's activities.

2. Corporate structure

Evenlode is a North Cotswolds, UK -based active investment manager and was founded in 2009. As at 31 December 2023, the firm managed £5.7bn across a range of funds domiciled both in the UK and Dublin. The Evenlode funds follow three main equity strategies – UK Income, Global Income and Global Growth. Evenlode's investment strategy across all funds is to invest in shares of high-quality companies over the long term. Institutions can also access Evenlode's investment management offering through segregated mandates.

The Evenlode group structure is shown below. The group is a UK consolidation group and FCA returns are completed on both a solo and on a consolidated basis. Evenlode is an employee-owned business and the companies that sit above Evenlode in the structure chart are all connected to the employee ownership structure. The employee-ownership structure was introduced to ensure long-term resilience and to further align the long-term interests of the firm and its employees. Evenlode Employee Ownership Trustee Limited has a minimum of three trustees (two elected employee representatives and one Board representative). Evenlode Impact Limited is a wholly owned subsidiary of Evenlode Investment Management Limited and invests in a diversified portfolio of impact-focused start-up companies, wholly funded from Evenlode Investment Management profits. The Evenlode Impact portfolio does not utilise any client funds and is unavailable to external investors.



Key – FCA Authorised Firm

Not FCA Authorised

3 Governance arrangements (MIFIDPRU 8.3)

3.1 Governance structure

The firm has robust governance arrangements which include:

- A clear organisational structure with well-defined, transparent and consistent lines of responsibility and appropriate segregation of duties.
- Effective processes to identify, manage, monitor and report the risks it is or might be exposed to.
- Internal control mechanisms, including sound administrative and accounting procedures.

The Evenlode Board

The Evenlode Board is the governing body responsible for the definition, oversight, and implementation of the firm's strategic objectives, risk strategy, and internal governance arrangements to ensure effective and prudent management of the firm, to prevent conflicts of interest and to promote the integrity of the market and the interests of clients.

The Board approves a business plan each year which includes a 10-year vision, 3-year ambitions and 1-year objectives and key results. Following the approval of the business plan, a detailed budget is also approved to ensure that the firm has sufficient resources in place to achieve the business plan objectives. Management Accounts and Key Performance Indicator packs are produced monthly to track performance against the business plan and the approved budget.

The Board meets at least four times a year and reviews reports from all key business areas.

The table below discloses the members of the Evenlode Board as at 31 December 2023 along with the number of external directorships held.

Directorships held by each member of the Board as at 31 December 2023	
Name	**Number of external directorships held**
Nicole Harrington (COO)	1
Rob Harris (NED)	1
Charles Park (NED)	4
Ben Peters	3
Amanda Sullivan (CFO)	0
Hugh Yarrow (CEO)	4

The firm is not required to establish a Risk Committee, Remuneration Committee or Nomination Committee under MIFIDPRU 7.3 as it does not meet the thresholds in MIFIDPRU 7.1.4 (as Evenlode's balance sheet assets over the preceding 4-year period is a rolling average of less than £100 million).

The Evenlode Board has nonetheless established certain committees (details below). The members of these committees have all been assessed to have appropriate skill, knowledge, expertise and integrity to understand and manage the associated risks and provide appropriate challenge. To support the Evenlode Board in achieving its objectives, management information is frequently provided to enable controls to be assessed and deficiencies addressed.

All arrangements are reviewed at least on an annual basis.

Strategy Team

- The purpose of the Strategy Team is to ensure the proper execution of the firm's business strategy, as agreed by the Board. The Strategy Team meets monthly to review Key Performance Indicators, approve new strategic projects and review progress of existing projects.
- Members (as at 31 December 2023) – Hugh Yarrow, Ben Peters, Nicole Harrington, Amanda Sullivan, Chris Elliott, Amy Hepworth-Bell, David Hopkins, Richard Taylor.

Investment Risk Oversight Committee

- Meets quarterly to review investment risks and liquidity in the portfolios (packs produced monthly).
- Members – Rob Harris, Nicole Harrington, Richard Taylor, Callum McPherson.
- Subject matter experts also in attendance.

Remuneration Committee

- Meets three times a year to review application of remuneration policy (see Section 7 below).
- Members – Charles Park, Rob Harris, Hugh Yarrow, Ben Peters, Nicole Harrington.
- Subject matter expert also in attendance.

Foundation Committee

- Meets quarterly to review Evenlode's philanthropic activities and impact investments held in Evenlode Impact Limited.
- Members – Ben Peters, David Hopkins, Sawan Wadhwa.
- Subject matter expert also in attendance.

The firm is neither big enough or complex enough to have a standalone Operational Risk Committee therefore on a quarterly basis the Compliance Officer produces a report for the Evenlode Board which covers both Compliance and business risks detailing any concerns that need to be considered. On a quarterly basis, the Compliance Manager, COO and Operations Manager review the Operational Risk register (see Section 4.1 below) and update as necessary. The results are reported to the Board on a quarterly basis.

3.2 Diversity statement

The firm is committed to promoting equality and diversity and eliminating discrimination as part of its culture which values different experiences and insights, as well as the business benefits these bring. Diversity of opinion and independent thinking are vital for our investment approach and are a key focus when it comes to recruitment. We aim to ensure that all employment policies, procedures and practices provide fair and equal treatment for all. Evenlode does not set specific diversity targets.

4 Risk management objectives and policies (MIFIDPRU 8.2)

The core objective of the firm is the effective management of risk to protect investors and stakeholders and to ensure that the firm has adequate capital and liquid resources in place to continue to deliver a high-quality investment service.

The Directors of the firm determine its business strategy and risk appetite. The firm has in place a comprehensive risk management framework that recognises the risks that the firm faces.

The firm's risk management framework operates under the three lines of defence model.

- The first line of defence requires the firm to identify and mitigate risks and to implement an adequate control environment to manage those risks effectively. The risks facing the firm are identified and considered both from the perspective of the likelihood of their occurring and from the perspective of their potential impact on the firm should they occur. Appropriate controls, including segregation of duties, are implemented and the heads of each department have day-to-day ownership for the management of risks and controls in their areas of responsibility. The firm invests in systems to continuously improve its control environment. It also employs experienced, skilled and knowledgeable staff, and fosters a culture of continuing professional development.
- The second line of defence is that of control oversight managed by the Risk and Compliance teams who monitor emerging risks, review the effectiveness of controls to mitigate identified risks and review compliance within regulatory and legal requirements. The Risk & Compliance teams also provide advice, support and training to the firm.
- The third line of defence is designed to provide independent assurance to the Board on the effectiveness of the first and second lines of defence through reviewing the overall effectiveness of the risk management framework and control environment. Due to the limited scale and low complexity of its activities, Evenlode does not have a dedicated internal audit function. However, the firm is subject to various external reviews, including financial audits, oversight visits from those delegating investment management services to the firm and independent reviews of information technology controls (e.g. penetration testing).

MIFIDPRU 8.2.1 requires the firm to disclose its risk management objectives and policies for the categories of risk addressed by own funds requirements, concentration risk and liquidity. This must include a concise statement approved by the firm's governing body describing the potential for harm associated with the business strategy and a summary of the strategies and processes used to manage each of the categories of risk and how this helps to reduce the potential for harm.

4.1 Own funds requirements

The firm is required to maintain own funds of £3,360k (please see Section 6 - Own Funds Requirement below).

The firm also operates an Internal Capital Adequacy and Risk Assessment ("ICARA") process which aims to ensure that the firm is adequately capitalised to cover the underlying risks that it faces, and to wind down in an orderly fashion if required. The ICARA also aims to ensure that there is sufficient availability of capital in order that the firm can meet its future growth and strategic plans with due consideration to the business environment in which it operates. Where the ICARA identifies that additional capital in excess of the Own Funds Requirement should be held, then this figure becomes the Own Funds Threshold Requirement.

A key input into the ICARA process is the Operational Risk Register which is used to identify risks, measure their impact and probability, assess mitigating controls and conclude on whether or not the level of the residual risk is within the risk tolerance set by the Evenlode Board. Where residual risks are above the agreed risk tolerance an action plan to manage the risk is identified and consideration of holding additional capital is made in the ICARA process.

The firm has undertaken that in the future it will always hold Own Funds at least equal to its Own Funds Threshold Requirement, and this is monitored on an ongoing basis.

The firm conducts ongoing monitoring of its financial performance and considers at its board meetings whether its overall financial resources are adequate both as to their amount and quality to ensure that there is no significant risk that its liabilities could not be met as they fall due. The firm will keep this plan under review, and where it becomes necessary, will adjust the capital requirement figures to reflect any additional risks identified.

4.2 Concentration risk

The firm has considered its concentration exposure with regards to the factors in MIFIDPRU 5.2:

Source of concentration risk	Firm statement
Trading book exposures	The firm does not deal on its own account so this risk is not relevant.
Assets (for example, trade debts) not recorded in a trading book	The firm does not deal on its own account so this risk is not relevant.
Off-balance sheet items	The firm does not have off-balance sheet assets.
The location of client money	The firm does not hold client money.
The location of custody assets	The firm does not hold client assets.
A firm's own cash deposits	The firm recognises there is a risk if all of its cash is held in one place. To reduce the risk of loss of cash, or being unable to access liquidity, the firm holds its own cash deposits across various entities.

Source of concentration risk	Firm statement
Earnings	Large single holders in Evenlode's portfolios pose a risk to earnings should they redeem in entirety or in significant tranches. Evenlode maintains a strong balance sheet and avoids where possible too high a level of fixed costs in the business – including a remuneration structure that includes a significant element of variable pay. The potential impact of a sudden withdrawal of assets under management has been modelled in the ICARA. Concentration risk of earnings is monitored, with assets under management from the largest investors being reviewed on a monthly basis against diversification targets which are set as part of the firm's annual business planning process.

4.3 Liquidity

Liquidity risk is the risk that the firm is unable to settle its obligations as they fall due. Evenlode does not trade on its own account and its business model is not complex in terms of liquidity risk – income from managing portfolios is received directly from the fund administrators on a monthly basis and expenditure is budgeted by the Finance Team, with cashflow forecasts being updated monthly. Increased liquidity risk could be driven by a fall in assets under management (leading to a fall in revenues), or unexpected expenses (for example due to an operational error or an uninsured loss). As outlined in Section 7 below, remuneration comprises of both fixed and variable elements which means that remuneration costs can be reduced if profitability falls to ease constraints on the firm's liquidity.

The MIFIDPRU 6 rules require the firm to always hold a minimum of core liquid assets equal to one third of the fixed overheads requirement (referred to as the basic liquid assets requirement). As part of the ICARA process, liquidity stress testing is also performed, both in relation to ongoing operations and in relation to an orderly wind down. The amounts calculated in the ICARA are then added to the basic liquid assets requirement to determine the liquid assets threshold requirement. The firm has undertaken that in the future it will always hold liquid cash reserves at least equal to its liquid assets threshold requirement, and this is monitored on an ongoing basis.

The firm's assets are deemed to be readily realisable with the vast majority being held either in cash or in regulated collective investment schemes, where the cash could be realised within a few business days.

The firm conducts ongoing monitoring of its financial performance and considers at its board meetings whether its liquid assets are adequate both as to their amount and quality to ensure that there is no significant risk that its liabilities could not be met as they fall due. The firm will keep this plan under review, and where it becomes necessary, will adjust the liquid asset requirement figures to reflect any additional risks identified.

5. Own funds (MIFIDPRU 8.4)

In accordance with MIFIDPRU 8.4, the firm must disclose the information below regarding its own funds.

1. A reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the firm.
2. A reconciliation of regulatory own funds with the capital in the balance sheet in the audited financial statements of the firm.
3. A description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the firm.

Table 1: Composition of regulatory own funds

	Item	Amount (£k)	Source based on reference numbers of the balance sheet in the audited financial statements
1	OWN FUNDS	12,737	N/A
2	TIER 1 CAPITAL	12,737	N/A
3	COMMON EQUITY TIER 1 CAPITAL	12,737	N/A
4	Fully paid-up capital instruments	-	Called up share capital
5	Share premium	152	Share Premium
6	Retained earnings	13,841	Profit and Loss Account
7	Accumulated other comprehensive income	-	N/A
8	Other reserves	1,470	Other Reserves
9	Adjustments to CET1 due to prudential filters	-	N/A
10	Other funds	-	N/A
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	2,727	N/A
19	CET1: Other capital elements, deductions and adjustments	2,727	N/A

Table 2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		Balance sheet as in published/ audited financial statements As at period end (£k)	Cross-reference to Table 1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Intangible assets	630	N/A*
2	Tangible Assets	142	N/A
3	Investments	6,807	N/A*
4	Debtors	3,433	N/A
5	Cash at bank and in hand	13,540	N/A
	Total Assets	24,552	N/A
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Creditor: amounts falling due within one year	8,961	N/A
2	Creditor: amounts falling due after more than one year	128	N/A
	Total Liabilities	9,089	N/A
Shareholders' Equity			
1	Share Capital	-	4
2	Reserves	15,463	5, 6, 8
	Total Shareholder's equity	**15,463**	**N/A**

* *Intangible assets and investments in own funds both form part of deductions from Tier 1 Capital (items 11 and 19 in Table 1)*

Table 3: Own funds: main features of own instruments issued by the firm
Share Capital - 2 ordinary shares of £1 each. 1,228,949 shares of £0.000001 each. Other reserves includes a capital contribution reserve account which represents a capital contribution from the firm's immediate parent undertaking. This was as a result of a restructure in 2017 within Wise Investments Ltd, which was a fellow subsidiary of Evenlode Investment Holding Company Limited at the time of the transaction.

6. Own Funds Requirements (MIFIDPRU 8.5)

To comply with its 'own funds requirement', the firm is required to hold, as a minimum, the highest figure from the table below.

Own Funds Requirement	
Category of requirement	**Amount (£k)**
Permanent minimum capital requirement	75
Fixed overhead requirement	3,360
K-Factor requirement (see 6.1 below)	15

6.1 Overall K-factor requirement

As required by MIFIDPRU 8.5, the K-factor requirement has been broken down into three categories.

Assets for which the firm is responsible		
K-Factor	**Requirement**	**The sum of (if applicable)**
K-AUM (assets under management)	0.02% of the AUM	£nil*
K-CMH (client money held)	0.4% and 0.5% of the average CMH held in segregated and non-segregated account respectively	£nil**
K-ASA (assets safeguarded and administered)	0.04% of the average ASA	£nil**
Execution activity undertaken by the firm		
K-Factor	**Requirement**	**The sum of (if applicable)**
K-COH (client orders handled)	0.1% and 0.01% of the average COH to cash trades and derivatives trades respectively	£15k
K-DTF (daily trade flow)	0.1% and 0.01% of the average COH to cash trades and derivatives trades respectively	£nil***
Exposure-based risks		
K-Factor	**Requirement**	**The sum of (if applicable)**
K-NPR (net position risk)	Every position which does not form part of a portfolio for which K-CMG permission has been granted	£nil***
K-CMG (clearing margin given)	Include positions within portfolios for which the firm has been granted a K-CMG permission	£nil***
K-TCD (trading counterparty default risk)	The sum of the TCD own funds requirement, where dealing on own account (for the client or the firm)	£nil***
K-CON (concentration risk)	Calculate an exposure value (EV) for each client or group of connected clients	£nil***

* *K-AUM is nil because all of assets under management are delegated from other regulated entities.*

** *K-CMH and K-ASA are nil because the firm does not hold client money or client assets.*

*** *K-DTF, K-NPR, K-CMG, K-TCD and K-CON are nil because the firm does not deal on its own account.*

6.2 Overall financial adequacy rule

The firm must also meet the 'overall financial adequacy rule' as set out in MIFIDPRU 7.4.7. This rule states that a firm must, at all times, hold own funds and liquid assets which are adequate to ensure that:

- The firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities.
- The firm's business can be wound down in an orderly manner, minimising harm to customers and other market participants.

Evenlode uses the ICARA process to identify its own funds and liquid assets requirements and whether it complies with the overall financial adequacy rule. Own funds and liquid assets are then monitored against the requirements on an ongoing basis.

6.3 ICARA process

The ICARA process involves business planning, budgeting, identification of material risks to ongoing operations, stress testing, recovery and wind-down planning and an assessment of financial resources (both own funds and liquid assets).

The ICARA is approved by the Board on at least an annual basis, or more frequently if there is a material change to business operations.

7. Remuneration policy and practices (MIFIDPRU 8.6)

7.1 Qualitative disclosures

Characteristics of the firm's Remuneration Policy and Practices

The objective of Evenlode's remuneration policies and practices is to attract, motivate and retain high quality staff whilst also establishing, implementing and maintaining a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the firm and the services that it provides to its clients. The remuneration policies and practices are intended to support the firm's business strategy, long term interests and values, and to ensure that risk taking does not exceed the firm's tolerated level of risk.

The remuneration practices and policies are intended to:

- Promote sound risk management practices in alignment with the firm's risk management principles.
- Discourage risk taking that is inconsistent with the firm's risk appetite or risk management policies and principles.
- Control fixed costs by ensuring that remuneration expense varies according to profitability and does not place undue constraints on the firm's ability to maintain its capital base.
- Link remuneration to the firm's financial and operational performance as well as individual performance.
- Provide competitive, but not excessive, levels of remuneration compared to peer firms of appropriate size, scope, and complexity.
- Promote a positive culture towards risk management and compliance.

Governance and Oversight

The firm is required to implement and maintain remuneration policies, procedures and practices for all directors and employees that are consistent with and promote sound effective risk management.

Evenlode's Remuneration Committee oversees the setting and review of remuneration levels (fixed and variable). It is responsible for setting and overseeing the implementation of Evenlode's remuneration policy and is appropriately staffed to enable it to exercise competent and independent judgement on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.

The Remuneration Committee is made up of a mix of Executive and Non-Executive Directors, and an independent remuneration consultant is also used in the development of remuneration policies and practices.

Remuneration is set with reference to market rates following an annual benchmarking exercise and is set within the context of an operating plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified.

Link between pay and performance

Fixed Pay

Base salaries provide pre-determined, non-revocable compensation paid to individuals throughout the year, irrespective of firm or individual performance. Base salaries and benefits constitute a significant proportion of the firm's total remuneration. This fixed element is based on the professional experience and responsibility within the firm of an individual.

Basic fixed pay is set prior to the start of the calendar year by reference to market rates following an annual benchmarking exercise and factors in the level of seniority and performance of the individual. Basic pay is set at a sufficient level to allow for flexibility in awarding (or not awarding) variable pay.

In addition to a basic salary, staff are entitled to additional benefits following completion of three months' service including pension contributions, death in service cover, income protection, medical insurance and other wellbeing benefits.

Variable Pay

The firm runs a discretionary bonus scheme that is based on both the performance of the individual as well as the firm's underlying profitability. The bonus does not form part of individuals' contractual remuneration. Discretionary bonus levels are calculated later in the year once the performance of individuals and the company is known. There are no guaranteed bonuses and bonus payments may be zero (for example if the company is not profitable). The Remuneration Committee has the ability to adjust the discretionary bonus pool and individual payments.

The discretionary bonus scheme is operated to allow for meaningful rewards to be paid to staff whose performance during the year merits recognition, but within the context of an annual operating plan. All discretionary bonus amounts are linked to company profitability and performance against agreed objectives. When considering individual performance, the firm considers both financial and non-financial measures including the individual's performance and their broader contribution to the business. Non-financial measures can include measures relating to building and maintaining positive client relationships and outcomes, such as positive feedback, or performance in line with the firm's strategy or values, for example by displaying leadership, teamwork or creativity. The individual's conduct and ongoing fit and proper status and adherence to the firm's risk management and compliance policies are considered as part of the process.

All eligible staff are also entitled to distribution of company-wide profits under the firm's employee ownership scheme, with all staff receiving the same percentage of total earnings paid in the financial year that the profit share relates to. The percentage is calculated following the year-end and is only paid following the audit of the annual accounts. As with discretionary bonuses, the profit share % is not guaranteed and may be zero.

The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the firm would do in certain situations, such as where the firm's profitability performance is constrained, where there is a risk that the firm may not be able to meet its capital or liquidity regulatory requirements in future, or where the firm chooses not to pay variable remuneration for another reason.

Material Risk Takers

Under the MIFIDPRU Remuneration Code, Evenlode is required to identify staff whose professional activities have a material impact on the risk profile of the firm or of the assets the firm manages, referred to as 'material risk takers'.

The table below is to disclose the types of staff identified as material risk takers as at 31 December 2023.

Type of staff identified as material risk takers	Number of material risk takers identified	Criteria other than in SYSC 19.5.3 used to identify material risk takers
Executive Directors	4	N/A
Portfolio Managers (who aren't Executive Directors)	3	N/A
Strategy Team Members (Who aren't Executive Directors or Portfolio Managers)	3	N/A
Others	2	N/A

Discretionary bonus payments are structured to reward long term observance to the firm's values and for material risk takers, 40% of discretionary bonuses are deferred (1/3 deferred one year, 1/3 deferred two years, 1/3 deferred three years). For the year ended 31 December 2023 all variable remuneration was paid in cash with the exception of deferred discretionary bonuses for material risk takers, which were awarded as share options.

Risk adjustment and variable remuneration

The firm can use clawbacks and malus on variable remuneration paid to mitigate against the risk of misconduct, poor performance or a decrease in profits. In determining whether to apply malus or clawback provisions or adjustments, the firm will consider the following circumstances:

- Where the employee received the award based on materially inaccurate audited publicly reported financial statements.
- Where the employee knowingly engaged in providing materially inaccurate information relating to audited publicly reported financial statements.
- Where the employee materially violated any risk limits established or revised by senior management and/or risk management.
- Where the employee engaged in gross misconduct.
- Where an employee failed to comply with their obligations or has engaged in behaviour or misconduct that breaches their obligations.
- Where the employee engaged in behaviour constituting misconduct or exercised materially imprudent judgement that caused harm to any of the firm's business operations, or that resulted or could result in regulatory sanctions.
- Where the employee failed to supervise or monitor individuals engaging in, or failed properly to escalate behaviour constituting, misconduct (whether or not gross misconduct) in accordance with the firm's policies regarding the reporting of misconduct.
- Where the employee failed to supervise or monitor individuals engaging in, or failed properly to escalate, behaviour that resulted or could result in regulatory sanctions.

Guaranteed variable remuneration

Practices on guaranteed variable remuneration, sometimes referred to as a 'sign-on bonus', are defined in the remuneration policy. Although the firm recognises that guaranteed variable remuneration can be used to compensate new members of staff who have lost the opportunity to receive variable remuneration from their previous employer, the firm would only offer it in exceptional circumstances, and would consider the merits on a case-by-case basis. Any guaranteed remuneration awards would need to be approved by the Remuneration Committee.

Severance pay

Procedures for the payment of severance are outlined in the firm's remuneration policy. The amount of any severance will be assessed on a case-by-case basis, but will include consideration of the length of service, regular salary and reasons for dismissal. Whenever severance relates to the early termination of an employment contract, the payment will reflect the individual's performance, to ensure failure, or misconduct are not rewarded.

Remuneration components

All components of remuneration are categorised as either fixed or variable	
Fixed	**Variable**
Salary	Discretionary bonus
Pension benefits	Profit Share
Death in Service cover	
Income Protection	
Medical Insurance	

7.2 Quantitative disclosures

Total Remuneration				
Remuneration Type	**Senior Management**	**Other Material Risk Takers**	**Other staff**	**Total**
Fixed remuneration	£4,276k	£699k	£1,722k	£6,697k
Variable remuneration	£7,650k	£1,634k	£1,480k	£10,764k
Total	**£11,926k**	**£2,333k**	**£3,202k**	**£17,461k**

Guaranteed Variable Remuneration	
Total amount during the financial year	**Number of** material risk takers **receiving awards**
£nil	nil

Severance Payments	
Total amount during the financial year	**Number of** material risk takers receiving **awards**
£nil	nil

The firm did not make any guaranteed variable remuneration payments or severance payments to any individual material risk takers in the financial year.

8 Investment policy (MIFIDPRU 8.7)

The firm is not required to disclose voting behaviour as it does not meet the thresholds in MIFIDPRU 7.1.4 (as Evenlode's balance sheet assets over the preceding 4-year period is a rolling average of less than £100 million).