Seven Investment Management LLP

IFPR Disclosure Statement

For the Year Ended 31 December 2023 (FRN 589124)

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1. Overview

1.1 Regulatory Background & Structure

On 01 January 2022, the Financial Conduct Authority ("FCA"), introduced the Investment Firms Prudential Regime ("IFPR"), the prudential regime applicable to UK firms authorised under the provisions of the Markets in Financial Instruments Directive ("MIFID").

Seven Investment Management LLP ("7IM LLP") is wholly owned by 7IM Holdings Limited ("7IMH") and alongside the other regulated trading entities owned by 7IMH comprises the 7IM Regulatory Group ("Reg Group").

As a non-small non-interconnected ("non-SNI") investment firm, the IFPR regime and Prudential Sourcebook for MIFID Investment Firms ("MIFIDPRU") rules apply to 7IM LLP on an individual firm basis.

1.2. Principal Activities

7IM LLP is a private limited liability partnership providing investment management and financial services to individual clients and a range of Open-Ended Investment Companies ("OEICs") and Model Portfolios, as well as platform services to financial intermediaries and direct clients. It is headquartered in London with an additional office in Scotland.

1.3 Basis of Disclosure

The following disclosures outline 7IM LLP's activities, operations and financial positions on a solo basis as of 31 December 2023 and have been prepared in accordance with the provisions outlined in MIFIDPRU 8.

The disclosures are not subject to external audit and are provided solely in satisfaction of 7IM LLP's regulatory requirements. The appropriate governing body of 7IM LLP provides review, challenge and approval prior to publication on the company website: https://www.7im.co.uk

2. Risk Management Objectives and Policies (MIFIDPRU 8.2)

7IM's key risk management objective is to have an embedded framework to adequately manage the harm that could arise to 7IM LLP, its clients, or the markets more generally.

This section covers the risk management objectives and policies for own funds, concentration risk and liquidity risk and provides detail of the 7IM Risk Management Framework ("RMF") and the approach taken to mitigate risk and quantify potential financial losses from material harms.

2.1 Risk Categories

2.1.1 Own Funds Requirements (MIFIDPRU 4)

MIFIDPRU investment firms must adhere to a minimum Own Funds Requirement ("OFR"), determined as the higher of the Fixed Overhead Requirement ("FOR"), K-factor Requirement ("KFR") and Permanent Minimum Requirement ("PMR").

In order to satisfy this, 7IM LLP assesses and maintains a level of own funds to absorb the financial impact of potential material harms on its clients, the wider market and the firm itself, as a result of its activities. Further detail on the OFR applicable to 7IM LLP can be found in Section 4.

Further details on 7IM LLP's approach to risk mitigation can be found in Section 2.2.

2.1.2 Concentration Risk (MIFIDPRU 5)

Concentration risk can arise in a number of areas. For example, where a company is exposed to high levels of revenue from a small number of clients or holding corporate cash in only one institution.

7IM LLP has a diversified client base and ensures that concentrations of revenue are monitored on an ongoing basis. 7IM LLP acts as the Investment Manager for the 7IM range of OEIC collective investment schemes. These products have diversified investment strategies, and the investor base is also diversified.

7IM LLP mitigates counterparty concentration risk through regular monitoring of the firm's own cash and earnings, reporting both internally to senior management and externally to the regulator.

7IM does not operate a trading book and does not hold investment positions for its own account.

2.1.3 Liquidity Risk (MIFIDPRU 6)

Liquidity risk arises where a company is unable to meet liabilities as they fall due. There is limited appetite in 7IM LLP to hold capital and liquidity resources below internal thresholds set by the 7IM LLP Board.

7IM LLP assesses and monitors liquid assets against the Basic Liquid Asset Requirement ("BLAR") and Liquid Assets Threshold Requirement ("LATR") as outlined in MIFIDPRU 6 & 7.7 respectively.

Monitoring of these thresholds is performed on a monthly basis by the 7IM LLP Finance Team with regular reporting to key stakeholders including the FCA & 7IM Board.

2.2 Risk Methodology

2.2.1 Risk Management

The 7IM Board has ultimate responsibility for ensuring that all of the Group's subsidiaries (including 7IM LLP) apply and comply with the approach set out in the 7IM Risk Management Policy and that this and other related policies and procedures forming the policy are embedded and working effectively.

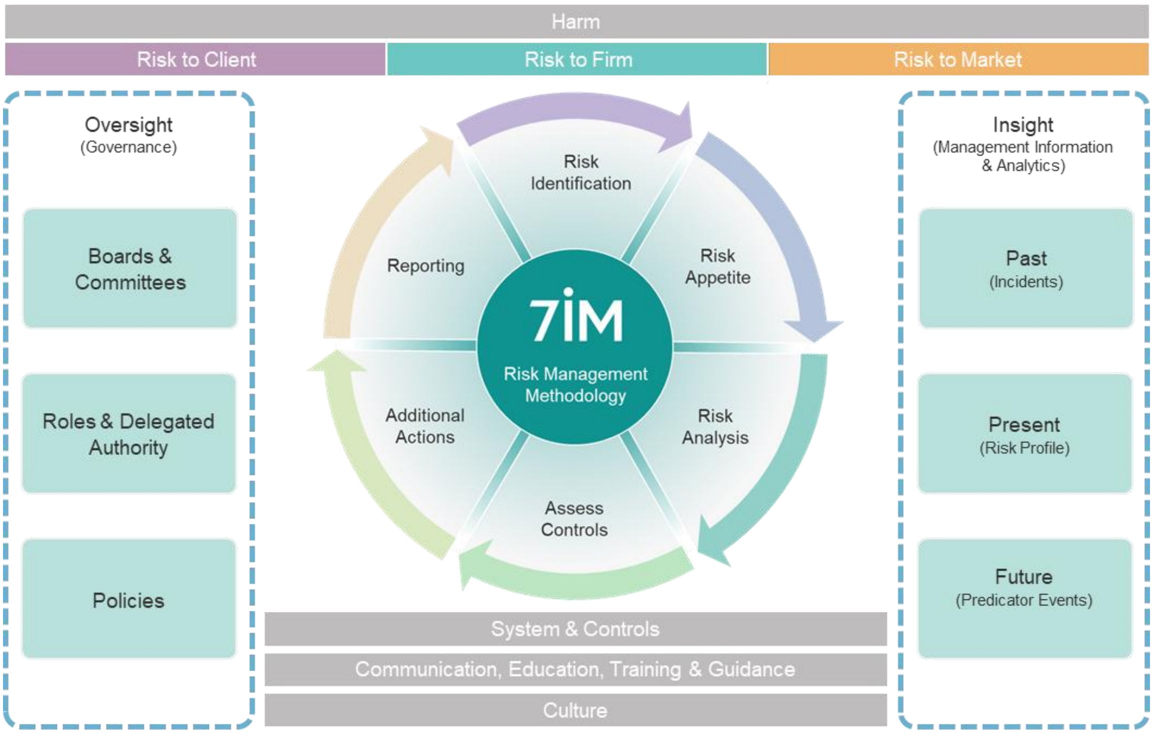
The 7IM Board ensures that the 7IM risk methodology is designed proportionately to manage risks consistently and within the risk appetite determined given the size, nature, complexity, and strategy of the business.

To achieve this, 7IM operates a three lines of defence model whereby:

> **First Line of Defence** | Primary responsibility for risk identification and management lies with the business (the first line of defence in risk management) where risk is seen as part of the overall business process and there is a robust framework of identification, evaluation, management, and monitoring.
>
> **Second Line of Defence** | Support and challenge on the completeness and accuracy of risk assessment, risk reporting and adequacy of mitigation plans (including support in the implementation of mitigating actions) is performed by specialist risk management functions i.e., Group Risk and Compliance.
>
> **Third Line of Defence** | Independent and objective assurance on the robustness of the overall risk management framework and the appropriateness and effectiveness of internal control is provided by Internal Audit.

The diagram below (Figure 1) illustrates, at a high level, the 7IM LLP RMF. This is reviewed annually and amended where appropriate.

Figure 1: 7IM Risk Management Framework



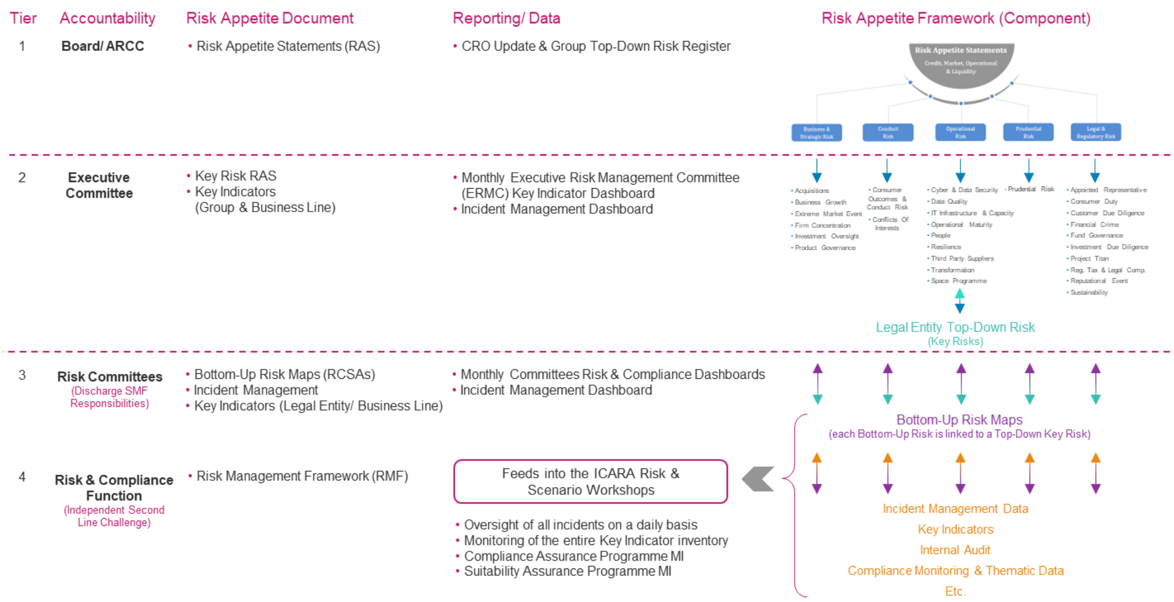
The 7IM Reg Group conducts an Internal Capital and Risk Assessment ("ICARA") at least annually to ensure that itself and its regulated entities (including 7IM LLP), are and continue to remain complaint with the Overall Financial Adequacy Rule ("OFAR").

The RMF underpins the scope of the harms assessment, playing a crucial role in the ICARA process. Further detail on 7IM's ICARA can be found in Section 5.2.

2.2.2 Risk Appetite Statement

In pursuing its strategy, 7IM must first identify the risks it is exposed to through following that strategy and then determine the level of exposure to each risk it is willing to bear in order to deliver the strategy and objectives. Risk management does not therefore imply avoiding risks at all costs but taking informed and consistent decisions aligned to the Risk Appetite set by the Board. The 7IM Group Risk Appetite Statement is set by the Board and reviewed each year. The diagram below illustrates the Risk Appetite Framework and includes the Key Risks to which the Group is exposed and how they map to the regulatory categories of risk.

Figure 2: Risk Appetite Framework | Governance, Appetite & Reporting Framework



Where risks fall outside of appetite, management will take action in the most effective manner. The following are the various options available:

- **Transfer:** reduction of the risk through various means of risk transfer such as insurance, hedging or contractual arrangements.
- **Avoid:** avoidance of certain risks entirely or eliminated through sale, divestment or the cessation of the activity.
- **Mitigate:** manage the risk to within appetite through actions to address their causes and reduce the likelihood of the risk arising.
- **Accept:** transparent acceptance of the risk in the knowledge of its nature and potential impact.

3. Governance Arrangements (MIFIDPRU 8.3)

3.1. Governance Structure

The 7IM LLP Board members have delegated authority to the Chief Executive Officer ("CEO") or their delegate(s), to be responsible for the day-to-day oversight and management of the application of the RMF and compliance with applicable regulatory requirements.

The 7IM LLP Board comprises 2 Executive and 4 Non-Executive members (see section 3.2 for further details).

The strategy and operations of 7IM LLP are managed and operated by an Executive Committee. The CEO has ultimate executive responsibility for the day-to-day running of the entity.

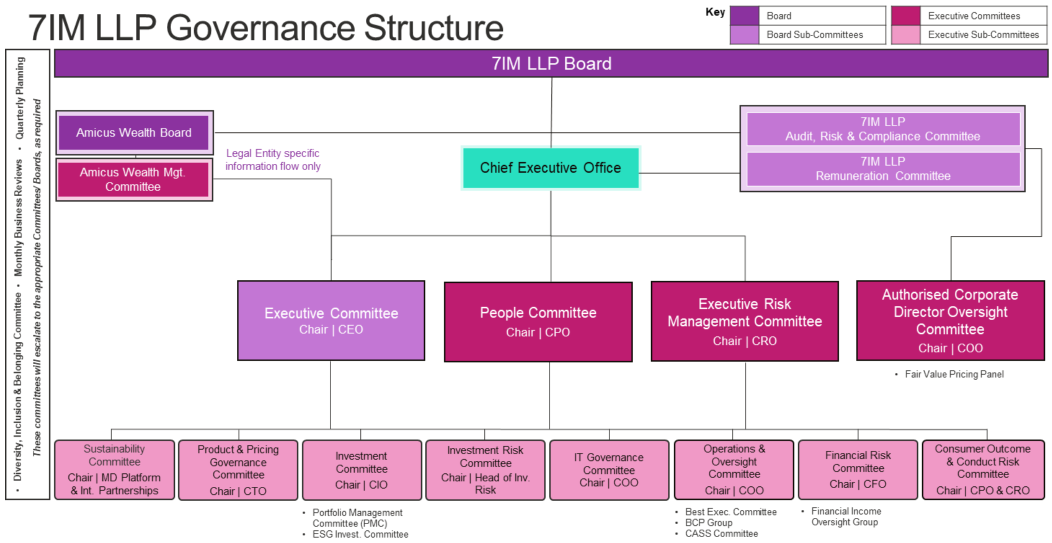
The Executive Committee is responsible for identifying, assessing, and managing all material harms that may impact the safety of the entity's clients, business, and the markets more generally. It ensures that each of those harms identified are appropriately managed and that sufficient and adequate capital is in place to enable the entity to continue as a going concern in the event that any of those harms should materialise.

All members of the Executive Committee are registered with the FCA. As of 31st December 2023, five of the ten Executive Committee members were classified as Senior Management Functions ("SMF") under the Senior Managers and Certification Regime ("SMCR"), with the other five certified under those regulations as follows:

Executive Committee Member	Title	Senior Manager Function Held
Dean Proctor	Chief Executive Officer	SMF 1
Duncan Walker	Chief Finance Officer	SMF 27
Jana Sivananthan	Chief Risk Officer	SMF 16 & 17
Elizabeth Paradine	Chief Operating Officer	SMF 27
Kate Hughes	Chief People Officer	SMF 27

The Executive Committee is able to discharge its responsibilities by way of the 7IM LLP Governance Structure.

Figure 3: 7IM Governance Structure



3.2 Directorships

As of 31st December 2023, the 7IM LLP Board was comprised of 6 members, 2 of whom were Executive members and 4 of whom were non-executive members. One of the non-executive members was also the Chair of the Board and Remuneration Committee and another of the non-executive members was also the Chair of the Audit, Risk and Compliance Committee (“ARCC”). The table below sets out the number of directorships held by each member of the 7IM LLP Board who were in office up to the date of the approval of these disclosures.

Board member	Executive/Non-Executive	Board Appointments
Adrian Grace	Non-Executive Chair	2
David Young	Non-Executive	7
Thomas Leader	Non-Executive	4
James Lander	Non-Executive	1
Dean Proctor	Executive (CEO)	1
Duncan Walker	Executive (CFO)	1

3.3 Risk Committee The following formal committees are in place: **Audit, Risk and Compliance Committee (“ARCC”) |** The Board has delegated responsibility for on-going oversight and monitoring of the effectiveness of the Group internal control systems to the ARCC. The ARCC is responsible for the review and challenge of matters including the design and implementation of the Risk Management Framework, Risk Appetite Statement and ICARA, together with monitoring of performance and oversight of actions against the framework. It is also responsible for oversight of the effective operation of the risk and compliance functions and advising the Board on risk matters. The ARCC is responsible for reviewing and challenging the consistency of the Group’s accounting policies and standards and the integrity of the financial statements (including the systems of financial control). The ARCC is also responsible for review of the performance and effectiveness of the internal and external auditors.

Remuneration Committee | The Remuneration Committee meets formally once a year and, on an ad-hoc basis to review new hires. The Remuneration Committee approves new hires with compensation greater than £200K. All other recruitment is approved by the CEO, Chief Financial

Officer ("CFO"), and Chief People Officer ("CPO"). The Remuneration Committee, chaired by a Non-Executive Director, also oversees the assessment and monitoring of Conduct Risk and Material Risk Takers ("MRT"s). This includes ensuring that remuneration policies and practices are aligned with regulatory requirements and support the firm's risk management framework.

Executive Risk Management Committee ("ERMC") | The responsibility for establishing, operating and monitoring the system of risk management and controls on a day-to-day basis has been delegated by the Board to the CEO, supported by the ERMC. The ERMC is responsible for oversight of matters including the effective identification and management of Top Down and Bottom-Up risks, and review of material incidents and issues, ensuring appropriate management actions are taken for those outside risk tolerances. This committee meets monthly and is the overarching executive committee overseeing all risk, regulatory and control issues.

3.4 Executive Management

The following information relates to the appointments of members of the Executive Committee held in both, Executive and/or Non-Executive functions, including directorships held at external (outside of the Group including all subsidiaries and related holding companies), commercial organisations as of 31 December 2023.

Senior Management Function	Name	Directorships in scope of MIFIDPRU 8.3.1R(2)
SMF1 Chief Executive Function SMF27 Partner	Dean Proctor	0
SMF16 Compliance Oversight SMF17 Money Laundering Reporting Officer (MLRO)	Jana Sivananthan	6
SMF27 Partner	Duncan Walker	0
SMF27 Partner	Elizabeth Paradine	0
SMF27 Partner	Kate Hughes	0
Certified / assessed by Firm	Verona Kenny	0
Certified / assessed by Firm	Martyn Surguy	0
Certified / assessed by Firm	Chris Phillips	0
Certified / assessed by Firm	Colin Rowe	0
Certified / assessed by Firm	Agustin Fernandez	0

3.5 Approach to Diversity

7IM LLP recognises that diversity is an opportunity, for clients, employees and the wider firm. By embracing the diversity of thought that a diverse team brings, we can better innovate and better serve our clients, while helping employees achieve their professional objectives and goals. A corporate culture in which everyone feels they can bring their true self to work is fundamental to our vision and values, which underpin all that we do and plays a critical role in establishing strong governance and maintaining a healthy culture.

The Firm's focus on the broad agenda of diversity spans across all aspects of the business, starting from the attraction of diverse talent, our continued nurturing of our current diverse talent through to education and awareness, in recognition that a content and varied workforce is a firm's greatest strength.

Targets

As part of HM Treasury Women in Finance Charter, the Firm set a target that by January 2024, we aim to have 33% women in senior management roles. As at 31 December 2023, this figure stood at 26%, having fallen from 32% in December 2022. This was due to the departure of 7 females in senior management positions and the addition of 1 male in this capacity.

Factors that contributed to the missed target include:

- The ambitious nature of our target, which, while reflective of our commitment to gender equality, also presented substantial challenges.
- A lower-than-expected turnover in senior management, which limited the opportunities to bring in diverse talent at this level.
- The volumes in our internal initiatives have not been substantial enough to markedly impact the Senior Manager representation.

We also observed a lower volume of female applicants for senior roles compared to their male counterparts, which has impacted our ability to meet the target.

While we have focused on educating, empowering, and creating progression opportunities for our internal female talent, the scale of these initiatives has not yet been sufficient to significantly increase female representation in senior management.

Action plan

Over the next 12 months, we will:

1.Enhance the return-to-work onboarding and make coaching available for women returning from maternity leave to ensure that we retain talent at the mid-range level to ensure there is a wider pool to select from for Leadership/Senior Manager positions.

2. Work with recruiters to focus on job adverts and candidate pools which are more diverse, ensuring diverse interview panels at selections stage.

3. Enhance the mentoring programme to provide group support for women so they create internal support networks and advocate for each other.

4. Own Funds (MIFIDPRU 8.4)

4.1. Composition of Regulatory Own Funds

7IM LLP's own funds are exclusively comprised of Common Equity Tier 1 ("CET1") capital. As of 31 December 2023, CET1 capital consisted of members capital and other reserves, with deductions taken in relation to intangible assets.

Table OF1 below illustrates the composition of 7IM LLP's own funds as of 31 December 2023:

Table OF1: Composition of Regulatory Own Funds

	Item	Amount (GBP Thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	**17,359**	
2	**TIER 1 CAPITAL**	**17,359**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**17,359**	
4	Fully Paid-Up Capital Instruments	19,036	Note 19
5	Share Premium	n/a	
6	Retained Earnings	n/a	
7	Accumulated Other Fully Comprehensive Income	n/a	
8	Other reserves	3,249	Note 20
9	Adjustments to CET1 due to prudential filters	n/a	
10	Other funds	n/a	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(4,925)	Note 12
19	CET1: Other Capital Elements, Deductions & Adjustments	n/a	
20	**ADDITIONAL TIER 1 CAPITAL**	**n/a**	
21	Fully Paid Up, Directly issued Capital Instruments	n/a	
22	Share Premium	n/a	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 CAPITAL	n/a	
24	Additional Tier 1: Other Capital Elements, Deductions & Adjustments	n/a	
25	**TIER 2 CAPITAL**	**n/a**	
26	Fully Paid Up, Directly issued Capital Instruments	n/a	
27	Share Premium	n/a	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	n/a	
29	Tier 2: Other Capital Elements, Deductions & Adjustments	n/a	

4.2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Table OF2 provides a reconciliation of 7IM LLP's own funds at 31 December 2023 to the FY 2023 balance sheet in the audited financial statements.

Table OF2: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements				
		a	b	c
		Balance Sheet as in published / audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		As at 31 December 2023	As at 31 December 2023	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Property, Plant & Equipment	12,009		
2	Intangible Assets	4,925		11 – Total deductions from CET1
3	Trade & Other Receivables (Current)	2,363		
4	Trade & Other Receivables (Non-Current)	35,643		
5	Cash & Cash Equivalents	15,600		
	Total Assets	**70,540**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Provisions	4,271		
2	Trade & Other Payables (Current)	29,189		
3	Trade & Other Payables (Non-Current)	5,548		
4	Loans & Other Debts	9,247		
	Total Liabilities	**48,255**		
Shareholders' Equity				
1	Members Capital	19,036		4 – Fully paid up share capital instruments
2	Revaluation Reserve	3,249		8 – Other reserves
	Total Shareholders' Equity	**22,285**		

4.3 Main Features of Own Instruments Issued by the Firm

As at 31 December 2023, 7IM LLP's own funds is comprised of members capital and retained earnings only. See full breakdown in table OF1.

5. Own Funds Requirements (MIFIDPRU 8.5)

5.1 Own Funds Requirement

In accordance with MIFIDPRU 4.3, 7IM LLP as a non-SNI MIFIDPRU firm, must adhere to a minimum OFR calculated as the highest of:

- Permanent Minimum Requirement (MIFIDPRU 4.4)
- Fixed Overhead Requirement (MIFIDPRU 4.5)
- K-factor Requirement (MIFIDPRU 4.6)

At 31 December 2023, 7IM LLP's OFR is governed by the FOR, as outlined in Table OFR1 below:

<table>
<tr><th colspan="2">Table OFR1: Own Funds Requirement</th><th>£'000</th></tr>
<tr><td colspan="2">Fixed Overheads Requirement</td><td>10,439</td></tr>
<tr><td colspan="2">Permanent Minimum Requirement</td><td>150</td></tr>
<tr><td rowspan="4">K-Factor Requirement</td><td>∑ K-AUM, K-CMH & K-ASA</td><td>3,121</td></tr>
<tr><td>∑ K-DTF & K-COH</td><td>118</td></tr>
<tr><td>∑ K-NPR, K-CMG, K-TCD & K-CON</td><td></td></tr>
<tr><td>Total</td><td>3,240</td></tr>
<tr><td colspan="2"></td><td></td></tr>
<tr><td colspan="2">7IM LLP Own Funds Requirement</td><td>10,439</td></tr>
</table>

5.2. Overall Financial Adequacy

7IM LLP is required to assess the adequacy of its own funds and liquid assets in accordance with the OFAR.

Per MIFIDPRU 7.4.7, the OFAR requires an investment firm, at all times, to hold adequate own funds and liquid assets to:

- ensure it can remain financially viable throughout the economic cycle, with the ability to address any potential harm that may result from its ongoing activities.
- allow its business to be wound-down in an orderly manner, minimizing harm to consumers or to other market participants.

5.2.1. ICARA

By undertaking the ICARA process, 7IM LLP ensures appropriate systems and controls are in place to identify, monitor and, where proportionate, reduce all potential material harms that may result from the ongoing operation of its business or winding down its business. It ensures financial resources are being held that are adequate for the business it undertakes in both stressed and non-stressed conditions, and in doing so, ensuring 7IM remains compliant with the OFAR.

The ICARA process is conducted on a group basis for all members of the 7IM Reg Group and conducted annually, or more frequently should there be any material change to the business risk profile or business model. Sections 5.2.2 to 5.2.5 outline the key stages and approaches to 7IM's ICARA.

5.2.2. Own Funds Adequacy

Per MIFIDPRU 7.6, 7IM LLP assesses whether additional own funds should be held in excess of the minimum OFR (Section 5.1). These additional own funds are referred to as the Own Funds Threshold Requirement ("OFTR"), and calculated as the higher of:

(a) the amount of own funds that the firm requires at any given point in time to fund its ongoing business operations, taking into account potential periods of financial stress during the economic cycle; and

(b) the amount of own funds that a firm would need to hold to ensure that the firm can be wound down in an orderly manner.

In addition to the OFTR, a regulatory Early Warning Indicator ("EWI") is set by the FCA in relation to own funds levels.

As at 31 December 2023, 7IM LLP held own funds in excess of the OFR, OFTR and the applicable EWI, where the OFTR is determined by the FOR.

5.2.3. Liquid Assets Adequacy

Per MIFIDPRU 7.7, 7IM LLP assesses whether additional liquid assets should be held in excess of the minimum BLAR. These additional liquid assets are referred to as the LATR, and calculated as the higher of:

(a) the amount of liquid assets that the firm requires to fund its ongoing business operations, taking into account potential periods of financial stress during the economic cycle; or

(b) the additional amount of liquid assets that a firm would need to hold when commencing its wind-down process to ensure that the firm could be wound down in an orderly manner.

As at 31 December 2023, 7IM LLP held own funds in excess of the BLAR and LATR, where the LATR is determined by the level of liquid assets to perform an orderly wind-down.

5.2.4 Stress Testing & Recovery Planning

The ICARA includes stress and scenario testing ("SST") to determine whether the current and forecast levels of own funds and liquid assets are sufficient to withstand various levels of significant market downturn and/or a material operational event that could impact revenue and profitability.

To ensure that 7IM LLP's own funds and liquid assets can remain resilient under these periods of stress, recovery action planning is conducted in conjunction with the SST to identify the management actions available to offset adverse stress impacts and ensure own funds and liquid assets are restored to above the biting regulatory requirement and appropriate EWI.

5.2.5 Wind-Down Planning

As part of its Wind-Down Planning, 7IM's governing body identifies the steps and resources needed to wind-down the business whilst evaluating the risks and impact to ensure that, the firm could wind-down in an orderly manner without significant adverse impact and harm caused to the firm, it's clients and the wider market.

7IM conducts reverse stress testing ("RST") as part of its wind-down plan, assessing various macroeconomic, firm specific and combined stress scenarios which could cause the business to fall below its applicable wind-down triggers. The wind-down plan includes a detailed timeline and level of both financial and non-financial resources required under each of the scenarios assessed, informing both the OFTR and the LATR.

In compliance with the OFAR, 7IM LLP holds own funds and liquid assets at all times above its regulatory requirements, and in doing so holds sufficient resources to be able to wind-down the business in an orderly manner.

6. Remuneration Policy and Practices (MIFIDPRU 8.6)

6.1. Disclosure on Remuneration

7IM LLP has carried out a proportionality assessment in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) Remuneration Code and relevant guidance, to take into account the size, nature and complexity of the firm's activities as a UCITS management company.

As permitted by the remuneration regulations, 7IM has established a Remuneration Committee at the level of 7IMH, which is the parent of the regulated entities in the Group. Additionally, as a best practice approach, 7IM LLP has established a firm-specific Remuneration Committee. Both committees are established within the UK.

The general principles of 7IM's Remuneration Policy are reviewed by the Executive Committee and the Remuneration Committees, which meet at least bi-annually or more frequently as requested. The policy is reviewed at least annually and the Remuneration Committees are responsible for its implementation. The Remuneration Committees are provided with a summary of remuneration arrangements and changes, with particular attention focused during meetings on the remuneration of Code Staff. Compensation decisions for the heads of the control functions are overseen and approved by the Remuneration Committee to mitigate conflicts of interest.

The Remuneration Committee members for each committee are two independent non-executive directors and two non- executive directors.

7IM LLP maintains a compensation program designed to attract and retain highly skilled, qualified employees. Compensation for employees typically includes a salary, benefits and a discretionary bonus. When determining compensation for its employees, 7IM LLP considers several factors, including, but not limited to, the individual's performance, qualifications and experience, the relative value of each position within the Firm, and the state of the compensation marketplace for each role. 7IM LLP's compensation program is designed to promote integrity with a focus on developing a long-term business.

Since 7IM LLP is a non-SNI firm, 7IM LLP has identified its MRTs on a solo basis, applying both the UCITS Remuneration Code Staff test and the MIFIDPRU MRT test. For simplicity and as a matter of good practice, the most stringent remuneration code requirements are also then applied to these individuals.

7IM LLP maintains a list of individuals who are identified as MRTs and UCITS Remuneration Code Staff as set above, and who are referred to collectively as "Code Staff" and comprise senior management and other key roles and risk takers.

Fixed remuneration

All employees receive a fixed salary that is sufficient to allow 7IM to operate a fully flexible variable pay policy (including the ability to pay zero bonuses).

Fixed remuneration reflects a staff member's professional experience and organisational responsibilities, as set out in their job description and terms of employment. It is permanent, predetermined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration

Bonus schemes or other reward or compensation schemes (including those for partnerships and other legal structures) that will be in place to reward staff for performance during their current year consist only of the annual discretionary bonus. The annual discretionary bonus is considered variable remuneration, which is generally based on performance (or, in exceptional cases, other conditions) and reflects the performance of the staff member in excess of their job description and terms of employment.

All employees are eligible for the annual discretionary bonus.

Any variable remuneration of Code Staff is paid or vests only if it is sustainable according to the financial situation of the Group as a whole and justified on the basis of the performance of the firm, the business unit and the individual concerned, including financial and non-financial criteria.

Total variable remuneration is also considerably contracted, including through clawback arrangements, where financial performance is subdued or negative. We are not required to use malus arrangements since no deferral mechanism is applied in relation to variable remuneration.

There are no staff who contractually receive only fixed, or only variable, remuneration.

An appropriate ratio between variable and fixed remuneration has been set in accordance with the requirements of the FCA rules. This ratio is reviewed annually and may be updated for each performance period as the Remuneration Committees determine appropriate.

6.2. Quantitative remuneration disclosure

7IM LLP and 7IMH have identified the following categories of Code Staff, who are considered to be MRTs (as defined in SYSC 19G.5.1R) in accordance with the requirements of SYSC 19G.5.2R and SYSC 19G.5.6R and who are considered to be UCITS Remuneration Code Staff in accordance with the requirements of SYSC 19E.2.2R.

- Members of the 7IM Executive Committee
- Other 7IM senior management staff who are not in the Executive Committee
- Staff with managerial responsibility for any of the following in the Group:
- Regulated activities
- Control functions
- Money laundering prevention
- Material risk management
- IT and cyber/information security
- Outsourced functions which are critical or important
- Staff with other managerial responsibility which has a material impact on 7IM's risk profile, or assets managed by 7IM
- Key decision makers in relation to the 7IM investment process

Aggregate total remuneration as of 31st December 2023

	Senior Management	Other MRTs
Total MRTs identified	6	20
Total remuneration	£ 1,994,256.15	£ 3,762,159.29
Of which: Fixed remuneration	£ 1,199,256.15	£ 2,908,552.01
Of which: Variable remuneration	£ 795,000	£ 853,607.28

7IM LLP has not disclosed code staff remuneration by business area as this information is confidential and disclosure would result in an individual's identification.

Glossary

Abbreviation	Definition
7IMH	Seven Investment Management Holdings
7IM LLP	Seven Investment Management LLP
ARCC	Audit, Risk and Compliance Committee
AT1	Additional Tier 1 Capital
BLAR	Basic Liquid Asset Requirement
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
EMRC	Executive Management Risk Committee
EWI	Early Warning Indicator
FCA	Financial Conduct Authority
FOR	Fixed Overhead Requirement
ICARA	Internal Capital and Risk Assessment
IFPR	Investment Firms Prudential Regime
KFR	K-Factor Requirement
LATR	Liquid Assets Threshold Requirement
MiFID	Markets in Financial Instruments Directive
MIFIDPRU	Prudential Sourcebook for MIFID Investment Firms
MRT	Material Risk Taker
Non-SNI	Non-Small, Non-Interconnected
OEIC	Open-Ended Investment Company
OFAR	Overall Financial Adequacy Rule
OFR	Own Funds Requirement
OFTR	Own Funds Threshold Requirement
PMR	Permanent Minimum Requirement
RMF	Risk Management Framework
RST	Reverse Stress Testing
SMCR	Senior Managers and Certification Regime
SMF	Senior Management Function
SST	Stress & Scenario Testing
T2	Tier 2 Capital
UCITS	Undertakings for Collective Investment in Transferrable Securities