Lightman

Annex 2: MIFIDPRU Disclosure

Disclosing Firm: Lightman Investment Management Limited (FRN: 827120)

Disclosure Period: 01/01/2024 – 31/12/2024

MiFIDPRU Firm type: SNI MiFIDPRU investment firm without additional tier 1 capital

Background:

- MIFIDPRU 8.1.1R states that SNI MIFIDPRU investment firms must make certain disclosure about its remuneration policies and procedures.
- It further states that SNI MiFIDPRU investment firms that **utilise additional tier 1** capital must make additional disclosure about its risk management objectives and policies, own funds availability and own funds requirements as well.
- MIFIDPRU 8.1.8R allow for proportionality in remuneration policies and disclosures.
- MIFIDPRU 8.1.10R states that the disclosures must be made publicly and annually on the date of publication of annual financial statement or the date of annual solvency statement submission to the FCA. MIFIDPRU 8.1.17G states that the FCA expects that, where possible, firms will use their websites to make this disclosure.
- Lightman does not utilise additional tier 1 capital, so it only needs to disclose information covering remuneration policies and procedures.

Remuneration policy and practices:

Qualitative disclosures:

MIFIDPRU 8.6 requires the following aspects of qualitative remuneration disclosure:

- *approach to remuneration of staff, in particular:*
    - *the principles or philosophy guiding the Firm's remuneration policies and procedures*
    - *how the Firm links variable remuneration and performance*
    - *the Firm's main performance objectives*
    - *the categories of staff eligible to receive variable remuneration*
- *objectives of its financial incentives*
- *decision making process and governance around MIFIDPRU remuneration code*
- *an understanding of the risk profile of the Firm and/or the assets it manages; and an overview of the incentives created by the remuneration policies and practices. Such information must include:*

Lightman

- *different components of the remuneration structure, with identification as fixed or variable*
- *a summary of the financial and non-financial performance criteria used across the Firm, broken down into the assessment criteria for performance of the Firm, business unit, and the individual.*

The Firm has a simple business model and operating structure. It provides discretionary portfolio management services to regulated clients for regulated portfolios. The Firm's own operations and investment process are accordingly highly regulated, making the Firm and its business a low risk organisation.

The Firm has designed and implemented a standard remuneration structure made up of fixed remuneration, employee benefits, and discretionary performance-linked variable remuneration. The fixed remuneration is decided based on the scope of responsibilities and standard market pay. The employee benefit is fixed and is decided based on standard market practices. The discretionary performance linked bonus depends on a combination of factors including the employee's performance, the Firm's performance, capital planning and budgeting, dividend distribution schedule etc.

The key principles underpinning remuneration is to maintain a team of appropriately paid employees who are committed towards Firm's success, while keeping fixed costs in control. Discretionary bonus creates incentives for achieving and maintaining performance. The Firm's main performance objective is to generate sustainable investment performance in compliance with applicable rules and while providing good customer service. This performance objective creates natural performance objectives for relevant business unit and individuals within those functions.

Salaries and benefits are reviewed regularly to ensure that they continue to remain competitive and appropriate.

<u>Quantitative disclosures:</u>
As per MIFIDPRU 8.6.8R, the Firm must disclose the below quantitative information for the financial year to which the disclosure relates.
As an SNI MIFIDPRU investment firm, the Firm must disclose the total amount of remuneration awarded to all staff, split into fixed and variable remuneration.

Remuneration type	**Amount (in GBP thousands)**
Fixed component	1,038
Variable component	1,070

Disclosures:

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Target audience:

This website is intended for 'Eligible Counterparties' and 'Professional' clients only, as described under the UK Financial Services and Markets Act 2000 ("FSMA") (and any amendments to it). It is not intended for 'Retail' clients and Lightman does not have permission to provide investment services to retail clients. Generally, marketings document are only intended for 'Eligible Counterparties' and 'Professional' clients in the UK, unless they are being used for purposes other than marketing, such as regulations and compliance etc. The Firm may produce marketing or communication documents for selected investor types in non UK jurisdictions. Such documents would clearly state the target audience and target jurisdiction.

Collective Investment Scheme(s):

The collective investment scheme(s) – WS Lightman Investment Funds (PRN: 838695) ("UK OEIC", "UK umbrella"), and WS Lightman European Fund (PRN: 838696) ("UK sub-fund", "UK product") referenced on this website are regulated collective scheme(s), authorised and regulated by the FCA. In accordance with Section 238 of FSMA, such schemes can be marketed to the UK general public. Lightman, however, does not intend to receive subscription or redemption orders from retail clients and accordingly such retail clients should either contact their investment adviser or the Management Company Waystone Management (UK) Limited ("Waystone UK") in relation to any fund documents.

The collective investment scheme(s) - Elevation Fund SICAV (Code: O00012482) ("Luxembourg SICAV", "Luxembourg umbrella"), and Lightman European Equities Fund (Code: O00012482_00000002) ("Luxembourg sub-fund", "Lux product") referenced on this website are regulated undertakings for collective investments in transferrable securities (UCITS), authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg. In accordance with regulatory approvals obtained under the requirements of the Law of 17 December 2010 relating to undertakings for collective investment, the schemes can be marketed to the public in Luxembourg, Norway, Spain, and Republic of Ireland. Lightman, however, does not intend to receive subscription or redemption orders from any client types for the Lux product and accordingly such client should either contact a domestic distributor, domestic investment advisor or the Management Company Altum Management Company (Luxembourg) S.A. ("Altum Luxembourg") in relation to any fund documents.

Luxembourg umbrella and Luxembourg sub-fund are also approved for marketing to retail clients, professional clients and eligible counterparties in the UK under the UK Overseas Fund Regime (OFR). UK registration numbers for the funds are as follows: Elevation Fund SICAV (PRN: 1031782) and Lightman European Equities Fund (PRN: 1031783).

Luxembourg sub-fund is also approved for marketing to qualified investors in Switzerland, within the meaning of Art. 10 para. 3 and 3ter CISA. In Switzerland, the representative is Acolin Fund Services AG, Leutschenbachstrasse 50, 8050 Zurich, Switzerland, whilst the paying agent is NPB Neue Privat Bank AG, Limmatquai 1 / am Bellevue, 8024 Zurich, Switzerland.

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