This document sets out Teviot Partners submission to the Financial Reporting Council (FRC) under the "Stewardship Code 2020". The document is currently pending approval and listing by the FRC.

TEVIOT PARTNERS
investment managers

Stewardship Code 2020

This report details Teviot's approach to stewardship and governance in order to explain how we embrace the principles of the UK Stewardship Code. The report has been approved for adoption by the Partners who comprise the senior leadership team of the Firm. If you would like any further information in relation to Teviot's approach, then you should contact the Partner with overall responsibility for the matters: Andy Bamford at enquiries@teviotpartners.com or call 0131 510 7280.

Principle 1	Signatories' purpose, investment beliefs, strategy and culture enable stewardship that creates long term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Context

Teviot Partners was formed in 2016 and launched the VT Teviot UK Smaller Companies Fund in August 2017. Industry trends were leading investment managers to seek scale in order to offset pressures from falling fees, rising costs and an increased regulatory burden. However, Teviot identified that the pursuit of scale can have a detrimental impact on returns due to the relative loss of liquidity. By remaining small and retaining a "liquidity advantage", Teviot believed it could retain greater flexibility to allocate capital more quickly and with less frictional cost, allowing it to capitalise on the most attractive opportunities in its investment universe. In more illiquid assets especially, Teviot's larger peers struggle with the liquidity and can struggle to build meaningful positions in smaller constituents. A core contention was that being small, with better relative liquidity, also served to increase the size of our addressable market and provided greater choice.

Teviot is structured as a Limited Liability Partnership, wholly owned by the partners working in the business. The team is small and the Firm utilises an outsource model to allow it to scale without adding significant resource. By running a lean organisation, Teviot is a viable business without constantly chasing incremental assets and diluting the liquidity advantage. The organisation also allows the investment partners to maximise the time considering investment opportunities and risks. As the Firm consciously choses to operate as a small and focused organisation, it has to use its resources wisely and not try to compete with the administrative functions of larger peers. The partners are significant investors in the Fund and are aligned with investors to generate sustainable long-term returns.

Activity

From a governance perspective, the smaller end of the market capitalisation spectrum presents many challenges and opportunities. Many of these companies are poorly researched and, for some, their entrepreneurial origins have yet to embrace a modern approach to governance. From Teviot's perspective, we thrive on the mis-pricing opportunities arising from a lack of independent research. The Firm is committed to develop its own fundamental appraisal of companies in order to originate the best investment ideas. Sparse analytical coverage also gives the engaged investor opportunity to interact with companies. We can engage management teams in ways that would be ineffective with larger companies. As well as identifying opportunities, our job is to assess risks as they apply to the investment proposition. Fundamental to our approach is a deep understanding of the individual companies which leads to a sounder understanding of the risks. All interactions on governance are handled by investment managers. This integrated approach to investment decision making and assessment of risks means we can challenge with the benefit of deep knowledge that has a greater chance of resonating with companies.

Outcome

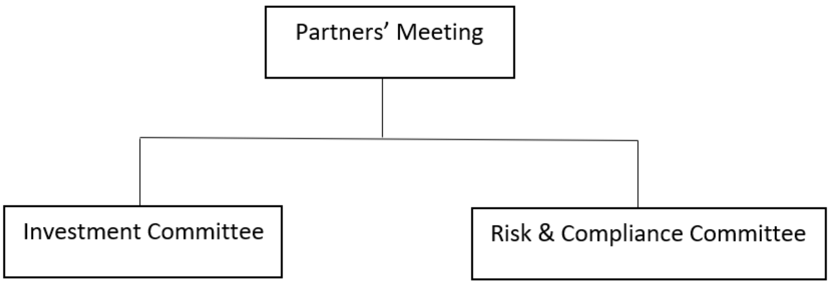
From Firm inception, Teviot has been a signatory to the Stewardship Code and taken its responsibilities seriously. Teviot votes on every company meeting and the voting policy can be found here. Having started with assets under management of £8m, the Firm is approaching £150m after just over three years. Teviot has to be realistic and reflect that influence over companies was limited in the early days. However, the Firm's scale and reputation is growing and particularly at the smaller end of the market capitalisation spectrum our engagements can make a difference. Influencing a company relies on a deep understanding of the issues and the quality of the argument, as much as it relies on a large percentage ownership position. Retaining a liquidity advantage, means we always retain the option to sell our holding if we believe this would be in the best interests of our clients.

The mission statement of Teviot Partners is "to deliver superior long term returns in an illiquid asset class". From inception (29th August 2017) to 31st December 2020, the VT Teviot UK Smaller Companies Fund has generated a total return of +54.5% compared to the Numis Smaller Companies Index (ex investment companies, incl AIM) return of 14.8%. The Fund's annual report now incorporates a Value for Money report which provides an independent assessment of how effectively we have discharged our responsibility as investment managers.

Principle 2 | Signatories' governance, resource and incentives support stewardship.

The key functions of Teviot Partners are summarised in the organisational chart below:

Teviot Partner LLP Governance



Governance issues are handled through the Investment Meeting. This is convened weekly and all aspects of investment are considered. This involves the monitoring of existing investments and the consideration of new purchases or divestments. The investment discussion is holistic and takes into account financial and non-financial considerations. The investment universe is divided equally between the investment partners and each carries responsibility for engagement and analysis of their investments. This is subject to peer review and can be escalated so that more partners participate in meetings and engagements with companies where it is additive to the process. Voting is an agenda item at every Investment Meeting where we discuss and record any contentious issues or negative voting intention. The investment partners all have extensive experience in analysing and engaging with listed companies.

In 2018, the FCA introduced rules under Mifid II in relation to paying for independent research. Teviot engages research services from seven stockbrokers servicing the UK smaller companies sector. The research is evolving to incorporate consideration of a broader range of investment considerations, notably environmental, social and governance factors. At this stage of the Firm's evolution the partners have not committed to take research from the proxy voting advisors or environmental research specialists. This will be kept under review but in our experience the research available at the lower end of market capitalisation spectrum is inconsistent and of questionable value.

Given the tight organisational structure there are no concerns about implementing the Firm's policies. The Firm operates with a flat structure with clear lines of accountability. The investment partners are joint owners of the business and aligned to make sure they serve the long-term interests of clients.

Outcome

Teviot is a relatively young Firm which started from small beginnings. However, we can demonstrate a consistent commitment to performing our stewardship responsibilities. We vote on all shareholder meetings and seek to engage with companies on a regular basis. The Investment Meeting provides a forum to record engagement and voting issues.

As the Firm grows, there will always be scope to enhance the process and add resources. Teviot is committed to the following:

-To continually review the relevance and value of independent research.

-To selectively expand resources to improve the depth and breadth of investment research.

-To embed ESG as an integral part of the Continuous Professional Development plans of all investment personnel.

Principle 3	Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Context

In line with its regulatory obligations, Teviot Partners manages its conflicts of interests in the best interests of its clients and underlying investors. A conflicts of interest register is regularly reviewed and updated through the Risk & Compliance Committee. While conflicts cannot be avoided, the structure of the Firm has many attributes that reduce the risk of conflicts arising:

-The Firm is a limited liability partnership, wholly owned by partners in the business. There is no external or corporate pressure to manage the business in a manner that might prejudice the ultimate returns we can generate for clients.

-Teviot Partners does not manage investments on its own account. The Firm currently acts as delegated investment manager to two clients where the portfolios are managed to an identical strategy.

-The Firm has a detailed Allocation policy and bespoke Order Management System to ensure clients are treated fairly at all times.

-The Firm has a strict personal account dealing policy. All partners and staff are encouraged to invest in the underlying Fund in order to align their interests with other investors. At the 31st December 2020, the partners have over £8m invested in the Fund.

-The Firm does not engage in any stock lending on behalf of clients.

-Teviot acts as delegated investment manager to two clients who are both Authorised Corporate Directors (ACDs). The ACDs conduct regular audits on Teviot's systems and controls. In addition, they are processing transactions and valuations on a daily basis and would quickly identify any unusual activity by the investment manager.

The Partners also have an awareness of conflicts of interest that may arise in investment decision-making. The pressure to deliver investment performance is an inevitable feature of our industry and there could be a temptation to overlook poor ESG practice in the hope of short term gains. Teviot is confident it mitigates this risk by investing with a team based approach, with all investment decisions subject to scrutiny. We always seek to invest on a 3-5 year view and should be happy to hold any investment for this period. Over this time period any poor practice would catch up on the company, putting clients capital at risk. As such, the Partners are clear that short term investing is not appropriate and we should not cut corners on the fundamental appraisal of companies.

Outcome

The Conflicts of Interest Register is kept under regular review and is available for inspection by all clients and investors on request. The partners are committed to running a small, focused and relatively simple business model that in turn lends itself to minimising conflicts of interest.

In November 2019, Teviot was approached by a second client to manage a portion of its fund under a segregated mandate to deliver an effective mirror portfolio of Teviot's existing client. Teviot had to ensure that both clients were treated fairly and that neither was prejudiced in terms of dealing allocation. Teviot also needed to assess what level of additional resource it might need to deliver this service effectively. Teviot engaged in a scoping exercise to assess the impact that a second client would have on the business and consulted at length with both clients to minimise the impact.

Example
Anglo Pacific Group (APF)
APF holds a portfolio of mining royalties. As such it does not operate mines but it is a material stakeholder with the ability to influence operators. Teviot regularly engages with APF and has observed a steady improvement in the company's ESG reporting. Particularly sensitive are the royalty streams deriving from coking coal and coal. These generate strong cashflows for the company resulting in a high dividend being paid to shareholders. However, the company is recognising that in order to build a more sustainable business it is reprofiling its portfolio towards other minerals, predominantly associated with battery technologies. This will have implications for the dividend stream but in a holistic sense, Teviot recognises that this is a much more sustainable path for the company and has supported them in this strategy.

Principle 4	Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Context

Teviot addresses this principle on two levels: the business level and the investment level. At the business level issues of market-wide and systemic risks are considered on a high level at the Partners Meeting and at a more detailed level in the Risk & Compliance Committee. A detailed risk register is maintained which is a dynamic document that reflects the changing landscape within financial services.

At the investment level, the Investment Meeting addresses economic and market-wide trends that may impact the portfolio. Teviot's approach is driven by fundamental analysis of companies supported by regular engagement and interaction. It is often through these meetings that broader trends can be identified and their impact translated across to other constituents. The investment partners are also constantly exposed to economic and thematic research (both paid and unpaid).

Activity

One advantage of being a recently formed business is that the Firm has been structured to comply with the latest regulatory standards and is committed to provide a high level of service to the clients and underlying investors. The Firm started shortly before the introduction of the Mifid II regulations which were highly disruptive to the traditional investment management model. This change was successfully navigated. As an example of our evolving landscape the Firm has gone through a process to ascertain the impact of Brexit on the Firm's activities, regardless of the type of deal struck. This involves a broad ranging review covering underlying investments, dealing in investments, client relationships, operational risks and data management. Reassuringly the simplicity of Teviot's model means that from a regulatory and operational perspective, the Firm does not anticipate any adverse impact.

At the investment level, Teviot highlights the importance of monitoring liquidity in the portfolios. The Firm has a strong conviction that this contributes to a competitive advantage by responsibly managing the scale of assets under management. The Firm regularly reviews data on the liquidity profile of the portfolios to ensure that we avoid investors being unable to access their capital in a timely manner, as would be expected in an open-ended investment vehicle. Teviot is open with clients to share the independent data which demonstrates how investment performance impairs as assets under management scale; and is committed to cap the size of the strategy at a level which protects the long term returns of investors.

In 2020, the Covid pandemic was a factor that impacted both at a business and investment level. From the business perspective, Teviot is a small organization so key man risk is relatively high. Fortunately the benefit of being a small organization allowed us to move seamlessly to remote working while retaining good levels of communication and collaboration. Strict procedures were put in place to reduce of the team cross infecting each other. From the investment perspective, the outlook for many companies changed dramatically in a short period of time. Due to our relative liquidity advantage we were able adjust portfolios to the reality of the pandemic and take opportunities through a volatile Market. The pandemic accelerated the adoption of video conferencing by investee companies. As an engaged investor this proved a real benefit as we were able to keep more closely in touch with our investments.

Outcome

Teviot has the resources to monitor key systemic and market-wide risks. It is aided by working closely with the ACDs to address emerging challenges. While Teviot does not have the resources that larger investment houses may bring to bear, it also lacks their complexity and can respond swiftly as required.

Principle 5	Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Activity

Teviot Partners is committed to implement the policies set out in this policy document. Oversight of stewardship activities is conducted at the most senior level of the Firm with ultimate responsibility at Partner level. The size and simplicity of the Firm means that stewardship can be integrated as part of the investment process and issues addressed as they arise.

At this stage, Teviot does not intend to seek external assurance on its stewardship activities, considering it disproportionate to the complexity of the business. We maintain an open dialogue with investors and make regular formal presentations. These provide a forum for challenge in how we have dealt with situations that have arisen in the portfolio. Furthermore, we are subject to audit scrutiny from our ACDs to ensure that we operate to high standards and deliver what we say we do.

Outcome

The Firm embraces the importance of good governance and stewardship. The Firm -

- can demonstrate extensive engagement with companies, at both Executive and Non-Executive director level;

- votes on all company meetings;

- has been a signatory to the Stewardship Code since inception and is committed to embracing the enhancements laid out in the Stewardship Code 2020;

- is a signatory to the United Nations Principles on Responsible Investment and will begin to report these activities.

In compiling this report, the Partners recognise that the Firm is evolving as we grow our assets under management. Further investment in the investment management function has been agreed. This should allow more time to engage deeper and more widely among the stakeholders and become more proactive. We have also reviewed our voting record and challenged ourselves whether we have recorded sufficient negative votes given the issues raised with companies.

Principle 6	Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Context

Teviot Partners is currently the designated investment manager to two clients: VT Teviot UK Smaller Companies Fund, and a delegated investment manager to a sub-Fund of UK equities managed by a large private wealth manager. As at 31 December 2020, these two open-ended vehicles had assets under management of £92m and £66m, both managed with an identical portfolio strategy.

All investments in the portfolios are companies that we are happy to own on 3-5 year view. Teviot Partners has actively sought an investor base which shares a long-term time horizon and appreciates the case for backing smaller funds in an illiquid asset class. Accordingly, the vast majority of Teviot's underlying investors are institutional. This means the flows in and out of the Fund have been low and therefore protective of existing investors.

Activity

Investors are kept in touch with the Funds' progress through monthly Factsheets and bi-annual accounts. Importantly, the professional investors are offered a bi-annual formal investment presentation providing detail of performance and significant events in the portfolio. In addition, they are encouraged to seek ad hoc meetings in the event of concerns or developments in the Market. This was particularly prescient during 2020 with the associated volatility caused by Covid-19 and its impact on companies.

Outcome

Teviot Partners assets under management have continued to grow through 2020. Inflows came from existing and new investors. Teviot has received positive feedback on its presentations and portfolio management during a challenging year. As Teviot becomes a more established and significant player in the UK equity market, it will improve our access to, and influence upon, investee companies. This will help us to discharge our stewardship responsibilities in a more impactful way. Looking forward the Partners recognise there is an opportunity to enhance the level of coverage in relation to ESG in the bi-annual presentations and this will be implemented in the year ahead.

Principle 7	Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Context

Teviot Partners develops investment ideas through fundamental analysis of investee companies. Ideas are internally generated and there is no delegation to third parties. We take ownership of our investment decisions and behave as a responsibly minded active investor. In approaching a potential investment proposition, we consider a broad spectrum of risks both financial and non-financial. This will include environmental, social and governance (ESG) issues. Our integrated approach to investment decision making and stewardship gives us an advantage as we are much more likely to alight on areas of risk. All companies present a different profile of risk and we see our job as focussing in on the areas of risk which are most material to all stakeholders. Responsible management of ESG issues are inextricably linked to the long-term prospects for the company. Where companies do not give sufficient attention to ESG issues then it is often an indicator of poor standards across the business. Specifically, in relation to the three pillars of ESG:

- Teviot recognises that companies should strive to act in the most environmentally responsible way. We recognise that climate change is a systemic risk to our social and economic system. More broadly environmental pollution is a much higher priority for our society. Failure to recognise these trends risks companies facing reputational damage, regulatory penalties and alienation of stakeholders.

- Across most developed Markets, there is a discernible trend towards "capital light" business models. These businesses can scale quickly but they are also more reliant on the retention and motivation of employees, the promotion of a responsible image to their customers and building a resilient and sustainable supply chain. Culture is important and customers and employees are better placed than ever to make their own choices.

- Teviot recognises the importance of governance by holding companies accountable for their responsibilities to all stakeholders. We will always argue for greater breadth and diversity within the governance of companies with the provision that all appointments are made on merit.

Activity

Large firms with discrete teams will find it easy to distinguish their stewardship initiatives from investment management. Teviot operates with an integrated approach and so stewardship is a point of daily routine as part of the investment process. It is best to illustrate this through two examples:

Example 1
Central Asia Metals
This is a mining company with operations in Kazakhstan and Macedonia. These are resource rich regions but with economically disadvantaged populations. A key part of the investment decision was to understand the mining process and its environmental impact. There is also a related social impact with careful consideration of the safety record and respect for the local community. The company has a long term track record of exemplary practice with a strong governance framework around the company. In September 2020, the company announced a leak from a tailings dam at its Sasa facility in Macedonia. While this was brought quickly under control, there was some pollution of a local water course. Teviot held two separate calls with the company to ascertain the causes and associated response. In an adverse situation the management responded effectively, and no resource was spared in rectifying the problem. We will continue to scrutinise the response and subsequent enhancements to processes to ensure there is no repeat of this event.

Example 2
Mothercare
Teviot invested into Mothercare at a point where the Market had largely written off the company's prospects of survival. Consistent with our investment approach we engaged with the company to understand if the company could be saved. Through 2019 and 2020 Teviot has engaged extensively with the company. The company went through a Company Voluntary Arrangement to restructure its UK business and subsequently had to withdraw completely from the UK subsidiary. This process had a profound impact on employees, pensioners and the supply chain. Ultimately Mothercare has reached a position where its global franchise business has survived, the supply chain continues to service the company and the pensioners have seen their scheme supported by the PLC covenant. While many jobs were lost, several were also preserved. Teviot engaged heavily with the company to challenge the legitimacy of its approach in the belief that the long-term viability of the company relied on all stakeholders being fairly treated.

Outcome

At the individual company level we can highlight examples that illustrate our consideration of ESG factors as part of our investment process. Our fundamental analysis of companies incorporates a consideration of a broad range of risks and their materiality. Ultimately if we fail to judge risk appropriately then it will be reflected in our investment returns.

Principle 8	Signatories monitor and hold to account managers and/or service providers.

Activity

The investment process and our approach to stewardship are integrated and highly visible to everyone in the organisation. The Investment Meeting provides the forum to challenge our interpretation and implementation of our stewardship policies.

Teviot does not engage any third parties in relation proxy voting. Independent research providers are subject to an annual review to assess their performance and value for money. In a broader business sense, all third-party partners (ACDs, IT, Professional services) are subject to regular review through the Partners Meeting and the Risk and Compliance Meeting.

Outcome

Teviot is satisfied that it discharges its stewardship responsibilities as described in this document. The use of third party providers is kept under regular review and we will seek to add providers where they can add value to what we do, providing it is proportionate to the current scale of the Firm.

Principle 9 Principle 10 Principle 11	Signatories engage with issuers to maintain or enhance the value of assets. Signatories, where necessary, participate in collaborative engagement. Signatories, where necessary, escalate stewardship activities to influence issuers.

Context

Teviot Partners sets out to deliver superior returns in an illiquid asset class. A key element of this is to value the level of liquidity we have in the underlying holdings by responsibly managing the overall size of assets managed under the strategy. It is a commonly held view that a larger ownership percentage of a portfolio company confers greater influence over the investee company but, by definition, it also reduces liquidity. Teviot is clear that it will prioritise liquidity over seeking a higher percentage interest because of the clear benefit this provides to long term investment returns. At the 31st December 2020, Teviot Partners has no declarable positions in the underlying holdings of the portfolio and is infrequently a top ten shareholder of an investee company.

By prioritising liquidity, Teviot recognises that a balance has to be struck when it comes to engagement that is proportionate with the scale of the assets. Engagement tends to be more successful in companies with smaller market capitalisations where Teviot has a more meaningful ownership position. Our philosophy is to be “constructively engaged”. We would not seek to publicise our views on the grounds that this frequently leads to positions becoming entrenched and misinterpreted. Our engagement is directly with the company; “saying it as it is”. Recognising that there is a place for collaborative engagement, we would get involved where it would be beneficial to do so for our underlying investors. This is likely to become more of a feature as Teviot grows its assets under management and becomes better known in the Market. In 2020, there was no collaborative engagement to report on.

Every investment that Teviot makes is founded on a core investment thesis. Issues are typically escalated for consideration at the Investment Meeting when the thesis is threatening to be undermined by specific issues. If these issues have the ability to be addressed through engagement then we will actively engage to register our arguments. However we also recognise that some issues may not be capable of being resolved or the hurdles make that outcome improbable. Under those circumstances we will act in the best interests of our clients and this may involve selling the investment.

Activity

Teviot's investment approach is based on fundamental analysis of investee companies and all investment theses are developed internally. This involves regular engagement with companies and often provides opportunity for feedback. The depth of work and knowledge of the underlying companies aspires to be of similar or better standard when compared to the institutions with larger percentage ownership positions. When it comes to engagement this is particularly important because companies respond better to engagement when it comes from an investor who can display a knowledge of the business and its industry. This is why engagement will always be led by the investment manager responsible for that decision. The Firm's position will be agreed following discussion at the Investment Meeting and, where appropriate, a second investment partner will join the engagement.

Outcome

The challenges thrown up during 2020 (specifically the impact of Covid-19) have led to much more regular contact with companies. Many companies have seen trading disrupted and in some sectors operations have been suspended as a result of Covid restrictions. Companies have needed to take swift action in relation to restructuring and refinancing their businesses. Associated to this have been decisions around accessing government support, dividends and remuneration. As investment managers, we have been constructively engaged throughout this period and we have supported a number of equity raises to position companies better for the new normal.

Example
Countrywide
Countrywide has endured a difficult few years. The company has an acquisitive history in the estate agency and lettings market. Failure to integrate acquisitions, upgrade systems and refinance its balance sheet left the company disadvantaged relative to its peers and exposed to the inherent volatility of its markets. Consistent with our investment style we invested in 2019 when the share price was severely depressed as the debt weighed on Market sentiment. We engaged with the company and supported the management with its turnaround strategy. This was showing promise until Covid struck, resulting in many parts of the business suspending activity. Activist shareholders acquired a stake and began promoting a break up strategy to alleviate the debt. However, there was a clear dis-synergy from selling components of the company. Teviot supported the Board and investigated alternative avenues to secure the company's future. By creating a viable alternative strategy, it persuaded a peer group company, Connells, to pay a significant premium for control of the company.

Principle 12 | Signatories actively exercise their rights and responsibilities.

Context

As previously described, Teviot Partners is a constructively engaged investor with an investment process based around fundamental analysis of investee companies. It is rare that we hold stakes in companies that can be meaningfully influential in isolation. However, we have a deep understanding of the companies and extensive investment experience. Our experience is that companies value our feedback on a range of issues. Among the issues where we comment regularly: board performance, board structure, remuneration, strategic direction, strategic execution, dividends, capital structure, non-financial risk factors, including ESG.

Teviot votes at all company meetings. In the majority of cases this will be in line with the board's recommendations. However, where we disagree and vote negatively then we will flag our views and rationale to the company. Given the regularity of contact with companies, there is nothing that should come as a surprise to the company in where our views differ. Teviot's voting policy can be found here.

By virtue of constraining the size of our assets under management, Teviot can invest meaningfully in smaller, more illiquid investments. In doing so, we consider that there is a broader number of companies from which to choose. This choice, along with better relative liquidity, means the portfolio should always comprise of the best investment opportunities at any point in time. Where an investment thesis is blown off course or circumstances change then it is always a real option to sell the holding. A decision whether to engage or to sell and move on will be determined by the best long-term interests of our investors.

Activity

Teviot has discretionary mandates on behalf of two clients (as at 31 Dec 2020). All clients delegate voting control to Teviot as manager and all clients vote identically. A copy of Teviot's voting record is available here.

Outcome

Negative votes provide tangible evidence of Teviot discharging its stewardship responsibilities. Examples are shown below. In reality our most meaningful and material engagement is through dialogue and engagement with the companies. This is harder to measure but some of the earlier examples should give a flavour of our activity.

Example 1
Costain
This has been a poorly performing investment for Teviot. The company has a substantial opportunity in the provision of infrastructure in the UK. Poor controls in the business resulted in a costly onerous contract that reduced liquidity in the business. After extensive engagement with the company we were satisfied that it was not a systemic issue in the business and supported a re-financing of the company. This preserved thousands of jobs and allowed the company to reset its strategy. As part of this process, Teviot sought enhancements to the governance structures and voted negatively on the re-appointment of certain directors. Changes have been forthcoming and we expect performance to improve.

Example 2
Brooks MacDonald
The company is a private wealth manager primarily servicing the intermediary sector. Under relatively new management, the company is evolving from its entrepreneurial origins to professionalise its platform in order to grow in scale. Like many financial services firms, its largest expense is people and the firm has structured remuneration with a significant variable element in order to cushion the impact of Market volatility. In 2020, given the depressed level of markets in the early part of the year, the employees saw variable pay drop. However, this was not reflected at executive level and Teviot felt this set a poor example to the company's employees who are ultimately the company's key asset. Teviot voted against the remuneration report.

Teviot Partners
March 2021