



Remuneration Policies in relation to Sustainability Risks

Article 5 Disclosures under
Sustainable Finance Disclosure Regulations (SFDR)

June 2022

Introduction

In accordance with the requirements of Article 5 of Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”), Aikya Investment Management Limited (Aikya) discloses its remuneration policies in relation to the integration of sustainability risks.

Remuneration Policy

Aikya’s compensation arrangements are designed to promote teamwork and a joint sense of ownership of outcomes (rather than individualistic attributions), in keeping with our investment process.

Sustainability considerations are integral to every investment decision we make, and each potential portfolio company is subjected to detailed ESG analysis. Every Aikya investment team member is first and foremost an analyst, and so the assessment of sustainability risks is a major part of their role at Aikya and is directly linked to compensation outcomes.

In determining compensation both quantitative and qualitative criteria are considered:

The quantitative assessment is linked to the performance of the Aikya Global Emerging Markets strategy against the MSCI Emerging Markets index over a rolling 5-year period.

Qualitative factors assessed include an individual’s contribution to:

- Idea generation, analysis, and portfolio construction
- Stewardship activities which include active engagement with investee companies
- Maintenance Research
- Teamwork, culture of the team

We believe that both the quantitative and qualitative components incentivise team members to identify the highest quality companies in our investment universe, the assessment of which relies heavily on detailed analysis of sustainability risks and opportunities. In addition, our compensation structure creates strong alignment with client outcomes.

Remuneration Components

- Base salary, determined by market benchmarks to attract and retain high calibre investment professionals.
- Bonus, potentially available to all team members depending on the team’s performance and an individual’s contribution to the team, which is subjectively determined by the board.
- 67.5% of the equity in Aikya is owned by the investment team. Such broad ownership creates an owner-partner mindset, which strengthens employee retention and leads to sustainable outcomes for clients and the business.