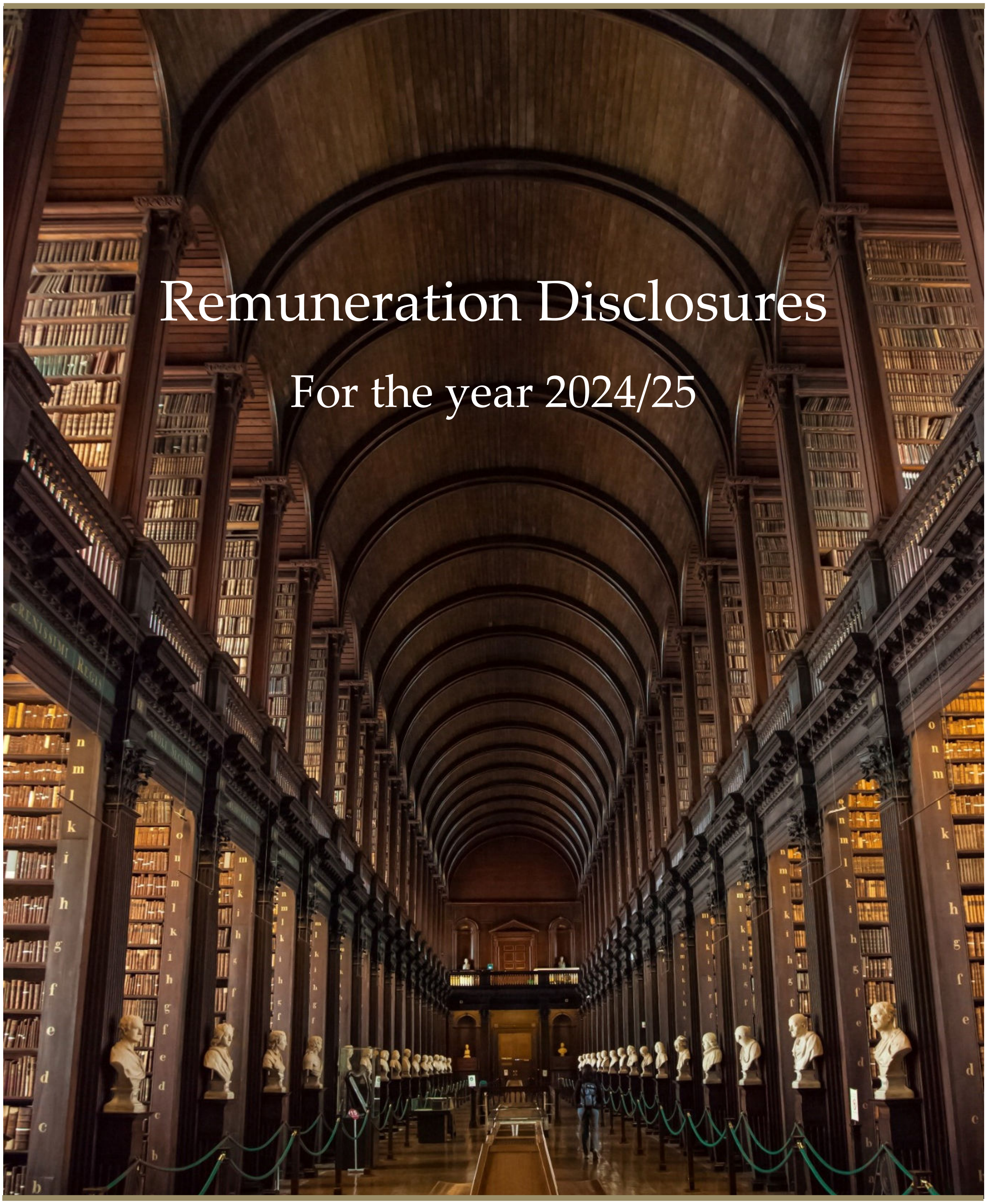
MARATHON

**Thoughtful,
patient investing.**



Remuneration Disclosures

For the year 2024/25

Contents

Purpose and scope

As a UK asset manager, Marathon Asset Management Limited[1] ("Marathon") is required to comply with the FCA's Remuneration Codes (the "Codes"), incorporating different sets of remuneration requirements from applicable EU legislation as transposed into UK law, including the Alternative Investment Fund Managers Directive (AIFMD) and Markets in Financial Instruments Directive (MiFID II), as well as UK regulation.

An Alternative Investment Fund Manager (AIFM) with MiFID top-up permissions, Marathon is subject to requirements under the FCA's Handbook SYSC 19B and 19G. Both the AIFM and MIFIDPRU Codes can be applied in a proportionate manner to a range of regulated firms depending on their size, internal organisation, nature, scope and complexity of activities.

The disclosure and associated policies have been reviewed and approved by Marathon's Remuneration Committee, a sub-committee of the Board and chaired by an independent Non-Executive Director.

Remuneration principles

Marathon seeks to attract, develop, motivate and retain staff by linking reward to the achievement of individual & firm-wide goals and by providing the opportunity for all employees to contribute to, and share in, the firm's success.

Marathon is guided by market data, best practice and the requirements of the Codes and in all respects aims to ensure our policies are consistent with effective risk management. In complying with the Codes, Marathon has implemented a Remuneration Policy which is aligned with the long-term nature of our business and the interests of our institutional, professional-only clients. The firm is guided by market data, best practice and regulatory requirements including those set out in the applicable parts of the Codes (SYSC 19B and 19G). Marathon seeks to comply with all relevant aspects of the Codes and a core aim of the internal remuneration framework is to promote effective risk management and strong corporate governance.

Marathon's remuneration strategy is driven by business needs, with the aim of rewarding staff for their contribution in helping to deliver long term investment outperformance to its clients, high standards of client service and efficient, effective operational servicing; in line with the firm's Purpose Vision and Values statement (available on Marathon's website) which outlines the firm's views and approach to dealing with clients, investee companies and colleagues. The strategy takes into consideration the firm's culture and values, risk appetite and strategy, including where applicable sustainability risk factors. As such, clients' interests are closely aligned with the remuneration policy. Individual application of the strategy is monitored as part of the regular employee appraisal process.

An equities-focused investment manager, investing in listed securities for an average investment holding period in excess of five years on behalf of large, institutional clients (e.g. pension funds, mutual funds, endowments etc), Marathon has been structured to align firm and client objectives, including a long-term investment horizon and a focus on performance rather than asset gathering. The investment team's remuneration is largely based on long-term performance relative to the benchmark. Portfolio managers are also assessed on their efforts to integrate sustainability considerations into their

[1] Operating as Marathon-London in North America.

investment decision making. Product proliferation is avoided to stay focussed on a narrow range of strategies.

As part of this belief in the benefits of long-term investing, portfolio managers' investment performance is assessed for remuneration purposes over a rolling five-year timeframe. This has helped to ensure that in a tough market environments for relative performance portfolio managers remain consistent in their investment approach; continuing to focus on the long-term capital cycle and how management teams were allocating capital.

Finally, to ensure that these investment beliefs, strategy and cultural norms are actively embedded within the business, Marathon has a Sustainability Charter (the Charter, which can be found on our website), read alongside Marathon's Purpose, Vision and Values, to explicitly reflect the commitment of the entire investment team. The Charter articulates Marathon's commitment to considering sustainability factors as part of our investment process.

Governance

Marathon has a Remuneration Committee, a sub-committee of the Board; comprising an Independent Non-Executive Director, another Non-Executive Director and an Executive Director. The Remuneration Committee meets at least quarterly.

The principal terms of reference for the Remuneration Committee include:

- Determining the framework and policy for remuneration and ensuring it does not encourage undue risk taking.
- Considering and advising on any major changes in remuneration structures. Reviewing the terms and conditions of any new incentive schemes and in particular, considering the appropriate targets for any performance-related remuneration schemes.
- Considering and recommending to the Board the remuneration policy for the senior employees of Marathon. In doing so, the Remuneration Committee will consider the appropriate mix of salary, discretionary bonus and share based remuneration.

In developing, implementing and determining remuneration arrangements, policies and practices, Marathon's Remuneration Committee give due regard to best practice and any relevant legal or regulatory requirements, including the Codes.

The Remuneration Committee works closely with HR to oversee the implementation of the salary and bonus review processes, and to ensure Marathon's remuneration strategy is effectively implemented. Input is also provided by Compliance and Risk on any relevant risk and compliance issues when reviewing remuneration, including if any risk adjustment or controls are deemed necessary. The Compliance and Risk control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievements of objectives linked to their functions; independent of the performance of the business units they oversee. Compliance and HR also review Marathon's Remuneration policy annually to ensure it remains pertinent and up-to-date.

The remuneration arrangements in place have been reviewed by external legal counsel following the implementation of the Investment Firms Prudential Regime (IFPR). Furthermore, Marathon annually participates in an industry benchmarking survey to ensure that all salaries and total compensation are set at a level that is acceptable to Marathon vs its competitors.

Sustainability risks and remuneration

As a long-term investor, investing in equities for our clients with an average holding period exceeding five years, the sustainability of investments is an important element of Marathon's investment process. For further details on Marathon's ethos in this area, please see our Sustainability Charter, Sustainability Policy and our Stewardship Code statements, all locatable on the Sustainability section of Marathon's website.

Furthermore, sustainability considerations are embedded within Marathon's Purpose Vision and Values Statement (referenced earlier), which all staff are expected to understand and abide by in their work at Marathon. Adherence to these values, along with other non-financial criteria, are considered by Marathon when contemplating variable remuneration awards for all personnel. This requirement covered our EU-based staff employed within affiliated group companies for the relevant period.

Remuneration Code Material Risk Takers

Each of the Codes applicable to Marathon requires the identification of individual staff members whose professional activities have a material impact on its risk profile (so called "Material Risk Takers" or "RemCode MRTs"). These individuals have been notified of their classification and the relevant remuneration rules and disclosures, proportionally applied, that are now relevant to them.

At Marathon, the following types of individuals are classified as RemCode MRTs:

- Any individual approved by the FCA as a Senior Manager under the FCA's Senior Managers and Certification Regime – due to the material impact their conduct could have upon client &/or the firm;
- Head of Client Service and Chief Financial Officer – due to the material impact the conduct of each individual and business unit managed by said individuals could have upon clients &/or the firm; and
- Portfolio managers – principally due to Marathon's multi councillor model of investment and the absolute size of assets under management by each respective portfolio manager.

All other members of staff have a RemCode MRT to whom they report, and no other members of staff within the firm are responsible for strategic decisions or for significant revenue, material assets under management or approving material corporate transactions.

Remuneration review process

Marathon's overall compensation model has been designed to provide alignment between individual and company performance, and ultimately client outcomes. The compensation model has been developed to focus on rewarding long-term performance and has a focus on retention of high performing staff. All incentive structures have been carefully designed to provide a material interest in the effective functioning of the firm, to reward the achievement of client goals and to provide motivation to remain working at Marathon.

Competitive salaries and benefits form the basis of the remuneration package for all staff (except the active founder of the firm). In terms of setting appropriate salary and benefits levels for each staff, the level offered is based on an assessment of market data (Marathon participates annually in a market benchmarking survey), and internal comparators to ensure consistency. This information is analysed by HR, who submit recommendations for new or increased salaries for staff as appropriate annually.

In addition, there is an element of variable pay for all staff which is contingent on firm-wide and individual performance. Whilst most of the variable reward components are awarded to employees across the firm; the structure, balance and quantum will differ. When assessing individual performance, Marathon employs a thorough performance review process, with reviews including qualitative criteria (i.e. using non-financial criteria) and, in the case of staff with investment management responsibilities, long-term investment results are a significant factor in the assessment process.

Finally, Marathon has additional arrangements in place to grant non-voting equity in the business which seeks to align participants interests with the long term interests of Marathon and our clients.

All staff receive an overall income that is in part linked to their performance relative to set objectives and in part driven by the overall success of the firm, thus providing accountability as well as a close alignment of their interests with client objectives. There is an alignment in the interests of staff and investors over the medium-long term reflecting Marathon's wider investment time horizon. Any other non-standard form of variable remuneration would require the Remuneration Committee's approval.

Marathon has implemented a set of procedures which ensures that all variable remuneration payable is subject to (i) in-year adjustments (all staff); (ii) malus, if appropriate (RemCode MRTs); (iii) &/or clawback (RemCode MRTs). Ex-ante risk adjustment of variable remuneration can occur through the considerable reduction in total variable performance where subdued or negative financial performance of the firm occurs; taking into consideration the firm's regulatory capital and liquidity requirements. Furthermore, an individual's variable remuneration may be reduced, or if malus or clawback is available, utilised, where employment issues have been identified as part of the ongoing performance review process in place at Marathon. Adjustments or application of malus or clawback will depend upon the severity of the event and will be subject to Board, a panel constituted of independent Non-Executive Directors, or Remuneration Committee approval.

Aggregate quantitative remuneration

The FCA requires the aggregate quantitative remuneration for RemCode MRTs to be disclosed (see above for Marathon's definition of RemCode MRTs.

Marathon has calculated its aggregate quantitative information on remuneration inclusive of all elements of remuneration including the founders' profit share (in other words the distributable profits of the firm). The firm has only one business area (asset management), so the disclosure below is not broken down further, pursuant to relevant regulatory requirements. The aggregate quantitative remuneration for Marathon's is as follows for the year ended 31/03/2025:

Remuneration for Marathon	£000s		
	Senior Managers	Other material risk takers	Other staff
Total remuneration awarded	8,817	12,247	14,679
Fixed remuneration	1,056	1,739	8,282
Variable remuneration	7,761	10,508	6,397
There are no required declarations with respect to guaranteed variable renumeration or severance payments for material risk takers for the year.			