

# Virtus International Management, LLP

## MIFIDPRU 8 Disclosure

**April 2025**

### *Introduction*

The Financial Conduct Authority (“FCA” or “regulator”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Virtus International Management, LLP (“VIM” or the “Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

VIM is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The Corporate Partners of VIM are Virtus International Services Limited and Virtus Investment Partners International Ltd. VIM is a subsidiary of Virtus International Services Limited.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This document has been prepared by VIM in accordance with the requirements of MIFIDPRU 8 and is verified by the Governing Body. Unless otherwise stated, all figures are as at the Firm’s 31 December 2024 financial year-end.

### *Remuneration Policy and Practices*

#### **Overview**

As an SNI MIFIDPRU Investment Firm, VIM is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook (“SYSC”)). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of VIM's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and discourages the type of risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients. These are reviewed as part of our annual processes and procedures or following a significant change to the business requiring an update to its internal capital adequacy assessment.

In addition, VIM recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

VIM is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

### **Characteristics of the Firm's Remuneration Policy and Practices**

At VIM, the fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff - this is principally comprised of base salary and any other non-performance related amounts VIM is committed to pay due to contractual obligations, market peers or applicable law that reflect their responsibilities and the level of experience and expertise needed to undertake their roles. It also includes benefits in kind which are reflective of local market practices, which aid employees' health and wellbeing, as well as pension contributions. These benefits vary between jurisdictions, based on the domicile market and statutory requirements.

Variable remuneration is paid annually on a discretionary basis and takes into consideration the Firm's financial performance as well as the financial performance of each business unit, and the financial and non-financial performance of the individual in contributing to the Firm's success through their contribution. All staff members are eligible to receive variable remuneration. The performance of an individual is assessed over the entire year based on the objectives set out at the start of it. The variable remuneration part will include discretionary bonuses, guaranteed bonuses, retention awards and buy-out awards. As these are discretionary in nature, all eligible staff (as defined by employment contracts for each individual) may be considered but have no entitlement to them.

The Management Committee approves and reviews VIM's remuneration policy and practices to ensure compliance with the MIFIDPRU Code, including:

- Any existing or proposed remuneration structures are consistent with VIM's risk appetite; and

- Any existing or proposed remuneration packages do not reward poor conduct or performance, or conflict with the principles and spirit of the Remuneration Policy.

In the performance of its duty as outlined above, the Management Committee will seek the input of human resources, legal, compliance, finance and the business head, as well as relevant business units, to review the implementation of the remuneration policy and pay particular attention where there is concern about behaviour of staff or the levels of risk taken by staff, and consider the effectiveness of the methods applied to review and, where appropriate, make remuneration recommendations to reflect risk.

### **Governance and Oversight**

The Management Committee of VIM is responsible for setting and overseeing the implementation of VIM's remuneration policy and practices. In order to fulfil its responsibilities, the Management Committee:

- Is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.
- Prepares decisions regarding remuneration, including decisions that have implications for the risk and risk management of the Firm.
- Ensures that the Firm's remuneration policy and practices take into account the public interest and the long-term interests of shareholders, investors, and other stakeholders in the Firm.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Firm and of its clients.

VIM's remuneration policy and practices are reviewed annually by the Management Committee to ensure compliance with the MIFIDPRU Code.

### **Quantitative Remuneration Disclosure**

For the financial year 1 January to 31 December 2024, the total amount of remuneration awarded to all staff was £6,921,238<sup>1</sup>, of which £3,154,017 comprised the fixed component of remuneration, and £3,767,221 comprised the variable component. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself, partners or members, employees of other entities in the group, employees of joint service companies and secondees.

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<sup>1</sup> This includes the remuneration segment of Virtus International Services Limited (UK), which has not yet been audited