COMPLUS
ASSET MANAGEMENT

Complus Asset Management (UK) Limited (the "Firm")

MIFIDPRU 8 Disclosure

Introduction

The Investment Firm Prudential Regime ('IFPR') is the FCA's prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. The IFPR came into effect on 1 January 2022 and its provisions apply to Complus Asset Management (UK) Limited ("the Firm") as an FCA authorised and regulated firm.

MIFIDPRU 8 of the FCA Handbook requires that the Firm publish certain disclosures. This document serves to make those necessary disclosures required under MIFIDPRU 8 as are applicable to the Firm (being a small and non-interconnected MIFIDPRU investment firm ('SNI') that has not issued additional tier 1 instruments).

The Firm operates as part of the broader Complus Asset Management group, a hedge fund management firm. Further information is available at www.complusam.com.

The Firm is obliged to establish, implement and maintain remuneration policies and practices that are appropriate and proportionate to the nature, scale and complexity of the risks inherent in its business model and activities. To this end, the Firm has adopted a Remuneration Policy that complies with the requirements of Chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook. For the avoidance of doubt, the Firm's remuneration policy and practices do not discriminate against staff on the basis of gender or other protected characteristics. The Firm's performance period is from 1 January to 31 December.

The Firm is not a member of a UK Consolidation Group. This document shall be prepared annually on a solo basis and has been approved by its Board of Directors (the "Board") following internal review. The Firm will consider making additional public disclosures where particular circumstances demand it, for example, in the event of a major change to its business model or where a merger has taken place.

Approach to remuneration

The Firm's remuneration approach is to pay staff remuneration made up of both fixed and variable components in a manner which is designed to avoid encouraging risk-taking which is inconsistent with the risk profile of the Firm and also to appropriately incentivise and reward staff performance whilst ensuring the Firm's sound risk management and long-term sustainable business and financial health, for the benefit of the Firm's clients and other stakeholders.

All staff receive fixed remuneration and, at the Firm's discretion, variable remuneration (a discretionary bonus, which the Firm may determine to be zero). The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. The Firm has arrangements in place to partially defer discretionary bonuses such that discretionary bonuses vest over time and align the longer-term interests of staff with those of investors. Unvested bonuses may be withheld and/or forfeit in different circumstances.

The Firm carries out annual performance reviews for all staff following which the Firm determines the amount of any discretionary bonus. The Board believes the Firm's remuneration structure is appropriate for its business and industry and is efficient and cost-effective in delivering its long-term strategy. The Firm recognises that undeserved and/or excessive remuneration sends a negative message to all stakeholders, including the Firm's workforce, and may cause long term damage to the Firm and its reputation. The goal is not only to discourage inappropriate behaviours (such as excessive risk-taking inconsistent with the risk profile and investment objectives of portfolios) but also to incentivise and reward behaviour that promotes positive outcomes (both non-financial and financial) for the Firm.

Financial incentive compensation

The Firm's objectives as regards its remuneration practices may be summarised as follows:

- Incentivise and reward all staff fairly and recognise individual performance, regardless of job function and without discrimination;
- Attract and retain staff who are satisfied and motivated;
- Encourage high standards of personal and professional conduct in line with Firm policies and procedures;
- Encourage sound risk management and align the longer-term interests of staff with those of investors;
- Align overall staff remuneration with financial and non-financial performance criteria; and
- Prevent any unfair or unjust practices that impact on remuneration.

The Firm uses a variety of financial incentives including bonuses, benefits, salary increments and professional development opportunities. The Firm will not award remuneration using vehicles or methods the aim of which is to attempt to avoid application of the relevant FCA's Remuneration Code.

Governance

As a SNI, the Firm is not required to establish a Remuneration Committee. Given the size, internal organisation and the nature, scope and complexity of the activities of the Firm, the Firm does not have a separate supervisory function and has not formed a Remuneration Committee. As an SNI firm, the Firm is only required to comply with reduced requirements under SYSC 19G and so the Board itself will conduct the supervisory function in respect of the Remuneration Policy.

The Firm has established a framework for making decisions in relation to remuneration in order to seek to ensure that individuals responsible for making decisions on remuneration remain objective.

The Board is responsible for reviewing and approving remuneration, and to ensure the Remuneration Policy is applied in a manner consistent with the Firm's desired approach and objectives including the promotion of effective risk management. The Board engages with the senior management of the Complus Asset Management group in respect of the same.

External consultants Judd Advisory have conducted a third-party financial services regulatory review for the purpose of assisting in the development of the Firm's Remuneration Policy and associated procedures.

Components of Remuneration

The Firm makes a clear distinction between the fixed and variable remuneration payable to staff.

Fixed remuneration primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment; and is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance. Fixed remuneration also reflects job complexity and local market conditions.

Variable remuneration is based on both Firm performance (which is partially linked to the performance of portfolios under management) and the staff member's performance and reflects the long-term performance of the staff member as well as performance in excess of the staff member's job description and terms of employment. Variable remuneration rewards those high performers who significantly contribute above expectations to the sustainable results of the Firm. In exceptional cases, variable remuneration is based on other conditions. Variable remuneration includes discretionary pension benefits.

COMPLUS
ASSET MANAGEMENT

The Firm will ensure that the fixed and variable components of an individual's total remuneration are appropriately balanced and that the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration (including the possibility of paying no variable remuneration component). In determining this balance, the Firm considers all relevant factors, including:

- The Firm's business activities and associated prudential and conduct risks;
- The role of the individual in the Firm;
- The impact that different categories of staff have on the risk profile of the Firm or of the assets it manages;
- No individual must be dependent on variable remuneration to an extent likely to encourage them to take risks outside the risk appetite of the Firm;
- It may be appropriate for an individual to receive only fixed remuneration, but not only variable remuneration; and
- Variable remuneration must not affect the Firm's ability to ensure a sound capital base.

Financial and non-financial performance criteria

The Firm must take into account both financial and non-financial criteria when assessing the performance of the Firm, business units and individual staff members.

Financial criteria include the financial performance of the relevant individual (particularly where they are in the investment team in a risk-taking role), the relevant team, the relevant business function, the Firm (which is partially linked to the performance of portfolios under management) and the broader Complus Asset Management group.

Non-financial criteria, when applied to an individual, include the results of the individual's annual performance review, which seek to appraise that individual's overall performance over the year taking account of matters such as that individual's achievement of goals, leadership, adaptability, problem-solving ability, teamwork, communication skills, peer recognition, technical expertise, industry/domain knowledge and personal and professional conduct (including compliance with the Firm's policies and procedures). Similar criteria are applied at the team level and in regard to the relevant business unit.

For the avoidance of doubt, the non-financial criteria form a significant part of the performance review process, override financial criteria where appropriate, include metrics on conduct (which are a substantial portion of the non-financial criteria) and include how far the individual adheres to effective risk management practices and complies with relevant regulatory requirements.

The Firm takes into account its objectives as regards its remuneration practices (as summarised above) in determining the relevant financial and non-financial criteria.

Aggregate remuneration

The table below sets out the split between fixed remuneration and variable remuneration for all staff of the Firm.

Remuneration type	£
Fixed remuneration	776,729
Variable remuneration	1,560,244
Total amount	2,336,973

There are no material differences between the disclosures contained herein when compared to the previous disclosure period, other than the quantitative disclosure of fixed and variable remuneration in the table immediately above (which were not disclosed in the previous period as the Firm was not required to do so).