

## **MIFIDPRU 8 DISCLOSURE**

### **1. Introduction**

The Financial Conduct Authority's ("FCA") Prudential sourcebook for MiFID Investment Firms in the FCA Handbook ("MIFIDPRU") sets out the detailed prudential requirements that apply Equitix Investment Management Limited (the "Firm"). Chapter 8 of MIFIDPRU ("MIFIDPRU 8") sets out the public disclosure rules and guidance with which the Firm must comply.

The Firm is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm ("SNI Firm"). As such, the Firm is required to disclose information regarding its remuneration policy and practices.

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.

### **2. Scope and Application**

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC"). In accordance with MIFIDPRU 8.6.2 the Firm makes the following qualitative remuneration disclosures:

- The Firm's remuneration policies and practices are reviewed annually to ensure they are appropriate and proportionate to the nature, scale, and complexity of the risks inherent in the business model and the activities of the Firm.
- The Firm's Board of Directors is responsible for the overall remuneration policy.
- The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all staff<sup>1</sup>.

The Firm's Remuneration Policy sets out the criteria for setting fixed and variable remuneration. All remuneration paid to staff members is clearly categorised as either fixed or variable remuneration.

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.

Fixed remuneration is based upon a staff member's professional experience and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance. This generally includes fixed salary, employer pension contribution, medical cover, leave and various other allowances where applicable.

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<sup>1</sup> For this disclosure, 'staff' is defined broadly and includes, for example, directors and employees of affiliates of the Firm.



Variable remuneration is based on a combination of staff members' performance and the Firm's performance and generally has the following two components.

#### Discretionary Bonus

Bonus is paid on a discretionary basis at a varying percentage of fixed remuneration and takes into consideration the Firm's financial performance and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff are subject to annual performance review prior to a bonus being awarded.

#### Enhanced Profit Sharing

Enhanced Profit Sharing ("EPS") is otherwise known as carried interest as referred to in SYSC 19G.1.27R. EPS is typically subject to performance objectives being met and payment over a period of time. EPS acts as a long-term incentive to ensure there is an alignment of interest between the Firm and its managed investment vehicles and the retention of key staff.

### **3. Quantitative Remuneration**

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration awarded.

As an SNI firm and in accordance with MIFIDPRU 8.6.8, the Firm is required to disclose the total amount of remuneration awarded to all staff, split into fixed and variable remuneration.

For the performance year ending 31 December 2022, the total amount of remuneration awarded to all staff was £34,111k comprising of £18,088k in fixed remuneration and £16,023k of variable remuneration.