

# Zadig Asset Management LLP

## MIFIDPRU 8 DISCLOSURE

Financial Year Ended 31<sup>st</sup> March 2023

### 1. INTRODUCTION

#### 1.1. Background

Zadig Asset Management LLP (“the Firm”) is prudentially regulated as an SNI MIFIDPRU investment firm. The Firm provides investment advisory services. It is permitted to act only for professional and eligible counterparty clients. The Firm is authorised and regulated under UK legislation by the Financial Conduct Authority (“FCA”).

#### 1.2. Scope of Application

Due to its ownership structure, the Firm is not a member of an investment firm group and therefore is required to issue disclosures on an individual basis for prudential purposes.

#### 1.3. Disclosure Policy

This Disclosure is in line with the most recent published financial statements for the Firm for the period ending 31<sup>st</sup> March 2023. The MIFIDPRU Disclosure obligations, under MIFIDPRU chapter 8, require publication on an annual basis. The FCA expects this to be published on the Firm’s website. This Disclosure will be assessed and amended if there are any material changes within the period of Disclosure.

This Disclosure has been approved by the governing body of the Firm and are not subject to audit, except where they are prepared under accounting requirements for publication.

### 2. REMUNERATION

#### 2.1. Approach to Remuneration

The Firm does not link remuneration directly to the performance of the Firm, rather, the Firm’s performance may be a factor in determining variable remuneration. The Firm also considers its non-financial criteria when assessing remuneration.

Any discretionary bonus scheme pools are calculated by reference to the Firm’s net operating profit. The Firm operates remuneration through two schemes, one is in place for the ‘Analysts’ at the firm and the other is for all other Code Staff. The criteria for which individuals are appraised is set out below:

##### ***Financial***

The variable remuneration pool will then be calculated on the basis of the Firm’s financial performance and will depend on the amount of profit made during the year. The size of the variable remuneration pool is in the Firm’s partners’ discretion who will ultimately decide the amount of variable remuneration awardable. Once determined, the variable remuneration pool is divided in smaller sections in accordance with the different business units and departments where it will ultimately be allocated to every eligible individual.

##### ***Non-Financial***

Apart from the aforementioned quantitative criteria, when determining the variable remuneration amount, the Firm will also take into consideration various qualitative criteria used to further assess the Firm’s performance. The Firm will mainly review the following:

- The extent to which the strategic targets of the advisory business and the clients have been satisfactorily achieved.
- Adherence to the risk management policy, as this is defined by the Firm and is adequately communicated to all the individuals employed by the Firm.
- Compliance with legal and regulatory rules as well as all the main policies and procedures set by the Firm.

The discretion held by the Board of the Firm ensures that the Firm is able to retain employees in executive positions who are vital to the Firm’s strategic development. The Firm has no obligation to pay variable remuneration other than out of realised profits which are not subject to later reduction (after subtracting all expenses relating to running the business) to allow for a fully flexible policy. Accordingly, the Firm’s total variable remuneration does not limit its ability to strengthen its capital base.

## 2.2. Remuneration Objectives

The Firm’s financial incentives are designed to attract and retain employees with the appropriate skills, knowledge and expertise to enable the Firm to deliver its long-term strategic goals, widen its client base and expand into similar areas of business as and when the appropriate opportunities arise, in each case in a manner which is consistent with and which promotes effective risk management and does not expose the Firm to excessive risk.

## 2.3. Remuneration Governance

The Firm has in place a Remuneration Policy which is approved by the Board at least annually.

The Firm does not meet the criteria to form a remuneration committee under SYSC 19G. In view of the nature and size of the Firm, the Board does not believe it is proportionate to have a Remuneration Committee but will periodically monitor the remuneration practices of the Firm to determine if the implementation of such a committee would enhance its practices. The Board has oversight of the Firm’s remuneration policies and refers to its remuneration Terms of Reference and the MIFIDPRU remuneration code. Furthermore, the Firm ensures that the Firm’s standards, fairness, compliance objectives, corporate governance and maintaining a sound capital base are not compromised by its remuneration incentives. The Firm has used external consultants to assist in the development of its remuneration policies and practices.

## 2.4. Total Remuneration

Remuneration	Total for Firm (£'000)
Total Remuneration	1,426
Of which:	
Fixed Remuneration	635
Variable Remuneration	791