

## Aperture Investors UK, Ltd

### MIFIDPRU 8 Disclosure

June 2023

#### *Introduction*

The Financial Conduct Authority (“FCA”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Aperture Investors UK, Ltd (“Aperture UK” 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.

Aperture UK 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 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 Aperture UK in accordance with the requirements of MIFIDPRU 8 and is verified by the Firm’s governing body (the “Board”). Unless otherwise stated, all figures are as at the Firm’s most recent 31<sup>st</sup> December financial year-end.

#### *Remuneration Policy and Practices*

##### **Overview**

As an SNI MIFIDPRU Investment Firm, Aperture UK 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 of 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 appropriate alignment between risk and reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of Aperture UK’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

does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, Aperture UK recognises that remuneration is a key component in how the Firm attracts, motivates, and retains high quality staff.

Aperture UK 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, diligence, and results.

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

Remuneration at Aperture UK is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's overall financial performance and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff members are eligible to receive variable remuneration.

For staff members which act as Portfolio Managers a component of their variable remuneration is subject to deferral and a clawback mechanism. The purpose of this is to achieve a greater alignment between the economic interests of investors in the funds managed by the Firm and those individuals having primary responsibility for driving performance. For other staff, including those in control functions they are subject to an entirely discretionary annual bonus scheme which does not have any associated deferral.

The Firm has a single business unit, that of Investment Management. Overall financial performance of the Firm, as well as both financial (to the extent directly applicable) and non-financial criteria related to the performance of each staff member is used in assessing the level of variable remuneration to be awarded to individuals in all roles across the Firm. The non-financial criteria considered includes but is not limited to:

- Adherence to the FCA's Conduct Rules;
- Upholding company values;
- Work ethic and level of diligence applied to the role;
- Compliance with the Firm's and the Aperture group's policies and procedures;
- Where applicable, adherence to risk limits and the appropriate control of risk within the agreed framework for the relevant investment strategies.

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 may do should a need arise, such as where there is a risk that the Firm may not be able to meet its regulatory capital or liquidity requirements.

## **Governance and Oversight**

Given the size, internal organisation and the nature, scope, and complexity of the activities of the Firm it does not have a Remuneration Committee at Firm Level. As an SNI firm, Aperture is only required to comply with SYSC 19G.3.1 R to SYSC 19G.3.3. R. Therefore, this supervisory function is the direct responsibility of the Firm's Board and the compensation committee ("Compensation Committee") (which is constituted under the Board of Directors of the Firm's parent, Aperture Investors, LLC) in conjunction with the group CFO, Chief Operating Officer ("COO") and Chief Executive Officer ("CEO") (two of whom are directors of Aperture UK), who set the overall Remuneration Policy for the Firm at Aperture group Level.

The Firm seeks to ensure that individuals making judgements remain objective by having established a framework for making such judgements. This includes:

- clearly documented considerations;
- input from individuals in control functions; and
- documented final decisions regarding and risk and/or performance adjustments.

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

- Is appropriately staffed to enable it to exercise competent and independent judgement on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.
- Ensures that the Firm's remuneration policy and practices take into account 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.

Aperture UK's remuneration policy and practices are reviewed annually by the Board.

## **Quantitative Remuneration Disclosure**

For the financial year to 31 December 2022, the total amount of remuneration awarded to all staff was £6,738,216, of which £3,055,258 comprised the fixed component of remuneration, and £3,682,958 comprised the variable component. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself and certain directors which serve as officers of the UK entity but are employees of other entities in the Firm's group.