

Gemcorp Capital Management Limited MIFIDPRU 8 Disclosure

July 2024

Introduction

The Financial Conduct Authority (the “FCA” or the “regulator”) in its Prudential Sourcebook for MiFID Investment Firms (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Gemcorp Capital Management Limited (“Gemcorp” or the “Firm”). In particular, Chapter 8 of MIFIDPRU (“MIFIDPRU 8” or the “public disclosures requirements”) sets out public disclosure obligations with which the Firm must comply, further to those prudential obligations.

Gemcorp is classified under MIFIDPRU as a small and non-interconnected investment firm (“SNI MIFIDPRU investment firm”) due to satisfying certain thresholds in particular on AUM. As such, MIFIDPRU 8 requires Gemcorp to disclose information regarding the Firm’s 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 Gemcorp in accordance with the requirements of MIFPRU 8 and is verified by the Remuneration Committee. Unless otherwise stated, all figures are as at 31 December 2023.

Remuneration Policy and Practices

Overview

As an SNI MIFIDPRU investment firm, Gemcorp is subject to the basic requirements of the MIFIDPRU Remuneration code. Gemcorp, as an alternatives investment fund manager (“AIFM”), is also classified as a collective portfolio management investment firm (“CMPI”), and as such, is also subject to the AIFM Remuneration Code. The purpose of the requirements on remuneration are 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 Gemcorp’s remuneration policy and practices are 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, Gemcorp 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 greatest competitive advantage.

Gemcorp 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 Remuneration Policy and Practices

Remuneration at Gemcorp 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 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. All staff members are eligible to receive 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. 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 in the unlikely event where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements. For further information please see Gemcorp's remuneration policy.

Gemcorp's AuM in aggregate for all AIFs managed, during the performance year to which this Remuneration Policy statement relates, was below the £1 billion threshold and therefore the starting presumption is that the Firm could dis-apply the below 'Pay-out Process Rules' on the grounds of proportionality:

- Retained units, shares/other instruments (SYSC 19B.1.17);
- Deferral (SYSC 19B.1.18); and
- Performance adjustment (SYSC 19B.1.19 & 19B.1.20).

Governance and Oversight

Gemcorp's governing board is responsible for setting and overseeing the implementation of Gemcorp's remuneration policy and practices. In order to fulfil its responsibilities, the Remuneration 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 which have implications for the risk and risk management of the Firm;

- Ensures that the remuneration policy and practices take into account the public interest and the long-term interests of shareholders, investors and other stakeholders in the Firm; and
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values and interests of the Firm and of its clients.

Gemcorp's Remuneration Policy and practices are reviewed annually by the Remuneration Committee and is approved annually by the board. The current members of the Remuneration Committee are as follows:

- Atanas Bostandjiev, Chief Executive Officer – Chair
- Parvoleta Shtereva, Chief Investment Officer
- Felipe Berliner, Group Chief Investment Officer
- Lacey Bradley, Head of People

Quantitative Remuneration Disclosures

For the financial year 1 Jan 2023 to 31 December 2023, the total amount of remuneration awarded to all staff was as follows:

Number of staff	24
Total fixed remuneration	4,245,685
Total variable remuneration	5,377,973
Of which, awarded in cash	5,331,435
Of which, awarded in non-cash	46,538
Total variable remuneration deferred	0

For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself, directors, employees of other entities in the group, employees of joint service companies, and secondees.