

A&M Capital Advisors Europe, LLP (“AMCE”) / the “Firm”

MIFIDPRU 8 Disclosure

31 December 2022

A&M Capital Advisors Europe, LLP

Introduction

The Financial Conduct Authority (“FCA” or “regulator”) in its Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”) sets out the detailed prudential requirements that apply to AMCE. 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.

AMCE is classified under MIFIDPRU as a small and non-interconnected investment firm (“SNI MIFIDPRU investment firm”). As such, MIFIDPRU 8 requires AMCE 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 AMCE in accordance with the requirements of MIFIDPRU 8 and is verified by the board. Unless otherwise stated, all figures are as at the 31/12/2022 financial year-end.

Remuneration Policy and Practices

Overview

As an SNI MIFIDPRU investment firm, AMCE is subject to the basic requirements of the MIFIDPRU 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 a healthy firm culture; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of AMCE’s remuneration policies 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, AMCE 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 Firm’s most important asset and greatest competitive advantage.

AMCE 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, conduct and results.

Characteristics of the remuneration policy and practices

Remuneration at AMCE 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 the financial and non-financial performance of the individual in contributing to the Firm's success.

The key financial performance metric relates to the profits of AMCE after fully taking into account the Firm's regulatory capital and liquidity requirements, as part of the annual Internal Capital and Risk Assessment ("ICARA") exercise.

Non-financial criteria include meeting firm-wide and individual goals, as well as contributions to new and existing investments. Any issues of a disciplinary nature, such as non-adherence to the FCA's conduct rules, will be taken into account when determining 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 where there is a risk that the Firm may not be able to meet its regulatory capital or liquidity requirements.

Governance and Oversight

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

- 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 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.

AMCE's remuneration policy and practices are reviewed annually by the Management Body.

Quantitative Remuneration Disclosures

For the financial year 01/01/2022 to 31/12/2022, the total amount of remuneration awarded to all staff was £6.15m, of which £3m comprised the fixed component of remuneration, and £3.15m comprised the variable component. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself, partners or members.