

## **Carmignac UK LTD**

### **MIFIDPRU 8 Disclosures**

**31 December 2023**

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## 1. Introduction

### 1.1. Background and Disclosure

Carmignac UK LTD (the “Firm” or the “Company”) is an investment firm authorised and regulated in the UK by the Financial Conduct Authority (“the FCA”) and is required to make certain public disclosures under Chapter 8 of the Prudential Sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU 8”).

The Company was established in June 2022 as a wholly owned subsidiary of Carmignac Gestion Luxembourg S.A. (“CGL”) which is in turn a 100% owned subsidiary of Carmignac Gestion (“CG”). CGL is authorised by the Commission de Surveillance du Secteur Financier (the “CSSF”) in Luxembourg and CG is authorised by the Autorité des Marchés Financiers (the “AMF”) in France. The creation of the Company, fully regulated by the FCA in the UK, contributes to setting the commitment of the Carmignac Group (“Group”) to the UK market on a sustainable path and demonstrating the Group’s conviction to the UK, which the Group sees as a key growth market for years to come.

The Company is classified under MIFIDPRU as a Non-Small and Non-Interconnected MIFIDPRU investment firm (“Non-SNI MIFIDPRU Investment Firm”). The Company falls within the thresholds set out in MIFIDPRU 7.1.4R(1), as such the Company is required by MIFIDPRU 8 to disclose information on the following areas:

- Risk management objectives and policies;
- Governance arrangements;
- Own funds;
- Own funds requirements; and
- Remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight of the Company’s risks and outline data on the Company’s own funds and own funds requirements, increase transparency, market confidence, and provide an insight into the financial health of business.

The Company’s remuneration arrangements disclosed in section 6 of this document have been prepared according to the relevant rules applicable to the Company in part 19G of the Senior Management Arrangements, Systems and Controls sourcebook (SYSC 19G) from the FCA Handbook.

### 1.2. Structure and Operating Model

The Firm is an asset manager and is a 100% owned subsidiary of CGL. The Firm was established in June 2022 and has significant experience of discretionary investment management through the UK Branch of CGL-which conducted regulated activities in the UK until 30<sup>th</sup> September 2023. Following on from the UK Branch activities, the Firm commenced regulated activities on 1<sup>st</sup> October 2023 and its principal activity was to continue providing asset management services.

### 1.3. Principal Activities

To enable the Company to provide the contracted services to its clients, it is authorised by the FCA to undertake the following activities:

- Advising on investments (except on Pension Transfers and Pension Opt Outs)
- Arranging (bringing about) deals in investments
- Dealing in investments as agent
- Making arrangements with a view to transactions in investments
- Managing investments
- Agreeing to carry on a regulated activity

The firm may control but not hold client money.

### 1.4. Frequency of Disclosure

The Firm completes the MIFIDPRU 8 disclosure annually on the date the Firm publishes its annual financial statements. As appropriate, the disclosures will be made more frequently if there is a major change to the Firm's business model.

All figures are as at the Firm's financial year end, **31<sup>st</sup> December 2023**.

### 1.5. Verification of Disclosure

This document has been subject to review and approval to ensure compliance with the regulatory requirements contained within MIFIDPRU 8. The document is prepared by the Senior Management team and is reviewed and challenged by the Firm's Board of Directors (the "Board") prior to publication on the Firm's website.

The disclosures are not required to be subject to independent external audit. The disclosures will only be subject to external verification to the extent that they are equivalent to those taken from the audited annual financial statements. They do not constitute financial statements and should not be relied upon in making judgements about the Company.

## 2. Risk Management objectives and policies (MIFIDPRU 8.2)

This section describes the Company's risk management objectives and policies for the categories of risk in the following areas:

- Own funds
- Liquidity

### 2.1. Statement of Risk appetite

The Company has adopted a conservative risk appetite in respect to all types of material harms that arise pursuing its business model and strategy. The Company's low-risk appetite is reflected in its maintenance of own funds and core liquid assets in excess of its own funds and liquid assets requirements, respectively, which is indicative of the fact that the Company seeks to minimise the risk

of being unable to meet its liabilities as they fall due. Measures are nonetheless implemented to ensure that risks that fall within the Company's risk appetite are mitigated to the extent possible. However, where an identified, significant potential harm is deemed sufficiently remote in terms of the likelihood of its occurrence, no risk management action is taken, because if the potential harm were to materialise, then the Company would implement the wind-down plan. The Internal Capital Adequacy and Risk Assessment ("ICARA") is a continuous internal review process that is meant to support the Board in the decision-making process and its exercise of oversight and control over the Company. It is an important component that feeds into and derives from the policies, procedures, systems, and controls that play a key role to ensure that the Company operates effectively. These additional assessments from the ICARA process are reflected within the Company's threshold requirements for capital and liquid assets.

## 2.2. Risk Management

The Company has established a risk management process to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management framework ("RMF") provides the structure through which the Firm manages risk on a day-to-day basis and is regularly reviewed and enhanced to ensure that it remains fit for purpose. It identifies risks which the business potentially faces and how they are managed, and describes the approach, arrangements and standards for risk management that support the Firm's compliance with statutory and regulatory requirements. Risk management for the Company is the responsibility of the Board and is based on the operation and interaction of several different bodies—including Group Committees and processes.

### 2.2.1. Own funds

To calculate the Company's own funds threshold requirement, the Company identifies and measures the risk of harms applicable to the Company and considers these risks regarding its ongoing operations and from a wind-down perspective. As part of the ICARA process, the Company's assessment of risks has been developed as a forward-looking exercise which considers anticipated changes in the business, its strategy, products, and the market in which it operates and in line with MIFIDPRU 7.6.2R. The Company determines the extent to which systems and controls in place mitigate the Company's risks and the potential for a disorderly wind-down, and then identifies the appropriate amount of additional own funds required to cover the residual risks.

### 2.2.2. Liquidity

The Company has assessed through its ICARA process whether additional liquid assets are required to fund ongoing business requirements and to wind down the Company in an orderly manner. Liquidity risk is inherent within the Firm's business model and the most significant types of liquidity risk and harm are driven by the liquidity requirements to fund ongoing operations, and the liquidity required to meet various regulatory requirements. The Firm has undertaken an assessment of its additional liquidity required through an extensive analysis of its processes, operational requirements and the cashflow requirements. It has been assessed that additional liquid assets of **£5.0** million are required to fund its ongoing business operations and it includes layering on any resources required to cover unplanned liquidity strains which could occur.

### 3. Governance arrangements (MIFIDPRU 8.3)

#### 3.1. Structure

The Board provides independent oversight for the Company and is authorised to exercise all the powers of the Firm within applicable legislation and the provisions of its articles of association, subject to the limits imposed, approvals required, and policies set by the Firm, including the risk management framework (RMF). The Board delegates operational management of the business to the Firm’s Chief Executive Officer, Maxime Carmignac (“CEO”), an Executive Director and a Non-Executive Director who together form the Board. As part of a proportionate approach to governance, the Board has previously taken the decision not to establish UK-specific committees but instead to leverage on various key Group Committees, which provide timely and pertinent management information to the Board.

The Company’s Board is responsible for determining the Company’s business strategy and risk appetite along with designing and implementing the RMF that recognises the Company’s business risks, determines how those risks may be mitigated and assesses the ongoing management of those risks. The Company believes that effective governance arrangements help the Firm achieve its strategic objectives while also ensuring that the risks to the Company, its stakeholders and the wider market are identified, managed, and mitigated.

The following individuals make up the Board at the Firm:

**1) Maxime Carmignac (MCC01178)**

Maxime holds the following senior management function(s):

- SMF1 Chief Executive
- SMF 3 Executive Director

**2) Mark Denham (MJD01148)**

Mark holds the following senior management function(s):

- SMF3 Executive Director

**3) Rose Ouahba (RXO00154)**

Rose is a Non-Executive Director

In addition to the above, **Colin Woods (CXW19465)** holds the following senior management functions:

- SMF16 Compliance Oversight
- SMF17 Money Laundering Reporting Officer

The table below sets out the number of directorships (executive and non-executive) pursuing purely commercial objectives held by each member of the Board:

Name	Position at the company	No. of external directorships held
Maxime Carmignac	• Executive Director	1
Rose Ouahba	• Non-Executive Director	0
Mark Denham	• Executive Director	0

### 3.2. Approach to Diversity of the Board

The Company's approach to diversity within management is in line with the corporate diversity goals of the Group. The Group is committed to promoting equality and diversity as well as valuing a culture of inclusion. At Carmignac, we believe that our constant search for excellence naturally leads to diversity. It is precisely because we have no objective other than efficiency that we give opportunities to all those who can help us achieve it. We do not favour any profile, other than the careers and experiences that can enrich us. We nurture a collaborative approach and a deeply rooted culture of debate which leads us to look for talents from diverse backgrounds, bringing additional perspectives to form strong convictions. We believe all forms of diversity lead to better performance and risk management. The broad range of viewpoints plays an essential role in this respect and is an integral part of our role as an active fund manager.

## 4. Own Funds (MIFIDPRU 8.4)

### 4.1. Composition of Regulatory Own Funds

The Company's own funds are made up of Common Equity Tier 1 (CET1) capital. As at **31 December 2023**, the Company had sufficient capital to cover its capital requirements. This can be summarised in the table below.

Composition of regulatory own funds			
	Item	Amount (£000's)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	<b>OWN FUNDS</b>	<b>24,266</b>	
2	<b>TIER 1 CAPITAL</b>	<b>24,266</b>	
3	<b>COMMON EQUITY TIER 1 CAPITAL</b>		
4	Fully paid-up capital instruments	24,266	Page 11
5	Share premium	-	
6	Retained earnings	-	
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	
19	CET1: Other capital elements, deductions, and adjustments	-	
20	<b>ADDITIONAL TIER 1 CAPITAL</b>	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements. Deductions and adjustments	-	
25	<b>TIER 2 CAPITAL</b>	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions, and adjustments	-	



The CET1 capital is wholly comprised of fully paid-up capital instruments and Retained Earnings.

#### 4.2. Reconciliation of Regulatory Own Funds to Balance Sheet in Audited Financial Statements

The below table shows the reconciliation of regulatory own funds to balance sheet in the audited financial statements:

Reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		A	B	C
	(£'000)	Balance as per audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		31/12/2023	31/12/2023	
<b>Assets</b>				
1 - Fixed Assets	32,238	32,237,526		
2 - Debtors	43,110	43,109,785		
3 - Current asset investment	21,437	21,436,871		
4 - Cash at bank	4,695	4,694,670		
	<b>Total Assets</b>	<b>101,478,853</b>		
<b>Liabilities</b>				
1 - Creditors (Short term)	40,809	40,808,586		
2 - Creditors (Long-term)	31,178	31,177,988		
3 - Deferred tax	140	139,934		
	<b>Total Liabilities</b>	<b>72,126,507</b>		
<b>Members' other interests</b>				
1 - Called up share capital	24,266	24,265,534		
2 - Profit and Loss Account	5,087	5,086,811		
	<b>Total</b>	<b>29,352,345</b>		

The firm's audited profit and loss reserve amounting to £5,1 million formed part of the own funds with effect from **24 April 2024**.

#### 5. Own funds requirements (MIFIDPRU 8.5)

The tables below summarise the Company's own funds requirements. The Company is required to always maintain own funds that are at least equal to the Company's own funds requirement.

##### 5.1. Permanent Minimum Capital, K-Factor and Fixed Overhead Requirement

The Company is required at all times to maintain own funds that are at least equal to the Company's own funds requirement. The below table shows the breakdown of the own funds requirement. The

Company's own funds requirement is based on the Fixed Overheads Requirement (FOR) and subject to a flow of £75,000 (which is the Permanent Mechanism Capital Requirement for the Company).

Requirement as at 31 December 2023	£'000
Permanent Minimum Capital Requirement (PMR)	75
Fixed Overhead Requirement (FOR)	4,156
K-factor Requirement (KFR)	96

## 5.2. Approach to Assessing the Adequacy of Own Funds

The Company is subject to MIFIDPRU 7 which requires firms to use the ICARA process to identify whether they comply with the Overall Financial Adequacy Rule (OFAR). The ICARA process is the collective term for the internal systems and controls which a firm must operate to identify and manage potential harms which may arise from the operation of a firm's business, and to ensure that its business can be wound down in an orderly manner. The OFAR requires that a firm must always, hold own funds and liquid assets which are adequate, both as to their amount and their quality to ensure:

- The Firm can remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or markets.

The adequacy of the ICARA process will be assessed at least on an annual basis, or more frequently if there is a material change in the business model/risk profile.

### Additional Own Funds Requirement

The additional own funds requirement is the amount of capital identified by the Company that is necessary to ensure the viability of the Company throughout economic cycles and to ensure it can be wound down in an orderly manner. Within the ICARA process, the Company identifies, and measures risk of harms faced by the Company and considers these risks with regards to its ongoing operations and wind-down. The Company then determines the degree to which systems and controls alone mitigate the risk of harm and the risk of a disorderly wind-down. As of **31 December 2023**, the Company is a Non-SNI Firm and therefore this is a standalone assessment.

### Ongoing Operations

As a Non-SNI Firm, the Company has assessed all material harms posed to clients, the market and itself resulting from its ongoing operations, taking into consideration the existing controls in place. The Company has concluded that additional own funds of **£9,1** million are required to mitigate the residual harm arising from these risks.

### Recovery Planning

Recovery planning is conducted to ensure that appropriate recovery actions have been identified that, if necessary, the Firm would take to would look to cut costs wherever possible and in turn re-establish the own funds and/or liquid assets to avoid breaching thresholds.

## Wind-down Plan

As part of the wind-down plan, the Company has considered that the most likely scenario that could potentially trigger a wind-down is a severe reputation damage. This scenario may be combined with other factors such as a major fall in markets, loss of key fund managers or significant or sustained underperformance of funds compared to competitors.

The Firm has concluded that the own funds required for wind-down do not exceed the fixed overheads requirement.

## Overall Financial Adequacy Rule (OFAR)

The Company adopts a 10% buffer ('early warning indicator') over its own funds requirement in order to maintain a healthy own funds surplus above the requirement. If the Company triggers this warning, then a dialogue would be initiated with the FCA to explain the actions to be taken to rectify this.

The below table shows the OFAR as of **31 December 2023**, including the own funds threshold requirement:

Date	31/12/2023 (£000's)
<b>Own Funds</b>	
Common Equity Tier 1	24,266
Additional Tier 1	-
Tier 2	-
<b>Total Regulatory Capital</b>	<b>24,266</b>
<b>Own Funds Requirement</b>	
Permanent Minimum Requirement (A)	75
Fixed Overhead Requirement (B)	4,156
K-factor Requirement (C)	96
<b>Higher of (A), (B) or (C)</b>	<b>4,156</b>
<b>Assessment from ongoing operation</b>	
As per Risk Assessment carried out through the ICARA (D)	9,103
<b>Assessment from wind-down</b>	
As per wind down planning (E)	4,156
<b>Own Fund Threshold requirement</b>	
<b>Higher of (A), (D) or (E)</b>	<b>9,103</b>
<b>Early Warning Indicator (110%)</b>	<b>10,013</b>
<b>Capital Adequacy Surplus</b>	<b>14,253</b>

## 6. Remuneration (MIFIPRU 8.6)

### 6.1. Approach of Carmignac UK LTD'S Remuneration Policy

This disclosure document (“**Disclosure**”) has been prepared in accordance with the requirements of Chapter 8 of MIFIDPRU of the handbook of rules and guidance (“**Rules**”) of the FCA. This Disclosure sets out a summary of the approach of the Company to remuneration for all staff, the objectives of its financial incentives and the decision-making procedures and governance surrounding the development of the remuneration policies and practices the firm is required to adopt in accordance with the MIFIDPRU Remuneration Code set out in Chapter 19G of SYSC of the FCA Rules.

The Company has determined that it is a non-SNI firm but not an extended non-SNI firm.

Although, according to the principle of proportionality set out in SYSC 19G.2.4R, the Company is entitled to disapply certain rules, including those regarding payment of variable remuneration in shares, instruments and alternative arrangements (SYSC 19G.6.19R to SYSC 19G.6.21G); applying retention (SYSC 19G.6.22R to SYSC 19G.6.23G); deferral (SYSC 19G.6.24R to SYSC 19G.6.29R); and discretionary pension benefits (SYSC 19G.6.35R(2)), the Company has, in compliance with the obligation to apply remuneration rules which are equally effective to the minimum rules applicable to employees of CGL and CG, the Company applies equivalent pay out process rules (regarding deferral, payment in units and retention) to those applicable to CGL and CG in their remuneration policy and has arranged for the Group Remuneration Committee to play a role in relation to the Company's remuneration policy similar to that of a MIFIDPRU remuneration committee, subject always to the oversight of the Board.

The remuneration policy aims to promote sound and effective risk management without excessive risk taking. In particular, it ties employees to the risks they take to ensure that Material Risk Takers (“**MRTs**”) (as defined in SYSC 19G.5) are fully committed to the long-term performance of the Company and the Group.

The remuneration policy is in line with the Company's business strategy, objectives, values and long-term interests such as sustainable growth and complies with the principles of client and investor protection when providing services.

### 6.2. Governance and Determination of the Remuneration Policy

The Board adopts and, at least once a year, reviews the general principles of the remuneration policy, assuming responsibility for its implementation.

Each year, the Group Compensation Committee submits to the Board a list of the employees concerned with all information that the Board deems necessary to validate the scope of application of the proposed deferred and adjustable variable remuneration arrangement. The specific terms of employees' compensation concerned are adopted each year by the Board, on the recommendation of the Group's Compensation Committee.

The main role of the Group Compensation Committee is to:

- help the Board establish the principles of the remuneration policy;
- help the Board supervise the development and application of the remuneration system;
- prepare for the Board decisions on remuneration, especially where they have implications for risk and the Company's risk management; and
- conduct an annual review of the list of employees concerned for Board approval.

In its supervisory role, the Board is asked to rule on the proposals of the Group Compensation Committee, and to make any necessary changes or adjustments to the remuneration policy.

At least once a year, the implementation of the remuneration policy is subject to an independent and central internal assessment to check that it complies with the remuneration policies and procedures adopted by the management body in its supervisory role.

The Compliance and Internal Control department ("**Compliance function**") ensures that the remuneration policy has been reviewed by the Board at least annually, and that all related principles and procedures have been implemented accordingly. Together, the Compliance function and the Group Compensation Committee oversee the fair and consistent application of the remuneration policy within the Company, as well as its compliance with rules and regulations applicable to remuneration matters and the principles laid down by the Board.

The Board and the Group Compensation Committee may also ask external consultants to help them ensure that the remuneration policy complies with applicable regulations.

### **6.3. Objectives of the Remuneration Policy**

The remuneration policy applies to all the Firm's staff.

However, special measures are in place for employees whose professional activities have a material impact on the risk profile of the Company or of the assets that the Company manages (MRTs).

#### **6.3.1. Objectives of the Remuneration Policy**

The remuneration policy aims to align compensation with good risk management, the business strategy, objectives and long-term interests of the Company, the avoidance of conflicts of interest and responsible business conduct.

The remuneration system in place ties in with the Company's strategic objectives and involves:

- A balance between fixed and variable remuneration
- A measure of performance

The remuneration policy governs the setting of the main components of pay:

- The fixed part: fixed remuneration and benefits
- The variable part

### 6.3.2. Fixed part: Basic salary

The amount of fixed remuneration (or basic salary) reflects the role, qualifications and experience of the individual concerned, as specified in the employment contract or the job description.

This fixed component represents a high enough percentage of total remuneration for a flexible policy to be applied to the variable components of remuneration, which includes the possibility of not paying any variable component.

### 6.3.3. Variable part: Determination and Appraisal

The Board sets an appropriate maximum ratio or ratios between the variable and the fixed component of the total remuneration of its staff for each performance year. Different ratios may be set for different groups of staff. When setting the ratios, the Board considers a range of factors including:

- The Company's business activities and associated prudential and conduct risks; and
- the role of the individual employee and, in the case of MRTs, the impact that different categories of staff have on the risk profile of the Company and the assets it manages.

When setting the maximum ratio, the Board considers all potential scenarios, including that the Company exceeds its financial objectives. The maximum ratio therefore reflects the anticipated ratio in the most positive scenario where performance significantly exceeds expectations. The ratios are annually reviewed and, in exceptional circumstances such as unexpected and extraordinary market conditions, the maximum ratios set may be reviewed by the Board during a performance year.

Variable remuneration depends on both the individual success of the employee and the performance of the Company as a whole.

The variable remuneration budget is based on the Company's results over the previous financial year, while ensuring that capital remains at a sufficient level. It is then distributed between the various departments according to the assessment of their performance, and within each department according to employees' individual performance appraisals.

The amount of the variable portion allocated to each employee reflects their performance and the achievement of targets set by the Company.

These targets may be quantitative and/or qualitative and are linked to the employee's position. They consider individual behaviour to avoid short-term risk taking. They consider the sustainability of action taken by the employee and its long and medium-term benefits for the Company, the employee's personal involvement and the completion of assigned tasks.

Individual performance is assessed as part of an appraisal procedure in which the employee conducts a self-assessment and is also assessed by their team managers.

For employees other than the concerned staff, the variable part is calculated and paid in cash during the first quarter of year N+1, based on the performances assessed for year N.

Further to the Company's commitments and initiatives in terms of responsible investment, the Board also takes into consideration sustainability risks when determining the pool of the variable remuneration allocated to staff.

Special conditions concerning variable remuneration are also in place for MRTs, as described below.

## 6.4. Structure and Principles Specific to the Variable Remuneration of MRTs

### 6.4.1. Determination of MRTs

The list of MRTs is approved by the Board following a proposal by the Group Compensation Committee and is reviewed annually. It is approved based on criteria laid down in SYSC 19G.5, which are used to determine whether staff are deemed to have a material impact on a Firm's risk profile or the assets the Firm manages.

The Company has identified its senior management (which includes its portfolio managers and analysts) and heads of control functions as MRTs as well as other risk takers whose activities are considered to be sensitive either in relation to the Company itself or the assets which it manages, which for these purposes also includes any individual who is required to be certified for the purposes of the FCA Senior Managers and Certification Regime.

### 6.4.2. Variable remuneration vesting conditions

Variable remuneration, including the deferred part, is only paid, or earned if the amount is consistent with the financial position of the Company and/or the Group as a whole, and if it is justified by the performances of the operational unit, fund and individual concerned.

The vesting and payment of variable remuneration are dependent on fulfilment of the conditions shown below, which aim to promote sound and effective risk management and avoid excessive risk taking:

- 1) Performance of the basket of funds: The deferred part of the variable remuneration actually paid to staff is indexed to the performance of a basket of funds, the use of which is intended to represent the Carmignac funds' investment strategies and assets under management. The contents of the basket are updated each year to reflect changes in the Group's business.

As such, the total amount of variable remuneration payable for year N is generally lower if the manager or funds concerned deliver mediocre or negative performances.

- 2) Prohibition of circumvention measures: Staff must undertake not to use personal hedging strategies or take out insurance for remuneration or liability to offset the impact of risk being incorporated into remuneration agreements. Variable remuneration will not be paid in any way that makes it easier to circumvent the requirements of the UCITS directive.
- 3) Exceptional guaranteed variable remuneration: Guaranteed variable remuneration can only apply in exceptional circumstances when a new member of staff is recruited, and only for the first year.

- 4) Retention awards: Bonuses which are dependent on an individual remaining in a role until a defined event or for a set period will be made only rarely and not as common practice.
- 5) Severance payments: The Company may make severance payments relating to the early termination of an employee's contract. The amount of a such a payment will be determined by reference to the employee's role, length of service and any other factors the Company considers relevant, provided that such payments will reflect performance achieved over time and be designed in a way that does not reward failure or misconduct.
- 6) Buy-out awards: The Company may pay variable remuneration to MRTs relating to compensation for, or buy-out from, contracts in previous employment. Such awards will align with the long-term interests of the Company and contain provisions on periods of retention, deferral, vesting and ex post risk adjustment that are no shorter than any corresponding periods that applied to the outstanding unvested variable remuneration under the previous contract of employment.
- 7) Financial health of the Company: The deferred part of variable remuneration is only earned if the amount is consistent with the financial position of the Company and/or the Group as a whole.
- 8) Compliance with internal standards: Each year, the deferred part of variable remuneration is only earned if, on the date of payment, the employee concerned has not breached any of the Company's internal rules (notably including its internal regulations, code of ethics and related policies and procedures).
- 9) Presence: With exceptions, the allocation of variable remuneration is subject to the employee being on the payroll on the day the remuneration is paid.

#### 6.4.3. Malus and Clawback

The Company applies malus and clawback arrangements in relation to variable remuneration awarded and paid to MRTs.

Malus may be applied to reduce an MRT's deferred variable remuneration until the award has vested in its entirety in circumstances where there is misconduct, material downturn or material failure of risk management.

Carmignac may require an MRT to repay some or all variable remuneration paid within at least the previous three years. Such a clawback will be applied at the minimum, in cases of fraud or other conduct with intent or severe negligence, which has led to financial losses.

#### 6.5. Remuneration Disclosures

This section sets out the quantitative information required by MIFIDPRU 8.6.8 for the last financial year.

During the last financial year, the total number of MRTs identified by the Company under SYSC 19G.5 was **31**. MRTs for this purpose are staff members (including but not limited to senior management) whose professional activities have a material impact on the risk profile of the Company or of the assets



that the Company manages. For clarity, all members of the Investment team are considered to be MRTs. “Senior management” is defined as those staff who exercise executive functions in the Company and who are responsible and accountable to the management body for the day-to-day management of the firm, including for the implementation of the policies concerning the distribution of services and products to clients by it and its personnel.

The below tables disclose the aggregate quantitative information on remuneration. In accordance with the rule in MIFIDPRU 8.6.8R(7), the Company has aggregated the information for senior management with the information for other MRTs.

<b>Annual Remuneration as at 31 December 2023</b>			
<b>Position</b>	<b>Fixed</b>	<b>Variable</b>	<b>Total</b>
Senior Management and Other MRTs	£3,660,719	£12,229,795	£15,627,948
Other staff	£3,155,061	£871,228	£3,779,119

**Guaranteed remuneration and severance payments**

<b>Position</b>	<b>Number of recipients</b>	<b>Total guaranteed variable remuneration</b>
Senior Management and Other MRTs	8	£4,064,626

<b>Position</b>	<b>Number of recipients</b>	<b>Total severance payments</b>
Senior Management and Other MRTs	2	£191,000