
MIFIDPRU 8 DISCLOSURE

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TABLE OF CONTENTS

1. MIFIDPRU 8 DISCLOSURE..... 1

2. REMUNERATION POLICIES AND PRACTICES 1

1. MIFIDPRU 8 DISCLOSURE

The Firm is authorised and regulated by the Financial Conduct Authority (the “FCA”) under FRN 496588. The Firm is an institutional investment management business focused on providing global institutional investors with sophisticated traditional and absolute return investment strategies. Responsibility for the management and overall operations of the Firm rests with its board comprised of senior members. Originally formed as a multi-manger institutional investment business Goodhart now operates as a multi-boutique business whereby it partners with boutique investment management business or teams to provide specialist investment products and strategies. Investment teams are either: i) in-house; ii) affiliates by way of a direct shareholding; or iii) otherwise associated, for example, by appointment as sub-investment manager to Goodhart products. The Firm is appointed as Investment Manager to Luxembourg domiciled Collective Investment Schemes. In addition, the Firm provides Investment Management services to a number of segregated accounts.

The Firm is categorised as a BIPRU limited licence firm and further classified as a Collective Portfolio Management Investment (“CPMI”) firm categorised as a “SNI MIFIDPRU investment firm” by the FCA for capital purposes. The Firm reports on a solo basis. The Firm’s MIFIDPRU 8 disclosure fulfils the Firm’s obligation to disclose to market participants’ key information on a firm’s remuneration policies and practices.

In making the qualitative elements of this disclosure, the Firm is required to provide a level of detail that is appropriate to the Firm’s size and internal organisation, and to the nature, scope and complexity of its activities.

This disclosure is made annually on the date the Firm publishes its annual financial statements. As appropriate, this disclosure is made more frequently, for example if there is a major change to the Firm’s business model.

2. REMUNERATION POLICIES AND PRACTICES

The Firm is subject to the Remuneration Code (the “Code”) for MIFIDPRU Firms as codified in Section 19G of the SYSC sourcebook of the Financial Conduct Authority handbook.

This disclosure sets out qualitative and quantitative information on the Firm’s remuneration processes and practices.

A. Qualitative Information

The Firm must establish, implement and maintain remuneration policies, procedures and practices that are consistent with and promote effective risk management and do not encourage excessive risk taking.

The Firm ensures that the remuneration policy and its practical application are consistent with the Firm’s business strategy, objectives and long-term interests.

The Firm has considered the contribution that can be made by a remuneration committee. In order to take a proportionate approach given the size and non-complex nature of both the activities undertaken and the organisation, the Firm has decided that the Board will undertake the role which would otherwise be undertaken by a remuneration committee. Staff receive a salary which reflects their market value, responsibilities and experience. Remuneration at the LLP is made up of fixed (‘salary’) and variable (‘bonus’) components for employees. Members receive a share of the profits of the partnership which is the profit generated by the business as a whole, the percentage allocated to each member is based upon his/her percentage share in the Partnership, and is paid from profits after ensuring FCA capital and liquidity requirements and the working capital needs of the Firm have been considered thereby ensuring the Firm is financially viable going forward.

Any bonus paid is designed to both reflect the performance of a person in contributing to the success of the Firm and their success in meeting, or exceeding, targets that have been set by the Firm on an individual basis.

Where remuneration is performance-related then in addition to the performance of the individual the Firm will also take into account the performance of the business unit concerned and the overall results of the Firm. Performance assessment will not relate solely to financial criteria but will also include compliance with regulatory obligations and adherence to effective risk management. In keeping with the Firm’s long-term objectives, the assessment of

performance will take into account longer-term performance and payment of any such performance related bonuses may need to be spread over more than one year to take account of the Firm's business cycle.

The measurement of financial performance will be based principally on profits and not on revenue or turnover.

Awards will reflect the financial performance of the Firm and as such variable remuneration may be contracted where subdued or negative financial performance occurs. The Firm will not ordinarily make any variable remuneration awards should the Firm make a loss. In exceptional circumstances such payments may need to be considered. In such cases the governing body, will consider and document whether such an award would be in keeping with the Remuneration policy.

The Firm's linkage between variable remuneration and performance is based upon the following tenets:

- Ensuring an appropriate balance of financial results between staff and shareholders
- Attraction and retention of staff members
- Aligning the interest of senior staff members via long-term incentive awards
- Link a proportion of a staff member's total compensation to the Firm's performance
- Discourage excessive risk-taking
- Ensure client interests are not negatively impacted

B. Quantitative Information

The relatively small size and lack of complexity of the LLP's business is such that the LLP only has the one business area, investment management, and does not regard itself as operating, or needing to operate, separate 'business areas'. With respect to the financial year 2023 the total amount of remuneration awarded to all staff, including the split of fixed and variable remuneration, was as follows:

	GBP
Fixed remuneration	£1,246,280
Variable remuneration	£389,720
Total	£1,636,000