

MIFIDPRU 8 Disclosure

Introduction

Trafalgar Capital Management (UK) LLP (the “Firm” or “we”) is a MiFID Investment Adviser authorised and regulated by the Financial Conduct Authority (FCA). We are required to comply with the disclosure requirements under the Investment Firms Prudential Regime (IFPR), which is set out in the FCA Handbook MIFIDPRU 8.

We are classified as a SNI (small and non-interconnected) firm and are subject to the basic requirements. We are required to provide a level of detail in our disclosures that is appropriate to our size and internal organisation, and to the nature, scope, and complexity of our activities.

Remuneration

The Firm is required to comply with the MIFIDPRU Remuneration Code under IFPR, which aims to ensure that we have risk-focused remuneration policies that are consistent with and promote sound and effective risk management in the long-term interests of the Firm and our clients and do not expose the Firm or our clients to excessive risk.

Our approach and objectives

The Firm’s approach to remuneration policy and practices, with reference to the guidance set out by the FCA, considers an appropriate balance between fixed and variable remuneration as well as the constraints in place to avoid a conflict of interest between staff incentives and the best interests of clients.

The objectives of our financial incentives are to:

- promote sound and effective risk management in the long-term interests of the Firm and our clients;
- align staff interests with the Firm’s long-term strategy and objectives; limit risk-taking and avoid conflicts of interest;
- support positive behaviours and a healthy Firm culture;
- encourage responsible business conduct;
- be gender neutral, in line with the Equality Act 2010.

Governance and decision-making procedures

The Governing Body of the Firm is responsible for overseeing the implementation of our remuneration policy and ensuring our compliance with the MIFIDPRU Remuneration Code. The Governing Body has delegated the implementation of our remuneration policy to the Remuneration Committee.

The Remuneration Committee of the Firm ensures that the extent of the variable remuneration at the Firm cannot affect the Firm's ability to ensure a sound capital base. The Remuneration Committee is responsible for overseeing the performance management process; reviewing and approving the remuneration policy, as well as the approval of variable remuneration awarded to individuals.

We assess our staff under our performance management process on an ongoing basis with an annual performance review being used as a contributing factor in the determination of remuneration.

Key characteristics of remuneration policies and practices

The following classification of fixed and variable remuneration follows the FCA's guidance in the FCA Handbook SYSC 19G.4.4.

Staff receive fixed remuneration in form of monthly drawings and discretionary variable remuneration in form of annual profit share.

The fixed and variable components of total remuneration are appropriately balanced with the fixed element being sufficiently high to enable the operation of a fully flexible policy on variable remuneration.

Fixed remuneration

We review the monthly drawings of our staff on an annual basis by considering factors such as market information and individual performance. The Firm's annual profit share is based on the Firm's overall financial performance.

On an individual level, profit share is linked to both financial and non-financial criteria, rewarding behaviours that promote positive non-financial outcomes for the firm.

Quantitative disclosures

For the financial year ended 31 March 2024, total staff remuneration amounted to £685,000 of which £685,000 was fixed remuneration and £zero was variable remuneration.