

MIFIDPRU 8 Disclosures

31 March 2023

Introduction

Business Background

Castellain Capital LLP (the “Firm”, “LLP”, “Castellain”) (CHN: OC343656) is a Limited Liability Partnership incorporated on 26th February 2009. The Firm was authorised on 23rd October 2012 (FRN: 513156) and is now regulated by the Financial Conduct Authority (“FCA”). Castellain manages three UCITS funds: Castellain Value Fund, Castellain Income Fund, and Castellain Emerging Market Credit Fund, all located in Ireland and primarily marketed in the UK. Additionally, the Firm acts as a sub-advisor to another UCITS fund in Ireland, the Redwood Value Strategies Fund.

As a MIFIDPRU Investment Firm, Castellain falls within the scope of the Investment Firms Prudential Regime (“IFPR”) and the MIFIDPRU section of the FCA handbook.

Consequently, the Firm is required to comply with the disclosure requirements set out in the MIFIDPRU 8 section of the FCA handbook.

For the purpose of prudential regulations, Castellain is classified as a Small and non-interconnected (“SNI”) Firm. The information provided is appropriate for the size and nature of the company.

Basis and Purpose of Disclosure

This disclosure provides market participants with both qualitative and quantitative information of the Firms remuneration policies and processes, to a level of detail which is appropriate to the LLP’s size, and to the nature, scope and complexity of its activities.

These disclosures are revised at least annually with additional updates prepared during periods of material change and published on the company website www.cascap.co.uk

The Firm’s disclosures have been prepared on a solo entity basis as at 31st March 2023, being the date of the Firm’s last published annual financial statements.

Remuneration policy and practices (MIFIDPRU 8.6)

Approach to remuneration

The Partners of Castellain are responsible for the remuneration policies of the firm, as a SNI Firm, the LLP is subject to the concise version of the requirements in the FCA's Remuneration Code for MIFIDPRU firms (the "Remuneration Rules").

The Firm has ensured that its procedures and practices are appropriate and proportionate to the nature, scale and complexity of the risks inherent in its business model and activities. More generally in complying with the Remuneration Rules, the Firm seeks to do so in a manner that is appropriate to

- its size and internal organisation; and
- complying with the remuneration requirements to the extent that is appropriate to its size, nature and scope of its activities.

The Firm's remuneration procedures and practises apply to all staff, both members and employees and have been set out separately below.

Objectives of financial incentives

Castellain's objectives of its financial incentives can be summarised as below:

- Attract and retain highly motivated, talented and goal orientated employees,
- Encourage, drive and motivate staff to meet their performance targets, and
- Individuals are rewarded based on their contribution to Castellain's overall strategy.

Development of remuneration policies and practices

The Policy is based on the following principles:

The members of Castellain are responsible for agreeing the size of the incentive pools and the allocation within those pools to its employees. The members are also responsible in agreeing the year end profit allocation to its members.

Key characteristics of remuneration

The LLP's remuneration is made up of both fixed and variable components. Fixed remuneration is competitive within the market aimed to attract and retain talented, high-level individuals. Variable remuneration is awarded on a discretionary basis and varies year on year, awarded based on financial and non-financial performance of an individual and the overall performance of Castellain and the individual funds which the LLP manages and advises.

Components of remuneration

The LLP's remuneration included in this disclosure is made up of the following components:

Members:

- Fixed remuneration
 - Drawings
 - Insurances and benefits (private medical)
- Variable remuneration
 - Profit allocation

Employees:

- Fixed remuneration
 - Base salary
 - Employer pension contribution
 - Insurances and benefits (private medical, dental and optical cover)
- Variable remuneration
 - Discretionary cash bonus

Qualifying portfolio managers are also entitled to a % of the profit allocation of the funds in which they manage.

Performance criteria used for assessment

The LLP's remuneration policy set by the members defines the performance criteria used across the firm and for individual performance.

The remuneration decisions across the Firm are made based on a combination of:

- The LLP's long-term sustainability and viability including looking through the business and economic cycles;
- the impact on the LLP's Overall Financial Adequacy Rule and Threshold Conditions; and
- The LLP's business performance and results against its strategic objectives.

Individuals and members are remunerated based on a combination of the below:

- Performance of the funds
- Quality of work delivered
- Satisfaction of clients
- Level of seniority and responsibility within the LLP
- Compliance with business policies and procedures, and
- Contribution to the LLP's overall strategy.

Quantitative disclosure

Aggregated quantitative information for all remuneration paid to all staff was as follows:

Fixed Remuneration	570,863
Variable Remuneration	734,136
Total Remuneration	1,304,999

For the purpose of this disclosure ‘staff’ includes both employees and members of Castellain Capital LLP.