

Remuneration Policy Statement Template

MIFIDPRU Remuneration Code (SYSC 19G)

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1. Purpose of the template

MiFID investment firms that are prudentially regulated by the FCA in the UK (FCA investment firms) are within scope of the MIFIDPRU Remuneration Code (the Code) in the FCA Handbook at SYSC 19G. As part of the Code, firms are expected to ensure that their remuneration policies and practices (including performance assessment processes and decisions) are clear and documented.¹

This Remuneration Policy Statement (RPS) template is designed as a tool for firms to document their remuneration policies and practices. It sets out the principal questions that we are likely to ask if we carry out a review of your firm's remuneration policies. This template is intended to provide a useful format for recording relevant information and detail about your remuneration policies and practices, required by the Code. It is not compulsory, and you may choose to document your remuneration policies in a different way. However, if you choose not to use this template, you should ensure that you document the information (as indicated by this template by reference to the requirements in the Code) in a clear and structured manner.

The proportionality principle in SYSC 19G.2.4 R requires that a firm's remuneration policies and practices must be appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the firm. Refer to SYSC 19G.1.7 G for a summary table of the general application of the Code. The template has been designed to cover the full range of FCA investment firms and, as such, not all questions in this template will necessarily apply to your firm. Where relevant, we have included notes to indicate where certain parts of this template may not apply.

While the template refers to certain parts of our rules and guidance in the Code, it is not intended to be a comprehensive summary of those requirements. Filling out the template is not a substitute for independently considering and applying the Code, and reliance on filling out the template alone will not automatically demonstrate compliance with our rules and guidance.

You do not need to send us a copy of your RPS or equivalent documentation unless requested to do so. Nonetheless, firms are reminded that the remuneration policy should be adopted and reviewed periodically by the firm's management body in its supervisory function with responsibility for overseeing the implementation of remuneration policies.² This may be the Remuneration Committee where one exists. Completing the RPS template or equivalent documentation may be a convenient method of documenting compliance with this requirement.

Completing your RPS

Scope of the Code

¹ See SYSC 19G.2.3 G

² See SYSC 19G.3.1 R

Where the Code applies on a consolidated basis, the effect of SYSC 19G.1.18R(5) is that the UK parent entity and all the investment firms, financial institutions, ancillary services undertakings and tied agents in the investment firm group are treated, for these purposes, as a single MIFIDPRU investment firm.³ If you decide to use this template to record your remuneration policies and practices, you should include all undertakings which form part of the consolidated group. Where your firm is part of a dual-regulated group,⁴ and where practices in compliance with group policies may apply, you may wish to use the relevant RPS template published on the PRA's website.⁵ Alternatively, you may wish to use this template to record the remuneration policies and practices relevant to the FCA investment firm.

Annex

The RPS Table forms part of your RPS. An Excel spreadsheet template is available to record your Material Risk Takers (MRTs), including the structure of their remuneration. If you decide to use this template, then you may also choose to complete the RPS Table for the current performance year.

³ See SYSC 19G.1.19G(1)

⁴ including a bank; building society; or PRA designated investment firm including UK branches of non-UK headquartered firms

⁵ <https://www.bankofengland.co.uk/prudential-regulation/key-initiatives/strengthening-accountability>

2. General firm information

2.1		General firm information		
(a)	Where your firm is part of a group, please include the UK parent entity and all the investment firms, financial institutions, ancillary services undertakings and tied agents in the investment firm group.			
	Firm Name	FRN	Business Type	
	Cadence Investment Partners LLP	624580	Investment Manager, SNI	
(b)	Please provide contact details of the key individual(s) who we should contact within your firm regarding this RPS.			
	Name	Job Title	Phone No.	Email
	Stewart Higgins	Partner	0131 240 3846	stewart@cadenceinvestment.com
(c)	What performance year is this RPS in respect of?			
	Year to December 2021			

3. General information on variable remuneration schemes

3.1	<p><i>Please provide information on the variable remuneration schemes in operation within your firm. Please note, small and non-interconnected (SNI) firms are only required to comply with some remuneration rules and as such some information requested as part of this question may not be relevant for your firm. However, where your firm has remuneration policies that are consistent with the information requested, it would be helpful to include such information.</i></p> <p><i>If the information requested in this section is clearly set out elsewhere in this template, you may wish to refer to the relevant section/s. Alternatively, if the information is already set out in your firm's remuneration scheme documentation, you may wish to supply that as an annex instead.</i></p>
(a)	<p>Please provide detail on all variable remuneration schemes, and long-term incentive plans (LTIPs) that are in place to reward material risk takers (MRTs) for performance during the current performance period. Please also include co-investment schemes or carried interest schemes to the extent they are in scope of the Code.</p> <p>If your firm is not required to identify MRTs, then please provide information on any variable remuneration arrangements for staff in senior management and oversight roles and senior staff within revenue generating parts of the business.</p> <p>Please include where relevant:</p> <ul style="list-style-type: none">• the scheme's purpose;• eligible participants;• number of expected participants for the performance period;• the structure of each scheme's awards, including:<ul style="list-style-type: none">○ the deferred proportion;○ the length of the deferral period;○ the vesting schedule including the frequency of the vesting i.e. annually or more frequently, whether vesting is on a pro-rata basis; or if there is cliff vesting at the end of the deferral period; or any other combination;○ award composition i.e. proportion in shares or instruments /cash etc;○ retention policies applied to any part of the awards; and○ the length of the retention policy.• the ratio of the maximum pay-out of the variable remuneration when compared to fixed remuneration;• the performance criteria including both financial and non-financial criteria and the weight applied to each;• the risk adjustment techniques and measures considered, including both financial and non-financial risks, when calculating the variable remuneration pool;

	<ul style="list-style-type: none"> • whether variable remuneration is subject to performance adjustment; and • any other information related to the scheme that you believe is relevant.
i)	<p>Scheme 1 Performance Bonus Scheme. The scheme's purpose is to incentivise and reward non-equity partners. In 2021 no bonuses were paid. The bonus is limited to a maximum of 100% of base salary with base salary limited to no more than £100,000. The bonus level will be determined by the Executive Committee of the Firm. If approved the bonus will be paid entirely in cash. Payment will depend firstly on the profitability of the Firm and its capital requirements. If affordable the bonus level is at the discretion of the Executive and linked to the individual's performance and professional conduct within the Firm. All MRTs are equity partners. SYSC 19G.4.4 states that reward determined by profit share in an LLP is not regarded as remuneration. Hence no variable remuneration was paid in 2021.</p>
ii)	<p>Scheme 2. There are no other schemes.</p>

4. Basic remuneration requirements

The basic remuneration requirements are applicable to all firms in scope of the Code.

Remuneration policies and practices

4.1.	Gender neutral remuneration policies and practices <i>Please refer to SYSC 19G.2.6 R to SYSC 19G.2.7 G</i>
(a)	<p>Briefly describe how your firm's remuneration policies and practices are gender neutral and do not discriminate on the basis of the protected characteristics of an individual in accordance with the Equality Act 2010.</p> <p>Cadence is a young and small firm. Currently we have an all-male staff but this will change as we grow. We have an Equality, Diversity and Inclusion policy which was last reviewed in 2021. We are committed to equal pay regardless of gender across similar roles within the firm.</p>

4.2	Risk management <i>Please refer to SYSC 19G.2.8 R</i>
(a)	<p>Briefly describe how your firm's remuneration policies and practices promote sound and effective risk management.</p> <p>The Firm was set up by the founding partners in 2014 as a limited liability partnership and took on its first client in April 2015. At the outset the partners overcapitalised the business sufficiently to allow a period of several years to grow AUM without further capital being required. Financial stability and funding sustainable growth remains a priority over remuneration. Remuneration policy is reviewed by the Executive Committee. Remuneration is based on business profitability and subject to prior capital adequacy and risk management planning by the Executive. The Firm has and will continue to put the long term financial health of the business ahead of remuneration. The components of prospective remuneration reflect a strong belief in sound and effective risk management. Remuneration will be split into 3 components only. Firstly a modest basic salary (or base profit share for equity partners). Secondly a bonus of up to 100% of salary for non-equity partners. This bonus will be linked to positive contribution and risk adjusted returns from the strategy where appropriate, together with high standards of professional conduct. Thirdly, a distribution of profits in accordance with the partnership agreement for equity partners. SYSC 19G.4.4 states that base profit share is regarded as fixed remuneration in an LLP. Also under SYSC 19G.4.4 profit share determined by partner ownership is not regarded as remuneration. We note that all MRTs are equity partners in the firm and therefore have no variable remuneration. We believe this remuneration model together with the Firms philosophy and structure as an LLP promotes sound and effective risk management.</p>

4.3	Business strategy
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<i>Please refer to SYSC 19G.2.9 R to SYSC 19G.2.10 G</i>	
(a)	<p>Briefly describe how your firm’s remuneration policies are in line with the business strategy, objectives and long-term interests. You should also include information about how these take into account:</p> <p>(1) your firm’s risk appetite and strategy, including environmental, social and governance risk factors;</p> <p>(2) your firm’s culture and values; and</p> <p>(3) the long-term effects of the investment decisions taken.</p>
	<p>The Firm’s strategy, objectives, values and remuneration policy are all overseen by the Executive ensuring there is alignment. Base salary has been relatively modest and will be capped at a non-excessive level. None of current staff are eligible for bonuses but it is foreseen that going forward bonuses will be capped at 100% of salary. The largest component, if and only if the business is successful, will be equity partnership share of profits. This encourages a collegiate long-term approach to building the Firm.</p> <p>At Cadence, we look for strategic equity investments that can capitalise on Asian economic growth. Our time horizon is necessarily long-term (5-10 years), as we expect ultimately to achieve investment returns in line with the compounded operating profits of each of our invested business. This is in sharp contrast to a more mainstream focus on the mispricing of multiples the market is willing to place on this or next year’s profits. Rather than spend our efforts guessing where the crowded consensus may be wrong in their near-term forecasts, we aim to identify those rare companies with a defensible market position in a growing part of the economy. Philosophically speaking, as ‘owners’ of a share in these businesses rather than players in the crowded ‘forecast arbitrage’ game, we can exploit significant long-term value opportunities whilst keeping costly turnover low. The other significant benefit this offers is freedom from managing risk against an arbitrary index – instead our focus is on mitigating the absolute risk to our invested capital which would undermine the benefits of compounding returns. This means discriminating between the challenges of regular market cycles or short-term operational problems, and the more critical issues around sustainability of a franchise. It is where ESG factors play an intrinsic role in our analysis and judgement of each potential investment.</p>

4.4	Avoiding conflicts of interest
<i>Please refer to 19G.2.11 R</i>	
(a)	<p>Briefly describe how your firm’s remuneration policy:</p> <p>(1) contains measures to avoid conflicts of interest;</p> <p>(2) encourages responsible business conduct; and</p>

	(3) promotes risk awareness and prudent risk taking.
	As a partnership, the Firm structure encourages and requires a collegiate approach and decision making that is in the best interests of the Firm not necessarily the individual. Any change to Remuneration Policy would have to be approved by the Executive ensuring continuity of best practise. No individual is responsible for remuneration policy for himself. Remuneration policies encourage financial stability and Firm profitability. 3 of the 5 Code staff (MRT's) have significant investments in the Firms sole investment product. All Code Staff will be expected to invest in the firm investment offering over time. This ensures that the interests of Code Staff and MRT's are aligned with those of the Firms' clients.

Governance and oversight

4.5	<p>Oversight of remuneration policies and practices</p> <p><i>Please refer to SYSC 19G.3.1 R to SYSC 19G.3.5 G. Please note SNI firms are only required to comply with SYSC 19G.3.1 R to SYSC 19G.3.3. R.</i></p> <p><i>Non-SNI MIFIDPRU investment firms not falling within SYSC 19G.1.1R (2) should also refer to SYSC 19G.7.1 G.</i></p>
(a)	<p>Describe how remuneration governance and oversight arrangements operate within your firm including who has overall responsibility for adopting, reviewing and overseeing the implementation of your firm's remuneration policy?</p> <p>Please include in your response whether your firm has established a Remuneration Committee (RemCo) and if so, please include:</p> <ul style="list-style-type: none"> • if the RemCo is established in the UK; • in which entity the RemCo is established; • the name of the RemCo if known by any other name; and • whether there are any sub-committees of the RemCo, what they are called and their purpose. <p>Cadence is a Small non-Interconnected firm (SNI). The business is run by its Executive partners who effectively form the RemCo and decide remuneration policy. The Executive meets at least 4 times a year in the UK. Salaries and bonuses are discussed annually. Partner distributions are discussed quarterly. The Executive includes the managing partner and compliance officer/COO.</p>
(b)	<p>What is the frequency of the periodic review of the remuneration policy?</p> <p>Please also include which control functions and business units develop and support the review.</p> <p>See (a) above. Salaried staff are reviewed annually. Distributions to equity partners are reviewed quarterly and subject to the financial requirements of the firm.</p>
(c)	<p>When did the last central and independent internal review of your firm's remuneration policies and practices take place?</p>

	<p>Please also include:</p> <ul style="list-style-type: none"> • what the review assessed; • what the outcomes were; and • any follow up actions.
	<i>Not applicable. This question is not relevant for SNI firms</i>
(d)	<p>Does the RemCo/ management body in its supervisory function have the ability to apply discretion to adjust the bonus pool or individual payments including those paid out in individual incentive schemes?</p> <p>If so, please give an example of when they exercised that discretion and in what circumstances.</p>
	Yes. Remco is the Executive who make all management decisions for the firm.

4.6	<p>Control functions</p> <p><i>Please refer to SYSC 19G.3.6 R to SYSC 19G.3.8 G</i></p>
(a)	<p>With regard to staff engaged in control functions, briefly explain how your firm ensures that these employees are:</p> <p>(1) are independent from the business units they oversee;</p> <p>(2) have appropriate authority; and</p> <p>(3) are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.</p>
	The small size, simple firm structure, single strategy offering as described above.
(b)	<p>If applicable to your firm, describe how risk and compliance functions input into the setting of individual remuneration policies and individual remuneration awards across the firm. Please provide examples as appropriate.</p>
	Not applicable.
(c)	<p>Please describe how the RemCo or, if such a committee has not been established, the management body in its supervisory function, oversees the remuneration of senior officers in the risk management and compliance functions.</p>
	See earlier comments.

Fixed and variable components of remuneration

4.7	Categorising fixed and variable remuneration <i>Please refer to SYSC 19G.4.1 R to SYSC 19G.4.4 G.</i>
(a)	<p>Please describe how your firm's remuneration policy makes a clear distinction between the criteria for setting fixed and variable remuneration.</p> <p>Please include some examples of the individual remuneration components that are included in fixed or variable remuneration.</p>
	<p>See earlier comments. Remuneration structure is simple and clearly stated to distinguish between fixed and variable.</p>

4.8	Balance of fixed and variable components of total remuneration <i>Please refer to SYSC 19G.4.5 R to 19G.4.12 G.</i> <i>Note that only SYSC 19G.4.5R and SYSC 19G.4.7G(1) and (2) (Fixed and variable components of remuneration) are relevant for SNI firms</i>
(a)	<p>Please explain how your firm ensures that:</p> <p>(1) the fixed and variable components of the total remuneration are appropriately balanced; and</p> <p>(2) the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration component.</p>
	<p>See earlier comments on remuneration. The vast majority of remunerates fixed as defined under SYSC 19G.4.4 for an LLP.</p>
(b)	<p>Please provide details on the ratio between the variable and fixed components of total remuneration set by your firm. Please include the following:</p> <ul style="list-style-type: none">• the maximum ratio and to which roles this ratio applies;• whether there are different ratios set for different categories of staff, including details of these; and• whether the ratio/s differed from this performance period to the last.
	<p><i>This question is not relevant for SNI firms</i></p>
(c)	<p>Please explain what factors your firm takes into consideration when determining the appropriate balance of fixed and variable remuneration; and (for non SNI firms only) the appropriate ratio.</p>

	Company profitability and financial stability take precedence over remuneration. All profit distributions are approved by the Executive subject to rigorous business modelling and capital adequacy requirements.
(d)	Please advise if there are any staff within your firm who receive only fixed or only variable remuneration and if so, provide further details including which roles this applies to.
	Of the 6 employees in the firm, 5 are equity partners where remuneration is entirely dependent on the profitability of the firm. A base profit share is paid monthly and a balancing item yearly or quarterly dependent on the profitability of the firm. One staff member is salaried. The salaried staff member is not an MRT.

Variable remuneration

4.9	Remuneration and capital <i>Please refer to SYSC 19G.6.1 R</i>
(a)	How do you ensure that your firm's variable remuneration does not affect your firm's ability to ensure a sound capital base? See earlier comments regarding remuneration. Financial stability is the starting point for deciding remuneration.

4.10	Assessment of performance <i>Please refer to SYSC 19G.6.4 R to 19G.6.6 G</i> <i>Note that only SYSC 19G.6.5R to SYSC 19G.6.6G are relevant for SNI firms</i>
(a)	Please set out a high-level description of your firm's approach to assessing individual performance. Your summary should include both financial and non-financial criteria and an explanation of how this assessment influences an individual's remuneration. Please also include in your response the non-financial criteria used and the split between financial and non-financial criteria. No variable remuneration has been paid. Variable remuneration is based on affordability. If the company has the financial resources to pay bonuses then individuals qualifying for a bonus are assessed on contribution to the firm as well as conduct within the firm.
(b)	Please explain how your firm ensures that when it assesses individual performance, the assessment process and any variable remuneration awarded does not discriminate on the basis of the protected characteristics of an individual in accordance with the Equality

	Act 2010.
	All bonuses will be determined by the executive and paid only on the basis of contribution to the firm and conduct.

5. Standard remuneration requirements

The standard and extended remuneration requirements do not apply to SNI firms. However, where an SNI firm has remuneration policies that are consistent with relevant sections i.e. deferral or shares, instruments and alternative arrangements, they may choose to include such information.

5.1	Material risk taker (MRT) identification
	<i>Refer to SYSC 19G.5 - Application of remuneration requirements to material risk takers.</i>
(a)	<p>Please explain the MRT identification process used by your firm to identify staff members whose professional activities have a material impact on the risk profile of your firm, or of the assets that your firm manages.</p> <p>Please include any additional criteria used to identify individuals based on the specific types of activities and risks relevant to your firm.</p> <p>Please include reference to the criteria set out in SYSC 19G.5.3 R and the guidance set out in SYSC 19G.5.4 G to SYSC 19G.5.5 G in your response.</p>
	<p>With 6 staff members including 5 equity partners it is clear who the risk takers are. The executive review and assess who the risk takers are annually.</p>
(b)	<p>Briefly describe the measures you have taken to ensure that all MRTs understand the implications of this status in relation to the requirements of the Code, particularly those employees who were not MRTs in previous performance years.</p>
	<p>All MRTs sign off on their classification and what it means annually.</p>

5.2	Awards of non-standard forms of variable remuneration
	Guaranteed variable remuneration, retention awards, severance pay; and buy-out awards
	<i>Please refer to SYSC 19G.6.7 R to SYSC 19G.6.14 G</i>
(a)	<p>Please outline the circumstances in which your firm may offer non-standard forms of variable remuneration, including how they meet the requirements of the Code.</p> <p>Please provide information on the following:</p> <ul style="list-style-type: none"> • guaranteed variable remuneration; • retention awards;

	<ul style="list-style-type: none"> • severance pay; and • buy-out awards.
	No non-standard variable remuneration is paid. Severance pay could be awarded to a salaried staff member in the event of termination of employment. This would be calculated in line with normal statutory guidelines.

5.3	Risk adjustment
	<i>Please refer to SYSC 19G.6.15 R to SYSC 19G.6.18 R</i>

Where there may be a differentiation between variable remuneration schemes, then please provide the information set out below separately for each scheme	
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(a)	Please provide a high-level summary of how your firm calculates pools of variable remuneration (i.e. the total value of all pools of variable remuneration), including whether it involves a top-down and/or bottom-up process (if appropriate).
	There is only one pool of variable remuneration. See comments above.
(b)	Please describe what key financial performance measures are used to calculate pools of variable remuneration (e.g. economic profit or economic capital) and the overall weighting of these measures against each other.
	Variable remuneration is based on economic profit and capital requirements for the business as detailed earlier.
(c)	Please describe what non-financial measures are used when calculating pools of variable remuneration (e.g. reputation, conduct; customer outcomes, values and strategy etc) and the overall weighting of these measures against each other.
	Conduct and contribution to the firm are considered.
(d)	What is the overall weighting of the financial measures versus the non-financial measures?
	There is no fixed weighting. See comments above. Financial stability, capital needs and corporate profitability take precedence.
(e)	Please describe how these performance measures take into account current and future risks and the cost of capital and liquidity required in accordance with MIFIDPRU.
	All capital in the business is held as cash. The firm does not use its own balance sheet to take financial positions. All revenue is generated from investment advisory fees only. Capital is monitored based on existing cash balances and projected inflows and outflows to ensure the firm complies with its MIFIDPRU. Capital adequacy is reviewed at least quarterly by the executive.
(f)	Please indicate the levels in the firm at which financial performance is measured (e.g. at business unit, or trading desk level etc.).
	The business has a single investment strategy offering and has a single profit centre.
(g)	Please provide a high-level summary of how these key financial performance measures are risk-adjusted (e.g. use of a pre-agreed numerical formula or other factors) including the level at which they are adjusted (e.g. at business unit, trading desk level

	etc.).
	There is very little risk adjustment as it is not required. Risk factors are only applied in line with guidance to cash held in foreign currency and to amounts due from debtors for accounting purposes.
(h)	<p>Are any discretionary factors applied when adjusting for risk?</p> <p>Please include:</p> <ul style="list-style-type: none"> • the stages of the process when such discretion can be applied; • the items to which discretion can be applied; • the bodies or individuals who may exercise that discretion; and • the boundaries/parameters used on these discretionary elements.
	Not applicable
(i)	<p>Please explain how often the performance measures are set and who is involved in the process.</p>
	See comments earlier regarding quarterly executive meetings
(j)	<p>How does your bonus pool determination process take account of situations where your firm's performance is subdued or negative?</p> <p>Please explain who has the discretion to make the adjustments, including through malus and clawback arrangements, and whether they have the flexibility to apply full discretion to reduce the bonus pool to zero.</p>
	See earlier comments. Financial stability and affordability takes precedence.

5.4	<p>Performance adjustment</p> <p><i>Please refer to SYSC 19G.6.30 R to SYSC 19G.6.34 G</i></p>
(a)	<p>Please outline your firm's performance adjustment policy. This should include the following:</p> <ul style="list-style-type: none"> • whether this is a firm-wide or group-wide policy; • who this policy applies to i.e. MRTs only; to all staff; or other groups of staff; • how the policy is applied using the appropriate performance adjustment tools (in-year adjustments, malus and/or clawback arrangements); • the specific criteria for the application of malus and clawback; and • the minimum and maximum malus and clawback periods and what roles these apply to.

	<p>Please also include any other relevant information concerning implementation and operation of the policy.</p>
	<p>Remuneration policy is detailed above. Financial stability and cash needs are placed before remuneration. Being a small firm remuneration is low for the industry. As an LLP not using our balance sheet to generate profits we feel no clawbacks are necessary. Equity partners are aware that if the firm needs capital they will personally have to provide it. This ensures the key risk takers are heavily incentivised to manage risk effectively.</p>
(b)	<p>Please outline your firm’s process for deciding how performance adjustment is applied.</p> <p>This should include:</p> <ul style="list-style-type: none"> • which roles, departments, functions and committees are responsible for reporting information; • the escalation process; and • the decision-making process. <p>Please also detail how control functions provide information and contribute to discussions, as required.</p>
	<p>See earlier comments regarding scale of business and number of staff, decision making process.</p>

5.5	Discretionary pension benefits	
	<i>Please refer to SYSC 19G.6.35 R</i>	
(a)	Does your firm have a policy for discretionary pension benefits for MRTs?	Yes (Delete as applicable)
(b)	<p>If your answer above is ‘Yes’, please outline how the policy is in line with the business strategy, objectives, values and long-term interests of your firm.</p> <p>Please also include detail on the instruments used; how malus and clawback are applied; and the retention period.</p>	
	<p>No discretionary pension benefits are paid to partners. Salaried staff receive mandatory pension benefits only, with no discretionary payments.</p>	

5.6	Personal investment strategies	
	<i>Please refer to SYSC 19G.6.36 R to SYSC 19G.6.37 G</i>	

(a)	What arrangements are in place to ensure that MRTs do not use personal hedging strategies or remuneration and liability-related contracts of insurance to undermine the requirements of the Code?
	All personal dealing must be pre-approved by head of compliance or another equity partner if compliance not available.

5.7	<p>Avoidance of the MIFIDPRU Remuneration Code</p> <p><i>Please refer to SYSC 19G.6.38 R</i></p>
(a)	How does your firm ensure that variable remuneration is not paid through financial vehicles or methods that facilitate non-compliance with the Code or MIFIDPRU?
	All remuneration is paid by the firm directly into staff bank accounts. No financial vehicles are used. This is overseen by the executive.

6. Extended remuneration requirements

The extended remuneration requirements are not applicable to a non-SNI MIFIDPRU investment firm falling within SYSC 19G.1.1R(2). However, where a firm has remuneration policies that are consistent with this section, it may choose to include such information.

Cadence is an SNI firm and exempt. However, comments have where appropriate.

6.1	Shares, instruments and alternative arrangements
	<p><i>Please refer to SYSC 19G.6.19 R to SYSC 19G.6.21 G</i></p> <p><i>Note this section is not applicable to a non-SNI MIFIDPRU investment firm falling within SYSC 19G.1.1R(2)</i></p>
(a)	<p>Briefly describe the shares and/or instruments used to pay out at least 50% of variable remuneration to MRTs. Please include in your response if an instrument relates to an ownership interest in a parent undertaking.</p> <p>If your firm is unable to issue eligible instruments, then please advise if your firm has applied for or has been granted a modification under section 138A of the Financial Services and Markets Act 2000 (the Act), and briefly describe the alternative arrangements used.</p>
	<p>As an LLP it is not possible to issue eligible instruments. As all partners own equity in the firm the incentive is high to ensure risk taking is low and firm and client interests are placed first. As a relatively new firm, remuneration is modest.</p>
(b)	<p>Describe the composition of variable remuneration awards between cash and instruments and how this split is applied to both deferred and non-deferred elements of those awards.</p>
	<p>Remuneration is all in cash.</p>

6.2	Retention policy
	<p><i>Please refer to SYSC 19G.6.22 R to SYSC 19G.6.23 G</i></p> <p><i>Note this section is not applicable to a non-SNI MIFIDPRU investment firm falling within SYSC 19G.1.1R(2)</i></p>
(a)	<p>Please describe how your firm's retention policy aligns the interests of the staff member with the longer-term interests of the firm, its creditors and clients.</p> <p>Please include how you have considered the following:</p>

	<p>(a) the length of the deferral period;</p> <p>(b) the length of the firm’s business cycle;</p> <p>(c) the types of risks relevant to the role of the staff member; and</p> <p>(d) how long it could take for the risks underlying the staff member’s performance to crystallise.</p> <p>Please also include whether there are different retention periods for different MRTs, particularly where the deferral periods may differ.</p>
	<p>See comments above. As an LLP where all MRTs are equity partners in the firm we feel there is strong alignment between MRT, firm and client interests. Furthermore, 3 of the 5 equity partners have significant personal investments in the investment offering ensuring further alignment of interests. As all remuneration to MRTs is based on profitability and financial stability of the firm with no variable remuneration paid as defined by SYSC 19G.4.4 there is no retention period.</p>

6.3	Deferral
	<p><i>Please refer to SYSC 19G.6.24 R to SYSC 19G.6.29 R.</i></p> <p><i>Note this section is not applicable to a non-SNI MIFIDPRU investment firm falling within SYSC 19G.1.1R(2)</i></p>
(a)	<p>Deferral arrangements for MRTs</p> <p>If MRTs participate in different schemes, please answer these questions for each of the schemes they participate in.</p> <p>If deferral arrangements vary for different categories of MRTs then please provide this detail.</p> <p>Please provide the following:</p> <ul style="list-style-type: none"> • the length of the deferral period; • the percentage of variable remuneration deferred; and • how vesting is structured. <p>Please provide detail on the vesting schedule including whether vesting occurs on a cliff vesting; pro-rata basis; a combination of both or whether it varies by different schemes.</p> <p>Please advise how you considered the following factors when deciding how to structure the deferral schedule</p> <p>(a) the firm’s business cycle, the nature of its business and its risk profile;</p> <p>(b) the activities and responsibilities of the staff member in question and how these may impact the risk profile of the firm or the assets the firm manages;</p> <p>(c) whether the deferred variable remuneration is paid out in instruments or cash;</p> <p>(d) the amount of the variable remuneration; and</p>

	(e) the ratio of variable to fixed remuneration.
	See comments above
(b)	Please advise if your firm has an interest or dividends policy on any instruments. If so, please provide details of this.
	No

7. Remuneration disclosures

7.1	Remuneration disclosures <i>Please refer to MIFIDPRU 8</i>
(a)	When did your firm last disclose the remuneration information required under MIFIDPRU 8? Please provide a link to the most recent remuneration disclosures on your firm's website. If your firm does not maintain a website, please advise where this information is available and provide a copy if requested. If your firm has not yet made your first remuneration disclosures under MIFIDPRU 8, when do you expect to do so?
	We will do so by end June 2022.

8. Other information

8.1	Other information <i>Refer to SYSC 19G.1.29 G and SYSC 19G.5.13 G</i>
(a)	If not already included in your response above, please provide any further information on how your firm has gone beyond regulatory requirements; and/or has considered whether applying any of the rules applicable to MRTs to other members of staff would contribute to sound risk management or a healthy firm culture.
	See comments above

Signature form Code staff and MRTs I understand the responsibilities of being code staff and I have read agree with the remuneration statement. 31st March 2022

Jason McCay

Richard Evans

Brian Canavan

Thomas Larsen

Stewart Higgins