

MIFIDPRU 8 DISCLOSURE

Reference Date: 31 December 2024

1. INTRODUCTION

1.1. FIRM PROFILE

Serone Capital Management LLP ("**Serone**" or the "**Firm**") is authorised and regulated by the Financial Conduct Authority (the "**FCA**") as a Full-scope Alternative Investment Fund Manager with 'MiFID top-up' permissions ("**CPMI Firm**") and acts as a fund and investment manager specialised in European alternative credit.

The Firm is categorised as a Small and Non-Interconnected MIFIDPRU Investment Firm under the FCA's Investment Firm Prudential Regime. Serone is not a member of an Investment Firm Group and, therefore, reports on an individual basis.

1.2. SCOPE OF APPLICATION

The purpose of this disclosure document (this "**Disclosure**") is to fulfil the Firm's obligation to disclose to market participants key information regarding Serone's remuneration policies and practices, in compliance with Chapter 8 of the MIFIDPRU Sourcebook.

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

This Disclosure is made annually and in line with most recently published annual financial statements. Its contents have been approved by the Firm's governing body (the "**Executive Committee**") for publication. Where appropriate, Serone will update this Disclosure where a material change occurs in the Firm's commercial or operational activities.

2. QUALITATIVE INFORMATION

As a CPMI Firm, Serone is subject to both the AIFM Remuneration Code (SYSC 19B) and the MIFIDPRU Remuneration Code (SYSC 19G). The Firm maintains remuneration policies, procedures and practices that are consistent with the Firm's long-term strategy over a multi-year period, promote effective risk management and do not encourage excessive risk-taking.

2.1. REMUNERATION STRUCTURE

The Firm maintains a written remuneration policy which sets out its approach to remuneration for all staff firmwide.

Serone establishes a clear distinction between the fixed and variable components of a staff's remuneration. All staff receive a fixed remuneration (i.e., base salary) which reflects their market value, qualification, experience and responsibilities. Fixed remuneration is not linked to the Firm's performance.

Variable remuneration is intended to reflect an individual staff's contribution to the Firm's overall success. The award of variable remuneration is determined on the basis of the performance of the individual, their business unit (where relevant) and the Firm as a whole. The Firm assesses individual performance by considering both financial (e.g., profit margin) and non-financial indicators (e.g., risk management, client focus and professional conduct).

Serone currently operates a discretionary bonus scheme which is fully flexible and ensures the award of variable remuneration does not affect the Firm's capital base. The bonus pool is calculated by reference to the Firm's net operating profit, where the underlying revenue is not subject to recovery or downward adjustment. Any awarded bonus amounts are subject to a deferral period.

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 equity owners
- Attracting and retaining staff members
- Aligning the interest of senior staff members via long-term incentive awards
- Linking a proportion of a staff member's total compensation to the Firm's performance
- Discouraging excessive risk-taking
- Ensuring that client interests are not negatively impacted

2.2. GOVERNANCE

The Executive Committee retains ultimate responsibility for overseeing the implementation of the remuneration policy and for ensuring the Firm's remuneration practices comply with applicable regulations.

Given the nature and size of the Firm's business, the Executive Committee takes all decisions related to staff remuneration, including the award of any bonus.

Serone maintains adequate systems and controls to identify and mitigate potential conflicts of interest, including those relevant to remuneration.

3. QUANTITATIVE INFORMATION

The total amount of remuneration awarded to all staff, including fixed and variable components, is regularly disclosed to the public.