intrinsic
.LONDON

Public Disclosures

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1. Introduction and Context

The Investment Firms Prudential Regime (IFPR) is the FCA's new prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. IFPR came into effect on 1st January 2022, and its provisions apply to Intrinsic Capital LLP (or the firm) as an FCA authorized and regulated firm.

The public disclosure requirements of IFPR are set out in MIFIDPRU 8, replacing the previous Pillar 3 requirements under BIPRU 11.

Intrinsic Capital LLP is classified as an SNI firm given it does not breach any requirements set out in MIFIDPRU 1.2.1R.

Intrinsic Capital LLP is required to disclose the following information:

- Remuneration Policy and practices (MIFIDPRU 8.6)
- Provision of quantitative and qualitative disclosures in respect of the firm's remuneration arrangements

2. Remuneration

2.1. Overall Approach to Remuneration

The firm's Board members engage in discussions about Intrinsic Capital LLP's performance and evaluate to what extent overall goals and objectives have been achieved on an annual basis. In the case the firm has been profitable, the Board determines the size of the bonus pool to be distributed amongst employees.

The split between fixed and variable remuneration of an employee is influenced by several factors such as performance of the business as well as the individual, the extent to which the goals and objectives have been achieved and taking into account any conduct issues. Adherence to best market practices is also considered in determining the balance of fixed and variable remuneration of an employee. The Board has the discretion to award a bonus payment (variable remuneration) to an employee based on their performance, and if their performance does not meet expectations, the bonus may be withheld.

2.2. Governance Arrangements

Due to the size of the Firm, a remuneration committee has not been established and the Board holds ultimate responsibility for remuneration. Board members are responsible for decisions regarding remuneration, aligning it to the long-term interests of the Firm, its shareholders', other stakeholders', and the public interest.

The remuneration of staff is assessed annually by the Board in accordance with the Firm's appraisal process and usually consists of a base salary and performance related variable compensation.

2.1. Objectives of the Firm's financial incentives

The Firm's objectives of its financial incentives are to ensure the employees remain motivated whilst at the same time ensuring that the remuneration scheme does not incentivise inappropriate behaviour. To mitigate the risk of a conflict of interest, the remuneration of employees is not linked to sales and the remuneration structure takes into account a number of different factors including a good standard of compliance.

2.2. Remuneration and Performance

Total compensation is defined by the Board - taking into account firm's profitability, evaluation of achievement of overall goals and objectives revenue, liquidity and capital. The individual allocations of fixed and variable compensation is based on the performance of both the firm and the individual.

The Firm offers additional incentives in the form of variable compensation for all staff. Variable compensation is not to be granted unless the firm's and employee's performance targets have been met. Decisions regarding variable compensation are taken on an annual basis and any variable compensation received is on a discretionary basis.

To avoid conflicts of interest, variable compensation is not linked solely to sales or volumes but determined by the employee's performance against set objectives which will take into account a number of different factors such as the achievement of their goals and objectives, consideration of any conduct issues, and adherence to the best market practices.

In order to promote effective risk management and discourage risk taking that exceeds tolerated levels as well as encourage behaviours in line with the business strategy, objectives, values and long-term interests of the Firm, and best practices, the Firm considers the following when awarding variable compensation:

- The Board monitors Firm's capital position and ensures compliance with capital requirements. During the preparation of information for the review of remuneration, stress tests are completed aligned to the firm's ICARA.
- Compliance by employees to regulations and best practice
- Performance against set risk objectives
- Employee conduct

2.3. Financial and Non-financial Criteria to Assess Performance

To determine employee's remuneration and assess their performance, every June, Intrinsic Capital LLP conducts an annual performance review. In this process, the Board meets future financial and non-financial goals and objectives, as well as how individuals have contributed to the firm's success over the past 12 months. Financial objectives may include profit per employee while non-financial objectives may include metrics such as the number of introductions made during the year, responsibility for process optimization or streamlining, involvement in cost reductions or spearheading new initiatives, among other accomplishments.

2.4. Total amount of remuneration awarded to all staff, split by fixed and variable

	Fixed remuneration (£)	**Variable remuneration (£)**
All Staff	40,000	0