

MIFIDPRU Remuneration Disclosure

Helikon Investments Limited (“Helikon” or “the Firm”) is authorised and regulated by the Financial Conduct Authority (the “FCA”). The Firm is a London based private limited company that has been established to provide clients with financial investment services. Helikon is dual-regulated by the FCA under the ‘Markets in Financial Instruments Directive’ (“MiFID”) and the ‘Alternative Investment Fund Managers Directive’ (“AIFMD”) as a Collective Portfolio Management Investment Firm (“CPMI Firm”) and so it is subject to FCA Rules on remuneration. As at 30th September 2023 the Firm was classified as a “Small and Non-Interconnected Investment Firm” (“SNI Firm”) and so makes this disclosure in accordance with the requirements contained within MIFIDPRU 8.6. Subsequently, the Firm has been reclassified as a “Non-Small and Non-Interconnected Investment Firm” (“Non-SNI Firm”) and will be complying with the higher disclosure requirements in the next financial year. The relevant rules and guidance for the Firm’s remuneration code is contained within the FCA’s SYSC Sourcebook of the FCA’s Handbook.

CPMI firms are required to make a remuneration disclosure in respect of the whole of their business, i.e. MIFID and AIFMD. As a CPMI Firm, Helikon is subject to the Remuneration Code contained at SYSC 19B for the AIFM business and those sections of SYSC 19G relevant to an SNI Firm for the non-AIFM business. The disclosure requirements have been prepared in line with both remuneration codes under SYSC 19B and SYSC 19G. The remuneration policy includes the most stringent requirements of each Remuneration Code.

The Remuneration Code (the “RemCode”) covers an individual’s total remuneration - fixed and variable. The Firm incentivises staff through a combination of the two.

Helikon’s remuneration policy is designed to ensure that it complies with the RemCode and that its compensation arrangements:

1. Are consistent with and promote sound and effective risk management;
2. Do not encourage excessive risk taking;
3. Includes measures to avoid conflicts of interest;
4. Are in line with the Firm’s business strategy, objectives, values, and long-term interests; and
5. Are on a gender-neutral basis.

These requirements apply to remuneration of any type paid by the Firm or from the funds it manages, including carried interest (as applicable), as well as any transfer of units/shares of the fund, made in exchange for professional services rendered by the Firm to certain AIFM Remuneration Code Staff.

Proportionality

The Firm has determined the Remuneration policy’s compliance with the principles scheduled in SYSC 19B.1.5 to 19B.1.24 inclusive and in accordance with the relevant requirements in SYSC 19G in a way which is appropriate to its size, internal organisation and the nature, scope and complexity of its business model and activities.

Application of the Requirements

The Firm completes the remuneration disclosure annually on the date the Firm publishes its annual financial statements. As appropriate, this disclosure will be made more frequently if there is a major change to the Firm’s business model.

1. Summary of the Firm’s approach to remuneration for all staff, including the decision-making procedures and governance in adopting the remuneration code:

- Helikon’s remuneration policy has been developed internally and agreed by the Firm’s Board in line with the Remuneration principles laid down by the FCA. Senior management ensures that the policy remains effective and is in line with the Firm’s business and risk strategy and that remuneration awarded promotes effective risk management.
- The Firm complies with the remuneration principles set out in the policy.

- Due to the size, nature and complexity of the Firm, Helikon does not have an independent remuneration committee and the Board is responsible for the governance of the remuneration function.
- The Firm has adopted a multi year top-down approach where remuneration is based on business performance, relevant business line and the individual itself (both financial and non-financial factors).
- Helikon's ability to pay a variable remuneration further takes into account both the capital and liquidity regulatory requirements over a rolling three-year period.
- The Firm ensures that there is equal pay for male, female and diverse workers for equal work or work of equal value. The Firm also ensures equal opportunities in relation to pay increases and career progression, as these will impact gender neutral pay in the longer term.
- When assessing individual performance to determine the amount of variable remuneration, the Firm will consider both financial and non-financial criteria.

2. Qualitative characteristics of the remuneration policies and practices:

- Individuals are rewarded based on their contribution to the overall strategy of the business. Other factors, such as performance, reliability, effectiveness of controls, business development and contribution to the business are taken into account when assessing the performance of the staff.
- Staff who hold control functions are independent from the business functions they oversee to avoid conflict of interest. They are remunerated according to specific objectives linked to their role, independent of the performance of the business area they control and in line with the Firm's risk profile.
- The various components of remuneration apply to all staff at the Firm and not just those that are categorised as AIFM Remuneration Code Staff and are as follows:
 - Fixed remuneration, including salary and pension.
 - Primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment. It should be pre-determined, non-discretionary and not dependent on performance.
 - Variable remuneration, including bonuses, discretionary pension benefits and carried interest.
 - The amount of variable remuneration is based on performance of the Firm, business line and the individual (both financial and non-financial aspects).
 - The Firm's non-financial criteria are based on effective risk management and compliance to the Firm's policies and procedures. The non-financial criteria can override the metrics of the financial performance.
 - The Firm ensures that individuals making subjective judgements remain objective by referring to an established framework for making such judgements as follows:
 1. Clearly documented parameters and key considerations
 2. Documented final decisions regarding risk and any performance adjustments
 3. Input from individuals in Controlled Functions
 4. Sign-off by the Board for any performance adjustments.
 - The Firm has adopted a multi-year framework as it recognises that performance within a single year can result in disproportionate results.
- The Board ensures that the fixed and variable components of the total remuneration are appropriately balanced and ensuring that the fixed component represents a sufficiently high proportion of the total remuneration. This allows full flexibility in relation to variable remuneration, including the ability to pay no variable remuneration.

3. Aggregate quantitative information on remuneration:

The Firm considers that it has a single business area (investment management). The total remuneration awarded to all staff interpreted under SYSC 19G.1.24G includes fixed remuneration of £935k and variable remuneration of £1.14m for the 9-month period ended 30th September 2023.