

## Remuneration Policy and Practices

### Background

Shikuma Capital Limited (“Shikuma” or the “Firm”) is authorised and regulated by the Financial Conduct Authority (“FCA”). The Firm is a Full Scope UK Alternative Investment Fund Manager (“AIFM”) for the purposes of the Alternative Investment Fund Managers Directive (“AIFMD”) and, furthermore, is a small and non-interconnected (“SNI”) MIFIDPRU investment firm for the purposes of the rules in the Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”). The remuneration policy and practices disclosures set out in this document are made pursuant to, and in compliance with, MIFIDPRU 8.6 (Remuneration policy and practices).

### Qualitative Disclosures

As a Full Scope UK AIFM, Shikuma’s approach to remuneration for all staff is governed by the Firm’s Remuneration Policy which is designed to comply with the AIFMD remuneration code set out in Annex II of the Alternative Investment Fund Management Directive (“AIFMD Rem Code”) and transposed in SYSC 19B of the FCA Handbook of Rules and Guidance (“FCA Handbook”). While the general provisions of the Firm’s Remuneration Policy apply to all Directors and employees, certain provisions apply only to those Directors and employees whose professional activities have a material impact on the Firm’s risk profile. Such Directors and employees are categorised as Shikuma’s “AIFMD Code Staff”.

Shikuma’s governing body (i.e., the Board of Directors) oversees the Firm’s approach to remuneration including, but not limited to, decisions in relation to compensation, fixed remuneration and variable remuneration. All decisions in relation to remuneration and governance surrounding the development of the Firm’s remuneration policies and practices are overseen by the Firm’s governing body. On a day-to-day basis, Shikuma’s Compliance Officer monitors the implementation and operation of the Firm’s Remuneration Policy. As explained in further detail in this document, Shikuma’s remuneration policies and practices are designed to:

- Be consistent with and encourage sound and effective risk management;
- Discourage excessive risk-taking;
- Include measures to avoid conflicts of interest; and
- Promote the Firm’s business strategy, objectives, values and long-term interests.

The principles and philosophy guiding Shikuma’s remuneration policies and practices is to promote the long-term successful and viability of the Firm. The remuneration of Shikuma’s staff – which, typically, will consist of both fixed (i.e., base salary) and variable (i.e., discretionary bonus) components – will be structured to attract and retain high-calibre staff and to incentive the Firm’s staff to help Shikuma achieves its long-term aims and objectives.

Fixed remuneration will be based on the nature of the role/responsibilities within the Firm as well as the knowledge and experience of the staff member. Variable remuneration will be linked to the contribution of each staff member to the overall strategy of the business in the relevant business area to which they are associated including, but not limited to:

- Portfolio management;
- Risk management;
- Research;
- Trading;
- Compliance;
- Sales and Marketing;
- Investor Relations;
- Finance; and
- Operations.

Variable remuneration – which will be typically disbursed on an annual basis – will be discretionary and will be determined by Shikuma’s governing body in their sole discretion. The governing body will take into consideration the staff members individual performance during the period to which the variable remuneration relates, the performance of the business area to which they are associated and the overall performance of the Firm. The timing of payment and form of delivery of variable remuneration will be at

the absolute discretion of the Firm's governing body. All staff will be eligible to receive variable remuneration.

The nature of Shikuma's primary business activities (i.e., discretionary investment management) is such that the Firm is entrusted to make investment decisions on behalf of its clients. Shikuma owes a fiduciary duty to its clients and, inter alia, must ensure that the Firm's remuneration policies and practices do not give rise to any potential or actual conflicts of interest between Shikuma and one or more of its clients and/or incentives any of Shikuma's staff to take undue risks (that are inconsistent with the Firm's risk profile or the risk profile of the Firm's clients) when managing, or otherwise dealing with, the assets of the Firm's clients. These considerations are taken into account by Shikuma's governing body when developing the Firm's remuneration policies and practices.

It is noted that, given the start-up nature of Shikuma, Director's remuneration has been kept to a minimum to date to help maintain a low operating cost base during the start-up phase.

### **Quantitative Disclosures**

As an SNI MIFIDPRU investment firm, Shikuma following quantitative remuneration disclosures are made for the financial year ending 31<sup>st</sup> December 2023 (the "Disclosure Period"):

<b>Total amount of remuneration awarded to all staff during the Disclosure Period</b>	
<b>Fixed remuneration</b>	£50,280
<b>Variable remuneration</b>	£0
<b>Total remuneration</b>	£50,280

### **Medium of publication**

In line with the FCA's expectations and to the extent that it doing so does not breach the laws of another jurisdiction, Shikuma uses the Firm's corporate website for the purpose of complying with its disclosure requirements arising under MIFIDPRU 8.1 (Disclosure) of the FCA Handbook.