

Remuneration Code Disclosure in respect of the year ended 31 December 2019

BH-DG Systematic Trading LLP (the “LLP”) is authorised and regulated by the UK Financial Conduct Authority (the “FCA”) as a BIPRU limited licence firm and is therefore subject to the FCA’s handbook of rules and guidance (the “Rules”).

In particular, the “Remuneration Code” contained in Chapter 19C of the FCA’s Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”) sets out the applicable FCA requirements in relation to remuneration. The LLP has adopted a remuneration policy that complies with these requirements. The Remuneration Code covers an individual’s total remuneration, both fixed and variable. The LLP incentivises staff through a combination of the two.

As a BIPRU limited licence firm, the LLP falls within proportionality level 3. This disclosure is made in line therewith.

Arrangements

The LLP’s compensation arrangements:

- are consistent with and promote sound and effective risk management;
- do not encourage excessive risk taking;
- include measures to avoid conflicts of interest; and
- are in line with the LLP’s business strategy, objectives, values and long-term interests.

Application of the requirements

The LLP is required to disclose certain information on at least an annual basis regarding its remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the LLP. The LLP makes such disclosure in accordance with its size, internal organisation and the nature, scope and complexity of its activities.

The decision-making process for determining the LLP’s remuneration policy

The LLP has concluded, on the basis of its size and the nature, scale and complexity of its legal structure and business that it does not need to appoint a formal remuneration committee. Instead, the Board of the LLP sets and oversees compliance with the LLP’s remuneration policy. The LLP’s remuneration policy has been agreed by the Board of the LLP in line with the principles laid down by the FCA. The LLP’s remuneration policy will be reviewed at least annually, or following a significant change to the business requiring an update to its internal capital adequacy assessment. The LLP’s ability to pay bonuses is based on the overall performance of the LLP.

How the LLP links pay and performance

The LLP currently sets the variable remuneration of its staff in a manner which takes into account the performance of both staff (individually and/or by business unit) and the LLP as a whole. As permitted for firms falling within proportionality level 3, the LLP takes into account the specific nature of its own activities (including the fee based nature of its revenues) in conducting any ex-ante risk adjustments

to awards of variable remuneration and given the nature of its business has disapplied the requirement under the Remuneration Code to make ex-post risk adjustments.

Aggregate remuneration of Code Staff

The LLP only has one "business area", namely its investment management business. All of the LLP's Code Staff fall into one or more of the following categories for the purposes of the Remuneration Code: (i) risk taker, (ii) senior management, (iii) persons remunerated in-line with the foregoing whose professional activities have a material impact on the firm's risk profile and (iv) persons whose activities at the firm have a material impact on the risk profile of the firm. The aggregate "remuneration" (as defined in the Rules) awarded to the LLP's Code Staff for the year ended 31 December 2019 was £1,517,578.

Omission of disclosures

In determining whether to disclose the aggregate remuneration of Code Staff, the LLP is permitted to take into account the provisions of the Data Protection Directive (Directive 95/46/EC) regarding the protection of individuals in relation to the processing of personal data. The LLP has, however, made no omissions on the grounds of data protection.