



MIFIDPRU Public Disclosure Document

Fasanara Capital Ltd

Date as at 31.03.2023

For the period 01.04.2022 – 31.03.2023

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1 Overview and summary

Fasanara Capital Ltd. (“Fasanara”, “the Firm”) is regulated by the Financial Conduct Authority (“FCA”) as a Markets in Financial Instruments (“MiFID”) firm and is subject to the rules and requirements of the FCA’s Prudential Sourcebook for MiFID Investments Firms (“MIFIDPRU”) handbook.

For the purposes of MIFIDPRU, the Firm has been classified as a non-small non-interconnected (“SNI”) firm, therefore a non-SNI firm.

The Firm has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to non-SNI firms.

This Public Disclosure Document has been prepared based on the audited financials as at 31.03.2023 covering the financial period 01/04/2022 to 31.03.2023.

Fasanara is an employee-owned investment management firm engaged in the business of rendering investment advice and providing discretionary investment management services to institutional investors.

2 Governance arrangements

The Firm’s ultimate decision making and oversight body is the Board of Directors.

The Board of Directors is responsible for setting the Firm’s business objectives, strategy and annual budgets. The Board of Directors is governed by its Terms of References, which include all responsibilities and requirements as per SYSC 4.3A.1 and the Firm has accordingly implemented segregation of duties between its business functions and control functions.

Fasanara has a Conflicts of Interest Policy and procedures in place and potential conflicts of interests are continuously monitored and assessed by the Compliance team as an independent control function, as well as being reported to the Board of Directors on a regular basis.

The Firm has established a Risk Committee. The members of Fasanara’s Risk Committee are as follows:

- Elisa Bianchi
- Francesco Filia
- Francesco Vaccari
- Mirco Lamperti

The Board of Directors receives regular reporting and management information on the Firm’s operations, specifically reporting and escalation of any compliance, financial, legal and risk matters. The Board of Directors receives independent reporting for internal control functions as well as external independently appointed auditors and consultants on the effectiveness of the Firm’s operations, systems and control arrangements.

3 External Directorships

In line with MIFIDPRU 8.3.1 (2), the Firm has detailed below the number of external appointments, both as executive and non-executive roles of its Board of Directors members:

Name / role	Number of external executive roles	Number of external non-executive roles
Elisa Bianchi	2	0
Francesco Filia	1	0
Satjeet Sahota	0	0

4 Promoting diversity and inclusion

As an asset manager, Fasanara is heavily dependent on its people. The Firm makes a deliberate effort to foster a unifying culture, to encourage innovation, to ensure that we are developing, retaining and recruiting the best talent, to align employee incentives and risk taking with those of the Firm, and to incorporate inclusion and diversity into all levels of our business.

In 2018, Fasanara had a 95% male, white-Caucasian workforce. The senior managers at the time decided to put in place targets to increase diversity across the whole organization. Today, the male/female ratio is 70%-30% with female representation at all levels of the firm and all teams. Our new target is to reach a 60%-40% split by 2025 both in respect to female and ethnic minority representation.

5 Risk management objectives and policies

The Firm has implemented and embedded risk management framework, policies and procedures across all relevant risk areas of the Firm. The Board of Directors sets the business strategy and risk appetite statement of the Firm, which flows through to the risk management framework of the Firm.

In line with the Firm's business strategy, risk appetite and risk management framework the Firm identifies and further assesses key risks within the Firm's Internal Capital and Risk Assessment ("ICARA") process.

The Firm maintains a risk register, which includes risk assessment and rating methodologies in accordance with its risk appetite statement. Key risks are reported to the Board of Directors at each meeting.

6 Own funds requirements – MIFIDPRU 4

The Board of Directors has identified the risks associated with the operations of Fasanara, which have been assessed and managed accordingly. With regards to the K-Factors, Fasanara has identified that the only K-factor applicable to the firm is the K-AUM, which is calculated as 0.02% of average assets under management.

The Firm's investments risks are captured within its K-AUM calculation and operational risks are predominantly captured within its Fixed Overhead Requirement ("FOR") calculation. The Firm has further assessed any operational risks within its ICARA and quantified additional own funds and liquidity, where required.

6.1 Concentration risk – MIFIDPRU 5

The Firm does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The Firm therefore does not have any concentration risks on or off balance sheet and does not operate a trading book.

6.2 Liquidity – MIFIDPRU 6

The Firm maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement (BLAR), being at least 1/3 of its FOR.

The Firm does not provide any client guarantees and therefore its entire liquidity requirement is driven by its expenses, as captured by the FOR.

As part of the ICARA, the Firm also maintains liquidity to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the Firm.

7 Own funds

7.1 Own funds resources

In line with MIFIDPRU 8.4 the Firm has prepared the reconciliation of own funds in line with MIFIDPRU 8 Annex 1 as follows:

Composition of regulatory own funds			
No.	Item	Amount (GBP thousands)	Source
1	OWN FUNDS		
2	TIER 1 CAPITAL		
3	COMMON EQUITY TIER 1 CAPITAL		
4	Fully paid up capital instruments	541	AFS – 31.03.2023

Composition of regulatory own funds			
No.	Item	Amount (GBP thousands)	Source
5	Share premium	0	AFS – 31.03.2023
6	Retained earnings	21,250	AFS – 31.03.2023
7	Accumulated other comprehensive income	0	AFS – 31.03.2023
8	Other reserves	779	AFS – 31.03.2023
9	Adjustments to CET1 due to prudential filters	0	AFS – 31.03.2023
10	Other funds	0	AFS – 31.03.2023
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	AFS – 31.03.2023
19	CET1: Other capital elements, deductions and adjustments	0	AFS – 31.03.2023
20	ADDITIONAL TIER 1 CAPITAL		
21	Fully paid up, directly issued capital instruments	0	AFS – 31.03.2023
22	Share premium	0	AFS – 31.03.2023
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	AFS – 31.03.2023
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	AFS – 31.03.2023
25	TIER 2 CAPITAL		
26	Fully paid up, directly issued capital instruments	0	AFS – 31.03.2023
27	Share premium	0	AFS – 31.03.2023
28	(-) TOTAL DEDUCTION FROM TIER 2	0	AFS – 31.03.2023
29	Tier 2: Other capital elements, deductions and adjustments	0	AFS – 31.03.2023

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statement:				
GBP (thousands)				
		a	b	c
	Item	Balance sheet as in audited financial statement	Under regulatory scope of consolidation	Cross reference to own funds table
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible Assets	0.5		/
2	Tangible Assets	121		/
3	Investments	8,382		/
4	Current Assets	21,594		/
	Total Assets	30,097		
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Current Liabilities	7,527		/
	Total Liabilities	7,527		
Shareholders' Equity				
1	Called Up Share Capital	541		Fully paid up capital instruments
2	Capital Redemption Reserve	779		Other Reserves
3	Profit Carried Forward	21,250		Retained Earnings
	Total Shareholders' equity	22,570		

Own funds: main features of won instruments issued by the firm
Fully paid up share capital.

7.2 Own funds requirements

The Firm calculates its own funds requirements as a non-SNI firm in line with the rules and requirements in MIFIDPRU 4.3 for non-SNI firms.

<u>K-Factor</u>	<u>Capital Requirement</u>
K-Aum	£660,087
K-COH Cash trades	-

K-COH Derivatives	-
K-CMH Segregated	-
K-CMH Non-segregated	-
K-ASA	-
K-DTF Cash trades	-
K-COH Derivatives	-
Total K-Factor Requirement	£660,087

In addition, the Firm has completed its ICARA and analysis to determine its net wind-down requirements and any additional own fund requirements to fund its on-going operations.

The Firm's risk appetite statement and assessment of risks through its risk management framework and risk register form the basis of its ICARA and assessment of the overall financial adequacy rule in line with MIFIDPRU 7.4.7.

The Board of Directors reviews, challenges and approves the ICARA and conclusions of own funds requirements.

8 Remuneration arrangements

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC").

In accordance with MIFIDPRU 8.6.2 the Firm makes the following qualitative remuneration disclosures:

- The Firm's remuneration policies and practices are reviewed annually to ensure they are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the firm.
- The Board of Directors, as the Remuneration Committee, is directly responsible for the overall remuneration policy.
- The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all Staff.
- Variable remuneration is adjusted in line with capital and liquidity requirements as well as the firm's performance.

The following categories of Staff are eligible to receive variable remuneration:

- All full-time employees are eligible to receive variable remuneration.

Fasanara does not benefit from exceptional government intervention.

Fasanara's Remuneration Policy sets out the criteria for setting fixed and variable remuneration. All remuneration paid to staff members is clearly categorised as either fixed or variable remuneration.

Fixed remuneration is based upon a staff member’s professional experience and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration is based upon staff members performance or, in exceptional cases, other conditions.

Total remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and the staff member’s business unit.

Fasanara ensures that fixed and variable components of the total remuneration are appropriately balanced; and the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration.

The Firm monitors fixed to variable compensation to ensure SYSC 19G is adhered to with respect to Total Remuneration.

Quantitative Remuneration

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration awarded.

As a non-SNI firm and in accordance with MIFIDPRU 8.6.8, Fasanara is required to disclose the following information, as set out below:

For the performance year ending 31 March 2023:

Number of Material Risk Takers (“MRT”), including Senior Manager Functions (“SMF”)	11
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Employee category	Total remuneration awarded	Total fixed remuneration	Total variable remuneration
SMFs	£ 1,712,500	£ 670,000	£ 1,042,500
MRTs (excluding SMFs)	£ 2,889,500	£ 1,355,000	£ 1,534,500
All other employees	£ 6,525,437	£ 4,324,037	£ 2,201,400

In relation to any guaranteed variable remuneration awarded:

Employee category	Total guaranteed variable remuneration awarded	Number of MRTs who received it
SMFs	£ 0	0
MRTs	£ 0	0

In relation to any severance payment awarded:

Employee category	Total amount of severance awarded	Number of MRTs who received it
SMFs	£ 0	0
MRTs	£ 0	0

There were no severance payments awarded to any MRTs during the last financial year.