



## **Tudor Capital Europe LLP MIFIDPRU Public Disclosure**

### **1. Introduction**

#### **1.1. Regulatory context**

Tudor Capital Europe LLP (“Tudor” or the “Firm”) is a limited liability partnership formed under the laws of England and Wales on 8 October 2008 and commenced operations on 1 April 2009. The Firm is authorised and regulated by the Financial Conduct Authority (“FCA”) under a reference number 492155 as a Collective Portfolio Management Investment firm, subject to the Alternative Investment Fund Managers Directive. The Firm holds additional permissions to undertake certain MIFID regulated activities. Consequently, the Firm is subject to the prudential rules of the IFPR, outlined in the Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”) of the FCA Handbook. The Firm does not form part of a consolidated situation.

As a ‘MIFIDPRU Investment Firm’, Tudor classified as, a non-Small and Non-interconnected Investment Firm (“non-SNI”) for the purposes of MIFIDPRU regulatory requirements, including the obligations relating to public disclosure set out in MIFIDPRU 8.

Under the provisions of MIFIDPRU 8, the Firm is required to make specific disclosures relating to its:

- Risk Management Objectives and Policies;
- Governance Arrangements;
- Own Funds;
- Own Funds Requirements; and
- Remuneration Policy and Practices.

The Firm makes this disclosure on a solo basis.

#### **1.2. Frequency**

The Firm makes this disclosure at least annually or in the event of a material change to the Firm’s business model.

#### **1.3. Media and location**

The disclosure will be published on the Firm’s website.

#### **1.4. Reference Date**

The reference date is 31 March 2023 which represents the Firm’s financial year end.

#### **1.5. Currency Disclosure**

For the purposes of this disclosure, and in compliance with FCA requirements, all figures are presented in GBP, although the firm's functional currency is USD.

#### **1.6. Significant changes since last disclosure period**

There have been no significant changes to the information disclosed since the Firm’s last disclosure period.

### **2. Risk Management Objectives and Policies**

2.1. The principal activity of the Firm is to provide investment advisory services to Tudor Investment Corporation (“TIC”) as a sub-advisor to a number of funds managed by TIC. In doing so, the Firm employs various discretionary and quantitative trading strategies across a number of investment products, asset classes and financial markets. The Firm also acts as alternative investment fund manager to an alternative investment fund.

2.2. In pursuing the strategy above, the activities of the Firm will give rise to certain risks which carry a potential for harm. Below we have set out a summary of the harm that could potentially be caused as a result of certain categories of risks related to the Firm’s (i) Own Funds requirement; (ii) requirements around its Concentration risk; and (iii) requirements around its Liquidity. We have also set out a summary of the strategies and processes used to manage each of these categories of risk.

2.3. Overall, Tudor has a conservative approach to risk appetite. The Firm has governance and internal control arrangements in place to manage risks across the business and these are assessed on an ongoing basis. The Firm has undertaken a risk identification exercise across the Firm to determine whether additional own funds and liquid assets are required to be held or whether sufficient mitigating controls are in place. This process is repeated at least quarterly. The Firm’s Management Body (as defined further below) reviews and endorses the Firm’s risk appetite annually and, in doing so, considers whether there is any misalignment between its business strategy and its risk appetite. When risks fall outside of the Firm’s guidelines, remedial actions are taken to manage such risks.



#### 2.4. Internal Capital Risk Assessment process (“ICARA”)

Tudor undertakes a detailed assessment of the Firm’s key risks to which it is exposed. The review is undertaken through the ICARA process which aims to identify and manage key harms that the Firm may cause as a result of its regulated and unregulated activities. Further, the ICARA process aims to assess the necessary level of own funds and liquid assets which the Firm must hold during its economic cycle and in the event of wind down.

The core ICARA elements are:

- Business model, strategy and planning.
- Key risks and impact assessment.
- Internal own funds adequacy assessment.
- Internal liquidity adequacy assessment.
- Financial planning (own funds and liquidity).
- Own funds and liquidity stress testing implications with recovery actions.
- Wind-down planning.

#### 2.5. Appropriateness of risk management arrangements and Management Body approved statement

Overall, the responsibility for the effectiveness and adequacy of the Firm’s risk management arrangements, including the Firm’s risk management objectives and policies, rests with the Management Body.

The Management Body recognises that in pursuit of its business strategy objectives, the Firm’s activities may cause potential harm to its clients, the market participants and to the Firm itself. The potential harms are assessed and considered as part of the Firm’s strategy and the ICARA process. The Management Body considers the Firm’s risk management arrangements to have been implemented to ensure compliance with the regulatory requirements, guidance and standards. As such, the Management Body considers the risk management arrangements to be appropriate for minimising the risk of harm and in line with the Firm’s business strategy and risk appetite.

#### 2.6. Risks Related to the Firm’s Own Funds Requirement

The Firm has identified the following risks of harm relating to its strategy which relate to, and are intended to be addressed by, the Firm’s Own Funds obligations:

- Significant adverse market movements and poor fund performance;
- Failure to address significant tax, legal or regulatory change;
- Removal of intra-group financial support or the Firm’s loss of sub-advisory relationships (i.e., group risk);
- Operational risk associated with inadequate systems and controls, human or trade errors or external events; and
- Inadequate monitoring and mitigation of foreign exchange risk.

The Firm manages and mitigates the risks of harm identified above through various strategies and processes, as follows:

- The Firm has implemented an advanced risk management policy with stress testing and active monitoring in order to help it manage, and to the extent possible, mitigate for market risk. This includes ongoing and regular assessments of trading strategies in adverse trading environments as well as internal risk controls;
- In order to manage the risk of tax, legal or regulatory changes, the Firm has experienced and dedicated internal resources to monitor for new requirements and has access to experienced and trusted advisors to assist and provide advice as required;
- The Firm holds sufficient financial resources and is well capitalised. Should there be a decline in AUM or the loss of sub-advisory relationships, the Firm would seek additional cash support from its parent. Should the Firm lose intra-group financial support, it would assess its ongoing viability, and should the Firm decide to wind down, it has sufficient financial resources to do so in an orderly fashion and it would enact its wind down plan;
- The Firm manages its operational risk through the embedding of a strong ethical culture, robust hiring practices, internal controls and governance arrangements, internal reconciliation and reporting, and compliance oversight functions.
- The Firm holds sufficient capital and liquid assets at all times, with appropriate balances split across GBP and USD accounts. The foreign exchange risk is monitored by the Firm’s Financial Resources Department (“FRD”) to ensure correct levels are held across accounts as required.

#### 2.7. Concentration Risk

The Firm has identified the following risks arising from its strategy, which relate to the Firm’s relationships with, or direct exposure to, a single client / counterparty or group of connected clients / counterparties:



- the Firm's receivables from debtors are overly concentrated with TIC - a solvency event affecting TIC could subject the Firm to a significant level of financial harm.
- the Firm makes cash deposits into accounts at certain banks as part of running its business. Where these cash deposits are concentrated in certain banks, an insolvency event affecting any such bank may subject the Firm to a significant harm.

The Firm manages and mitigates the risks of harm identified above through various strategies and processes, as follows:

- The Firm's concentration risk with respect to sums owed to it from TIC is considered low due to the Firm's monthly receipt of income from TIC such that large balances are not outstanding. Additionally, the Firm is well capitalised and has sufficient liquid assets to mitigate the risk of short-term shocks.
- The Firm holds cash balances with banking institutions which have high credit ratings. FRD monitors for any associated risks arising.

## 2.8. Liquidity

The Firm has identified the following risks of harm arising from its strategy which relate to, and are intended to be addressed by, the Firm's Liquidity obligations:

- the Firm could cease to have sufficient control over its assets and cash;
- the Firm might not be able to convert its assets to liquid assets within a reasonable time, including under stressed conditions;
- a mismatch could occur as between the currency of the Firm's outflows and its assets, which could subject the Firm to significant harm where the relevant exchange rate moves against the Firm; and
- the Firm's funding arrangements could become concentrated in terms of counterparties, maturity, any security provided, products, currencies and geographical location.

The Firm manages and mitigates the risks of harm identified above through various strategies and processes. FRD carries out daily cash monitoring and regular group wide cash flow monitoring in addition to stress testing and the provision of regular reporting to the Management Body. Additionally, the Firm holds excess liquid assets at all times and holds its balances with top tier banking institutions.

## 3. **Governance Arrangements**

- 3.1. The Firm's governing body is its UK Management Committee (the "Management Body"). The Firm, as a MIFIDPRU Investment Firm, is subject to the organisational requirements contained in 4.3A.1R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook ("SYSC"). Under SYSC 4.3A.1R, the Firm must ensure that the Management Body defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of the Firm's clients.
- 3.2. In order to comply with the requirement in SYSC 4.3A.1R, the Firm has procedures in place to ensure that members of the Management Body are selected based primarily on the following criteria:
  - The possession and demonstration of the necessary knowledge, skills and experience to perform the relevant duties;
  - Whether their addition will complement the Management Body's collective knowledge, skills and experience in relation to the Firm's activities, including the main risks it faces;
  - Their seniority, function and responsibilities within the Firm; and
  - Diversity of viewpoints, backgrounds, experiences, and other demographics.
- 3.3. The Management Body meets quarterly, or more frequently if circumstances dictate, and is composed of senior members of the Firm. The Management Body has management and oversight responsibility including those relating to major strategic decisions, and is responsible for the Firm's risk management process, as well as forming its own opinion on the effectiveness of this process. In addition, the Management Body decides the Firm's risk appetite or tolerance for risk.
- 3.4. As part of the Firm's governance arrangements and structure, the Management Body defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm. These arrangements include ensuring that the Firm and its individual functions are adequately resourced and ensuring that there is appropriate segregation of duties and responsibilities (for example, appropriate segregation of front office and middle and back-office functions, including risk management, operations and compliance functions that are independent of the front office) in a manner that promotes the integrity of the market and the interests of clients.



- 3.5. The Management Body also ensures that conflicts of interest between the interests of the Firm and the interests of a client (or between the interests of multiple clients) are avoided or managed appropriately, again, in a manner that promotes the integrity of the market and the interests of clients. This is predominantly achieved through: (1) the adoption, and regular review, by the Management Body of a comprehensive conflicts of interest policy which identifies all relevant areas of the Firm's business that could give rise to such conflicts and the various mitigants that the Firm has put in place either to avoid such conflicts or to manage them such that the risk of prejudice to the Firm's clients has been reduced to an appropriate level; and (2) the establishment of a specific procedure for managing any ad hoc conflicts that arise which are not covered by the Firm's conflicts of interest policy.
- 3.6. All relevant staff report to the Management Body (either directly or to individuals who, in turn, report to the Management Body). The Management Body operates under a set of Terms of Reference which provide for certain decisions to be reserved to it. Under the Firm's governance arrangements, including the Terms of Reference for the Management Body, the Management Body:
- Has overall responsibility for the business and conduct of the Firm;
  - Approves and oversees implementation of the Firm's strategic objectives, risk strategy and internal governance;
  - Has oversight of and ensures the integrity of the Firm's accounting and financial reporting systems;
  - Has put in place financial and operational controls and compliance with applicable regulations;
  - Oversees the process of public disclosure and communications by the Firm with clients and regulators;
  - Is responsible for providing oversight of the Firm's senior management;
  - Monitors, assesses and makes changes in respect of deficiencies found in respect of: (i) the adequacy/implementation of the Firm's strategic objectives in the provision of investment services and activities (including ancillary services); (ii) the effectiveness of the Firm's governance arrangements; and (iii) the adequacy of the policies relating to the provision of services to clients; and
  - Has adequate access to information and documents which are needed to oversee and monitor management decision-making.
- 3.7. All members of the Management Body are required to commit sufficient time to ensure that they can perform their functions within the Firm and to act with honesty, integrity and independence of mind to effectively assess and challenge decisions where necessary and to effectively oversee and monitor management decision-making.

#### 4. Directorships

The table below sets out how many executive and non-executive directorships each member of the Management Body holds. The disclosed information does not include:

- Any directorships the member holds in an organisation which does not pursue a predominantly commercial objective (for example, a charitable organisation or a company that has been established to own the freehold to a building in which the member lives);
- Separate directorships held for multiple entities within the same group (all such directorships are accounted as a single directorship for the purposes of the table below); or
- Separate directorships in undertakings in which the Firm holds a qualifying holding.

Member of the Management Body	Number of executive Directorships	Number of non-executive Directorships	Total number of directorships
Abbas Siwji	6	0	6
Ben Kitchener	1	0	1
Blair Mitchell	2	0	2
Mihail Malbasic	1	0	1
Oliver Watson	2	0	2
Oliver Hawkins	2	1	3
Richard Jackson	1	0	1
Suhail Jan	2	0	2
Susannah Gorbey	1	0	1
William Chapman	1	0	1

#### 5. Risk Committee

The Firm is not required to establish a risk committee, and so has not established such a committee.



## 6. Diversity Policy

The Firm maintains an equal opportunities policy for the firm as a whole. This also applies to the Management Body. The Firm promotes diversity on the Management Body and has established and implemented procedures to ensure the Management Body has sufficient diversity of viewpoints, backgrounds, experiences, and other demographics.

## 7. Own Funds and Own Funds Requirement – Disclosure under MIFIDPRU 8.4 and 8.5

### 7.1. Own Funds

The Firm is subject to the disclosure requirements stipulated in MIFIDPRU 8.4.1 R. Please refer to Appendix 1 for a summary. The tables in Appendix 1 set out:

- Details of the Firm's own funds, including their composition and main features in accordance with MIFIDPRU 8.4.1R.
- Details of the Firm's K-Factor Requirement ("KFR") and fixed overheads requirement ("FOR") as at the Reference Date in accordance with MIFIDPRU 8.5.1R.

The Firm's Own Funds as at the Reference Date is £24,911,307.

### 7.2. Own Funds Requirements

The Firm is subject to the disclosure requirements stipulated in MIFIDPRU 4.3. Please refer to Appendix 2 for a summary.

The Firm's own funds requirement as at the Reference Date is £17,260,493.

As part of its ICARA process, the Firm assesses the adequacy of its own funds in accordance with the overall financial adequacy rule in MIFIDPRU 7.4.7 R. At least annually, the Firm undertakes an ICARA review to assess and determine the Firm's key risks which arise from its business activities.

In particular, the Firm assesses the own funds it requires to:

- address any potential harms it has identified which it has not been able to mitigate;
- address any residual harms remaining after mitigation; and
- ensure an orderly wind down of its business.

As the Firm is not an SNI firm, it is required to use its KFR as a starting point for determining the appropriate amount of own funds to cover risks of harm to the business as a going concern, to the extent that such risks have not or cannot be mitigated.

The Firm assesses whether and to what extent a KFR covers each risk of harm identified during the ICARA process on a going concern basis (to the extent the risk of harm is not or cannot be adequately mitigated).

For this purpose, each risk of harm that is not adequately mitigated is mapped to the corresponding KFR. To the extent that the applicable KFR is insufficient to cover the post mitigation risk of harm or to the extent that there is no applicable KFR, the Firm will calculate a suitable amount of additional capital.

As part of its ICARA process, the Firm also assesses the level of own funds that it would need in order to effect an orderly wind down, taking into account any additional risks of harm it identifies and whether the Firm's FOR adequately covers such risks.

## 8. Remuneration Policy and Practices

### 8.1. Qualitative disclosures

The Firm's approach to remuneration for staff can be summarised as follows:

- *Philosophy:* The Firm's remuneration policies and practices are driven by its desire to reward its staff fairly and competitively, but at the same time create a culture of principled behaviour and actions (particularly with regards to the areas of risk, compliance, control, conduct and ethics). As such, the Firm's remuneration policies and practices have been designed so as to contribute to the achievement of the Firm's objectives, but in a way that does not encourage excessive risk-taking or the violation of applicable laws, guidelines, and regulations, and which takes the capital position and economic performance of the Firm over the long term into account.



- *Linkage between variable remuneration and performance:* The total amount of an individual's variable remuneration will always be based on a combination of the assessment of the performance of:
  - the overall results of the LLP;
  - performance of the individual's business unit or department; and
  - individual employee performance. When assessing individual performance, financial as well as non-financial criteria are taken into account.
- *Main performance objectives:* The Firm's main performance objectives relating to the remuneration of staff is as follows:
  - Financial performance objectives:
    - For investment staff, variable remuneration is based on the performance of the firm, the funds and an individual's contribution to this.
  - Non-financial performance objectives
    - For Management and Control staff, non-financial performance objectives such as risk mitigation, compliance with internal policies and procedures, the Firm's reputation in the market and an individual's contribution to this, serves as the basis for their variable remuneration.
- *Categories of staff eligible to receive variable remuneration:* The following categories of staff are eligible to receive variable remuneration:
  - Investment staff; and
  - Management and Control staff.

As indicated above, the Firm's objective in using financial incentives with its staff is to contribute to its strategic objectives, but in a sufficiently prudent manner that does not encourage excessive risk-taking or the violation of applicable laws, guidelines, and regulations, and which takes into account the capital position and long term economic performance of the Firm.

The below is a summary of the decision-making procedures and governance surrounding the development of the Firm's remuneration policies and practices (which the Firm is required to adopt under SYSC 19G (the "MIFIDPRU Remuneration Code")):

- The Management Body has adopted remuneration policies and practices in line with the rules and guidance laid down by the FCA and the MIFIDRU Remuneration Code and is responsible for the implementation of such policies and practices.
- The Management Body periodically reviews the Firm's policies (at least annually) in accordance with the guidance and rules in SYSC 19G.3.
- The Management Body ensures that the Firm, at least annually, conducts a central and independent internal review of whether the implementation of its remuneration policies and practices complies with the remuneration policy and practices adopted by the Management Body.

Due to the application of MIFIDPRU 7.1.4 R, the Firm is not required, and so has not established, a remuneration committee.

## 8.2. Material Risk Takers ("MRTs")

Tudor identified its MRTs in accordance with the provisions outlined in SYSC 19G.5. The following groups of employees are identified as MRTs based on qualitative criteria (related to the role and decision-making authority of employees) and quantitative criteria (related to the level of total gross remuneration):

- whose professional activities have a material impact on the risk profile of the Firm, or the assets managed; and
- who meet any of the MIFIDPRU Remuneration Code identification criteria as set out in SYSC 19G.5.

## 8.3. Key Characteristics of the Firm's Remuneration Policies and Practices.

The Firm's remuneration policies and practices are designed to reflect the nature, scale and complexity of the Firm's business, as well as the key risks impacting the Firm and the assets it manages.

## 8.4. Components of Remuneration and Performance Criteria

The Firm distinguishes between criteria for setting fixed and variable remuneration as shown in the table below. The Firm seeks to ensure that the fixed and variable components of total remuneration are appropriately balanced.



Different components of remuneration (fixed and variable) awarded by the Firm		
Component of remuneration	Base salary/Fixed monthly drawings	Fixed
	Annual Bonus/Discretionary allocation of Profits	Variable
	Fixed pension contributions	Fixed
	Discretionary Pension Contributions	Variable
Summary of the financial and non-financial performance criteria used across the Firm which impact variable remuneration awarded to staff		
Performance Criteria	Performance criteria used in relation to the Firm	<u>Financial performance criteria:</u> <ul style="list-style-type: none"> <li>- Fund performance</li> <li>- Firm performance</li> <li>- Team performance</li> </ul>
		<u>Non-financial performance criteria:</u> <ul style="list-style-type: none"> <li>- Internal team performance</li> <li>- Established objectives</li> </ul>
	Performance criteria used in relation to the Firm's business units	<u>Financial performance criteria:</u> <ul style="list-style-type: none"> <li>- Attributable revenue generation</li> <li>- Expense management</li> </ul>
		<u>Non-financial performance criteria:</u> <ul style="list-style-type: none"> <li>- Risk mitigation</li> <li>- Strategic objectives</li> <li>- Adherence to internal control environment</li> </ul>
	Performance criteria used in relation to the Individuals	<u>Financial performance criteria:</u> <ul style="list-style-type: none"> <li>- Attributable revenue generation</li> </ul>
		<u>Non-financial performance criteria:</u>



- |  |  |   |  |
|--|--|---|--|
|  |  | <ul style="list-style-type: none"><li>- Performance in line with the Firm's strategy</li><li>- Adherence to the Firm's risk management policies</li></ul> |  |
|--|--|---|--|

8.5. Risk Adjustment

The overall size and amount available to be paid out by the Firm in the form of variable remuneration includes adjustments made to account for all types of current and future risks the Firm may face. It also takes into consideration the cost of capital and the liquidity required by the Firm.

The allocation of variable remuneration components within the Firm takes into account all types of current and future risks.

In determining the above, the Firm takes into account the appropriate level of adjustments that should be applied (such as business unit, trading desk and/or individual level, as appropriate), which risks are relevant, and which risk adjustment techniques and measures are the most appropriate; and, in considering all types of current and future risks, includes both financial and non-financial risks.

In assessing individual performance to determine the amount of variable remuneration to be paid to an individual, the Firm takes into account financial as well as non-financial criteria.

Where applicable, the Firm applies clawback in accordance with the MIFIDPRU requirements.

8.6. Guaranteed Variable Remuneration

In exceptional and justified circumstances, the Firm may award guaranteed variable compensation to MRTs, granted as part of a contractual obligation. Guarantees, that are subject to appropriate level of approvals, are limited for the first year of employment only and are awarded to attract new employees into the firm where they have no established performance or reputation.

Additionally, the pay out of the guaranteed variable remuneration is also subject to individual's adherence to firm's policies and procedures and is subject to minimum conditions, such as that the employment is not terminated, or notice is given and employee is not subject to a disciplinary sanction. Guaranteed compensation arrangements to existing employees are prohibited.

8.7. Severance Payments

In certain circumstances, severance payments may be made. In such circumstances, severance pay is determined on a case-by-case basis and involves input from the legal, human resources and compliance departments. Additionally, the advice of external counsel is sought to ensure any severance payment is sound.

8.8. Forms of Pay Out

Fixed and variable remuneration is paid out in cash.

8.9. Quantitative disclosures

Quantitative disclosures pursuant to MIFIDPRU 8.6.8R in respect of the year ending 31 December 2023 are set out in Appendix 3.





## Appendix 1

### Own Funds

The tables below summarise the disclosures required in accordance with MIFIDPRU 8.4.1R.

<b>A. Composition of regulatory own funds</b>			
	<b>Item</b>	<b>Amount (GBP, thousands)</b>	<b>Source based on reference numbers/letters of the balance sheet in the audited financial statements</b>
<b>1</b>	<b>OWN FUNDS</b>	<b>24,911</b>	Page 11, Note 14
<b>2</b>	<b>TIER 1 CAPITAL</b>	<b>24,911</b>	Page 11, Note 14
<b>3</b>	<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>24,911</b>	Page 11, Note 14
4	Fully paid up capital instruments	0	
5	Share premium	0	
6	Retained earnings	0	
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	
19	CET1: Other capital elements, deductions and adjustments	0	
<b>20</b>	<b>ADDITIONAL TIER 1 CAPITAL</b>	<b>0</b>	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
<b>25</b>	<b>TIER 2 CAPITAL</b>	<b>0</b>	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	



B. Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
Figures are in GBP.				
		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to Table A above
		As at period end	As at period end	
<b>Assets</b> - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Cash	26,519		
2	Debtors	49,133		
	<b>Total Assets</b>	<b>75,652</b>		
<b>Liabilities</b> - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors	17,102		
	<b>Total Liabilities</b>	<b>17,102</b>		
<b>Equity</b>				
1	Members' ordinary capital classified as equity	24,911		1, 2, & 3
2	Other reserves classified as equity <sup>1</sup>	33,639		
	<b>Total equity</b>	<b>58,550</b>		
C. Own funds: main features of own Instruments issued by the Firm				
The CET 1 instruments issued by the Firm consist of LLP members' capital. The instruments have been issued on an ad hoc basis as and when new LLP members have been admitted or when the Firm has required additional capital. The LLP members' capital does not have a nominal value. Its value reflects the amount paid in by the relevant member. Under the terms of the Firm's LLP Agreement, the LLP members' capital is non-convertible and perpetual (it does not have a maturity date), carries no right to dividends, coupon or other forms of income (instead, LLP members may, at the discretion of the Firm be awarded a share in the profits of the Firm at the end of the financial year) and is subject to restrictions on withdrawal in accordance with the requirements of MIFIDPRU 3.3.17 R.				

<sup>1</sup> This represents residual profits from the year ended 31 March 2023. These profits were fully distributed to LLP members subsequent to the 31 March 2023 year-end..



## Appendix 2

### Own Funds Requirements

The table below relates to the Firm's own funds requirements under MIFIDRU 4.3.

<b>K-Factor Requirement</b>  (Calculated by the Firm in accordance with MIFIDPRU 4.6)	The Firm's K-Factor Requirement is:  £1,657,429	The Firm's K-Factor Requirement can be further broken down as follows <sup>2</sup> :
		<b>the sum of:</b> <ul style="list-style-type: none"> <li>- the K-AUM requirement;</li> <li>- the K-CMH requirement; and</li> <li>- the K-ASA requirement,</li> </ul> which is:  £572,517
		<b>the sum of:</b> <ul style="list-style-type: none"> <li>- the K-COH requirement; and</li> <li>- the K-DTF requirement.</li> </ul> which is:  £1,084,912
		<b>the sum of:</b> <ul style="list-style-type: none"> <li>- the K-NPR requirement;</li> <li>- the K-CMG requirement;</li> <li>- the K-TCD requirement; and</li> <li>- K-CON requirement,</li> </ul> which is:  £0
<b>Fixed Overheads Requirement</b>  (Calculated by the Firm in accordance with MIFIDPRU 4.5)	The Firm's Fixed Overheads Requirement is:  £10,606,546	

<sup>2</sup> The relevant K-Factors applicable to the Firm are K-AUM, K-COH and K-DTF.



## Appendix 2

### Quantitative Disclosures required under MIFIDPRU 8.6.8R (4) and (5)

1. Remuneration<sup>3</sup> paid or awarded by the Firm for the financial year ended 2023 comprised fixed remuneration (salaries, allowances and members' draw) and variable remuneration. The following tables show aggregate quantitative remuneration information for the Firm's 'Senior Management', 'Other Material Risk Takers' and 'Other Staff' according to the following definitions:
- *Senior Management*: those persons at the Firm who exercise executive functions and who are responsible and accountable to the Management Body for the day-to-day management of the Firm;
  - *Other MRTs*: other employees whose activities have a material impact on the risk profile of the Firm and have been classified as MRTs; and
  - *Other Staff*: other employees whose activities are not deemed to have a material impact on the risk profile of the Firm and have not been classified as MRTs.

Rule Reference	Disclosure			
MIFIDPRU 8.6.8R (3)	The total number of MRTs identified by the Firm under SYSC 19G.5 as at the Reference Date: 16			
MIFIDPRU 8.6.8R (4)(a)-(c)				
	Category	Fixed	Variable	Total
	Senior Manager MRTs and Other MRTs	£2,786,417	£57,385,861	£60,172,278
	Other Staff	£11,279,477	£16,654,868	£27,934,345
MIFIDPRU 8.6.8R (5)(c)	Highest severance payment awarded to an MRT: £3000			

2. The Firm has relied on the exemption in MIFIDPRU 8.6.8R (7) in order to prevent the individual identification of any individual MRTs at the Firm or the disclosure of information that could be associated with an individual MRT at the Firm.

**DISCLAIMER:** This disclosure document has been prepared solely for the purpose of fulfilling the Firm's regulatory requirements. Effort is made to ensure accuracy of any information provided but no assurance or warranties are given as to its accuracy or completeness. The Firm does not accept responsibility for errors of fact or opinion. The Firm has expressed its own views in these disclosures and they may change.

<sup>3</sup> Remuneration paid to MRT's who are not employed by the Firm and are based outside the UK, are not considered in this section. This is consistent with industry practice.