MIFIDPRU DISCLOSURES

Regulatory Context

The following disclosures are provided pursuant to the MIFIDPRU disclosure rules as laid out by the Financial Conduct Authority ("FCA") within Section 3 of the Market in Financial Instruments Directive ("MIFIDPRU"). The regulatory aim of the disclosures is to improve market discipline through additional transparency.

The prudential framework for investment management firms consists of three disclosure requirements under the Capital Requirements Directive which has been implemented by the FCA through the General Prudential Sourcebook ("GENPRU") and MIFIDPRU Disclosures:

- **MIFIDPRU 8.7** – requires the investment manager to disclose investment policy, except when MIFIDPRU 7.1.4R(1) applies. On-balance sheet assets and off-balance sheet items over the preceding 4-year is a rolling average of £100 million or more, and MIFIDPRU 7.1.4R(1) exception applies herein;

- **MIFIDPRU 8.6** – requires the investment manager to publish its remuneration policies and practices; and

- **MIFIDPRU 8.2/8.4/8.5** - requires the investment manager to publish its objectives and policies in relation to risk management, and information on its risk exposures and capital resources, including the Internal Capital and Risk Assessment ("ICARA") and the Supervisory Review and Evaluation Process through which the investment manager and the regulator satisfy themselves as to the adequacy of capital. The investment manager is also required to disclose the minimum capital requirements for the investment manager.

The disclosures below are the required MIFIDPRU disclosures and apply solely to Landseer Asset Management UK LLP (the "Firm"). The disclosures do not apply to any of the clients of the Firm which are exposed to different risks. Unless otherwise defined, capitalized terms used herein have the meanings given to them in MIFIDPRU. The disclosures reflect the arrangements and financials of the Firm as at 31 March 2022 unless otherwise indicated.

Background to the Firm

Landseer's primary business is acting as delegated investment manager to the a number of equity funds and separate managed accounts, the funds are registered in Luxembourg and authorized by the CSSF as a UCITS and in Ireland by the CBI. Additionally, the firm manages Segregated Managed Accounts (SMAs) for large financial institutions.

Landseer is FCA authorized as a MIFID investment firm. Landseer as a MIFIDPRU Firm does not have regulatory permissions for holding client money or client assets, or dealing in investments as principal.

Verification

The information contained in this document has not been audited by the Firm's external auditors and does not constitute any form of financial statement and must not be relied upon in making any judgement on the Firm.

Materiality
MIFIDPRU rules (MIFIDPRU 7.4.13R) provide that disclosures are required to identify all material harms that could result from the firm's business, even if those harms can be appropriately mitigated. Information is considered material to a user relying on that information to make economic decisions.

Proprietary and confidential information
MIFIDPRU rules (MIFIDPRU 8.7.4(1)) provide that firms may omit information where the information is regarded as proprietary or confidential.

MIFIDPRU Disclosures

MIFIDPRU 7.2A – Risk Management Objectives and Policies
Governance framework

The Firm's governance arrangements are the responsibility of the Executive Committee "ExCo" and ExCo meetings are held quarterly.

The Executive Committee operates as the governing body of the Firm. ExCo meets both on a quarterly basis and on an ad hoc basis if circumstances so require, and is responsible for the day to day running and oversight of the Firm. The Executive Committee reviews, amongst other things, the Firm's financial information (such as accounts, regulatory returns, and audited year end accounts), marketing activity, HR matters, the performance of the service providers, the ICARA, internal and external audit reports and related recommendations, compliance reports and status reports from senior managers.

On an ongoing basis, Landseer monitors the adequacy of its capital requirements through the following activities:

•The ExCo monitors that Landseer has sufficient regulatory capital in excess of its minimum capital requirements on a quarterly basis, as part of the standing agenda at the monthly ExCo meetings.

•The ExCo reviews the forecasts of Landseer's regulatory capital position on a quarterly basis to ensure that Landseer has sufficient capital, both regulatory and cash, to meet Landseer's financial commitments.

•Landseer's capital position is checked regularly.

Risk management objective and framework

The Executive Committee is responsible for determining the risk appetite for the Firm. The Firm has established a risk management framework to identify, measure, monitor, report and mitigate risks. Risks identified through the operation of the risk management framework are assessed as part of the Firm's ICARA and MIFIDPRU processes.

The risk management framework sets out the responsibilities and escalation procedures for the identification, monitoring, and management of risks. Specific senior managers are assigned responsibility for the risks across the Firm. The Executive Committee takes overall responsibility, with the assistance of risk, compliance and control functions, for identifying material risks to the Firm and implementing appropriate mitigating controls.

Risks and mitigating controls are periodically reassessed, taking into account the Firm's risk appetite. Actions are taken to improve the control framework when risks are identified which fall outside of the Firm's risk appetite, or when weaknesses are identified in the Firm's mitigating controls.

ICARA

The Firm's ICARA includes an assessment of the design and performance of the internal controls in place to mitigate risks, the probability of the risk occurring, the potential financial and reputational impact, and the adequacy of the Firm's capital base.

The Executive Committee formally reviews and approves a finalized ICARA document on at least an annual basis (or more frequently if there are material changes to the Firm's business model and risk exposures). The Executive Committee, as part of its review of the ICARA, sets the Firm's risk appetite, validates that the Firm's key material risks have been considered and assessed, and validates the stress testing scenarios.

Capital requirements of the Firm are determined through a range of methods including scenario analysis of extreme events and stress testing within the ICARA.

MIFIDPRU 4.4 – Capital Resources

As a MIFIDPRU firm, the Firm maintains sufficient capital to meet its regulatory capital requirements and takes a prudent approach to the management of its capital base. The amount and type of capital resources of the Firm as at 31 March 2022 are set out in the table below:

Table 1: Capital Resources as at 31 March 2022

CAPITAL RESOURCES	GBP
Tier One Capital	£400,000
Tier Two Capital	n/a
Tier Three Capital	n/a
Total Capital	n/a

The adequacy of the capital held by the Firm is assessed regularly, and at least annually, as part of the ICARA framework and is subject to approval by the Executive Committee. The most recent ICARA review took place in March 2023

As a MIFIDPRU firm, the Firm is required to calculate its variable regulatory capital requirements as the higher of:

- the sum of the market and credit risk requirement;
- the Fixed Overhead Requirement ("FOR").

The Firm has calculated its FOR in accordance with the rules and guidance set out in GENPRU 2.1.53R to GENPRU 2.1.59G, which amounts to £200,000 as at 1st March 2024. The credit and market risk capital requirements of the Firm amount to less than the FOR. Therefore, the overall MIFIDPRU capital requirement of the Firm is the FOR of £200,000

FCA Remuneration Code
MIFIDPRU 8.6 – Remuneration

Currently, remuneration is only via a profit sharing plan. All partners are currently paid out of the profits from the firm. All employees are junior members of staff.

When relevant, the Firm shall adopt a remuneration policy that complies with the requirements of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC") – and most notably chapter SYSC 19C that sets out the MIFIDPRU Remuneration Code and related guidance on proportionality. The Firm shall set the variable remuneration of its staff, if any, in a manner which takes into account individual performance, performance of the individual's business unit and the overall results of the Firm.