

TRADERISKS LIMITED MIFIDPRU Disclosure

for the year ended 31 December 2022



1. Basis of preparation

TRADERISKS Limited (“TRL”) is a fully owned subsidiary of Gresham House plc (“GHE”), a quoted specialist alternative asset management group (GHE.LN) (“the Group”, or “Gresham House”) that provides funds, direct investments and tailored investment solutions including co-investment. The Group currently advises funds and individual clients across a range of investment classes including Strategic Equity and Real Assets.

TRL is authorised by the FCA for MiFID Investment Services, including advising on investments, arranging deals in investments, dealing in investments as agent and principal; and is thus subject to the requirements of the FCA’s Investment Firms Prudential Regime (IFPR) prudential regime for MiFID investment firms which came into effect on 1st January 2022.

The public disclosure requirements of IFPR are set out in the FCA’s MIFIDPRU 8 Handbook, replacing the previous Pillar 3 requirements under BIPRU 11.

Per IFPR rules, TRL is a non-small and non-interconnected investment firm (“non-SNI” Firm), by virtue of being authorised to deal on own account. As a non-SNI Firm, TRL is required to disclose the following information:

- Governance arrangements (MIFIDPRU 8.3): non-SNI firms are required to disclose certain information including:
 - An overview of the firm’s governance arrangements
 - The number of directorships held by each member of the governing body (this only applies to directorships of commercial enterprises, charities and directorships of other group entities are excluded).
 - A summary of the firm’s policy on promoting diversity in the governing body.
 - Whether the firm has established a risk committee
- Risk Management (MIFIDPRU 8.2): firms must disclose their risk management objectives and policies in respect of the following categories of risk addressed by:
 - MIFIDPRU 4: Own Funds Requirements
 - MIFIDPRU 5: Concentration Risk; and
 - MIFIDPRU 6: Liquidity
- Own funds (MIFIDPRU 8.4): firms must provide details of their own funds and a reconciliation of the same information in the firm’s report and accounts.
- Own funds requirements (MIFIDPRU 8.5): firms must disclose details of their own funds requirements including the fixed overhead requirement (FOR) and a breakdown of their K-factor requirements (non-SNI only). All firms are also required to disclose their approach to assessing their compliance with the overall financial adequacy rule (MIFIDPRU 7.4.7R).
- Remuneration Policy and practices (MIFIDPRU 8.6)
 - Provision of quantitative and qualitative disclosures in respect of the firm’s remuneration arrangements

Future disclosures will be issued on an annual basis once they have been reviewed and approved by the Board. The disclosures will be published on the Group’s website.

The information contained in this disclosure document has not been and is not required to be audited by the Groups’ external auditors, and does not constitute any form of financial statement. It has been produced solely for the purposes of IFPR disclosure and does not constitute, in any form, audited financial statements.

The Gresham House annual report 2022 can be found online at www.greshamhouse.com/wp-content/uploads/2023/04/Gresham-House-Annual-Report-31-December-2022-vW.pdf

2. Glossary

Acronym	Definition
AIFM	Alternative Investment Fund Manager.
UK AIFM	an AIFM established in the UK and with a Part 4A permission to carry on the regulated activity of managing an AIF.
BIPRU	the Prudential sourcebook for Banks, Building Societies, and Investment Firms; superseded by the IFPR.
CPMI	Collective portfolio management investment firm. A firm which is either (a) an AIFM investment firm; or (b) a UCITS investment firm; and which has Part 4A permission for managing investments (MiFID top-up).
FCA	Financial Conduct Authority, the UK's financial markets regulatory body.
FOR	Fixed Overheads Requirement - (in MIFIDPRU) the part of the own funds requirement calculated in accordance with MIFIDPRU 4.5 (the FOR is calculated as one quarter of the firm's annual fixed expenditure less allowable deductions)
ERM	Enterprise Risk Management
ESG	Environmental, social, and (corporate) governance
GHAM	Gresham House Asset Management Limited; FCA firm reference number 682776
GHE	Gresham House plc
Group, The	Gresham House specialist alternative asset management group, which provides funds, direct investments and tailored investment solutions including co-investment.
IFPR	The Investment Firms Prudential Regime (IFPR) is the FCA's new prudential regime for MiFID investment firms. The regime came into force on 1 January 2022
ICARA	The Internal Capital Adequacy and Risk Assessment (ICARA) process is the collective term for the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure that its operations can be wound down in an orderly manner.
K-factor	K-Factors are quantitative indicators or factors which represent the risks that an investment firm can pose to customers, market, and the firm itself. The total KFR is calculated as the sum of the Risk to Client, Risk to Market and Risk to Firm K-Factors calculated in accordance with MIFIDPRU4.6.
MiFID	Markets in Financial Instruments Directive. It is an EU regulation that regulates investment services.
MiFIDPRU	MiFID Prudential Sourcebook. It provides the FCA's prudential rules for investment firms under the MiFID framework.
non-SNI	A non-small and non-interconnected investment firm; classification of a firm based on size and impact which determines the types of rules within the IFPR that will apply to it.
Own Funds	The own funds of an institution consist of the sum of its tier 1 capital and tier 2 capital. Tier 1 capital comprises common equity tier 1 capital and additional tier 1 capital.
PMR	The Permanent Minimum Requirement is the minimum own funds a firm must hold based on the firm's permissions and services.
SMCR	FCA's Senior Managers and Certification Regime to reduce harm to consumers and strengthen market integrity through individual accountability.
TRL	TRADERISKS Limited

3. Governance

3.1 Overview of TRL's governance arrangements

TRL is a fully owned subsidiary of Gresham House plc. The Group Board is ultimately responsible for the effective management of risks across the Group and considers the effective management of these risks and opportunities as central to the achievement of its long-term objectives.

The Group Board sets the Group's risk strategy and risk appetite after considering recommendations received from the Group Audit Committee, performs oversight activity to ensure risk is being monitored and controlled effectively, is responsible for ensuring that the Group as a whole and regulated subsidiaries maintain sufficient capital and liquidity resources to meet regulatory capital and liquidity requirements, and to support its growth and strategic objectives; and promotes an overall culture of effective risk management throughout the business while delegating the day-to-day risk management responsibilities to the Boards of the Group's companies.

The TRL Board are responsible for implementing risk management arrangements and ensuring that TRL's risk exposure are managed in line with the Groups' overall business objectives and within its stated risk appetite. The TRL Board provide oversight and approval of the process for identifying, evaluating, managing, and reporting the significant risks faced by TRL, and which TRL may represent for the Group.

3.2 Board committees

As a non-SNI firm below the threshold requirements set out in MIFIDPRU 7.1.4, TRL is not required to establish a risk committee, remuneration committee, or nominations committee.

- TRL's on-balance sheet assets and off-balance sheet items over the preceding 4-year period is a rolling average of £300million or less
- TRL does not operate a trading book business of over £150 million, or derivatives book business of over £100 million.

The TRL Board meets quarterly, and receives an update on risk profile, incidents and breaches, updates in the compliance environment, capital adequacy, and other relevant metrics and management information.

The TRL Board comprises the senior management of the firm, who are also members of various fora and meetings where risk strategy, appetite and limits are implemented and monitored, inter alia the New Product Due Diligence, Investment Oversight fora in respect of the individual investment funds, divisional executive group meetings.

The Group Board has five committees: Audit; Remuneration; Investment; Sustainability; and Nominations. Membership, role & responsibilities, and governance of these committees is set out in pages 78-105 of the Gresham House annual report 2022¹. The Group Audit Committee meet at least bi-annually to review and, where required, challenge the Group's management of risks and any significant changes to the profile of risks including actions being taken to mitigate or control key risk exposures.

¹ www.greshamhouse.com/wp-content/uploads/2023/04/Gresham-House-Annual-Report-31-December-2022-vW.pdf

3.3 Directorships

The Group and TRL have reviewed the number of directorships held by members of the Group and TRL Boards and are satisfied that the arrangements are such that the Group and TRL Boards are able to commit sufficient time and resources to perform their obligations to the Group and TRL. The number of directorships held is monitored on an ongoing basis.

		GHE Board						TRL Board	Additional Directorships*
		Company Secretary	Audit	Remuneration	Investment	Sustainability	Nominations		
Anthony Townsend	Non-Executive Chairman		✓	✓		✓	✓		1
Anthony (Tony) Dalwood					✓				-
Simon Stilwell	Non-Executive Director		✓	✓	✓	✓	✓		1
Kevin Acton					✓			✓	-
Gareth Davis	Non-Executive Director		✓	✓		✓	✓		-
Rachel Beagles	Non-Executive Director		✓	✓		✓	✓		3
Sarah Ing	Non-Executive Director		✓	✓		✓	✓		3
Samee Khan	Chief Legal Officer and Company Secretary	✓							-
Patricia Standaloft	Company Secretary							✓	-
Antoine Pesenti ²								✓ ²	-
Alejandro Pilato ²								✓ ²	-
Michael Woodman ³	Company Secretary							✓ ³	-

*Please note the above does not include executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; nor does it include executive and non-executive directorships held within the same group or within an undertaking (including a non-financial sector entity) in which the firm holds a qualifying holding.

² Resigned as Director in 2023

³ Resigned as Company Secretary in May 2022

3.4 Board-Diversity

We believe in a commitment to diversity, equity, and inclusion, and making a positive change.

The Group is dedicated to encouraging a meritocratic, supportive, and inclusive culture. Diversity can bring advantages to an organisation which may include increased profitability, innovation and creativity, stronger governance and better decision making and problem-solving abilities. Directors with diverse backgrounds can bring their own perspectives, ideas, and experiences, which aims to support Gresham House as a resilient and effective organisation.

The Group Nomination Committee plays an integral role in the Group's policy on board-diversity. It regularly reviews the structure, size, and composition, including the skills, knowledge, experience, and any relevant diversity identified as potentially beneficial to the Board and recommends any changes as appropriate.

In identifying suitable Group Board candidates, the Nomination Committee may use the services of external advisers to facilitate the search if considered necessary and appropriate. In the past, specialist recruitment platforms have been used to attract a shortlist of high calibre candidates that focus on attracting high quality, diverse candidates with ultimate decisions based on a variety of meritocratic factors.

The Group Nomination Committee considers candidates from a wide range of backgrounds and considers candidates primarily on merit and objective skills and successful experience criteria, with appropriate due regard for the benefits of relevant diversity on the Board, taking care that appointees have enough time available to devote to the position.

The TRL Board is entirely constituted by executive directors, being the senior management of the TRL business and operating divisions. Gresham House is committed to building a diverse and inclusive team and work environment, in order to attract – and retain – the very best individuals. We want these individuals to fulfil their potential, and we aim to achieve this through the development and integration of inclusive and equitable practices within all relevant aspects of our work.

Gresham House established a Diversity, Equity & Inclusion Committee in 2021, composed of a mixture of ages, genders, nationalities, seniorities, and viewpoints, which meets each quarter to move the agenda forward and hold ourselves and the company to account. Our Diversity, Equity, and Inclusion (DEI) approach aims to create an inclusive work culture through key actions:

- Building awareness across the organisation
- Tackling unconscious bias
- Instilling inclusive leadership in managerial practices
- Supporting under-represented groups

Gresham House has a formal DEI strategy, which sets out the internal behaviours and actions that should be implemented to improve diversity, equity, and inclusion across the Group in order to support our corporate objectives. It provides a shared direction and commitment for Gresham House so we can work together to recruit, retain, respect and value a successful workforce as well as supply chain, clients, and shareholders, and build an inclusive workplace.

4. Risk Management

4.1 Approach to risk management

The Gresham House approach to risk management encompasses the arrangements for the management of enterprise-wide risks, and the specific investment risks relevant for each fund.

The Chief Financial Officer is the FCA Senior Manager with designated responsibility for Risk Management. The CFO is supported by sufficient internal and external resources.

Our Enterprise Risk Management Framework (“ERM Framework”) sets out the risk governance structure, risk appetite and risk assessment processes, policies and procedures, periodical risk reporting and assurance arrangements across the Group.

The ERM Framework has been designed to ensure the prompt and accurate identification, assessment, and management of internal and external risks as well as evaluation of emerging risks pertinent to the Group. During 2022, the Board reviewed and approved the annual refresh of the ERM policy and key risk management outputs, including the Group Risk Register and Risk Appetite Statement. There were no material changes to the risk tolerances of the business, however the Group Risk Register was updated to emphasise ESG considerations, and the integration of ESG risk management into decision-making processes and reporting during 2022.

- **Risk governance** - The GHE plc Board is responsible for setting our business strategy and the overall management of risk within the Group while delegating the day-to-day risk management responsibilities to the Boards of the Group’s subsidiary companies.

Our risk governance structure is comprised of Board and executive committees, risk culture management, second line oversight functions, risk appetite and risk ownership roles and responsibilities.

The Group has in place a functional and hierarchical separation of its risk management oversight and business units, where business units include a portfolio management function. Risk ownership and risk oversight are fully segregated across the Group.

- **Risk culture** - the Boards set the right tone at the top by supporting a sense of risk ownership and collective responsibility for risk management across the employee base. A strong risk culture is promoted throughout the Group. Accountability for the effectiveness of the Group’s risk management systems and internal controls is delivered through our ERM Framework and is overseen by the Boards and the senior management team in accordance with the Senior Managers and Certification Regime (SMCR).
- **Risk identification and prioritisation** - the identification of the strategic objectives of the Group as a whole and supporting business processes include identification and assessment of risk events that might impede the achievement of business objectives or delivery of business processes.

Our risk identification process delivers a defined risk taxonomy which is used to establish the impact and likelihood of a risk materialising and the potential dimensions of the exposures the Group faces. Our risk prioritisation reflects an understanding of risk exposures relative to each other and the efficient application of resources within the Group.

- **Risk appetite, tolerance, and limits** - the Boards sets the Group risk appetite which supports the corporate strategy and determines the threshold of risks considered acceptable. This approach aims to enhance our decision-making capacity and to reflect the agreed business

strategy, the business operational systems and controls, risk appetite and tolerance, capital resources and threshold limits needed to provide early warning signs of a possible approach of our risk appetite limits.

- **Risk management and mitigation controls** - as part of the risk assessment process, controls and mitigation strategies are documented for each material risk, with risk owners taking ownership of the maintenance and operation of designed mitigation controls. The second line risk function supports the risk and control self-assessment programme performed by risk owners to capture risks, oversee, and challenge scenario analysis (where combinations of risk factors are assumed to vary) and stress testing outputs (where one risk factor, such as equity returns, is assumed to vary).

Risk models are an important tool in our measurement of risks. They are used to support the monitoring and reporting of risk and when evaluating actions deciding what mitigation controls are to be implemented. Risk velocity management also forms part of our processes and seeks to measure how fast an exposure can impact our business units and the point at which the organisation first feels its effects.

- **Risk ownership** - as part of our SMCR responsibilities, we have allocated risk ownership responsibilities to our senior management team and appropriate delegation of the identified risks cascades down to risk owners across our business units as to ensure risks identified are effectively monitored and reported. We also ensure that risk owners have the skills, resources, knowledge, and expertise to manage our business risks.
- **Risk reporting** - risk reporting is an integral part of the ERM Framework and takes place at different levels throughout the business units, including corporate and portfolio management functions.

Each regulated entity and investment fund systematically identifies their material, relevant risks and have in place a limit monitoring and reporting framework. Divisional and fund-level management teams are accountable for all risks assumed within their business and responsible for the execution of appropriate risk management discipline within the framework of policy and delegated authority set out by the TRL Board.

Fund managers submit formal risk reports to the AIFM Risk committee – an executive forum chaired by the CFO with defined terms of reference, which provides regular updates to the senior management outlining the current level of risk incurred by each managed fund and any actual or foreseeable breaches of any risk limits, so as to ensure that prompt and appropriate action can be taken.

The CFO provides regular updates to the TRL Board, Group Audit Committee and Group Board on the risk profile of the managed funds, and risk profile of the Gresham House legal entities.

4.2 Approach to assessing Capital, Liquidity, and concentration risks

The Group Board have identified the core risks within the business and put in place the internal controls, as described on pages 72 to 77 of the Gresham House Annual Report 2022⁽¹⁾.

Each risk has been evaluated using a combination of qualitative and quantitative assessments proportionate to the risk identified and aim to manage each risk from a strategic, financial, operational, regulatory, reputational and ESG perspective.

In the context of MIFIDPRU, Gresham House is required to disclose its risk management objectives and policies for the following prudential risks:

Risk description	Mitigation controls
<p>Capital and liquidity risk</p> <p>The risk of insufficient capital and/or liquidity within the Group to meet its financial obligations as they fall due.</p> <p>Liquidity risk in relation to funds is the risk that redemptions or other obligations as they arise cannot be met.</p>	<ul style="list-style-type: none"> ▪ The Group ensures it exceeds minimum levels of liquidity at all times, at Group and legal entity level, to support working capital and regulatory minimum requirements through monthly reviews by Finance. ▪ TRL’s Internal Capital Adequacy and Risk Assessment (“ICARA”) assesses own funds and liquidity requirements and ensure sufficient capital is maintained to cover those risks under normal and stressed market conditions. Each regulated entity within the Group has Own Funds and Liquidity in excess of regulator set limits.
<p>Concentration risk</p> <p>The risk that large exposures to specific counterparties, sectors or asset could result in excessive losses.</p>	<ul style="list-style-type: none"> ▪ TRL does not trade on its own account. By avoiding such activities, we minimize the risk of concentration in a particular investment or asset class. Instead, our focus remains on advising clients on corporate finance activity.

5. Own Funds (Capital resources)

5.1 Own funds requirement

Per MIFIDPRU 4.3.2, the baseline own funds requirement of a non-SNI MIFIDPRU investment firm is the highest of:

- its permanent minimum capital requirement under MIFIDPRU 4.4; the PMR is the minimum own funds a firm must hold based on the firm’s permissions and services,
- its fixed overheads requirement under MIFIDPRU 4.5; the FOR is calculated as one quarter of the firm’s annual fixed expenditure less allowable deductions, or
- its K-factor requirement under MIFIDPRU 4.6; the KFR has been introduced to calibrate the own funds needed to meet the risks of an investment firm. K-Factors are quantitative indicators or factors which represent the risks that an investment firm can pose to customers, market, and the firm itself. The total KFR is calculated as the sum of the Risk to Client, Risk to Market and Risk to Firm K-Factors.

Our audited financial statements for the year ending on December 31, 2022, were made available on May 16, 2023. As a result, the initial reporting period for the FCA (Financial Conduct Authority) that incorporates these updated financial statements is the one ending on June 30, 2023. The table below presents the data for the period ending on June 30, 2023.

Own Funds requirement	£'000s
A. Permanent Minimum Requirement	190 ^(Note: 4)
B. Fixed Overheads Requirement	121
C. K-factors Requirement	-
Sum of K-AUM, K-CMH and K-ASA	-
Sum of K-COH and K-DTF	-
Sum K-NPR, K-CMG, KTCD and K-CON	-
Basic Own Funds requirement (Higher of “A”, “B”, or “C”)	121
Own Funds resources	3,783
Basic Own Funds surplus	3,662

⁴ Due to TRL’s authorisation for “dealing as principal”, the PMR would be £750,000; however under IFPR transitional arrangement, this is adjusted down to £190,000 for the period January to December 2023.

5.2 Reconciliation of own funds to audited financial statements

Within the Group consolidation, most sources of own funds, also known as capital resources, qualify as common equity tier 1 ('CET1') capital. This is the highest form of capital and consists of share capital, share premium, retained profit and other relevant qualifying reserves. The Group has no innovative Tier 1 capital instruments or deductions.

TRL maintained at all times capital resources equal to or in excess of the MIFIDPRU requirements during the 12-month accounting period to 31 December 2022. At the accounting reference date:

COMPOSITION OF REGULATORY OWN FUNDS		
Item	Amount {GBP thousands}	Source based on reference within the audited financial statements
OWN FUNDS	3,783	
Tier 1 Capital	3,783	
Common Equity Tier 1 Capital	3,783	
Fully paid-up capital instruments	318	Note 13
Share premium	-	
Retained earnings	3,333	Note 14/Statement of Changes in Equity
Accumulated other comprehensive income	-	
Other reserves	303	Note 14
Adjustments to CET1 due to prudential filters		
Other funds		
(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	171	Note 7, 9
CET1: Other capital elements, deductions, and adjustments		
Additional Tier 1 Capital		
Fully paid up, directly issued capital instruments	-	
Share premium	-	
(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
Additional Tier 1: Other capital elements, deductions, and adjustments	-	
Tier 2 Capital		
Fully paid up, directly issued capital instruments	-	
Share premium	-	
(-) TOTAL DEDUCTIONS FROM TIER 2	-	
Tier 2: Other capital elements, deductions, and adjustments	-	

RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements

Intangible assets	21	Note 7
Tangible Assets	5	Note 8
Investments	150	Note 9
Debtors due within one year	3,533	Note 10
Cash at bank and in hand	334	
Total Assets	4,043	

Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements

Creditors amounts falling due within one year	89	Note 10
Total Liabilities	89	

Shareholders' Equity

Called up share capital	318	Note 12
Capital redemption reserve	303	
Retained earnings	3,333	Note 13
Total Shareholders' equity	3,954	Statement of financial position

5.3 Internal Capital Adequacy and Risk Assessment (ICARA) process

The TRL Board constantly monitors the performance of TRL, and capital adequacy is regularly assessed. The Group will also monitor risks throughout the year and decide if additional capital should be held against these risks.

The regulated entities within the Group undergo an annual capital adequacy risk assessment exercise that ensures identified risks are quantified and the adequate capital maintained to cover the identified risks. This exercise considers but it is not limited to:

- current and forward-looking assessment of the risks and financial position of the entities over a multi-year horizon;
- applicable financial and non-financial risks and the effectiveness of internal controls to manage the likelihood and/or impact of those risks; and
- capital requirements to ensure the financial stability of the entities under base case and stressed scenarios.

6. Remuneration Policy

6.1 Qualitative disclosures

TRL has a formal Remuneration Code Policy as required by the FCA Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC") rulebook⁵, as well as in accordance with the European Securities and Markets Authority's ("ESMA") Guidelines on sound remuneration policies under the AIFMD.

The Gresham House Remuneration Report contained within the Gresham House annual report¹ on page 90 to 97 details the objectives of its financial incentives, the decision-making procedures and governance around the development of these remuneration practices.

Remuneration Approach: TRL adopts a comprehensive and fair remuneration approach for all staff, aligning with regulatory requirements and promoting a culture of responsible compensation. Our aim is to reward performance, retain talent, and maintain a strong risk management framework.

Financial Incentive Objectives: Our financial incentives are designed to encourage and motivate staff to achieve long-term sustainable growth while managing risks effectively. These incentives promote a focus on client interests, ethical behaviour, and the firm's overall performance.

Decision-Making Procedures and Governance:

TRL applies the Gresham House Remuneration Code Policy, which is applicable to the UK parent entity (GHE) together with all the relevant financial undertakings within the group. The Gresham House Remuneration Code Policy has been approved by the GHE plc Remuneration Committee and the TRL Board.

(a) Remuneration Committee: The TRL Board in conjunction with the GHE plc Remuneration Committee is responsible for establishing the remuneration structures within TRL. The Board will be challenged, where appropriate, to ensure these structures remain effective. It is subject to the Gresham House Group's Remuneration Policy, which complies with the Remuneration Code in relation to its size, nature, scope, and complexity of our activities.

(b) External Consultants: We engage external consultants with expertise in remuneration practices to assist in the development of our policies. Their involvement ensures an unbiased and informed approach to the design and evaluation of our remuneration framework. The Remuneration Committee used external consultants to ensure there was a balanced response when considering the salary increases of the wider Group in 2023; and consulted with external advisors and shareholders during the year to ensure that incentive structures and awards are in line with market practice.

⁵ TRL is a non-SNI firm below the threshold allowing TRL to disapply certain requirements in SYSC 19B and 19G.

Material Risk Takers (MRTs)

The details of which staff members are included as MRTs are set out below:

- a member of the management body;
- a member of the senior management;
- a member of staff who has managerial responsibility for business units that are carrying on at least one of the following regulated activities:
 - arranging (bringing about) deals in investments;
 - dealing in investments as agent;
 - dealing in investments as principal;
 - managing investments;
 - making investments with a view to transactions in investments; advising on investments (except P2P agreements);
 - and/or operating an organised trading facility;
- a member of staff who has managerial responsibilities for the activities of a control function;
- a member of staff who has managerial responsibilities for the prevention of money laundering and terrorist financing;
- a staff member who is responsible for managing a material risk within the firm;
- in a firm that has permission for carrying on at least one of the regulated activities in c), a member of staff who is responsible for managing information technology; information security; and/or outsourcing arrangements of critical or important functions; and
- a member of staff who has authority to take decisions approving or vetoing the introduction of new products.

It is not the title or role of the person however, but more importantly the authority and responsibility they have. It is important therefore that we consider all roles that we believe may have a material impact on our risk profile. The details set out above are a starting point only. We will consider the ability of an individual to impact risk within:

- Operational procedures, systems, and controls;
- The market in which we operate;
- The conduct and culture of the Firm, including our reputation; and
- Our financial standing and capital requirements.

Remuneration composition

Remuneration is comprised of fixed pay and variable performance-related pay. Fixed pay includes base salary, benefits, and pension. Variable pay includes annual bonus, long-term incentive plans, carried interest and performance fees. The financial and non-financial performance criteria and alignment to risk profile are detailed in the Remuneration report on page 90 to 97 of the Gresham House annual report¹.

TRL operates a discretionary bonus scheme which provides for a performance-related bonus based on the Group's results. All permanent members of staff are eligible. TRL will consider its current and future risks, including the cost of capital and the Firm's liquidity when determining the pool of variable remuneration and make appropriate adjustments as needed. This may include adjustments at business unit level or individual level. We will not only consider financial risks, but non-financial risks such as the risk to our values, strategy, reputation, the risk of poor conduct or poor customer outcomes.

If the Firm performs poorly financially, it will reduce the total variable remuneration available accordingly, including considering claw-back arrangements on bonuses awarded.

All variable remuneration is subject to in-year adjustments or clawback arrangements. These will specifically apply where an AIFMD Remuneration Code Staff or MRT was involved in or was responsible for conduct that meant the Firm suffered financially or where the individual failed to meet the standards of fitness and propriety expected of them. This would include cases of fraud or negligence against the Firm, its clients, or services. Our minimum clawback period is 3 years.

Note, TRL is under the size threshold requiring deferral of variable remuneration.

Severance payments relating to the early termination of employment must adhere to contractual entitlements and the rules of any relevant incentive plans. Severance payments must be determined taking into performance over time and not reward failure or misconduct.

6.2 Quantitative disclosures

Notes: TRL does not directly employ any staff. 'Staff' is defined as employees of the Group, not including apprentices, interns, contractors, or agency staff, but has been interpreted broadly and includes for example, employees of the firm itself, employees of other entities in the group who perform activities on behalf of the firm, employees of joint service companies, and secondees. In line with FCA Policy Statement PS21/9 "Implementation of Investment Firms Prudential Regime", where MRTs' provide services to more than one group company, we have not apportioned MRTs' remuneration. We believe disclosing total remuneration for each natural person without apportionment between MiFID and non-MiFID business aligns with the principles of the IFPR to drive positive behaviours and reduce poor conduct.

	Number of material risk takers	Fixed remuneration	Variable remuneration	Total Remuneration
Senior management	7	1,392,141	1,444,282	2,836,423
Other material risk takers	1	140,833	10,000	150,833
Total MRTs	8	1,532,974	1,454,282	2,987,265
Other staff	9	907,545	270,669	1,178,223
Total staff	17	2,440,519	1,724,951	4,165,488

	Number of individuals	Total amount of guaranteed variable remuneration awarded
Senior Management	-	-
Other Material Risk Takers	-	-

	Number of individuals	Total amount of severance payments awarded
Senior Management	-	-
Other Material Risk Takers	-	-

Highest severance payment awarded to an individual Material Risk Taker
-