



Tudor Capital Europe LLP MIFIDPRU Public Disclosure

Introduction

Regulatory context

Tudor Capital Europe LLP (the “Firm”) is regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom and is a ‘*MIFIDPRU Investment Firm*’ as defined in the FCA rules. The Firm is classified as, a non-Small and Non-interconnected Investment Firm (“non-SNI”) for the purposes of the rules in the Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”).

Under the FCA rules (specifically Chapter 8 of MIFIDPRU), the Firm is required to make specific disclosures relating to its:

- Governance Arrangements;
- Own Funds; and
- Remuneration Policy and Practices.

Frequency

The Firm makes this disclosure at least annually.

Media and location

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

Reference Date

31 March 2022

Summary

The disclosures in this document relate to the Firm’s most recently ended financial year which ended on 31st March 2022. As the most recent financial year ended on a date which was before 31 December 2022, the Firm is not currently required to include in this document disclosures relating to its risk management objectives and policies (MIFIDPRU 8.2) or its investment policy (MIFIDPRU 8.7). A disclosure relating to the Firm’s risk management, objectives and policies will be included in future versions of these disclosures in respect of later financial years. A disclosure relating to the Firm’s investment policy may be included in future versions of these disclosures in respect of later financial years, to the extent that MIFIDPRU 8.7 applies to the Firm.

This is the Firm’s first disclosure under the public disclosure requirements under MIFIDPRU 8. As such, there have been no significant changes to the information disclosed since the Firm’s last disclosure period.

Background to the Firm

The Firm is a Collective Portfolio Management Investment firm (“CPMI”) authorised under the Alternative Investment Fund Managers Directive (“AIFMD”) and permitted to undertake additional activities. It was formed under the laws of England and Wales on 8 October 2008 and commenced operations on 1 April 2009. The Firm’s governing body is its UK Management Committee (the “Management Body”).

Governance Arrangements

The Firm, as a MIFIDPRU Investment Firm, is subject to the organisational requirements in 4.3A.1 R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook (“SYSC”). Under SYSC 4.3A.1 R, 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.

In order to comply with the requirement in SYSC 4.3A.1 R, 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;
- Diversity of viewpoints, backgrounds, experiences, and other demographics.

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.

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. Under the Firm's governance arrangements, 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.

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.

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.

Directorships

The table below sets out how many directorships each member of the Management Body holds, broken down into executive and non-executive directorships.

The table below does not include, in respect of each member of the Management Body:

- 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 | 4 | 0 | 4 |
| 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 |

Risk Committee

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

Diversity Policy

The Firm acknowledges that it has statutory duties in relation to equal opportunities and non-discrimination to promote 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.



Own Funds and Own Funds Requirement

Own Funds

The Firm is subject to the disclosure requirements stipulated in MIFIDPRU 8.4.1 R. As such, the tables below set out:

- Details of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the Firm (i.e. a composition of regulatory own funds);
- A reconciliation of the Firm's composition of regulatory own funds with the capital in the balance sheet in the audited financial statements of the Firm; and
- A description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the Firm.

Please see the tables below which set out these disclosures.

| A. Composition of regulatory own funds | | | |
|--|---|------------------------|--|
| | Item | Amount (USD thousands) | Source based on reference numbers/letters of the balance sheet in the audited financial statements |
| 1 | OWN FUNDS | 30,733 | Page 11, Note 14 |
| 2 | TIER 1 CAPITAL | 30,733 | Page 11, Note 14 |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 30,733 | 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 | |
| 20 | ADDITIONAL TIER 1 CAPITAL | 0 | |
| 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 | |
| 25 | TIER 2 CAPITAL | 0 | |
| 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 USD, which is the Firm's functional and reporting currency.

| | | 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 | |
| Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements | | | | |
| 1 | Cash | 39,351 | | |
| 2 | Debtors | 51,405 | | |
| xxx | Total Assets | 90,756 | | |
| Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements | | | | |
| 1 | Creditors | 17,372 | | |
| xxx | Total Liabilities | 17,372 | | |
| Equity | | | | |
| 1 | Members' ordinary capital classified as equity | 30,733 | | 1, 2, & 3 |
| 2 | Other reserves classified as equity | 42,651 | | |
| xxx | Total equity | 73,384 | | |

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.



Own Funds Requirements

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

| | | |
|--|--|--|
| K-Factor Requirement (Calculated by the Firm in accordance with MIFIDPRU 4.6) | The Firm's K-Factor Requirement is: | The Firm's K-Factor Requirement can be further broken down as follows: |
| | \$2,462,930 | the sum of: - the K-AUM requirement; - the K-CMH requirement; and - the K-ASA requirement, which is: \$674,702 |
| | | the sum of: - the K-COH requirement; and - the K-DTF requirement. which is: \$1,788,228 |
| | | the sum of: - the K-NPR requirement; - the K-CMG requirement; - the K-TCD requirement; and - K-CON requirement, which is: 0 |
| Fixed Overheads Requirement (Calculated by the Firm in accordance with MIFIDPRU 4.5) | The Firm's Fixed Overheads Requirement is: \$12,760,882 | |

As part of its Internal Capital Risk Assessment ("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.

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 K-factor requirement 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 K-factor requirement 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 K-factor requirement. To the extent that the applicable K-factor requirement is insufficient to cover the post mitigation risk of harm or to the extent that there is no applicable K-factor requirement, 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 fixed overheads requirement adequately covers such risks.

Remuneration Policy and Practices

The Firm was, prior to 1 January 2022, subject to the disclosure requirements in BIPRU 11.5.18 R and, therefore, in relation to its most recently ended employee performance period, benefits from the transitional provision in paragraph 12.8 to MIFIDPRU TP 12. In line with that transitional provision, the remuneration information set out below has been prepared in accordance with the rules in BIPRU 11.5.18 R rather than the rules in MIFIDPRU 8.6. A remuneration disclosure that is compliant with MIFIDPRU 8.6 will be included in future versions of these disclosures in respect of later employee performance periods.

The Firm has adopted a remuneration policy that complies with the requirements of SYSC 19B, and the SYSC 19C. The Firm 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 remuneration committee. Instead, the Management Body sets, and oversees compliance with, the Firm's remuneration policies including reviewing the terms of the policies at least annually.

As at the date of posting, the Firm currently sets the variable remuneration of its staff in a manner which takes into account staff and Firm performance, by reference to:

- the overall results of the LLP;
- performance of the individual's business unit or department; and
- individual employee performance.

As permitted for AIFMs under SYSC 19B and firms falling within Proportionality Level 3 under SYSC 19C, the Firm 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 FCA Remuneration Code to make ex-post risk adjustments.

The Firm only has one "business area", namely its CPPI business. All of the Firm's "Code Staff" fall into the "senior management" category of Code Staff (rather than the "risk taker" category) for the purposes of the FCA Remuneration Code. The aggregate "remuneration" (as defined in the FCA rules) awarded to the Firm's Code Staff during the financial year ending on 31 March 2022 was GBP £49,006,586.71.