

Pillar 3 Disclosure and Commitment to the UK Stewardship Code

Prosperise Capital LLP (“Prosperise”) is authorised and regulated as a limited licence firm by the Financial Conduct Authority (“FCA”). The Pillar 3 disclosure of Prosperise is set out below as required by the FCA’s ‘Prudential Sourcebook for Banks, Building Societies and Investment Firms’ (BIPRU), specifically BIPRU 11.3.3 R.

Scope of Application of the Requirement

- The disclosures contained in this document relate to the business of Prosperise, whose principle business is to provide discretionary investment management business to professional customers.
- There is no current or foreseen material practical or legal impediment to the prompt transfer of capital resources or repayment of liabilities.
- There is no deficit of capital and no subsidiary is excluded from the consolidated group.

Capital Resources

Prosperise’s (As per PVE financial statements 2017) total capital requirement is £223,715, and with regulatory capital of £592,290 we have a capital surplus of £368,575, over 265% of the Pillar 1 Capital that we are required to hold.

As Prosperise is authorised by the FCA as a limited licence firm, Prosperise’s capital requirements are the greater of Prosperise’s

- base capital requirement of EURO 50,000; or
- sum of its market and credit risk requirements; or
- Fixed Overhead Requirement

Prosperise has calculated its capital requirement in accordance with the relevant FCA rules and the final level of capital is generally calculated as its Fixed Overhead Requirement due to the limited credit and market risk exposure which is largely limited to management and performance fee receivables in foreign currencies. Prosperise calculated both its market risk capital requirement and credit risk capital requirement using the standardised approach.

Prosperise also carries out an Internal Capital Adequacy Assessment Process (“ICAAP”) to determine whether any additional capital is required for Pillar 2. The ICAAP process includes an assessment of specific risks to Prosperise’s business, the likelihood of these occurring and the controls Prosperise has put in place to mitigate these risks. The conclusions of Prosperise’s ICAAP are that no additional Pillar 2 capital is required.

Risk Management

Given the nature of the firm’s business, Prosperise is mainly exposed to business risk and operational risk. Prosperise’s approach is to have in place processes and controls that are commensurate with the scale of the business operation. Prosperise’s Pillar 2 assessment of business risk looks at a range of potential risks and Prosperise regularly assesses the likelihood of these risks and any controls in place to mitigate our exposure. Prosperise’s operational risk exposure is typical for a business of its size and nature and Prosperise has established controls in place to mitigate the risk exposure accordingly. Prosperise’s Chief Operating Officer has oversight of the operational risk of the business.

Remuneration

Given the nature and small size of Prosperise's business, remuneration for all employees is set by the members of the Partnership. The Partnership formally reviews the performance of all employees and based thereon determines each employee's overall level of remuneration and the split of that between base salary, bonus etc.

Given that Prosperise has only one business area - fund management - all remuneration disclosed in the audited financial statements is from this business area.

Prosperise has defined "Code Staff" to be the current members of the Partnership. Total partnership profits allocated to members of the LLP are normally disclosed in aggregate in the audited financial statements.

Prosperise has determined that the firm is a Remuneration Code Proportionality Tier 4 firm and has applied the rules appropriate to its Proportionality Tier. All variable remuneration is adjusted in line with capital and liquidity requirements.

Commitment to the UK Stewardship Code

Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, Prosperise Capital LLP (the "Firm") is required to disclose whether or not it commits to the UK Financial Reporting Council's Stewardship Code (the "Code"). The Code is a voluntary code and sets out a number of principles relating to engagement by investors with UK equity issuers.

The Firm pursues a range of strategies combining both liquid and structured investments with particular focus on fixed income. The Code is therefore relevant to limited aspects of the Firm's trading. While the Firm generally supports the objectives that underlie the Code, the Firm has chosen not to commit to it.