

MIFIDPRU Public Disclosure Document

Episteme Capital Partners (UK), LLP

For the period 31 December 2022 to 31 December 2023

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1 Overview and summary

Episteme Capital Partners (UK), LLP is regulated by the Financial Conduct Authority (“FCA”) as an Alternative Investment Fund Manager (“AIFM”) firm with Collective and subject to the rules and requirements of the FCA’s Prudential Sourcebook for MiFID Investments Firms (“MIFIDPRU”) handbook.

For the purposes of MIFIDPRU, the Firm has been classified as a small non-interconnected (“SNI”) firm through July 2023. Although the Firm became a Non-SNI during the period of this report, per MIFIDPRU 8.1.5 and 8.1.6, the Firm has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to SNI firms, providing additional disclosure where appropriate to understand the Firm’s business. Notwithstanding the foregoing, the MIFIDPRU remuneration policies were not applicable to the Firm until July 2024.

This Public Disclosure Document has been prepared based on the audited financials as at 31 December 2023, covering the financial period 31 December 2022 to 31 December 2023.

The Firm’s main business activity is to act as an alternative fund investment adviser providing services both to alternative investment funds and managed accounts under CPMI powers.

2 Own Funds requirement – MIFIDPRU 4

2.1 Own funds requirements – MIFIDPRU 4

As the Firm does not have permissions for dealing as principal or holding client money or client assets, the Firm is subject to a Permanent Minimum Requirement of £75,000.

The Firm calculates its own funds requirements based on a combination the Fixed Overhead Requirement (“FOR”) calculation and the K-factor requirements (K-Aum and K-COH) to which it became subject to for the period it became a Non-SNI.

The Firm’s investments risks are captured within its K-AUM and K-COH calculations and operational risks are predominantly captured within its FOR calculation. The Firm has further assessed any risks facing its business operations within its ICARA and quantified additional own funds and liquidity, where required.

2.2 Concentration risk – MIFIDPRU 5

The Firm does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The Firm therefore does not have any concentration risks on or off-balance sheet and does not operate a trading book.

2.3 Liquidity – MIFIDPRU 6

The Firm maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement (BLAR), being at least 1/3 of its FOR.

The Firm does not provide any client guarantees and therefore its entire liquidity requirement is driven by its expenses, as captured by the FOR.

As part of the ICARA, the Firm also maintains liquidity to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the Firm.

3 Own funds

The Firm calculates its own funds requirements as an SNI firm in line with the rules and requirements in MIFIDPRU 4.3 using the following factors:

Risk Weighted FOR	£0.53 M
K-AUM	£0.29 M
K-COH	£0.03 M

In addition, the Firm has completed its ICARA and analysis to determine its net wind-down requirements and any additional own fund requirements to fund its on-going operations.

The Firm's risk appetite statement and assessment of risks through its risk management framework and risk register form the basis of its ICARA and assessment of the overall financial adequacy rule in line with MIFIDPRU 7.4.7.

The Principals review and approve the ICARA and conclusions of own funds requirements.

4 Remuneration arrangements

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC").

In accordance with MIFIDPRU 8.6.2 the Firm makes the following qualitative remuneration disclosures:

- The Firm's remuneration policies and practices are reviewed annually to ensure they are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the firm.

- The Principals together with the Management Committee of Episteme Capital Partners (Cayman), Ltd., as the Remuneration Committee, is directly responsible for the overall remuneration policy.
- The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all Staff.
- Variable remuneration is adjusted in line with capital and liquidity requirements as well as the firm's performance.

Episteme Capital Partners (UK), LLP's Remuneration Policy sets out the criteria for setting fixed and variable remuneration.

All remuneration paid to staff members is clearly categories as either fixed or variable remuneration.

Fixed remuneration is based upon a staff member's professional experience and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration is based upon the Firm's performance as a whole and staff members performance.

Total remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and the staff member's responsibilities.

The Firm ensures that fixed and variable components of the total remuneration are appropriately balanced; and the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration.

The Firm monitors fixed to variable compensation to ensure SYSC 19G is adhered to with respect to Total Remuneration.

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration awarded. As an SNI firm and in accordance with MIFIDPRU 8.6.8, Episteme Capital Partners (UK), LLP is required to disclose the total amount of remuneration awarded to all staff, split into fixed and variable remuneration. For the performance year ending 31 December 2023, total remuneration was approximately £1.7MM composed of fixed remuneration of approximately £1.1MM and variable remuneration of about £0.6MM. Such numbers relate solely to the UK and excludes compensation of partners which is considered a return of capital.