



MIFIDPRU 8 DISCLOSURE – SEPTEMBER 2025

Issued by: Systematica Investments UK LLP (“SIUK LLP” or the “Firm”)

Financial Year Ended: 31 December 2024

0. Scope and Basis of Disclosure

This disclosure was prepared in accordance with MIFIDPRU 8.1.7R on an individual (solo) basis only for SIUK LLP. No prudential consolidation has been applied. This disclosure covers the Firm's financial year ended 31 December 2024 and has been reviewed and approved by the Firm's Management Committee (the "Management Committee") on 31 July 2025 and is published alongside the Firm's audited financial statements.

1. Introduction

The United Kingdom's Financial Conduct Authority (the "FCA") sets its prudential expectations for firms in the specialist sourcebook within the FCA Handbook known as "MIFIDPRU".

As a non-small and non-interconnected MIFIDPRU investment firm ("Non-SNI MIFIDPRU Investment Firm"), SIUK LLP is required to disclose information on the following areas:

- Risk management objectives and policies;
- Governance arrangements;
- Own funds;
- Own funds requirements; and
- Remuneration policy and practices.

The purpose of this disclosure is to give stakeholders and market participants an insight into the Firm's culture and data on the Firm's own funds and own funds requirements, allowing potential investors to assess the Firm's financial strength.

SIUK LLP was established on 20 September 2018 and is authorised and regulated by the FCA (since 8 February 2019) to provide regulated products and services to its sole client, the Investment Manager.

The Systematica group of entities (the "Systematica Group") is a technology-driven manager focused on a quantitative and systematic investment approach. Systematica Investments Limited (acting in its capacity as general partner of Systematica Investments LP (the "Investment Manager")) is appointed to act as investment manager for various fund clients (the "Funds") and managed account clients (the "Managed Accounts") (together, the "Clients").

SIUK LLP is appointed as a sub-investment manager to provide execution services for the Funds and/or to provide other related services in the Investment Manager's place, as an agent of the Funds. Underlying investors in the Funds are institutional investors, such as pension funds, insurance companies, and other professional investors. The Systematica Group grows revenues by increasing the underlying asset base on which it charges a management fee. This is achieved through growth of the Firm's client's assets through capital inflows and value creation.

2. Risk Management Objectives and Policies

Potential Harms and Risk Management Framework

The Management Committee reviewed and approved the assessment of potential harms in accordance with MIFIDPRU requirements. The review identified risks to clients, markets and to the Firm itself, considering both ongoing operations and wind-down. Material risks assessed included:

- **Risk-to-Client:** trade errors, mandate breaches, operational failures that could disadvantage clients.
- **Risk-to-Market:** disorderly withdrawal from trading venues or systemic disruption from the Firm's activities.
- **Risk-to-Firm:** solvency, liquidity and operational risks, including cyber security, key personnel and business continuity.

The Firm mitigates these risks through robust systems and controls, governance oversight, and established policies and procedures. These arrangements ensure that risks are identified, monitored, and managed in a proportionate manner.

Risk appetite and governance

The Firm maintains a conservative risk appetite, with a focus on maintaining a strong capital position, robust liquidity and a stable control environment. Risk governance is overseen by the Management Committee, supported by a Risk Committee that meets at least quarterly. This ensures that key risks and mitigants are regularly reviewed and escalated as appropriate.

Control framework

- Operational risk is mitigated through pre-trade and post-trade checks, error escalation policies, and insurance cover.
- Liquidity risk is managed via monthly monitoring against regulatory thresholds, early warning indicators, and contingency plans.
- Market risk is controlled through portfolio limits, diversification, and independent monitoring by the Risk Committee.
- Concentration risk is mitigated by the Firm's diversified institutional client base and long-term investor profile.
- Cyber and IT risk is managed via access controls, penetration testing, disaster recovery arrangements, and staff training.

Control functions

Independent Compliance, Risk Management, and Finance functions provide second-line oversight, monitoring adherence to regulatory obligations and internal policies. These functions report

directly to senior management and the Management Committee, ensuring that material issues are identified, escalated, and addressed in a timely manner.

The Firm concluded that, given these mitigants, its risk management framework is effective and proportionate. Own funds and liquid assets comfortably exceed regulatory requirements, and no additional capital has been identified as necessary beyond the Fixed Overhead Requirement.

The rest of this section 2 describes SIUK LLP's risk management objectives and policies for the categories of risk addressed by the requirements of the Firm in the following areas:

- Own funds
- Concentration risk
- Liquidity

Own Funds Requirement

SIUK LLP is required to maintain own funds that are at least equal to its own funds requirement. The own funds requirement is the higher of the Firm's:

- **Permanent minimum capital requirement ("PMR"):** The level of own funds required to operate at all times. Based on the MiFID investment services and activities that the SIUK LLP currently has permission to undertake, this is set at £75,000;
- **Fixed overhead requirement ("FOR"):** This is equal to one quarter of the Firm's relevant expenditure, based on the prior year audited financial statements;
- **Orderly wind-down requirement:** The minimum amount of own funds and liquid assets that SIUK LLP would require to remain financially viable and to conduct an orderly wind-down in line with MIFIDPRU 7.4.7R; and
- **K-factor requirement ("KFR"):** The KFR is intended to calculate a minimum amount of capital that SIUK LLP would need for the ongoing operation of its business. The K-factor that applies to the Firm's business is solely K-AUM (calculated on the basis of the Firm's assets under management ("AUM")).

SIUK LLP's own funds requirement is currently set by its FOR as this is the highest of the metrics. The potential for harm associated with SIUK LLP business strategy, is deemed to be low. This is due to the relatively consistent and stable growth in SIUK LLP's revenues and asset base.

SIUK LLP maintains a healthy own funds surplus above the own funds requirement to mitigate the risk that it falls below that threshold. In the event that the SIUK LLP's own funds drop to an amount equal to 110% of its own funds threshold requirement, the FCA will be notified by the Legal and Compliance function of the Systematica Group as soon as is practicable.

Concentration Risk

Concentration risk arises from the strength or extent of a firm's relationships with, or direct exposure to, a single client or group of connected clients. Where relevant, firms should also consider

concentration risk related to, inter alia, the location of client assets and money, cash deposits, on- and off-balance sheet exposures, and sources of earnings.

SIUK LLP considers that it has a reliable revenue stream including during stressed market conditions. Investors into the Funds are institutional professional investors that invest for the long term. SIUK LLP, therefore, considers that its balance sheet is not prone to substantial fluctuations, including during stressed market conditions.

The potential for harm associated with concentration risk, is considered to be low.

Liquidity

SIUK LLP is required to maintain sufficient liquidity to ensure there is no significant risk that its liabilities cannot be met as they fall due and, further, to ensure that it has appropriate, liquid resources in the event of a stressed scenario (as tested during SIUK LLP's ICARA process).

As at 31 December 2024:

- Liquid assets held: £4.066m
- Liquid Asset Threshold Requirement: £0.936m
- Surplus: £3.130m

Liquidity resources were held predominantly in cash with UK-authorised credit institutions and short-term highly liquid instruments. The Firm maintained a substantial buffer above its regulatory requirement.

SIUK LLP retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under various conditions. The Systematica Group's corporate finance function monitors SIUK LLP's cash balances. The potential for harm associated with SIUK LLP's business strategy, based on its basic liquid assets requirement, is considered to be low.

Risk Management Structure

The Systematica Group has established a risk committee that is independent of the firm's Governing Body and meets at least quarterly. The risk committee includes the CRO, the CEO, the co-CIOs and Product Managers. The purpose of the risk committee is to provide an appropriate level of oversight (including escalating as may be required to the Executive Committee) on the status of market, liquidity, and counterparty risks.

3. Governance Arrangements

Overview

SIUK LLP believes that effective governance arrangements help it to achieve its strategic objectives whilst also ensuring that the risks to the Firm, its stakeholders, and the wider market are identified, managed, and mitigated.

The Executive Committee of the Investment Manager (the "Executive Committee") has overall responsibility for the Systematica Group and is therefore responsible for defining and overseeing the governance arrangements at SIUK LLP.

In order to fulfil its responsibilities, the Executive Committee meets on a monthly basis. Amongst other things, the Executive Committee approves and oversees the implementation of the Systematica Group's strategic objectives and risk appetite and provides oversight of the Systematica Group's senior management, which includes members of the Firm's management committee (as detailed below).

SIUK LLP's management body is its management committee, which consists of all limited partners of the Firm (the "Management Committee"), and which meets quarterly to consider the business of SIUK LLP and its affairs. The below table provides the number of directorships held by each member of the Management Committee:

Management Body Member (as at year ending 31 December 2024)	Position within the Systematica Group	Number of Directorships Held	
		Executive	Non-Executive
John Arscott	Chief Risk Officer	1 ¹	
Ben Maxmin	Head of Sales		
Adam Knowles	Chief Operating Officer	1 ¹	

All directorships are within the limits set out in SYSC 4.3A.7R. Directorships held within the same group or those not pursuing predominantly commercial objectives have been excluded.

Policy on Diversity and Inclusion

SIUK LLP's policies on diversity and inclusion were maintained at the Systematica Group level. Whilst SIUK LLP recognised the advantages that a diverse management body and workforce can offer, it did not set numerical targets for gender or minority representation. Recruitment and promotions were carried out on the basis of skills, experience and suitability for each role.

The Firm continued to support diversity and inclusion through its group-wide initiatives, training and employee networks. These programmes aimed to ensure equal opportunities and to maintain a workplace culture that valued different perspectives and backgrounds. The Management Committee reviews diversity matters annually in line with SYSC 4.3A.9R, with a focus on maintaining high standards of governance and culture.

¹ Director of Systematica Investments Services Limited, the sole member of SIUK LLP.

4. *Own Funds*

The disclosure below uses the template set out in Annex 1R of MIFIDPRU 8 and provides a breakdown of the Firm's own funds held as at 31 December 2024:

Composition of Regulatory Own Funds (OF1) - £000's			
	Item	Amount (GBP Thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	17,364	
2	TIER 1 CAPITAL	17,364	
3	COMMON EQUITY TIER 1 CAPITAL	17,364	
4	Fully paid-up capital instruments	2,384	FS Statement of Financial Position
5	Share premium	-	
6	Retained earnings	-	
7	Accumulated other comprehensive income	-	
8	Other reserves	4,817	FS Statement of Financial Position
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	-

11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	-
19	CET1: Other capital elements, deductions and adjustments	-	-
20	ADDITIONAL TIER 1 CAPITAL	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25	TIER 2 CAPITAL	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

Own Funds: Main Features of Own Instruments Issued by the Firm

SIUK LLP's own funds consist solely of common equity tier 1 capital. These were members' capital contributions which were perpetual, non-convertible and without a fixed maturity. They carried no rights to fixed dividends or coupons. Withdrawals of members' capital were subject to restrictions under the LLP Agreement and MIFIDPRU 3.3.17R, ensuring funds remained available to absorb losses. Other reserves arose from retained profits allocated to capital, subject to the Management Committee's discretion, and were similarly available to meet regulatory requirements.

Reconciliation of Regulatory Own Funds to Balance Sheet (OF2)			
	Balance sheet item (USD'000)	GBP equivalent (£'000)	Cross-ref OF1
	Members' capital classified as equity	2,384	Item 4
	Other reserves classified as equity	4,817	Item 8
	Net assets / total equity	7,201	Items 4+8
	Adjustments	-	Item 11
	Total Own Funds (CET1)	17,364	Item 1

Note on currency translation:

The audited financial statements for the year ended 31 December 2024 (the "FS") are prepared in USD, whereas the Firm's regulatory disclosures under MIFIDPRU are presented in GBP. For the purposes of Annex 1R, FS line items (e.g. members' capital USD 2,983k; other reserves USD 6,026k) have been translated into GBP at the Firm's closing 2024 accounting rate. The resulting GBP-equivalents reconcile, after regulatory adjustments, to the ICARA-reported Own Funds of £17,364k. Any residual differences reflect foreign exchange translation.

5. Own Funds Requirements

SIUK LLP was required at all times to maintain own funds equal to or greater than its own funds requirement, calculated as the higher of:

- the Permanent Minimum Requirement ("PMR");
- the Fixed Overhead Requirement ("FOR"); or
- the K-Factor Requirement ("KFR").

As a non-SNI firm, SIUK LLP considered its Overall Financial Adequacy Rule ("OFAR") obligations, including the own funds required to cover potential harms identified through its risk assessment process and to ensure an orderly wind-down.

Own Funds Requirement as at 31 December 2024	£'000	Source
(A) Permanent Minimum Requirement ("PMR")	75	FCA Rule (fixed)
(B) Fixed Overhead Requirement ("FOR")	2,807	Based on PY expenditure
(C) K-Factor Requirements ("KFR") (solely K-AUM)	1,709	Based on average AUM
(D) Own Funds Requirement (Max. [A, B, C])	2,807	
Own Funds held	17,364	Per OF1/OF2

SIUK LLP is also required to comply with OFAR. This is an obligation on SIUK LLP to hold own funds and liquid assets which are adequate, both as to their amount and quality, to ensure that:

- it is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- its business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

SIUK LLP determines that the FOR is sufficient to mitigate the risk of a disorderly wind-down and has therefore identified that it is not required to hold 'additional own funds required for winding down', above the FOR.

SIUK LLP's own funds threshold requirement is the sum of its FOR and its additional own funds required for winding down (as calculated in its ICARA as 'o'). This is the amount of own funds that SIUK LLP is required to maintain at any given time to comply with the OFAR.

This process is documented in the ICARA and presented to, and ratified by, the Management Committee at least annually.

6. *Remuneration Policy and Practices*

Overview

The objective of the Systematica Group's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking that is inconsistent with the risk profile of the Firm and the services that it provides to its clients. The Firm's remuneration policies are gender-neutral and consistent with the principle of equal pay for equal work.

In addition, SIUK LLP and the Systematica Group generally recognises that remuneration is a key component in how it attracts, motivates, and retains quality staff and is key to encourage consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

Characteristics of the Firm's Remuneration Policy and Practices and Governance

Remuneration at SIUK LLP can be made up of fixed and variable components. Fixed salary is paid at a level commensurate with the role, experience and qualifications. Variable remuneration is paid on a discretionary basis.

The Systematica Group's remuneration policy and practices are reviewed annually by the Executive Committee and by each relevant board of directors.

Material Risk Takers

SIUK LLP is required to identify its material risk takers - those members of staff whose professional activities have a material impact on the risk profile of the Firm (and of the assets that the Firm manages). The types of staff that have been identified as material risk takers at SIUK LLP are:

- Members of the management body in its management function;
- Members of the senior management team;
- Those with managerial responsibility for a client-facing or client-dealing business unit of the SIUK LLP;
- Those with managerial responsibilities for the activities of a control function²;
- Those with managerial responsibilities for the prevention of money laundering and terrorist financing;
- Those that are responsible for managing a material risk within the Firm;
- Those that are responsible for managing information technology, information security, and/or outsourcing arrangements of critical or important functions; and

SIUK LLP's total number of material risk takers as at the date of publication is seven.

Quantitative Remuneration Disclosure

The total amount of remuneration (fixed and variable) paid to all staff (including Partners, employees, secondees) in financial year 1 January to 31 December 2024 was £6,029,592.23, which consists of £3,024,661.86 fixed and £3,004,930.37 variable.

MIFIDPRU investment firms are typically required to split the quantitative data, where relevant, into categories for senior management and other material risk takers and into fixed and variable

² A control function is defined as a function (including, but not limited to, a risk management function, compliance function and internal audit function) that is independent from the business units it controls and that is responsible for providing an objective assessment of the Firm's risks, and for reviewing and reporting on those risks.

remuneration categories. In accordance with MIFIDPRU 8.6.8R(7), the Firm has not provided a split between senior management and other MRTs, as disaggregation would risk disclosing information relating to fewer than three individuals.

7. Investment Policy and Practices

The Firm does not hold any investments on its balance sheet and does not engage proxy voting services on behalf of its clients. In accordance with MIFIDPRU 8.7, the Firm held no direct or indirect holdings of 5% or more of voting rights in any listed company. No further disclosures are required.