



MIFIDPRU Public Disclosure Document

Pertento Partners LLP

Date as at 31st March 2023

For the period 1st April 2022- 31st March 2023

Table of contents

1	Overview and summary	3
2	Risk management objectives and policies	3
2.1	Own funds requirements – MIFIDPRU 4	3
2.2	Concentration risk – MIFIDPRU 5	4
2.3	Liquidity – MIFIDPRU 6	4
3	Own funds	4
3.1	Own funds resources	4
3.2	Own funds requirements	7
4	Remuneration arrangements	8

1 Overview and summary

Pertento Partners LLP is regulated by the Financial Conduct Authority (“FCA”) as a Markets in Financial Instruments (“MiFID”) firm 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.

The Firm has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to SNI firms.

This Public Disclosure Document has been prepared based on the audited financials as at 26th July 2023, covering the financial period 1st April 2022 to 31st March 2023.

The Firm’s main business activity is discretionary investment management.

2 Risk management objectives and policies

The Firm has implemented and embedded risk management framework, policies and procedures across all relevant risk areas of the Firm. The Executive Committee sets the business strategy and risk appetite statement of the Firm, which flows through to the risk management framework of the Firm. The Firm does not require any Additional Tier 1 Capital to meet its regulatory obligations; the capital comprises only CET1 Capital.

In line with the Firm’s business strategy, risk appetite and risk management framework the Firm identifies and further assesses key risks within the Firm’s Internal Capital and Risk Assessment (“ICARA”) process.

The Firm maintains a risk register, which includes risk assessment and rating methodologies in accordance with its risk appetite statement. Key risks are reported to the Executive Committee at each meeting.

2.1 Own funds requirements – MIFIDPRU 4

As an SNI firm without permissions for dealing as principle or holding client money or client assets, the Firm is subject to a Permanent Minimum Requirement of £75,000.00.

The Firm calculates its own funds requirements based on the Fixed Overhead Requirement (“FOR”) calculation and is not subject to any K-factor requirements.

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

3.1 Own funds resources

In line with MIFIDPRU 8.4 the Firm has prepared the reconciliation of own funds in line with MIFIDPRU 8 Annex 1 as follows:

Composition of regulatory own funds			
#	Item	Amount (GBP thousands)	Source
1	OWN FUNDS		
2	TIER 1 CAPITAL		
3	COMMON EQUITY TIER 1 CAPITAL		
4	Fully paid-up capital instruments	350	Members
5	Share premium	0	
6	Retained earnings		
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		

Composition of regulatory own funds			
#	Item	Amount (GBP thousands)	Source
19	CET1: Other capital elements, deductions and adjustments	2,305	Retained earnings
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 DEDUCTION FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statement				
GBP (thousands)				
		a	b	c
	Item	Balance sheet as in audited financial statement	Under regulatory scope of consolidation	Cross reference to own funds table
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Tangible Assets	13		
2	Debtors	1,799		
3	Cash	1,413		
	Total Assets	3,225		

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statement				
GBP (thousands)				
		a	b	c
	Item	Balance sheet as in audited financial statement	Under regulatory scope of consolidation	Cross reference to own funds table
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors	570		
2				
3				
	Total Liabilities	570		
Shareholders' Equity				
1	Partners' Capital Account	350		Members equity (Item # 4)
2	Reserves	2,305		Retained earnings (Item # 19)
3				
	Total Shareholders' equity	2,655		

Own funds: main features of own instruments issued by the firm
The Firm's Own Funds are held entirely in cash.

3.2 Own funds requirements

The Firm calculates its own funds requirements as an SNI firm in line with the rules and requirements in MIFIDPRU 4.3 for SNI firms.

IPRU-INV Fixed Overheads Requirement

Total annual relevant expenditure	£ 834,000.00.
Variation due to material change in business model	£ 0.00.

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 Executive Committee reviews, challenges and approves 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 Executive Committee, 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.

The following categories of Staff eligible to receive variable remuneration are as follows:

➤

Pertento does not benefit from exceptional government intervention.

Pertento'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 staff members performance or, in exceptional cases, other conditions.

Performance reflects the long-term performance of the staff member as well as performance in excess of the staff member's job description and terms of employment, and

- includes discretionary pension benefits; and
- includes carried interest, as referred to in SYSC 19G.1.27R.

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

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.

Quantitative 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, Pertento 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 2022:

Total fixed remuneration awarded	£ 466,062.00.
Total variable remuneration awarded	£3,046,255.00.
Total remuneration awarded	£3,512,317.00.