Partners Group (UK) Management Ltd

December 2019

Pillar 3 Disclosure

Contents

1. PILLAR 3 DISCLOSURE

This document comprises the Pillar 3 disclosures for Partners Group (UK) Management Ltd ("PGUKM/Firm") as at 31 December 2019 These disclosures are published in accordance with the requirements under Part Eight of the Capital Requirements Regulation, Articles 431- 455. The regulatory aim of such disclosure is to improve market discipline. The regulatory approach from which this requirement is derived aimed to establish a risk sensitive approach to capital management and is comprised of three pillars:

1. Pillar 1 – establishes rules for the calculation of minimum capital for credit risk, market risk and fixed overhead requirements;
2. Pillar 2 – an internal approach to evaluate the adequacy of regulatory capital under Pillar 1 and other 'Pillar 2 risks'. This pillar requires the Firm to undertake a process known as the 'ICAAP', which is a key input into the supervisory review process of the Financial Conduct Authority ('FCA'); and
3. Pillar 3 – a public disclosure concerning risk management policies, capital resources and capital requirements, enabling interested parties to better understand the risk profile of individual companies, with the aim of promoting market discipline.

PGUKM will make Pillar 3 disclosures at least annually, via its website, unless otherwise stated. PGUKM may publish information more frequently than annually in light of any significant change to the relevant characteristics of its business including disclosure about its own funds and capital requirements, as well as information about risk exposure and any other items prone to change.

The information in this document has been prepared solely to satisfy Pillar 3 disclosure requirements, the information has not been audited by PGUKM's external auditors (as this is not a requirement) and does not constitute any form of financial statement.

Non-material, proprietary or confidential information

PGUKM may omit certain disclosures from the Pillar 3 statement if the information is not regarded as material. Information is 'material' in this context if its omission or misstatement could change of influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

Similarly, PGUKM may omit one or more disclosures if the information provided is regarded as proprietary or confidential. Information is regarded as such if sharing that information with the public would undermine its competitive position or would breach PGUKM's confidentiality obligations to customers or other counterparty relationships. Proprietary information might include, for example, information on products or systems which, if shared with competitors, would render PGUKM's investments therein less valuable. In the event that any such omission is made by PGUKM, it will state that specific information has been omitted, as well as the reason for the omission. PGUKM has made no such omissions from this Pillar 3 disclosure.

2. EXECUTIVE SUMMARY

PGUKM is an FCA regulated private limited company (FRN: 650279) incorporated under English Law and with the company number 9172998. PGUKM is part of a global corporate group whose parent company is listed in Switzerland. PGUKM is an IFPRU €50k limited licence firm (i.e. an investment firm with obligations derived from MiFID and CRD IV), meaning that it is not authorised to carry out the MiFID activity of dealing on its own account, provide the investment services of underwriting or placing financial instruments on a firm commitment basis or hold client money or assets.

PGUKM is part of Partners Group (“PG”), a global alternative investment management group with 19 offices across the globe and over USD 94 billion of assets under management. PGUKM is a wholly owned subsidiary of Partners Group Holding ('PGH/Group'), which is listed in Switzerland and which is the ultimate parent of an alternative asset management group, offering investment funds focused on private equity, private debt, private infrastructure, private real estate and listed alternatives. PGUKM became authorized by the FCA on

30/01/2015 and its activities include: (i) the management of Partners Group investment products; (ii) advising on investments.

PGUKM focuses primarily on the management of portfolios acquired in Collateralized Loan Obligation (CLO) transactions. As of 31 December 2019, PGUKM had launched 5 risk retention compliant CLOs. PGUKM currently manages the Penta CLO 2 B.V., Penta CLO 3 D.A.C., Penta CLO 4 D.A.C., Penta CLO 5 D.A.C. and Penta CLO 6 D.A.C, which are established in the Netherlands and Ireland respectively. The CLOs invest, at the discretion of PGUKM, in portfolios of loan assets sourced in the market by PGUKM, following a rigorous investment selection process. The Firm also advises two designated activity companies PGGLF and PGGLF 2 established in Ireland.

As part of this business, PGUKM acts as the risk retention holder for Penta CLO 2 B.V., by acting as the sponsor and holding the 5% retention stake, as required by the relevant rules. PGUKM has opted to hold this interest through an investment in each class of note issued by the CLO.

This Pillar 3 disclosure is made by and for PGUKM on a solo basis and, so far as PGUKM is aware, there are no current or foreseen practical or legal impediments to the prompt transfer of capital resources or repayments of liabilities between parent and subsidiary undertakings within the Group.

3. GOVERNANCE & RISK MANAGEMENT

PGUKM's Board of Directors define the risk appetite as the amount of risk that the Firm is prepared to tolerate whilst achieving its strategic goals. As PGUKM is financially integrated into PGH, PGUKM's risk appetite must be seen as connected to the risk appetite of the Group. The strategic plans and objective for PGUKM is defined and approved by the Firm's Board of Directors, which are used to dictate the risk appetite. In line with its business strategy, the Firm defines qualitative and quantitative statements for the risks faced by the Firm which are monitored and reported as required. Should the risk profiles deviate from the Firm's set risk appetite, management action may be required to align these to the appetite.

Risk identification, Management and Mitigation

To the extent possible, all material risks to which the firm is exposed are identified and documented in a risk matrix.

In determining the materiality of the risks, PGUKM considered the impact upon the business from a financial, business, regulatory and reputational perspective, bearing in mind the assumed effectiveness of the risk controls and mitigations in place.

The financial results of PGUKM are reported to the Board of Directors on a quarterly basis, including regulatory capital requirements/buffers and any required action (for example, a request to PGH for additional funding), if any, will be determined by the Board accordingly.

PGUKM also monitors the performance of the CLOs and, in particular, whether the principal amount falls below specified thresholds which would impact upon the fees payable by the CLOs. Various other key risk indicators are utilised by PGUKM in its risk assessment process, such as the number and severity of regulatory breaches and other errors and findings from PG's global Internal Audit function, amongst others.

Considering the relatively simple nature of PGUKM's activities, the risks to which PGUKM is mainly exposed as a result are Market Risk, Credit Risk, Operational Risk, business risk, group risk (incl reputational risk), concentration risk, securitisation risk, interest rate risk, liquidity risk and the risk of excessive leverage.

Risk Management Framework

PGUKM's risk management framework defines the process utilised to identify, assess, mitigate, monitor and report risks faced by the business and to comply with applicable regulatory requirements and internal guidelines associated with risk management. As PGUKM is a relatively small firm it is financially integrated into PGH, and therefore its risk framework is connected to the risk framework established by the Group i.e. Enterprise Risk Management Framework ("ERM").

The purpose of the Enterprise Risk Management framework is to set out the overall approach to the governance of risk. It defines the general framework and related processes for risk management and risk control and is intended to supplement the organizational rules (if any) of the relevant group entities within Partners Group which includes PGUKM. Risks are managed applying a risk-based approach. The inventory of risks, mitigants and controls are based on a risk assessment that has been undertaken in respect of the risks faced by the Firm.

The following steps are undertaken: (i) finding, recognising and describing the risks that may have an impact on the Firm's strategic objectives; (ii) prioritising and understanding key risks to the Firm, including the likelihood and potential impact of the risk to the Firm; (iii) understanding controls or activities undertaken by management to respond to, mitigate or manage risk by reducing its impact, its likelihood of occurrence, or both.

Risks are reviewed on a periodic basis in close collaboration with the people responsible for risk management within the wider Group, providing senior management and the Board with an up-to-date perspective on key risks faced by the Firm.

As such, PGUKM's Board of Directors receives risk information and capital updates on a frequent basis; at least quarterly during scheduled board meetings (there is also the ability to call ad-hoc Board meetings on an 'as needed' basis, in the event of material developments which require urgent attention). This is typically evidenced by way of board minutes and resultant action items, if any. The Board considers that the risk management arrangements that are in place to be adequate with regards to PGUKM's profile and strategy.

4. CAPITAL ASSESSMENT

Following the above processes, analysis is made of the amount of capital that would be absorbed in the event of one or more of the risks materialising after the normal controls and mitigations were utilised. A view is taken as to whether further provision needs to be made above and beyond that indicated by the prescriptive Pillar 1 calculations.

PGUKM maintains capital in excess of its regulatory capital requirement, which is indicative of the fact that it wishes to take little risk that it becomes capitally deficient or is unable to satisfy its obligations as they fall due, although capital within the business is used to satisfy both regulatory requirements and ongoing business objectives. Risks are controlled and mitigated wherever possible.

The risks to which PGUKM is required to calculate its exposure under Pillar 1 are market risk and credit risk (each as defined in the FCA Handbook). Those risks, and all other relevant risks, have also been considered pursuant to Pillar 2 and outlined below.

Market risk – This risk arises from fluctuations in values of, or income from, assets or in interest or exchange rates. This risk arises for PGUKM with respect to exposure to foreign currencies to which it is exposed. PGUKM receives its fee income in EUR and settles its liabilities mainly in GBP. However, given the size of these liabilities against the respective income streams, the FX exposure risk is considered by the business to be negligible.

Market risk exposure is calculated in accordance with the *Standardised Approach* and is limited to FX risk (as at 31/12/19):

	USD $	GBP £	CAD $	AUD $
Investments in foreign currency	0	0	0	0
Debtors in foreign currency	0	0	0	0
Cash in foreign currency	0	47,029	0	0
Creditors in foreign currency	0	0	0	0
Total	-	47,029	-	-
FX Risk Exposure Amount		3,762		

Notwithstanding the 'direct' market risk, PGUKM is reliant on good market and economic factors in order for the CLOs it manages to perform well and to generate returns for investors. As a result, PGUKM is indirectly exposed to market risk, in the sense that difficult market conditions may inhibit the generation of returns for investors and consequently risking the full payment of fees to PGUKM under the CLOs priorities of payment mechanism. This risk is somewhat managed as a result of there being diversification in the underlying assets within the CLOs. Diversification is by asset class, financing stage, sector, industry, country and investment stage, amongst others, thereby mitigating the CLOs and therefore PGUKM's exposure to a low performing asset type. This ensures that, in the event of a downturn which hits some asset classes, sectors, industries, countries or financing stages more than others, other CLO assets can continue to perform and thus generate fees for PGUKM.

Credit risk – Is the risk that counterparty to a transaction could default before the final settlement of the transaction's cash flows. PGUKM is exposed to credit risk via corporates (inter group debtors), institutions (in relation to cash at bank) and Article 202 of the Capital Requirements Regulation ("CRR") – securitisation its holding in the Penta CLO 2 B.V.

CRR requires PGUKM to hold an amount of subordinated notes equal to at least 5 per cent of the target par amount of the CLO investment portfolio (article 405(I)(d)). This retention must be held by PGUKM for the entire duration of the CLO and PGUKM is not entitled to sell or hedge on any part of the retention which exposes the Firm to credit risk. A crystallisation of credit risk would impact on PGUKM in two ways: the first is that it has direct exposure to the CLO on its balance sheet, as defaults/poor performance of the loans invested in by the CLO could lead to a large revaluation downwards of Penta CLO 2 B.V, resulting in a direct, negative impact on the Firm's assets and, likely, its ability to satisfy its capital adequacy requirements. The second is that defaults/poor performance within the portfolios of loans could result in PGUKM being unable to charge subordinated management fees which could have an impact on the Firm's capital position. However, the performance of the CLO programs has been solid so far, with no CLO breaching the relevant overcollateralization par value tests.

In addition, this risk is somewhat managed as a result of there being diversification in the underlying portfolios of loans in which the CLO invests. Diversification is by sector and industry, thereby limiting its exposure to any one type of borrower. This risk is further managed as a result of the fact that the investment team who perform services on behalf of PGUKM, has considerable experience in managing portfolios which pursue substantially similar investment strategies as that pursued by PGUKM on behalf of its client. The Firm also has appropriate systems, including sophisticated models which make use of, but do not solely rely upon, external credit ratings, in place to assess on an ongoing basis the credit risk of different portfolios, as well as being able to monitor 'problem' portfolios enabling the Firm to make appropriate value adjustments and provisions.

The credit risk exposure for PGUKM is calculated in accordance with the *standardised approach*. The total Risk Weighted Exposure amounts are detailed in the table below (€, as at 31/12/19):

	Risk Weighted Exposure Amount	Risk	Own Funds Requirement
Institutions	610,994	20%	9,775
Corporates	2,809,720	20%	224,778
Other items (exposure to securitisations)	18,433,084	various	643,203
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	**21,853,747**		**877,755**

Under the standardised approach, ratings published by External Credit Assessment Institutions are mapped to Credit Quality Steps, according to mapping tables laid down by the European Banking Authority.

The Credit Quality Step value is then mapped to a risk weight percentage. The External Credit Assessment Institutions used by PGUKM for all types of exposures are Moody's and Fitch. PGUKM holds an interest in all classes of note issued by the CLOs, resulting in a total risk weighted exposure amount of €18,433,084, approximately €8,040,034 of which is exposure to securitisation positions (as at 31 December 2019).

No credit risk adjustments or credit mitigation techniques are used by PGUKM.

Counterparty Risk – Due to PGUKM having no derivative exposure on its balance sheet, it has no exposure to counterparty credit risk.

Operational risk – Operational risk describes the risk of loss to PGUKM resulting from inadequate or failed internal processes, people, systems or from external events; including the potential for loss that arises from problems with operational processing, human error or omission breaches in internal controls, fraud and unforeseen catastrophes. A variety of techniques are used to manage operational risk at Group and local level this includes have in place; stringent policies, procedures and processes; and carrying out ongoing monitoring of obligations, internal events and external events.

Business risk – Business risk describes the risk of PGUKM's business plan or revenues being impacted by a change to its business, poor performance, termination of mandates, expansion, remuneration risk or other factors. Given the nature of the business, poor performance of the underlying loans held within the CLOs, is considered the largest risk to the business as this will be a 'double hit' to PGUKM; poor performance of the loans will necessitate a revaluation of the CLOs, thereby impacting PGUKM on both its balance sheet and regulatory capital requirements, as well as impacting upon its P&L. However, the loan market is more buoyant than it has been for some time, meaning that there is potential to sell poorly performing portfolios, and purchase more attractive ones in their place – this is despite tightening prices for loans in the secondary market. PGUKM views a healthier loan market as one of the biggest opportunities of PGUKM's current business, due to the increased choice of investment portfolios this facilitates. In addition, the exposure to business risk is minimised: by effective management at group and local level; stringent policies, procedures and processes; and ongoing monitoring of obligations, internal events and external events. In addition, the business risk is mitigated by the fact that PGUKM is integrated in PG transfer pricing policy (internally know as Fair Allocation of International Revenues, "FAIR"). The FAIR allocates the group's profit to the group entities based on the activities carried out locally. Each activity is priced at arm's length accordingly to recommendations and transfer pricing methods outlined in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administration ("OECD Transfer Pricing Guidelines"). This ensures that a decrease in PGUKM-managed fund fees paid would only have a marginal impact on PGUKM profitability, as it is also compensated for the services rendered to the rest of the group.

Group risk – Group risk describes the risk that the financial position of PGUKM may be adversely affected by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole group. A reduction in revenue in the group as a whole is likely to have the same effect on PGUKM. As PGUKM is integrated in FAIR (see business risk), a decrease in the total proceeds received by the Group also affects the total amount to be allocated amongst group entities for value-add activities.

PG, as a group, manages its FX exposure efficiently and, as part of a group, PGUKM is likely to be exposed to any liquidity problems that PGH might face (particularly as its exposures in relation to income and source of capital are to PGH). However, PGH provides an annual written assurance of continuous financial support. Outside of the direct financial links with Group companies which have been analysed above, PGUKM considers that the single biggest risk which is applicable to it as a result of being part of a group is reputational contagion. Reputational risk can arise from a number of areas: poor investment performance, key person departures from the business, loss of mandates/investors, poor customer service or breach of a legal and/or regulatory requirement. To guard against the Group and PGUKM breaching legal or regulatory requirements, it has implemented a Group-wide separate Corporate Legal and Compliance team, which is charged with monitoring the business's compliance with legal and regulatory obligations. In addition, this risk is mitigated by an emphasis on intra-group communication, effective management at group and local level (including the implementation of an appropriate compliance framework, comprising relevant systems, controls, policies and procedures) and ongoing monitoring of obligations and internal events.

Concentration Risk – refers to the risk posed to PGUKM by a single/group of exposures which have the potential to produce losses large enough to threaten the ability of PGUKM to continue as a going concern. The largest exposure, from both a balance sheet and P&L perspective, is to Penta CLO 2 B.V. PGUKM is exposed, from a balance sheet perspective, to this CLO by way of its mandatory investment. There is little PGUKM can do to mitigate or control its exposure in this regard as, pursuant to regulatory requirements, it must mandatorily hold this position for the life of the CLO and cannot sell or hedge its exposures. What mitigating factors and controls there are have been outlined under 'credit risk' above.

PGUKM is also exposed from a P&L perspective to the six CLOs as PGUKM's income is directly linked to the investment management services provided to them.

As regards the P&L concentration risk, it is envisaged that this risk is material but remote. Each CLO is envisaged to have a life span of 10-12 years, providing a relatively stable income to PGUKM, by way of management and performance fees (notwithstanding a fall in value of the collateral balance which has been analysed elsewhere in this document). Due to its nature as collateral manager of the CLOs, PGUKM is in a good position to be able to ascertain the CLO's ability to pay fees owed and, if it is unable, to take appropriate action, such as requesting further funding from PGH, or by petitioning the winding up of PGUKM, in the worst case.

This risk is somewhat also managed as a result of there being diversification in the underlying portfolios of loans in which the CLO's invest – diversification is by sector and industry, thereby limiting its exposure to any one type of borrower. This ensures that, in the event of a downturn which hits some sectors or industries more than others, other portfolios of loans may continue to perform and keep the collateral balance amount at a level at which PGUKM is still able to receive fees.

Securitisation Risk – describes the credit risk associated with an exposure or pool of exposures is tranched, having both of the following characteristics:
(a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures;
(b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme. PGUKM believes that the biggest risk associated with this securitisation is its mandatory balance sheet position in Penta 2 CLO B.V. This risk is somewhat managed as a result of there being diversification in the underlying portfolios of loans in which the CLO invests – diversification is by sector and industry, thereby limiting its exposure to any one type of borrower. In addition, given that most of the Firm's exposure, circa 60% is in AAA securities this is where PGUKM has most capital at risk. The Firm therefore gets notifications from rating agencies of any change on any securities issued by Penta CLO 2 B.V. Both of these controls allow for monitoring that in the event of a downturn which hits some sectors or industries more than others, the Firm can review the portfolios of loans to ensure that they continue to perform and keep the collateral balance amount at a level at which PGUKM is still able to receive fees.

Interest Rate Risk – This risk arises from movement in interest rates, including any impact on the capital resources of the firm. In relation to PGUKM this risk can be looked at from two angles, the first being the impact on PGUKM directly (in terms of costs of business and income), the second being on PGUKM indirectly, by virtue of the impact on its clients, the CLOs.

In terms of the impact on PGUKM of a plus or minus move in interest rates, the impact is expected to be negligible. Interest rate movement, unless the impact results in interest payments of more than €1m (which would require a large rate rise), is unlikely to affect the Firm's ability to satisfy its regulatory capital requirement.

In terms of the indirect impact on PGUKM, via the CLOs, each CLO pays to its investors a contractual coupon, depending upon the tranche of the CLO invested. The coupons range from EURIBOR + 0.79%, for the less risky tranches, to EURIBOR + 5.48% for the riskier debt tranches (equity tranches do not typically pay a coupon). The assets in which the CLOs invest are all floating instruments, i.e. they also pay a margin over EURIBOR. As such, both the interest income on the asset side as well as the interest expenses on the liability side are moving with the EURIBOR, which constitutes a natural hedge. The natural hedge is not perfect as the notional of rated notes is smaller than the notional of the assets. In the case that the borrowers who make up the loan portfolios may have difficulty repaying their loans in the event that interest rates on their loans were to rise. This, in turn, would impact negatively on the collateral balance which could impact negatively upon the management fees payable to PGUKM.

Such a negative effect on the collateral balance would also impact upon PGUKM's balance sheet position in Penta CLO 2 B.V., meaning the value of its investment (and therefore one of PGUKM's assets) would fall, potentially impacting upon its ability to satisfy its regulatory capital requirement.

Liquidity Risk – this is the risk that the Firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. PGUKM holds a relatively minimal amount of liquid assets. Due to the fact that cash flow obligations seldom, if ever, arise at PGUKM, and to limit FX exposure, senior management are, for the time being, comfortable relying on its affiliates to settle such obligations.

PGUKM manages its liquidity to ensure sufficient levels of liquid resources in order to meet expected expenditure by setting and monitoring a liquidity tolerance level on a half yearly basis and reported to the board when the liquidity limit reaches 50%.

Risk of Excessive Leverage – risk resulting from an institution's vulnerability due to leverage or contingent leverage that may require unintended corrective measures to its business plan, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets. The Firm is currently operating with leverage in the form of an intercompany loan between it and its parent company, PGH which PGUKM pays interest on. Interest rate movement, unless the impact results in interest payments of more than €1m (which would require a large rate rise), is unlikely to affect the Firm's ability to satisfy its regulatory capital requirement given the loan is between group entities and not PGUKM and an unrelated third party.

In addition, CLOs are, by nature, leveraged investment products but PGUKM does not consider that the Penta CLOs are excessively leveraged when compared with their peers.

Pension Obligation Risk - The risk to a firm caused by its contractual or other liabilities to, or with respect to, a pension scheme (whether established for its employees or those of a related company or otherwise). This risk is not applicable to PGUKM as the Firm does not operate a defined benefit pension scheme.

5. OWN FUNDS

PGUKM takes a prudent approach to the management of its capital base and reviews its capital adequacy on a quarterly basis to ensure that it holds capital in excess of its regulatory capital requirement at all times. PGUKM's own fund's position is summarised in the table below (EUR as at 31/12/19):

Balance sheet	Per audited financial statements 31/12/19	Per audited financial statements 31/12/18	CCR Article
Share Capital	€20,527,000	€20,527,000	26, 27, 28,29
Share premium	-	-	26, 27, 28,29
Other reserves	-	-	26
P&L Reserves	€1,122,870.37	€618,127	26
Total shareholders funds (i)	€21,649,870.37	€21,145,127	
Regulatory deductions:			
Intangible assets (net of deferred tax liability)			37, 37, 472
Deferred tax assets			26, 68, 472
Deferred tax on revaluation reserve			
Regulatory adjustments relating to unrealised gains and losses			467 and 468
Foreseeable dividends			26
Total regulatory adjustments (ii)	Nil	Nil	
Total own funds (i) +(ii)	€21,649,870.37	€21,145,127	

6. CAPITAL ADEQUACY

As at 31st December 2019, PGUK uses its Pillar 1 requirement as the regulatory capital requirement to monitor capital levels against internal risk appetite measures across a number of criteria.

Pillar 1 capital requirement
The Pillar 1 requirement is calculated by taking the higher of: i) the sum of credit, counterparty and market risk; and ii) the Fixed Overhead Requirement (“FOR”).

Please see a summary of the Firm's capital adequacy assessment in the table below:

Pillar 1 Capital Requirement	As at 31 December 2019 (€’000)
Counterparty Credit Risk	877,755
Market risk	3,762
i) Total Credit and Market risk	881,518
ii) Fixed Overhead requirement	205,039
Pillar 1 Requirement (higher of (i) and (ii))	881,518

Pillar 2 assesses whether additional capital is required if specific risks are associated with a firm. This is implemented via the ICAAP. PGUKM reviews its ICAAP at least annually or more frequently if there are material changes to the Firm's business model and/or risk exposures.

PGUKM does not have any encumbered assets as at 31 December 2019.

7. REMUNERATION

The remuneration disclosure is made under the requirement of Article 450 of the Capital Requirements Regulation. Given its limited purpose and the fact that it was established solely for that purpose, PGUKM does not employ any staff; and relies on the employees of Partners Group (UK) Ltd in order to perform relevant tasks on its behalf with the assistance of relevant group staff and resources. However, this remuneration disclosure provides aggregated information on individuals that act on PGUKM's behalf and have a material impact on the Firm's risk profile. For these purposes, Material Risk Takers ("MRTs") are defined as all Directors of the Firm and includes all employees designated as holding 'Significant Influence Functions'. As of 31/12/2019, a total of 5 individuals have been identified as MRT's.

The total remuneration paid to MRTs can be detailed by role as follows:

	£(000s)
Number of MRTs	5
Fixed Remuneration[1]	840
Variable Remuneration[2]	1,815
Total	2,673

[1] Fixed remuneration includes base salary and other cash payments (excluding variable pay).
[2] Variable remuneration includes annual bonus and long-term incentive awards granted in 2020, in respect of the 2019 financial year.