MIFIDPRU 8 Disclosure
(Based on audited financial statements for the year ending 2023)

1. Scope and purpose

This disclosure relates to Turner Pope Investments "the Firm", which is classified as a non "small and non-interconnected" (Non-SNI) MIFIDPRU investment firm and is therefore required under MIFIDPRU 8 of the Prudential sourcebook for MiFID Investment Firms to disclose information relating to governance arrangements, risk management, own funds, and remuneration policies and practices.

In accordance with the rules, the disclosures herein are appropriate to the size and internal organisation, and to the nature, scope, and complexity of the Firm's activities.

Frequency of disclosure

Unless otherwise stated, all figures are as at 31.03.2023 the Company's financial year end, with comparative figures for 31.03.2022 where relevant, in accordance with the rules set out in chapter 8 of MIFIDPRU. MIFIDPRU 8 disclosures are published annually concurrently with the Annual Report and Accounts in accordance with regulatory guidelines.

Location

MIFIDPRU 8 disclosure report is available on the Firm's website at: http://www.turnerpope.com

Copies of the statement are available on request by writing to us at 8 Frederick's Place, London, EC2R 8AB.

2. Governance and decision-making procedures

The governing body is ultimately responsible for the definition, oversight, and implementation of the strategic objectives, risk strategy, and internal governance arrangements.

The firm has robust governance arrangements which include:

- A clear organisational structure with well defined, transparent and consistent lines of responsibility,
- Effective processes to identify, manage, monitor and report the risks it is or might be exposed to,
- Internal control mechanisms, including sound administrative and accounting procedures,

- Effective control and safeguard arrangements for information processing systems.

The governing body has an established risk committee. The members of which have all been assessed to have appropriate skill, knowledge, expertise and integrity, to understand and manage the associated risks; and advise and challenge the governing body appropriately. This approach is intended to ensure effective and prudential management of the firm and prevent conflicts of interest in a manner which promotes integrity of the market, and the best interests of clients. To support the governing body to achieve these objectives, management information is frequently provided to enable controls to be assessed and deficiencies addressed. All arrangements, including policies are reviewed at least on an annual basis. The Firm is not required to establish a Risk Committee under MIFIDPRU 7.3 as it does not meet the thresholds in MIFIDPRU 7.1.4.

2.1 Governance Structure

The Firm's Board meets monthly with management information collated and provided from departmental managers in advance. Additionally, the internal risk function takes in risk considerations from across the Firm to evaluate the impact and probability of occurrence, the output of the process is subject to Board consideration.

2.2 Directorships

In compliance with MIFIDPRU 8.3.1(2) the table below discloses the number of directorships held by the governing body.

Directorships held by each member of the management (governing) body *MIFIDPRU 8.3.2 states that directorships held within the same group or holding, and those held in organisations which do not pursue predominantly commercial objectives are not within scope.*	
Member of the management body	**Number of directorships held** (executive and non-executive) (details of modifications/waivers if applicable)
Ben Turner	2
James Pope	2

2.3 Diversity statement

Turner Pope Investments is committed to promoting equality and diversity as part of its culture which values different experiences and insights, as well as the business benefits these bring. As a result, the Firm's Diversity and Inclusion policy aims to promote diversity on the management body.

The Firm has always sought a diverse and non-male dominated staff balance. Historically this has been achieved, however, the Firm acknowledges that rebalancing is required as new hires are considered to establish diversity levels previously achieved. The Board have demonstrated their intent of remedying the situation in the proposed hire of a new female non-executive director.

3. Risk management objectives and policies

The core objective of the Firm is the effective management of risk to protect investors and stakeholders and to ensure that the Firm has adequate capital and liquid resources in place.

The Directors of the Firm determine its business strategy and risk appetite. The Firm has in place a comprehensive risk management framework that recognises the risks that the Firm faces.

The Firm's risk management framework operates under the three lines of defence model.

The first line of defence requires the Firm to identify and mitigate risks and to implement an adequate control environment to manage those risks effectively. The risks facing the Firm are identified and considered both from the perspective of the likelihood of their occurring and from the perspective of their potential impact on the Firm should they occur.

The second line of defence is that of control oversight managed by the Compliance Officer who oversees compliance within regulatory and legal requirements as well as monitoring risk.

The third line of defence is designed to provide independent assurance through external audit by way of reviewing the overall effectiveness of the risk management framework and control environment.

MIFIDPRU 8.2.1 requires the firm to disclose its risk management objectives and policies for the categories of risk addressed by own funds requirements, concentration risk and liquidity. This must include a concise statement approved by the firm's governing body describing the potential for harm associated with the business strategy; and a summary of the strategies and processes used to manage each of the categories of risk and how this helps to reduce the potential for harm.

The Firm has given due consideration to the following list of potential harms.

- Harm arising from inappropriate advice
- Harm arising from reception and transmission of orders, or executing client orders in the name of the client
- Harm arising from a lack of due diligence being conducted on a corporate broking transaction
- Loss of expertise
  Market Risk
- Banking Concentration Risk
- Trading counterparty risk
- Cyber incident affecting the Firm's IT systems
- Firm Unable to meet debs as they fall due

3.1 Own funds requirements

The Firm is required to maintain own funds in the amount of £541,189. As a former exempt IFPRU Firm, transitional provisions in MIFIDPRU TP 2 allow the Firm to substitute the standard permanent minimum requirement (£750,000) to an alternative requirement. (please see the 5. Own Funds Requirement section below).

The Firm operates an ICARA process which aims to ensure that the Firm is adequately capitalised to cover the underlying risks that it faces, and to wind down in an orderly fashion if required. The ICARA also aims to ensure that there is sufficient availability of capital in order that the Firm can meet its future growth and strategic plans with due consideration to the business environment in which it operates.

The Firm conducts ongoing monitoring of its financial performance and considers at its board meetings whether its overall financial resources and internal capital are adequate both as to their amount and quality to ensure that there is no significant risk that its liabilities could not be met as they fall due.

The Firm will keep this plan under review, and where it becomes necessary, will adjust the capital requirement figures to reflect any additional risks identified.

3.2 Liquidity

The Firm has in place a detailed Liquidity Planning process which details the systems and controls, oversight and management of the Firm's liquid resources.

The Firm's assets are deemed to be readily realisable with the vast majority being held either in cash or by way of recoverable intercompany loans. The Firm has undertaken that in the future it will always hold liquid cash reserves at least equal to its 'liquid assets threshold requirement'. The Directors are committed to growing capital rather than taking dividends.

4. Own Funds

According to MIFIDPRU 8.4, the Firm must disclose the information below regarding its own funds.

1. a reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the firm;
2. a reconciliation of (a) with the capital in the balance sheet in the audited financial statements of the firm; and
3. a description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the firm.

MIFIDPRU 8 Annex 1 template

Composition of regulatory own funds			
	Item	Amount (GDP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	3,953	
2	TIER 1 CAPITAL	3,953	
3	COMON EQUITY TIER 1 CAPITAL	3,953	
4	Fully paid-up capital instruments	70	Note 10
5	Share premium	0	
6	Retained earnings	3,883	
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	0	

19	CET1: Other capital elements, deductions and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
Flexible template - rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm. Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only. Figures should be given in GBP thousands unless noted otherwise.				
		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		As at period end: 31/03/2023	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Fixed Assets	167	n/a	n/a
2	Debtors	733	n/a	n/a
3	Investments	2,850	n/a	n/a

4	Cash at Bank	596	n/a	n/a
xxx	Total Assets	4,346		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors (<1 Year)	321	n/a	n/a
2	Creditors (>1 Year)	72	n/a	n/a
3	Provision for Liabilities		n/a	n/a
xxx	Total Liabilities	393		
Shareholders' Equity				
1	Called Up Share Cap	70		Item 4
2	Retained Earnings	3,883		Item 6
3				
xxx	Total Shareholder's equity	3,953		
Own funds: main features of own instruments issued by the firm				
Free text. A non-exhaustive list of example features is included below.				
Public or private placement: Private Instrument type: Ordinary shares Amount recognised in regulatory capital: 70 (GBP thousands, as of most recent reporting date) Nominal amount of instrument: 70 Issue price: £1 per share Redemption price: Not Applicable Accounting classification: Shareholder's equity Original date of issuance: 01/08/2016 Perpetual or dated: Perpetual Maturity date: Not Applicable Issuer call subject to prior supervisory approval: No Optional call date, contingent call dates and redemption amount: Not Applicable Subsequent call dates, if applicable: not Applicable Fixed or floating dividend/coupon: Variable Coupon rate and any related index: Not applicable Existence of a dividend stopper: No Convertible or non-convertible: Non-convertible Write-down features: No				

5. Own Funds Requirements

To comply with its 'own funds requirement', the firm is required to hold, as a minimum, the highest figure from the table below. The figures adhere to the overall financial adequacy rule in MIFIDPRU 7.4.7, which states the own funds and liquid assets must be adequate in amount and quality to ensure the firm is able to address potential material harm from ongoing activities and can wind down in an orderly manner if necessary.

Own Funds Requirement	
Category of requirement	Amount
Permanent minimum capital requirement (TP2)	£190,000
Fixed overhead requirement	£541,189
K-Factor requirement	£7,247

5.1 Overall K-factor requirement

As required by MIFIDPRU 8.5, the K-factor requirement has been broken down into three categories.

Assets for which the firm is responsible		
K-Factor	Requirement	The sum of (if applicable)
K-AUM (assets under management)	0.02% of the AUM	£7,164
K-CMH (client money held)	0.4% and 0.5% of the average CMH held in segregated and non-segregated account respectively	
K-ASA (assets safeguarded and administered)	0.04% of the average ASA	
Execution activity undertaken by the firm		
K-Factor	Requirement	The sum of (if applicable)
K-COH (client orders handled)	0.1% and 0.01% of the average COH to cash trades and derivatives trades respectively	£83
K-DTF (daily trade flow)	0.1% and 0.01% of the average COH to cash trades and derivatives trades respectively	
Exposure-based risks		

K-Factor	Requirement	The sum of (if applicable)
K-NPR (net position risk)	Every position which does not form part of a portfolio for which K-CMG permission has been granted	NA
K-CMG (clearing margin given)	Include positions within portfolios for which the firm has been granted a K-CMG permission	
K-TCD (trading counterparty default risk)	The sum of the TCD own funds requirement, where dealing on own account (for the client or the firm)	
K-CON (concentration risk)	Calculate an exposure value (EV) for each client or group of connected clients by adding together the positive excess of the firm's long positions over its short positions in all the trading book financial instruments issued and the exposure value of contracts and transactions	

6. Remuneration policy and practices

6.1 Qualitative disclosures

Approach to remuneration

Base salaries provide pre-determined, non-revocable compensation paid to individuals throughout the year, irrespective of Firm or individual performance. Base salaries and benefits constitute the significant proportion of the Firm's total remuneration. This fixed element is based on the professional experience and responsibility within the Firm of an individual.

The Firm runs a discretionary bonus scheme that is based on individual performance as well as the Firm's underlying profitability. The bonus does not form part of individual's contractual remuneration. The size of the bonus pool is linked to the overall performance of the Firm. The employee incentive payment is linked to the contribution of the individual to such performance. Bonuses are discretionary and will diminish or disappear in the event of poor business or individual performance.

When considering individual performance, the Firm considers both financial and non-financial metrics. To not incentivise unacceptable risk taking, fixed remuneration comprises most staff compensation.

Objective of financial incentives

The objective of providing financial incentives is to promote behaviour that is aligned to the Firm's long-term interests, strategic objectives, and ethical standards. Financial incentives are used to reward individual performance, as well as performance in excess of the staff member's job description and terms of employment.

Governance and decision-making procedures

The Firm is required to implement and maintain remuneration policies, procedures and practices for all directors and employees that are consistent with and promote sound effective risk management.

The policy is intended to cover all aspects of remuneration and has been created in accordance with the MIFIDPRU Remuneration Code (SYSC 19G).

The remuneration practices and policies are intended to:

- promote sound risk management practices in alignment with the Firm's risk management principles;
- discourage risk taking that is inconsistent with the Firm's risk appetite or risk management policies and principles;
- control fixed costs by ensuring that remuneration expense varies according to profitability and does not place undue constraints on the Firm's ability to maintain its capital base;
- link remuneration to the Firm's financial and operational performance as well as individual performance;
- provide competitive, but not excessive, levels of remuneration compared to peer Firms of appropriate size, scope, and complexity; and
- promote a positive culture towards risk management and compliance.

The remuneration practices and policies are intended to support the Firm's business strategy, long term interests and values, and to ensure that risk taking does not exceed the Firm's tolerated level of risk.

Periodic benchmarking ensures that remuneration at individual level is not unreasonable or disproportionate to the amount, nature, quality, and scope of the work performed.

The remuneration policy outlines the criteria used to assess the performance of the Firm and of individual staff members. The Firm's performance is assessed against its overall financial performance, as well as other measures such as new business gained, client satisfaction and employee retention rates.

In assessing the performance of individual staff members, the Firm takes into account financial and non-financial criteria. Non-financial criteria includes:

(a) measures relating to building and maintaining positive customer relationships and outcomes, such as positive customer feedback;

(b) performance in line with firm strategy or values, for example by displaying leadership, teamwork or creativity;

(c) adherence to the firm's risk management and compliance policies;

(d) achieving targets relating to:

(i) environmental, social and governance factors; and

(ii) diversity and inclusion.

(iii) training & competency.

Material risk takers

The table below is to disclose the types of staff identified as material risk takers. These roles are defined as a staff member whose professional activities have a material impact on the risk profile of the firm, or the assets the firm manages.

Material risk takers *Please see MIFIDPRU 8.6 and SYSC 19G.5.3 for further information on material risk takers.*		
Type of staff identified as material risk takers	Number of material risk takers identified	Criteria other than in SYSC 19.5.3 used to identify material risk takers
Staff member is a member of the senior management	2	NA
Staff member has managerial responsibility for business units	2	NA
Client Dealing	4	NA

Risk adjustment and variable remuneration

The Firm can use clawbacks and malus, which are written into employee contracts, on variable remuneration paid to mitigate against the risk of misconduct, poor performance or a decrease in profits. Variable remuneration is structured to reward long term observance to the Firm's values.

In determining whether to apply malus or clawback provisions or adjustments, the Firm will consider the following circumstances:

- Where the employee received the award based on materially inaccurate audited publicly reported financial statements
- Where the employee knowingly engaged in providing materially inaccurate information relating to audited publicly reported financial statements; or
- Where the employee materially violated any risk limits established or revised by senior management and/or risk management; or
- Where the employee engaged in gross misconduct.
- Where an employee failed to comply with their obligations or has engaged in behaviour or misconduct that breaches their obligations.
- Where the employee engaged in behaviour constituting misconduct or exercised materially imprudent judgement that caused harm to any of the Firm's business operations, or that resulted or could result in regulatory sanctions; or
- Where the employee failed to supervise or monitor individuals engaging in, or failed properly to escalate behaviour constituting, misconduct (whether or not gross misconduct) in accordance with the Firm's policies regarding the reporting of misconduct, or
- Where the employee failed to supervise or monitor individuals engaging in, or failed properly to escalate, behaviour that resulted or could result in regulatory sanctions.

Guaranteed variable remuneration

Practices on guaranteed variable remuneration, sometimes referred to as a 'sign-on bonus', are defined in the remuneration policy. Although the firm recognises that guaranteed variable remuneration can be used to compensate new members of staff who have lost the opportunity to receive variable remuneration from their previous employer, the Firm would only offer it in exceptional circumstances, and would consider the merits on a case-by-case basis.

Severance pay

Procedures for the payment of severance are outlined in the Firm's remuneration policy. The amount of any severance will be assessed on a case-by-case basis, but will include consideration of the length of service, regular salary and reasons for dismissal. Whenever severance relates to the early termination of an employment contract, the payment will reflect the individual's performance, to ensure failure, or misconduct are not rewarded.

Remuneration components

All components of remuneration are categorised as either fixed or variable.	
Fixed	Variable
Salary	Discretionary bonus
Drawing on fixed profit shares	Discretionary pension benefits
	Carried interest
	Commission

6.2 Quantitative disclosures

Total Remuneration				
Remuneration Type	Senior management	Other material risk takers	Other Staff	Total
Fixed remuneration	£35,444	£141,250	£686,895	£863,589
Variable remuneration	£510,000	£28,076	£37,375	£575,451
				£1,439,040

Guaranteed Variable Remuneration	
Total amount during the financial year	Number of material risk takers receiving awards;
£0	

Severance Payments	
Total amount made during the financial year	Number of material risk takers receiving awards
£0	

The Firm did not make any severance payments to an individual material risk taker in the financial year.