

MIFIDPRU Public Disclosure Document

True Potential Investments LLP

Financial Year Ended 31 December 2022

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1. Introduction

Following the implementation of the UK Investment firms Prudential Regime (“**IFPR**”), the Financial Conduct Authority (“**FCA**”) has introduced a new prudential regime for UK firms authorised under the Markets in Financial Instruments Directive (“**MiFID**”), which broadly supports the EU Investment firms Directive / Investment firms Regulation (“**IFD/IFR**”), as part of the Financial Services Bill that took effect on 1 January 2022. The broad aims of the new regime are to streamline and simplify the prudential requirements for solo regulated investment firms in the UK, and to increase the focus on mitigating the potential for harm firms may pose to customers and markets. In turn this will lead to customers and financial markets having greater confidence that firms can address harm from their operations, mitigate them and reduce harm in firm failure.

True Potential Investments LLP (“**the firm**”) (FRN: 527444), as a UK investment firm undertaking activities within the scope of MiFID, is subject to the prudential requirements of the IFPR contained in the MIFIDPRU Sourcebook of the FCA Handbook. True Potential Investments is required to publish disclosures in accordance with the provisions and guidance outlined in MIFIDPRU 8.

2. Basis of Disclosure

Under the IFPR’s firm categorisation, True Potential Investments is defined as a non- small non-interconnected (“**non-SNI**”) MIFIDPRU investment firm. This disclosure is prepared at least annually on a solo entity (i.e. individual) basis. The disclosed information is proportionate to the size, nature, scope, and complexity of the activities for which the firm has been authorised to carry out.

In accordance with the provisions of MIFIDPRU 8, True Potential Investments is currently required to provide disclosure on its:

- ✓ Governance Arrangements
- ✓ Risk Management Objectives and Policies
- ✓ Own Funds
- ✓ Own Funds Requirements
- ✓ Remuneration Policies and Practices

In accordance with MIFIDPRU 8.7, True Potential Investments is exempt from having to disclose details of its Investment Policy, under the exemption criteria set out in MIFIDPRU 7.1.4R.

Unless stated otherwise, the disclosures herein relate to True Potential Investments most recently ended financial year, which ended on 31 December 2022.

3. Significant Changes Since Prior Disclosure

In accordance with when the provisions of MIFIDPRU were first applied to True Potential Investments, this is the firm’s first such disclosure and therefore, there are no significant changes to prior disclosures which require to be documented here.

4. Timing

In accordance with MIFIDPRU8.1.10R, True Potential Investments will publicly make available the information in this disclosure on the date it publishes its annual financial statements.

5. Firm Structure

True Potential Investments is a UK limited liability partnership (company reference: OC356027) with its Head Office at Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX, and is authorised by the FCA to carry on regulated activities as outlined on the FCA Register. It is a regulated platform operator, investment manager, discretionary fund manager, custodian, pension operator and administrator, and ISA manager.

True Potential Investments is part of the True Potential Group of companies under True Potential Group Limited (Company reference: 09917444), other regulated subsidiaries of the Group include:

- True Potential Wealth Management LLP a MiFID Art.3 Exempt Advisory firm. (FRN 529810).
- .
- True Potential Administration LLP a firm with the regulatory permissions to manage UCITS, acting as Authorised Corporate Director and Authorised Fund Manager to the True Potential Funds. (FRN 924423).

6. Internal Capital and Risk Assessment (“ICARA”) Document

The provisions of MIFIDPRU require True Potential Investments to maintain sufficient capital and liquid resources. The approach of the business to assessing the adequacy of those resources to support current and future activities is contained in True Potential Investments’ ICARA document.

In preparing the ICARA, True Potential Investments has identified the material risks facing its business. The ICARA process stress tests against these risks, in order to produce a determination on the level of resources that the firm is required to maintain.

The ICARA is updated on at least an annual basis and may be updated more frequently if a material change occurs in the risk or business profile of the firm.

7. Public Disclosure

7.1 Governance Arrangements Disclosure (MIFIDPRU8.3)

7.1.1 Overview of True Potential Investments Board and Committees

The True Potential Investments Board is ultimately accountable for the Group’s risk management framework, and delegates the responsibility for establishing, operating and monitoring of risk management across the various committees within the firm.

The True Potential Investments Board, amongst other responsibilities, has responsibility for setting the risk management and internal controls for the firm, and for reviewing the adequacy and effectiveness of the internal controls and risk management process. The Board comprises a mixture of executive and non-executive members and meets monthly. The Board fulfils its duty by means of direct intervention or by delegating responsibilities to senior managers.

The Board’s responsibilities include, but are not limited to:

- the oversight of corporate governance. It shall oversee or delegate responsibility for the oversight of corporate governance to one or more Committees of the Board, as it sees fit, for:
 - (i) development and review of firm policies and practices on corporate governance;
 - (ii) review and monitoring of training and continuous professional development of Directors and senior management;
 - (iii) review and monitoring of firm policies and practices on compliance with legal and regulatory requirements, including Governance arrangements and codes of conduct;
 - (iv) development, review and monitoring of the application of True Potential Investments’ Values and Business Principles and the compliance manual (if any) applicable to employees and Directors; and
- the oversight of large-scale change, development and transformation programmes.

As a MIFIDPRU investment firm, True Potential Investments is subject to the requirements of the Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”) of the FCA Handbook. In accordance with SYSC, True Potential Investments must ensure that the Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the business, including the segregation of duties in the organisation and the prevention of conflicts of interest, in a manner that promotes the integrity of the market and the interests of clients.

Although the Board has overall responsibility for oversight of the business, it delegates day to day responsibilities to various business functions to manage, monitor and analyse key areas of responsibility, and gains sufficient information to discharge its duties.

The Board has appointed separate committees, each responsible for their respective areas accordingly.

True Potential Investments LLP CASS Committee

The CASS Committee (“**CASSCo**”) enables the Senior Manager / CASS Oversight Manager and True Potential Investments to monitor, assess, mitigate and manage regulatory risks, requirements and responsibilities associated with the Client Assets Sourcebook (“**CASS**”).

True Potential Investments LLP Risk Committee

In accordance with MIFIDPRU8.3.1R(6)(a), True Potential Investments is required to establish a Risk Committee under MIFIDPRU7.1.3R. The True Potential Investments Risk Committee (“**RiskCo**”) is a sub-committee of the Board, whose focus is forward looking, anticipating potential issues by assessing known or foreseeable risks and thereby enabling the firm to act to avoid or mitigate the impact of those issues.

True Potential Investments LLP Product Governance Committee

The True Potential Investments Product Governance Committee (“**ProdCo**”) is responsible for the approval of all new and amended True Potential Investments products and the regular review of all True Potential Investments products.

True Potential Investments LLP Nominations Committee

The True Potential Investments Nominations Committee (“**NomCo**”) is responsible for Board Recruitment, and in doing so the committee engages a broad set of qualities and competences when recruiting members to the Board. The NomCo identifies and recommends for approval, by the management body or by general meeting, candidates to fill management body vacancies, having evaluated the balance of knowledge, skills, diversity and experience of the management body.

The NomCo will be mindful of diversity and inclusion when recruiting individuals. Periodically, and at least annually, the NomCo will assess the structure, size, composition and performance of the management body and make change recommendations if necessary. The NomCo will also periodically, and at least annually, assess the knowledge, skills and experience of individual members of the management body and of the management body collectively, and report this to the management body.

True Potential Investments LLP Remuneration Committee

The True Potential Investments Remuneration Committee (“**RemCo**”) agrees and review the ongoing appropriateness of the framework and policies for remuneration of staff. This includes terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, basis of bonus awards and the targets for any performance related pay schemes.

The Board appoints the RemCo Chairman who is an independent non-executive director.

True Potential Investments LLP Independent Governance Committee

The purpose of the Independent Governance Committee (“**IGC**”) is to ensure that the Auto Enrolment Pension Scheme provides value for money, for both active and deferred members, on an ongoing basis. This is achieved by the Committee acting in accordance with the six outcomes for Direct Contribution pension schemes as set out by the Pensions Regulator.

7.1.2 Board Membership

As of 31st December 2022, the True Potential Investments Board had 9 members:

Board Member	No. of Other Directorships Held
Mark Henderson	2
Neil Johnson	-
Michael Duffy	-
Jeff Casson	-
Richard Taylor	-
George Peebles	7
Peter Coward	-
Rebecca Hunter	6
Jodi Balfe	1

7.1.3 Diversity and Inclusion

We continue to develop the firm as an organisation which represents and reflects the diversity of backgrounds and cultures in which the organisation operates. We aim to ensure that in our organisational structures, decision-making processes, our ways of working, communicating, and managing, diversity is welcomed and embraced. We treat all individuals both within and outside the firm with whom we associate openly, fairly, with dignity and respect. We strive to provide a working environment free from any harassment, bullying, victimisation, and unlawful discrimination, ensuring equality of opportunity throughout all our processes and practices.

7.2 Risk Management Objectives & Policies (MIFIDPRU8.2)

7.2.1 Three Lines of Defense Model

The firm operates a 'three lines of defense' approach to risk management to ensure that appropriate responsibility is allocated to the management, reporting and escalation of risk.

Compliance and Risk functions have worked with all Senior Managers across True Potential Investments and relevant committees to:

- determine the risks that are present within the business plan for True Potential Investments; and
- determine how the risk will be treated.

Second line Compliance and Risk is responsible for setting the overall Risk Management Policy and Framework for the firm. Second line and first line together design and implement the Operational Risk Policy and Framework and provide operational risk related reports to the True Potential Investments Board and Risk Committee, and to the Group Risk Committee.

The First Line Risk Register is maintained and updated via the Risk and Control Self-Assessment (RCSA) process, where each Team Leader has detailed all processes and controls in place to maintain completion and accuracy of the processes. Each process has been scored for Inherent Risk and all controls given a Control Score, which leaves the Residual Risk present for each process. These risks are mapped into the corresponding Thematic Risks which make up the 2nd Line Risk Framework. It is also influenced by breach, incident and complaint management, regulatory horizon scanning and monitoring findings.

The Second Line Risk Framework is based primarily on the firm's regulatory risk profile, which has been identified with consideration to the activities carried out by the firm and the regulatory obligations as outlined in FCA regulations and guidance, and other regulatory and compliance obligations for the firm. Additional Thematic Risk areas and standalone risks are included to give a full picture of risks which the firm face or are exposed to as BAU. The compliance team maintain the 2nd Line Risk register, and this supports the identification of monitoring areas in line with this CMP. Risks of regulatory concern are those risks which relate to the fair treatment of customers, to the protection of consumers, to effective competition and to the integrity of the UK financial system. Risks which are relevant to the integrity of the UK financial system include risks which relate to the soundness, stability and resilience of the firm, and also the systems and controls in use to prevent financial crime.

7.2.2 Risk Appetite

The Board reviews and sets the risk appetite statements, including ad-hoc review and update should a material change require consideration and amendment to the stated risk appetite. When setting the risk appetite, the Board will consider the level of risk that the firm is willing to accept while pursuing its objectives, and before any action is determined to be necessary to reduce the risk. TPI RiskCo reviews these risk appetites monthly in line with the trends and risk landscape for the firm, recommending any changes to the risk appetite to the Board for approval.

Risk grading across each area drives the assessment and overall residual risk rating for the firm, within each risk area. With the tolerances and appetites set, both the grouped risk area and individual underlying risks can be assessed on an ongoing basis. Where gradings fall outside of the stated tolerance this will result in remedial action to investigate and remedy, to bring the area of actual or potential risk within the stated tolerance.

The TPI RiskCo is presented with the dashboard on a monthly basis. Risk areas outside of stated tolerance are escalated for action and assigned to owners, with action plans and remedy dates agreed where required. All Risks are assigned a risk owner and manager to ensure appropriate escalation and remedial action, with progress reported to RiskCo.

7.2.3 Risk Categories and Analysis

As a result of its normal business activities, the firm is exposed to a variety of risks, the most significant of which are described below.

Credit Risk

Credit risk is broadly defined as the possible loss due to debtors' non-payment of loans, services or goods supplied. True Potential Investments' income is derived primarily from management fees and platform fees which do not carry credit risk. A negligible proportion of income is derived from invoiced services, generated by the investment management team, so credit risk is not considered material in this regard.

True Potential Investments' principal exposure to credit risk results from UK credit institutions with whom the firm places its corporate and client cash balances and settles market transactions. True Potential continually reviews both its corporate cash and client money banking counterparties to ensure sufficient capital strength, forming a key control of the firm's Client Money and Asset Oversight with credit exposure information reported to the CASS Committee monthly alongside regular due diligence reports and credit rating assessments.

True Potential Investments has neither a trading book, nor securitisation positions, and is not a credit-granting or lending institution. True Potential Investments therefore has no credit risk concerning these areas.

Market Risk

Market risk reflects the risks that arise from fluctuations in values of, or income from, assets, or in interest rates or exchange rates. True Potential Investments does not have any exposure to market risk in relation to stock market investments and does not engage in proprietary trading. True Potential Investments does not have an own book foreign exchange or commodity exposures.

The risk of loss resulting from fluctuation in the market value of positions of a fund's portfolio attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer's credit worthiness. This may result in a higher level of client redemptions and a reduction in fees earned by True Potential Investments itself, which is remunerated on funds under management, but adviser charging would also be affected as this is commonly a percentage of the value of the funds under management. This is a risk faced by True Potential Investments and therefore resources are devoted to the mitigation of the risk. All funds operate under clear mandates governed by the products & investment team, covering market, counterparty and liquidity risk. Outcomes of this due diligence are reported to the investment committee and the True Potential Investments Board. All funds are valued daily, which helps identification and transparency of risk positions.

As True Potential Investments revenue is affected by the value of assets under management, or administration, it is pertinent to consider market risks. The risk of market movements affecting portfolios lies with clients and True Potential Investments does not guarantee returns on portfolios. The risk of market movements on corrective action is considered an operational risk and any adverse market movements affecting corrective actions will impact the operational risk.

True Potential Investments continuously carries out extensive stress testing as part of the ICARA process to evaluate the effect of adverse markets conditions on the firm's income, liquidity and capital position with the view to ensure the most appropriate recovery actions are in place, should there ever be a requirement to engage them.

Liquidity Risk

The risk that a firm may have insufficient liquid resources to cover cash flow shortfalls or fluctuations in funding and be unable to meet its obligations as they fall due.

True Potential Investments' main cash outflows are the remuneration paid to the agreed-delegate fund managers of the True Potential Investments funds and Authorised Corporate Director ("ACD"), as well as share in firm profits paid to the Holding Member, True Potential LLP. These items are accounted for in the members' profit and loss account and therefore adjusted for in Own Funds. The firm prepares rolling daily cash flow forecasts on a weekly basis to ensure it retains sufficient liquid assets to meet its obligations as they fall due.

Business Risk

Business risk includes the acute risk to earnings posed by falling or volatile income; the broader risk of a firm's business model or strategy proving inappropriate due to a range of factors; the risk that a firm may not be able to carry out its business plan and desired strategy; and risks arising from the remuneration policy. In the case of a material service provider, a comprehensive due diligence process must be undertaken prior to the execution of any contract. These

will include policies and procedures, monitoring and reporting processes, performance standards and internal audits (conducted either internally or by an external firm of auditors) with business risks considered.

True Potential Investments does outsource certain activities and actively seeks to minimise the risk of loss or reputational damage through robust due diligence undertaken in advance of contracting with a third party, and robust outsourced services policies and procedures. Before a service or function is outsourced, a manager is assigned, and a full risk assessment is conducted. Contractual and service level agreements are monitored, and due diligence conducted on both the organisation and contractual services on at least an annual basis. True Potential Investments maintains an 'intra-group Services Agreement' with the other entities in the True Potential Group outlining the services provided, obligations and responsibilities. Support from other True Potential entities includes marketing, development, finance, facilities, and adviser services.

Business risk also arises from the application of the remuneration policy, as remuneration of senior and risk-taking staff is an important area of focus to ensure that risk and reward are aligned. True Potential Investments has a Remuneration Committee responsible for overseeing the implementation of the remuneration policy, which reflects objectives for good corporate governance as well as sustained and long-term value creation. In addition, it ensures that True Potential Investments is able to attract, develop and retain high-performing and motivated employees in a competitive market.

Concentration Risk

Exposures to counterparties in the same economic sector, geographical location or sector are considered. As True Potential Investments does not maintain a trading book, or trade on its own account, the concentration risk will fall to the client in relation to their portfolio. Separately the ACD or Authorised Fund Manager ("**AFM**") shall regularly review concentration limits and risks under the Counterparty risk and issuer concentration rules in the Collective Schemes Sourcebook ("**COLL**").

Insurance Risk

The risk of a failure of insurance cover.

True Potential Investments maintains fiduciary liability (e.g. professional indemnity), crime (e.g. Anti Money Laundering, Fraud, Errors and Omissions), and cybersecurity insurance at a level which True Potential Investments considers appropriate for its business and subject to a deductible which True Potential Investments can reasonably afford to meet if called upon. True Potential Investments seeks to obtain insurance only from well-capitalised insurance firms to minimise the risk of loss arising from insurance risk.

7.3 Own Funds Disclosure (MIFIDPRU8.4)

7.3.1 Composition of Regulatory Own Funds

The firm's own funds consist of CET1 capital. As at the firm's financial year end on 31 December 2022, the firm complied with all capital requirements.

Composition of regulatory own funds – MIFIDPRU8 Annex1R Template.			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	213,795	
2	TIER 1 CAPITAL	213,795	
3	COMMON EQUITY TIER 1 CAPITAL	213,795	
4	Fully paid-up capital instruments	216,216	Members' Capital, Statement of Changes in Equity
5	Share premium		
6	Retained earnings		
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(2,421)	Note 6 (Intangible Assets)
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		

7.3.2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements.

The table below describes the reconciliation with own funds in the balance sheet as at 31 December 2022, where assets and liabilities have been identified by their respective classes. The information in the table below reflects the balance sheet in the audited financial statements.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		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	As at period end	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible assets (software and development)	2,421		Item 11
2	Tangible assets (fixtures, fittings and equipment)	13		
3	Trade and other receivables	180,857		
4	Cash and cash equivalents	41,839		
5	Total Assets	225,130		
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Trade payables	6,978		
2	Taxation and social security	127		
3	Pension contributions	18		
4	Accruals and deferred income	1,791		
5	Total Liabilities	8,914		
Members' Equity				
1	Members' capital	216,216		Item 4
2	Other debts due to Members	-		
3	Total Members' Equity	216,216		

7.3.3 Main features of own instruments issued by the firm.

True Potential Investments is a Limited Liability Partnership, governed by the UK Limited Liability Partnership Act 2000, with capital arrangements established in its LLP Agreement. True Potential Investments' Own Funds instruments comprise the aggregated balance of Members' Capital accounts, including accumulated profits and losses allocated but not yet drawn by Members.

Members' Capital represents long-term capital with no maturity date or call option on Members to withdraw capital, other than in the event of winding up of the firm, in which case any remaining capital may be distributed to Members after payment of creditors and expenses of winding up. It is therefore treated as equity under the relevant accounting standards and meets the criteria for inclusion within Own Funds.

Profits and losses are allocated entirely to True Potential LLP (the "Holding Member"). Drawings are subject to approval by True Potential Investments management up to the level of accumulated profits and losses allocated but not drawn. Accumulated profits and losses not yet drawn by the Holding Member are presented as "Other debts due to Members" in True Potential Investments' Statement of Financial Position and included within Own Funds to the extent they remain undrawn. True Potential Investments does not have an obligation to pay drawings to the Holding Member.

7.4 Own Funds Requirements Disclosure (MIFIDPRU8.5)

7.4.1 Owns Funds Requirement

True Potential Investments' own funds requirement is the highest of:

Own Funds Requirement considerations		£'000s
(i) Permanent Minimum Capital Requirement ("PMR")		150
(ii) K-Factor	Sum of K-AUM, K-CMH and K-ASA	14,331
	Sum of K-COH and K-DTF	13
	Sum of K-NPR, K-CMG, K-TCO and K-CON	-
	Total K-Factor Requirement ("KFR")	14,344
(iii) Fixed Overheads Requirement ("FOR")		3,307
Own Funds Requirement (highest of (i), (ii) and (iii))		14,344

7.4.2 Compliance with the Overall Financial Adequacy Rule

The Own Funds Threshold Requirement ("OFTR") is the amount of own funds that a firm needs to hold at any given time to comply with the Overall Financial Adequacy Rule ("OFAR"). The OFTR consists of prescribed elements listed above but also considers additional resource requirements where the firm have identified areas that could lead financial harm to clients, the firm or both. True Potential Investments' assessment under the ICARA has determined the total OFTR is deemed by the True Potential Investments Board to be appropriate to meet the OFAR.

The ICARA Process

As noted earlier in this document, the ICARA replaces the Internal Capital Adequacy Assessment Process ("ICAAP"), following the implementation of the UK Investment firms Prudential Regime. True Potential Investments recognises that as part of the ICAAP, firms were expected to conduct an assessment against a specific list of risk categories, whereas the ICARA process focuses even more on the firm's business model. This means that firms are required to identify and monitor potential harm from both their market and clients.

The ICARA process is an integral part of True Potential Investments' risk management processes and a continual process of identifying risks to the client, the firm, and the wider market, and maintaining an appropriate RMF to manage and mitigate those risks, where possible.

The purpose of the ICARA is to:

- Inform senior management of the ongoing assessment of the Group's key risks, through its harm to clients, the firm and the wider market.
- Operate systems and controls to identify and monitor all material potential harm.
- Detail how senior management will consider and put in place appropriate financial and non-financial mitigants to minimise the likelihood of crystallisation and/or impact of the material harm.
- Undertake business model assessment, planning and forecasting including expected- and stressed-scenarios.
- Set out appropriate and credible recovery actions to restore own funds or liquid resources where there is a risk of breaching threshold requirements.
- Set out at entity-level credible wind-down plans, including timelines for when and how to execute these plans.
- Assess the adequacy of own funds and liquidity requirements and whether additional own funds and liquid assets are required to cover the risk.

The ICARA sets out the business model and summarises the strategy together with a base case financial projection of the next 5 years. The ICARA includes an assessment of the harm that True Potential Investments could pose to clients, the firm itself, and the wider market, and whether capital and liquid resources are sufficient to cover the risks identified.

In summary, key elements of the ICARA include:

- Group Structure.
- Business Model and Strategy.
- Governance Overview.
- Risk Management Framework.
- Material Harms Assessments.
- Key Financial Information and Projections.
- OFR calculation.
- Additional Own Funds Assessment.

- Available own funds and available liquid assets.
- Compliance with OFAR.
- Capital stress testing.
- Reverse stress testing.
- Recovery actions.
- Wind-down planning.

True Potential Group Limited is the parent company of True Potential Investments LLP. True Potential Investments Board is responsible for the ICARA process and for setting the risk appetite which forms an integral part of the management process and decision-making culture of the firm.

7.5 Remuneration Policies and Practices (MIFIDPRU8.6)

7.5.1 Remuneration policy

In line with True Potential Investments' Governance arrangements, the True Potential Investments Board has appointed RemCo to oversee all matters relating to the ongoing appropriateness of the framework and policies for remuneration of True Potential Investments staff. This includes terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, basis of bonus awards and the targets for any performance-related pay schemes.

In accordance with SYSC19G.5.2R, the Board, with the assistance of RemCo, will meet at least once a year for the purposes of identifying Material Risk Takers ("MRT") or Remuneration Code staff (code staff).

A material risk taker is a staff member whose professional activities have a material impact on the risk profile of the firm or of the assets that True Potential Investments manages and generally would be regarded as a MRT if one of the following roles, consistent with the criteria set out in SYSC19G.5.3R.

- ✓ Board members.
- ✓ Senior Management roles.
- ✓ Control functions, such as Compliance or Investment Management and,
- ✓ Roles in the same remuneration bracket as the above.

Fixed Remuneration

Fixed Remuneration is determined based on the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

Variable Remuneration

Variable remuneration, including bonuses, will be awarded in a manner which promotes sound risk management and discourages excessive risk taking.

Any award of variable remuneration will take account of all relevant risks and an individual's performance is assessed with respect to non-financial factors and is based on the overall performance of the firm, relevant business unit and the individual concerned, alongside consideration of any financial factors.

Variable remuneration will only be awarded and paid where it is sustainable according to the financial situation of the firm and justified on the basis of the overall performance of True Potential Investments, the relevant business unit and the individual concerned.

True Potential Investments reserves the right to withhold or claim back any variable remuneration where there is evidence of misconduct of the individual or whose actions have either caused losses to be incurred by True Potential or where the actions are outside True Potential's risk appetite.

Employees are prohibited from entering contracts that will undermine the risk alignment elements of this policy, for example, contracts of insurance that will make payment to compensate for loss of variable remuneration.

Deferral of Remuneration

True Potential Investments qualifies for exemption under SYSC 19G.1.1R(2) and therefore, information concerning the deferral of remuneration will not be included in this document.

Pension scheme

True Potential Investments provides an Auto Enrolment pension scheme for all employees and contributions are made in line with the amounts detailed in the regulations. Contributions to the AE scheme will be considered as an element of fixed remuneration when calculating the maximum variable remuneration payable.

True Potential Investments may from time to time offer additional discretionary pension benefits to attract and retain staff. Where such benefits are a part of an employee's remuneration payments will be:

- Consistent with the business strategy, objectives, values and long-term interests;
- Paid in shares or other ownership interests; and,
- Subject to deferral where the employee leaves before retirement.

Other benefits in kind

Dependent on the employee's position and responsibilities of the role True Potential Investments may include certain benefits in kind available as part of a remuneration package, such as, travel, telephone and other fixed benefits.

Severance Payments

Severance payments are payable in accordance with relevant local legislation and applicable collective agreements. Under specific individual agreements, certain key employees may be entitled to a maximum of up to 12 months' salary while certain senior members of management may be entitled to a maximum of up to 24 months' salary.

Any severance payment made will be based on performance of the individual over time and take account of any failure to perform or misconduct consistent with the overarching principles of this policy.

7.5.2 Quantitative Remuneration Disclosures

In accordance with MIFIDPRU8.6.8R the table below sets out True Potential Investments' quantitative remuneration disclosure split by Senior Management, MRTs and other staff, accordingly:

Total Remuneration by category	Number of Employees #	Fixed Remuneration £'000s	Variable Remuneration £'000s	Total Remuneration £'000s
Senior Management	7	1,185	21	1,206
Other MRTs	22	965	156	1,120
Other Staff	96	1,876	450	2,326
Total Employees	125	4,025	627	4,652

No MRTs were awarded guaranteed variable remuneration, and no MRT was paid any severance during the period.