

MIFIDPRU 8 Disclosure
Patron Capital Advisers LLP ("the Group")

For the year ended 31 December 2025

Contents

1. Introduction.....	3
2. Governance arrangements	3
3. Own funds	8
4. Meeting the Overall Financial Adequacy Rule (" OFAR ").....	12
5. Risk management objectives and policies	12
6. Remuneration Policy and Practices	14

1. INTRODUCTION

1.1 Purpose of MIFIDPRU Disclosure

The Investment Firms Prudential Regime ("**IFPR**") is the Financial Conduct Authority's ("**FCA**") prudential regime for MiFID investment firms, which came into effect on 1st January 2022. As an FCA regulated firm, Patron Capital Advisers LLP ("**PCA**" or the "**Firm**") is subject to IFPR and is required to publicly disclose, at least annually, the information set out in MIFIDPRU 8 for the financial year ended 31 December 2025.

This disclosure seeks to describe the Firm's own funds (financial strength), behaviour (investment policy) and culture (risk management, governance, and remuneration). This disclosure will be published more frequently than annually should any significant change to the relevant characteristics of the business require more frequent disclosure.

1.2 Entity Description

PCA is an advisor to the Patron Funds (defined below) dedicated to making value-oriented and opportunistic real estate and real estate-related investments primarily in Western Europe. To date, the Patron Funds represent investment of approximately €5.0bn of equity capital from over 100 primarily institutional investors, including sovereign wealth funds, leading global pension plans, endowments and foundations for the year ended 31 December 2025, average Assets Under Management were €3.5bn.

PCA is authorised and regulated by the FCA and is subject to its published regulations (the "**FCA Rules**"). The FCA Rules require firms to ensure they maintain adequate financial resources and to take reasonable care to organise and control their affairs responsibly and effectively, with adequate risk management systems. Those principles are supplemented by detailed requirements, which for PCA include those under IFPR.

1.3 Scope of application

Unless stated otherwise, the financial information and related disclosures are based on financial data as at, and for the year ended, 31 December 2025 and on the Internal Capital Adequacy and Risk Assessment ("**ICARA**") process which has a reference period that is co-terminus with the financial reporting year. It has also been produced solely for the purpose of satisfying IFPR disclosure requirements.

The disclosures are not subject to audit and do not constitute any part of the audited financial statements. Therefore, the information set out should not be relied upon in making a judgement about the Firm.

Additional information can be found in the Firm's audited Annual Financial Statements for the year ended 31 December 2025.

2. GOVERNANCE ARRANGEMENTS

2.1 Business

The Firm's core business is the provision of a full range of investment advisory services to our clients namely the Patron Capital funds (including without limitation Patron Capital I, LP, Patron Capital II, LP., Patron Capital III, LP., Patron Capital LP.IV, Patron Capital V, LP., Patron Capital VI, LP., Patron Capital VII, LP. and Patron Capital VIII, LP) (the "**Patron Funds**"), related pools of capital and the Women In Safe Homes Fund.

2.2 Our values and ethics

A core component of the Firm's culture is always to put the interests of the Patron Funds' investors first and we serve our investors with integrity, courtesy, fairness, loyalty and transparency. The Firm operates under a Code of Ethics and fully respects its ESG responsibilities. The Code of Ethics, the Firm's Impact Report and the Responsible Investment Policy can all be found on our website at www.patroncapital.com.

2.3 Directorships of the Executive Committee

Name	Role at PCA	Number of external directorships {for profit organisations only} *
Keith Breslauer	Chairman/Managing Director	8
Shane Law	Chief Operating Officer	23
Mark Parnell	Chief Finance Officer	0

* Directorships for UK incorporated entities only

2.4 The Executive Committee

In November 2025, the Firm entered into a strategic partnership with Mitsubishi Estate Co., Ltd. ("MEC"), pursuant to which MEC indirectly acquired a 70% equity interest in the Firm's parent entity, Patron Capital Advisers Investments Limited ("**Corporate Member**"). The Firm's governance structure operates mainly through the Firm's Executive Committee (the "**Executive Committee**"), which is the principal body for operational and management decisions of the Firm and its business, subject to certain powers reserved to certain Firm members and any governance thresholds or consent requirements set out in the Amended and Restated Members' Agreement relating to PCA dated 13 November 2026, as amended from time to time (the "LLPA").

The Executive Committee initially comprising Keith Breslauer, Shane Law and Mark Parnell, is expected to be expanded in 2026 to include Kendall Langford, Stephen Green, Jonatas Szkurnik, Christoph Ignaczak, Irina Stamate-Rocha and Daniel Weisz, who are currently amongst the individual members of the Firm, subject to FCA approval of their respective senior management functions and satisfaction of any conditions.

The Executive Committee meets at least fortnightly to discuss matters involving the overall operational management of the Firm and its business. The Executive Committee is responsible for day-to-day management and determination of matters relating to investment activity, execution of the business strategy and other operational areas as well as overseeing the ongoing success and development of the Firm's advisory business, including setting the risk appetite of the Firm.

The Executive Committee is also responsible for the Firm's strategy, long-term objectives and financial performance of its advisory business and ensuring the maintenance of a robust system of internal controls and risk management.

The Executive Committee is responsible for ensuring the prudent and effective management of the Firm's advisory business. To that end it has implemented segregation of duties between its business functions and control functions and has setup various committees to help implement its objectives.

The Executive Committee is responsible for:

- setting business strategy;
- setting business appetite for risk;
- overseeing and controlling business financial performance;
- identifying and managing conflicts of interest that exist within the business;
- governing the business's compliance with regulatory requirements and risk management; and
- exercising operations and organisational governance.

2.4.1 Executive Committee composition

The current membership of the Executive Committee comprises:

- Keith Breslauer (Chairman/ Managing Director ("**MD**"))
- Shane Law (Chief Operating Officer ("**COO**"))

- Mark Parnell (Chief Finance Officer/ Financial Director ("**FD**"))

2.4.2 Executive Committee Leadership and Purpose

To ensure the Firm successfully executes its responsibilities and that it remains sustainable and viable it continually reviews threats to its business model, emerging opportunities and macro and environmental risks. This includes:

- evaluating strategic proposals to ensure that they are aimed at enhancing the business model and generating value for stakeholders (see 2.4.3 below);
- considering the views and priorities of stakeholders and the impact on strategy;
- identifying and reviewing existing and emerging threats to plan and business risks, and how these are being managed or mitigated,
- ensuring the Firm's resources and competencies are sustainably aligned with achievement of its strategy;
- reinforcing the Firm's values by adopting ESG policies and practices that are consistent therewith;
- promoting effective channels for staff to raise any concerns;
- promoting diversity and inclusion;
- implementing robust procedures to manage conflicts of interest;
- regularly reviewing cyber security issues;
- providing direct opportunities for the Firm's staff to educate themselves on current macro developments; and
- undertaking regular assessments of the Firm's prospects and viability and its ability to continue as a going concern, including consideration of cash and counterparty management.

Particular attention was given during 2025 to reassessing the Firm's risk profile in light of the ongoing conflicts in Ukraine, Israel and the Middle East, and their impact on the global economy and capital markets.

The existing committees ("**the Committees**") include an Audit Committee, Remuneration Committee and Valuation Committee. Please see below for further details.

2.4.3 Engagement with Stakeholders

The Executive Committee fully recognises the importance of regular, timely, meaningful, transparent and effective communication with stakeholders, in particular the Patron Fund investors. This is principally achieved, *inter alia*, through:

- the Annual General Meeting to report and make a detailed presentation to the Patron Fund investors. All of the Firm's senior personnel attend and are available to answer questions individually. The Chairman actively encourages and welcomes all stakeholders' participation in the AGM;
- the Chairman and COO maintaining regular contact with the Patron Fund investors; and
- the regular maintenance of the Firm's website at www.patroncapital.com.

2.4.4 Effectiveness

The Executive Committee is cognisant of its responsibility to direct the Firm effectively, to actively participate in, contribute to and to promote a culture of objectivity, openness and debate. The Executive Committee believes it achieves this with its current composition and the active participation of senior management.

2.5 Committees

Ensuring that the Executive Committee's purpose and objectives are carried out effectively and the Firm remains aligned with its purpose, values and strategy, the Executive Committee and Committees meet at least quarterly with the exception of the Remuneration Committee that meets no less than twice a year. As the Firm is relatively small, the Committees are made up of a combination of members of Executive Committee and ultimately report to the Executive Committee as a whole as further described below.

The Committees include the Valuation Committee, the Audit Committee and the Remuneration Committee. The chairperson of each of these Committees is responsible for reporting to the Executive Committee on how the Committee has discharged its duties. The NEC and the CO/MLRO, in their respective roles on the Executive

Committee, provide relevant input to the Audit Committee and the Executive Committee, based on their professional expertise and training namely, in the case of the NEC, cyber security risk and management and, in the case of the CO/MLRO, conflicts and regulatory risk and management.

2.5.1 **Audit Committee**

The Executive Committee is responsible for establishing and maintaining an Audit Committee and for appointing its members. It comprises the MD, the COO and the FD. This reflects the size, scale and complexity of the Firm's business. The role of the Audit Committee is to assist the Executive Committee in its oversight of the:

- integrity and quality of financial reporting and disclosure;
- selection and application of accounting policies and practices;
- risk management systems and internal control environment;
- the Firm's compliance with legal and regulatory requirements relevant to financial reporting and accounting;
- appointment/reappointment, independence and performance of the external auditor, including the quality and effectiveness of the external audit;
- integrity of significant financial returns to regulators;
- effectiveness of internal audit;
- the Firm's compliance with statutory tax obligations;
- determination of distributable reserves; and
- other issues, if any, on which the Executive Committee may request the Committee's opinion.

2.5.2 **Internal Control**

The Executive Committee is cognisant of its responsibility for the Firm's system of internal control and has formalised the process for its review of internal control (including financial, operational and compliance controls).

The Executive Committee keeps the Group's internal control and risk management systems under review by conducting an annual assessment, involving dialogue with relevant senior managers, of the effective design and operation of the controls to meet key control objectives and to mitigate key risks. The Executive Committee considers that the controls and risk management procedures established and to be implemented are appropriate for the Firm. Any system of internal control and risk management can only provide reasonable, not absolute, assurance against material misstatement or loss. Accordingly, the Firm's internal controls are the subject of an external Independent Assurance Report (performed separately from the Firm's statutory audit). The latest such Report can be found on the Firm's website at www.patroncapital.com.

2.5.3 **The Remuneration Committee**

The Remuneration Committee is responsible for all aspects of remuneration policy, together with any staff hiring and termination decisions. The Remuneration Committee comprises (i) the MD, (ii) the COO, (iii) Stephen Green, (iv) Randy Willbert and (v) Yosuke Miyamoto ((iv) and (v) as representatives appointed by the Corporate Member).

As the Firm is authorised and regulated by the FCA, it is subject to FCA Rules on remuneration. These are contained in the FCA's Remuneration Code located in the SYSC Sourcebook of the FCA's Handbook. The Remuneration Code ("the **RemCode**") covers an individual's total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two.

The Firm's compensation arrangements are intended to:

- encourage employees and members to deliver on the key objective of the provision of a strong investment advisory service to its clients and deliver value to its clients whilst promoting and delivering a strong ESG focus and improvement across the investments/ assets it advises;
- align with business strategy, objectives, values and the long-term interests of the Firm and the Patron Funds;
- provide competitive total remuneration potential, designed to attract, retain, motivate and reward employees and members to deliver outstanding long-term performance and corporate behaviours;
- promote sound and effective risk management;

- ensure remuneration is linked to investment, business and personal performance and corporate behaviours for all employees and members, and where appropriate measured over the short, medium and long term;
- differentiate and reward strong performance and demonstration of behaviours and to proactively manage poor performance and behaviours not aligned to our values; and
- deliver fixed and variable compensation structures which are transparent to and understandable by the team.

To help achieve these objectives:

- no individuals are remunerated with guaranteed variable remuneration;
- no individuals decide their own remuneration outcome; and
- the discretionary variable elements of the remuneration packages are structured to allow for a reduction if necessary to ensure appropriate balance between fixed and variable remuneration.

The FCA has applied proportionality in the disclosure of remuneration by categorising firms into three levels. Our Firm falls within the second level of the FCA's proportionality. The Firm is therefore required to disclose certain information on at least an annual basis regarding its remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the Firm. The disclosure is made in accordance with the Firm's size, internal organisation and the nature, scope and complexity of its activities and is set out in section 6 of this document.

2.5.4 The Valuation Committee

The Firm's Valuation Committee (consisting of the MD, the COO and the FD) conducts a detailed quarter-on-quarter review of the key assumptions and metrics underlying all investment projections, a review of any changes in these assumptions and metrics, the impact these changes have on Fair Value, required equity, projected proceeds, investment IRR and equity multiple, and considers any other significant change or item of note, including the discount rate used on future investment cashflows to determine Fair Value. These assumptions are based on, inter alia, comparable transactions and third-party market reports on market metrics relating to rents, yields, and where relevant, construction costs.

It is worth noting the following with respect to the Fund investment valuations:

- advisers (e.g. Mark Zmijewski) and third parties (i.e. valuers like CBRE) are consulted on various key assumptions;
- many Patron Funds' investments have debt related covenant tests requiring valuations by third parties that are incorporated into the Firm's process;
- the Firm undertakes an extremely rigorous internal valuation process at the initiation of each investment and through its respective life.

2.6 Culture and staff engagement

The Firm maintains an organisational culture founded upon an adaptive, responsive and interactive work environment with broad equity participation in the Patron Fund investments. This culture fosters a strong commitment to the Firm, a clear sense of fiduciary responsibility and a well-calibrated risk appetite and a deep understanding of the Patron Fund investments and their key dynamics and value drivers. Many members of the team have spent a significant portion of their careers working together primarily at the Firm or with the Firm's personnel in their previous roles. Individual members of the Firm have diverse backgrounds, which bring complementary and valued perspectives. The Firm's team is aligned to the goals of the Firm by virtue of having a significant interest in the Patron Funds through carried interest arrangements.

Separate to the Committees put in place, the Firm also:

- holds meetings with senior investment team and the junior investment team;
- encourages "speak up" policies; and
- implements periodic review and approval of all policies regarding conduct, health and safety, human resources and social responsibility, amongst others.

2.7 Diversity and Inclusion

The Executive Committee recognises the range of benefits that breadth of perspective and diverse traits deliver both at the committee level and also within the wider business. It is fully committed to promoting talented individuals as executives on merit, both internally and through recruitment, with the Executive Committee's whole-hearted encouragement supported by regular open communication.

The Firm takes an integrated approach to diversity, equity, and inclusion, applying corporate level practices at the fund and investment level, including engagement and management of local operating partners, or underlying company holdings. The Firm actively promotes diversity-led initiatives within its numerous charitable activities, with participation encouraged from all employees and actively and transparently engages clients on diversity-related issues. Within the Firm itself, we have built the business with the aim of having a diversified team both from a gender and culture perspective (18 different cultures / nationalities across the Firm, of which 33% are female and 29% minorities).

The Firm believes that this integrated approach is reflected in its hiring and retention process, seeking to hire equitably, also in line with a range of skills and expertise required to deliver for the Firm's clients.

3. Own Funds

3.1 Transitional Provisions

In accordance with the transitional provisions for the Own Funds Regulatory Requirement contained in rule 2.10 of MIFIDPRU TP 2, for the financial year that ended on 31 December 2025, PCA has substituted its fixed overheads requirement ("FOR") and the K-factor requirement for an amount equal to the Firm's permanent minimum capital requirement ("PMR") after any transitional relief. In accordance with rule 2.12 of MIFIDPRU TP 2 PCA has substituted the alternative requirement using 45% of the overall fixed overheads requirement ("FOR") for the period 1 January 2025 to 31 December 2025.

3.2 Own Funds Regulatory Requirement

A MIFIDPRU investment firm must at all times maintain own funds that are at least equal to its own funds requirement which consists of a basic own fund's requirement plus an Additional Own Funds requirement to meet the Overall Financial Adequacy Rule. The basic own funds requirement of a non-SNI MIFIDPRU investment firm (previously an exempt CAD firm) using transitional provisions for FOR and the K-factor requirement is the highest of:

1. its PMR, which for PCA is £75k; or
2. its FOR, which amounts to £1,189k; or
3. its K-factor requirement, a series of risk parameters/indicators representing the specific risks investment firms face and the risks they pose to customers/markets. IFPR uses nine K-factors and PCA is only subject to K-AUM, which is equal to £1,691k.

The Additional Own Funds requirement is derived from the ICARA process where PCA is required to produce a reasonable estimate of the own funds that PCA needs to hold to address any potential material harms identified, which cannot be adequately mitigated through proportionate systems and controls.

3.3 OFAR Compliance

PCA was compliant with the OFAR as at 31 December 2025 and the OFTR and LATR are continually monitored. PCA sets internal requirements for both the OFTR and LATR, to ensure that there are sufficient buffers in place so that the OFAR is met.

These metrics are monitored at least monthly.

As part of the ICARA process, the Executive Committee considers the risk of disorderly wind-down and assesses the level of financial resources required to ensure the business can close without undue disruption to clients or the market. We have prepared a wind down plan in line with the Wind Down Planning Guide published by the FCA. The wind down plan is reviewed and updated as part of the annual ICARA process.

3.4 Own funds requirement

The table below shows PCA's Own Funds Requirement as at 31 December 2025.

	Figures shown in GBP thousands
Basic Own Funds Requirement	
<i>Higher of:</i>	
Permanent Minimum Requirement (£75,000)	75
Fixed Overhead Requirement (FOR)	1,189
K-Factors:	
K-AUM	1,691
Basic Own Funds requirement	1,691

Table OFI: Composition of Regulatory Own Funds

The own funds of a firm are the sum of its common equity tier 1 capital ('CET1'), additional tier 1 capital ('ATI') and tier 2 capital ('T2'). PCA's own funds consist of fully paid-up members' regulatory and other capital and accumulated profits.

	Item	Figures shown in GBP thousands	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	11,760	
2	TIER 1 CAPITAL	11,760	
3	COMMON EQUITY TIER 1 CAPITAL	7,132	
4	Fully paid up capital instruments	11,760	p.8
5	Share premium	-	
6	Retained earnings	(4,628)	
7	Accumulated other comprehensive income		
8	Other reserves	216	p.8
9	Adjustments to CET1 due to prudential filters		
10	Other funds	(216)	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL		
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	TIER 2 CAPITAL		
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Table OF2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows the reconciliation of own funds to the balance sheet of PCA as at 31 December 2025. The balance sheet below is as per the audited financial statements.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited Financial Statements				
Figures shown in GBP thousands.				
		a	b	c
		Balance sheet as in audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
Assets				
1	Tangible fixed assets	859		
2	Investments in Subsidiaries	2		
3	Trade debtors	349		
4	Other debtors	4,465		
5	Cash at bank	10,515		
	Total Assets	16,190		
Liabilities				
1	Trade Creditors	456		
2	Current tax liabilities	139		
3	Other creditors	722		
4	Accruals	7,525		
	Total Liabilities	8,842		
Shareholders' Equity				
1	Members' regulatory capital	11,760	4 - Fully paid-up capital instruments	
2	Members' other capital	(4,628)	8 – Other reserves	
3	Members' current accounts	216	8 - Other reserves	
	Total Shareholders' equity	7,348		

Main features of Own Instruments issued by the Firm		
Capital Item	f000s	
Tier 1 capital	1,000	Includes members' capital classified as equity as shown above.
Tier 2 capital		
Total capital resources, net of deductions	1,000	

4. MEETING THE OVERALL FINANCIAL ADEQUACY RULE ("OFAR")

MIFIDPRU 7.8 of the IFPR requires the Firm to assess its own funds and liquidity requirements and document these in its ICARA process. The ICARA provides a clear explanation of how the Firm is monitoring and complying with its OFAR giving particular attention to Own Funds, available Liquid Assets and Group's Threshold Requirements. The Firm carries out assessments to ensure it holds adequate resources both for its ongoing business and to carry out an orderly wind down

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Executive Committee is also responsible for establishing an effective risk management framework to support the Firm in achieving its strategic objectives. The Executive Committee also covers, as a primary role, determining the risk appetite of the Firm as well as its management and controls thereof, in line with the governance framework set out in the LLPA. Our approach to risk management continually evolves as we manage our principal risks and respond to emerging risks.

Risk management is a core part of the Firm's strategic management. It is focused on identifying what could go wrong, evaluating and prioritising those risks are important to deal with and implementing strategies to mitigate those risks. Thereafter continual assessment, monitoring and updating of procedures and benchmarks are all essential parts of our risk management strategy.

It is the Firm's policy to fully embed risk-based principles throughout the organisation and to maintain a risk control framework and register, known as the Risk Matrix, which is used to effectively identify, evaluate, monitor and control the risks of the Firm's advisory business.

The Risk Matrix has been devised to provide a working assessment of the main risks and to highlight areas which need to be targeted, having a high probability and impact, to ensure the Firm has sufficient regulatory capital to withstand failings in these areas.

Procedures and controls are in place to identify, assess and ultimately control the inherent operational risks prevalent in every operation which generally arise through error or failure. Steps are taken to mitigate these risks with established and effective procedures and controls, efficient systems and the adequate training of staff.

The assessment and identification of the principal risks considers which risks could materially harm client and other stakeholder relationships, the markets in which the Firm operates; and the Firm itself. It is the Executive Committee's responsibility to ensure that it is cognisant of all material issues, including the Firm's risk management objectives around own funds, concentration risk, and liquidity risks as addressed by MiFIDPRU4, 5, and 6 respectively.

The Firm does not have a separate risk management policy, as it is deemed small and the risk management principles are set out in the ICARA document. The internal controls and processes on the operational risks are set out in the Assurance Report (referred to at 2.5.2 above). Our Risk Management framework aims to:

- promote a strong risk management culture from the top and within, based around our long-standing and core values of integrity, courtesy, fairness, transparency and loyalty.
- operating a three lines of defence model.
- horizon scanning to ensure developments in the risk landscape are identified and proactively addressed.
- subjecting new business initiatives to robust challenges via the Firm's New Initiative Risk Assessment ("NIRA") process, ensuring requisite controls are embedded within any new activities.
- comprehensive risk identification and assessment captured within the Firm's Risk Matrix.
- establishing risk appetites, tolerances and limits to allow business to be conducted within clear parameters and an appropriate balance between risk and reward.
- ongoing risk monitoring and escalation via quantitative and qualitative management information.
- ongoing assessment of the Firm's overall approach to risk via the Firm's ICARA process document.

As part of these ongoing efforts and a further step in enhancing cybersecurity readiness, in addition to the approval of the Firm's Cyber Essentials Certification of Assurance in the past year, the Firm's Cyber and AI Policy has also been approved in 2025. Key focus areas of the Cyber and AI Policy include managing cyber threats and governing AI usage through clear responsibilities, data protection, risk prevention, platform controls, incident response, and promoting secure and responsible adoption. The Firm also undertakes regular member and staff training in relation to AI and cyber security and continues to review its relevant policies and procedures.

4.1 Our risk framework

The Firm has adopted a three line of defence model to support its risk management framework. Given its small size, the Firm uses this model on a proportionate basis. Under the framework responsibility and accountability for risk management are effectively broken down as follows.

4.1.1 First Line

The Executive Committee is responsible for managing risks, by developing and maintaining effective internal controls to mitigate risk.

First Line risk owners

- perform quarterly assessment of risks within Firm's Risk Matrix (the likelihood the risk event will occur and the potential impact the risk event will have);
- ensure risks within their areas remain robustly identified, assessed, controlled and mitigated;
- engage with professional advisers and the second line to ensure compliance with regulatory obligations is designed and embedded in operational arrangements; and
- include Legal, Finance, HR personnel.

4.1.2 Second Line

Given the Firm's deemed small size, the second line of defence is assumed by certain members of the Executive Committee who provide the risk monitoring and compliance functions with a certain level of overlap with first line defence support of the Executive Committee. Accordingly, the CO/MLRO, the FD and the COO in their respective roles on the Executive Committee, provide oversight and checks and balances of the first line's day-to-day management, monitoring and reporting of risks to both senior management and governing bodies based on their professional expertise and training, namely in the case of the FD and the COO, operational, business, strategic and liquidity risks and management, and in the case of the CO/MLRO, conflicts, regulatory, conduct risks and management.

FD and the COO: evaluate, review and report on:

- risk appetite, strategy and tolerance, including integration with the Firm's culture, values and behaviour;
- the operation of risk management frameworks in the effective mitigation of strategic, business, liquidity, operational and external risks;
- define, monitor and review key risk indicators, evaluates risk exposure, strategy and tolerance and reviews significant risk exposures;
- review the ICARA for approval by the Executive Committee; and
- develop and maintain the Firm's succession plan and wind-down plan.

The Executive Committee in this respect ensures that all new initiatives and projects are formally assessed and evaluated for the degree of risk exposure and regulatory capital impact to the Firm, thus enabling strategies for the management, mitigation, transfer or avoidance of risk to be formulated. The Executive Committee assesses principal risks facing the Firm, including those that threaten its business model, future performance, solvency and liquidity.

The CO/MLRO: ensures regulatory compliance, manages risks, and maintains rigorous anti-money laundering standards within the Firm:

- considers the Firm's regulatory obligations and determines how they should be disseminated, engaged with and implemented; develops and maintains Compliance policies and ensures they are implemented and embedded including without limitation requirements under the SMCR regime;

- alerts the Executive Committee to areas of weakness and suggests remedial actions.
- escalates persistent issues of non-compliance to the Audit Committee, pursues the enforcement of remedial action, and where necessary, imposition of penalties upon non-compliant individuals;
- ensures an effective compliance monitoring program is carried out for the Firm with formal risk assessments and regular monitoring;
- regularly reviewing the Firm's risk assessment and keeping it up to date;
- advises and consults with the Executive Committee on areas of potential conflicts of interest.
- reports to the Executive Committee regularly on any issues and updates, with regard to anti-money laundering procedures; and
- ensures that all new customers are properly identified for money laundering purposes.

The purpose of Second Line controls is to:

- provide independent challenge and oversight of first line control activities;
- monitor and report significant risks to the Executive Committee; and
- ensure first line risk owners adopt best risk control practice in their operational processes.

4.1.3 Third Line

An Assurance Report on internal controls is undertaken by an external firm, RSM, which is presented to the Executive Committee on an annual basis.

5. REMUNERATION POLICY AND PRACTICES

5.1 Summary of the Firm's Approach to Remuneration for all Staff

The Firm's remuneration policy has been settled and is reviewed every three years by the Remuneration Committee or following a significant change to the business requiring an update to its internal capital adequacy assessment (the "**Remuneration Policy**"). Following approval, the Remuneration Policy is shared with all staff. Its aims are to align risk and reward, promote sound and effective risk management (including sustainability risks¹ for investment professionals throughout the performance in compliance with Article 5 of the Regulation (EU) 2019/2088 of the European Parliament and the Council ("SFDR")), encourage responsible business conduct, ensure the capital base of the Firm is not put at risk by its remuneration incentives, and align employee's interests with the Firm's long-term strategy and objectives

Participation in any incentive plan is discretionary and individual participation is based on their contribution to both financial and non-financial measures.

Staff are assessed under the Firm's performance management process on an ongoing basis with an annual performance assessment outcome being used as a contributing factor in the determination of remuneration. Criteria for setting fixed and variable components of remuneration include the role and seniority of the individual and the financial and non-financial measure of the business.

Given the scale, complexity and nature of the Firm, when determining whether the following financial and non-financial measures are met, we assess the individual contributions of its employees and members to the below based on a period of no less than three years:

- the Firm itself;
- their individual business units; and
- other contributions that enhance the value of the Firm's brand.

Financial measures include:

- the level of surplus management fee (pre bonus) across the respective funds the Firm advises; and

¹ "Sustainability risk" means an environmental, social or governance event or condition that, if occurs, could cause an actual or potential material negative impact on the value of the investment. As per EU Regulation 2019/2088

- an individual's contribution to the performance of the deals that person is working on within the respective funds advised by the Firm.

Non-financial measures include:

- demonstration of corporate behaviours (including adherence to the Code of Ethics and a satisfactory Assurance Report);
- successfully delivering on agreed objectives which are used to adjust the overall discretionary bonus awarded up or down; and
- effective sustainable risk management.

In addition to individual contribution, consideration is given to group performance, compliance with regulatory requirements, team performance & development and market factors.

Below sets out a high-level description of our approach to measuring the performance of individuals including both financial and non-financial metrics, and explains how this assessment influences an individual's remuneration:

- all department heads review the performance and behaviours of their employees and to provide summary feedback;
- across the Firm, certain individuals (e.g. within the investment team this is Investment Directors and below) fill in a summary review form detailing their own view on performance, against previous objectives and suggested new objectives for the year
- majority of roles are benchmarked against the market to ensure that their remuneration is comparable; and
- a rigorous review is undertaken to ensure a strong correlation between positive assessments and positive remuneration outcomes; and negative assessments and negative remuneration outcomes; and
- risk and control factors play a crucial role in evaluating performance and determining compensation. Our compensation approach emphasizes risk management, discouraging undue risk-taking. This includes addressing sustainability risks and avoiding behaviours that could jeopardize client interests.

Our variable remuneration also rewards behaviours that promote positive non-financial outcomes for the Firm and limiting eventual behaviours contrary to the Firm's values.

What sets the Firm apart is its additional benefits provided to the team including the participation and financial support on both the Firm's and an individual's charity initiatives, its Greatness Lecture Series, provision of in-house fitness facilities.

Throughout the different remuneration processes, there are layers of review ultimately culminating in the review and finalisation by the Remuneration Committee. The elements of compensation support the objectives - balancing risk with reward; and these discussions are underpinned by a robust review process (summarised above) including individual review meetings with all employees and members.

5.2 Summary of the Objectives of the Firm's Financial Incentives

The Firm ensures that the Remuneration Policy is in line with business strategy, objectives, values and long-term interests by including advice on remuneration design and compliance with regulatory guidance from independent, experienced third-party advisers with whom the Remuneration Committee consult with as appropriate.

Business unit heads may also be consulted if appropriate, provided that any such consultation adheres to the principles and guidelines contained in regulations that apply to the Firm. The Remuneration Committee also receives regular input from appropriate business heads on any issues which should be escalated to the Remuneration Committee for consideration of remuneration impact.

The Firm's compensation arrangements are:

- in line with the aims of our Remuneration Policy;

- to encourage employees and members to deliver on the key objective of the provision of strong investment advisory to its clients and delivering value to its clients whilst promoting and delivering a strong ESG focus and improvement across the investments/ assets it advises;
- to provide competitive total remuneration potential, designed to attract, retain, motivate and reward employees and members to deliver outstanding long-term performance and corporate behaviours;
- to ensure remuneration is linked to investment, business and personal performance and corporate behaviours for all employees and members, and where appropriate measured over the short, medium and long term;
- to differentiate and reward strong performance and demonstration of behaviours and to proactively manage poor performance and behaviours not aligned to our values;
- to deliver fixed and variable compensation structures which are transparent to and understandable by the team; and
- to promote ethical behaviour that aligns with long term sustainability.

5.3 Components of Remuneration

The Firm benchmarks its base salaries and discretionary annual cash bonuses to market, primarily RE/ PE/ PERE funds of a comparable size, in addition to discussions with third party recruitment firms. Carried interest is primarily based on outperformance of the respective funds.

Employees are eligible to receive remuneration in the following methods:

5.3.1 Fixed Remuneration

Fixed remuneration applies to all employees and members and includes salary, pension contribution, medical and other benefits. The Firm aims to provide competitive fixed pay at a level that reflects market compensation for the role and supports the recruitment and retention of talented people required to deliver the business strategy. Pension and other corporate benefits apply to all employees.

5.3.2 Variable Remuneration

Discretionary Annual Cash Bonus

The aim of the discretionary bonus scheme is to focus employees and members on the delivering of strong investment returns for the funds advised by the Firm, the maintenance of strong corporate behaviours, risk management (including sustainability risk), governance and controls within the Firm and achievement of an individual's own key performance objectives as discussed as part of the annual review.

Carried Interest

The Patron Funds advised by the Firm incorporate carried interest plans. These arrangements allow individual employees and members to participate in the financial gain of an underlying fund based on financial metrics documented in the relevant fund agreements. Such plans are present to increase the long-term alignment between the fund investor, the Firm and the employees/ members.

The award of carried interest is based on a number of factors including performance and tenure but ultimately is at the discretion of Remuneration Committee and their recommendation to the GP of the respective funds.

5.4 Summary of the Decision-Making Procedures and Governance Surrounding the Development of the Remuneration Policies and Practices

The Remuneration Policies and Practices are set to ensure full alignment of the Firm's employees and members with consultation across ultimate members of the team.

The Firm's Remuneration Policy is designed to ensure that it is compliant with the RemCode. The Firm's Remuneration Policy has been agreed by the Remuneration Committee in line with the RemCode principles laid down by the FCA. In addition, the Remuneration Policy has been determined with reference to the SFDR. The Remuneration Policy will be reviewed every three years or following a significant change to the business requiring an update to its internal capital adequacy assessment. The Remuneration Committee comprises the

MD, the COO, Stephen Green, Randy Wilbert and Yosuke Miyamoto.

The Remuneration Committee shall meet at least 4 times per year and a majority of the members of the Remuneration Committee shall constitute a quorum provided that the MD and a representative of the Corporate Member is present throughout all meetings of the Remuneration Committee.

At present, Remuneration Committee decisions are approved by the MD (while acting as PCA Chairman, subject to any required Corporate Member consent) or, if the MD is no longer PCA Chairman, by a simple majority of all Remuneration Committee members present, such majority, including the vote of a Corporate Member representative.

The Firm's Remuneration Policy aims to maintain a strong link between pay and performance. Individuals are rewarded based on their contribution to the overall strategy of the business, including Investment origination and performance. Other factors such as performance, reliability, effectiveness of controls and business development are taken into account when assessing the performance of the senior staff responsible for the infrastructure of the Firm.

5.5 Types of Staff Identified as Material Risk Takers ("MRT")

Broadly MRTs can be interpreted to include:

- key senior management and heads of key departments;
- employees/ members of responsible for risk management and compliance functions; and
- employees/ members whose professional activities can exert material influence on the risk profile of the Firm.

The Firm undertakes a comprehensive review to identify those persons which it considers to be MRTs for the purposes of the RemCode. In doing so, consideration has been given to all employees who have a material impact on the Firm's risk profile, including any employee or member who performs a SMF under the SMCR for the Firm.

The principles are reviewed and approved no less frequently than annually with input as appropriate from senior internal employees/ members, market testing/ consultation, third party legal advisers in review of the nature of the Firm's structure and operations and regulatory changes (as applicable).

4 MRTs were identified and notified of their status in 2025.

5.6 Key Characteristics of the Firm's Remuneration Policies and Practices

We ensure that remuneration decisions take into account the implications for risk and risk management (including sustainability risk) of the Firm, as set out below:

- the discretionary annual cash bonus is conditional on the Firm achieving sustainable and risk-adjusted performance and therefore is subject to forfeiture or reduction at the Firm's discretion;
- carried interest is inherently aligned to the risk profile and performance of the fund and outcomes for investors and whilst has its own clawback provisions based on a respective fund achieving its minimum return, it is subject to additional clawback {see below} where it is awarded to MRTs;
- the Remuneration Committee has the ability to apply discretion to adjust the bonus pool and any individual payments;
- the Remuneration Committee is empowered and charged to approve or not approve recommendations put before them by department heads or appropriate individuals; and
- in approving annual bonus and discretionary remuneration pools, and individual awards, the Remuneration Committee will take account of any current and future risks, including sustainability risks.

5.6.1 Risk Adjustment

The Remuneration Committee will consider the application of clawback or in-year adjustment of carried interest in situations where the MRT has {i} participated in or was responsible for conduct which resulted in significant losses to the Firm; and/or {ii} failed to meet appropriate standards of fitness and propriety.

Clawback applies for a minimum of 3 years from the date the award is granted or the Remuneration Committee becomes aware of any conduct or circumstances that the Remuneration Committee determines make it appropriate to make an adjustment to an award.

5.7 Quantitative disclosures

Certain quantitative information regarding remuneration paid to the Firm employees and members in respect of the performance year from 1 January 2025 to 31 December 2025 is set out below.

As at 31 December 2025 the Firm had 4 Material Risk Takers assessed on an individual basis.

Total remuneration for the year to 31 December 2025 was as follows:

	Fixed Pay £'000	Variable Pay £'000	Total £'000
Senior members *	1,428	3,337	4,765
Other staff	4,249	6,028	10,277
TOTAL	5,677	9,365	15,042

* MRTs comprise the 4 senior members

No guaranteed variable remuneration or severance payments were made to the MRTs during 2025.