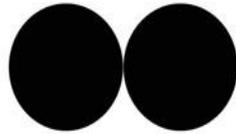
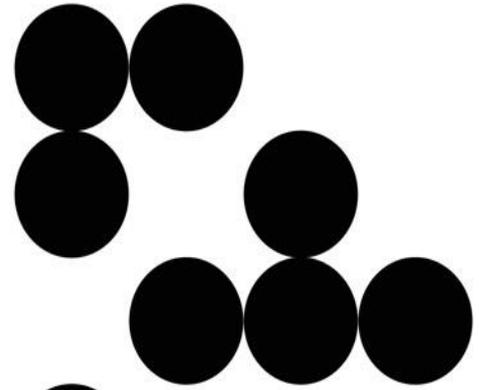


 abrdn



**IFPR Disclosures
as at 31 December 2023**

abrdn Capital Partners LLP



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1. Overview

1.1 Background

From 1 January 2022, the UK financial services regulator, the Financial Conduct Authority (FCA) introduced the Investment Firms Prudential Regime (IFPR), which is the regulatory framework for governing the amount and nature of capital that investment firms must hold. The new prudential requirements for investment firms are now set out in the FCA Prudential sourcebook for MIFID investment firms (MIFIDPRU). Under MIFIDPRU, a new framework for regulatory disclosures was introduced. These disclosures cover:

- Risk management objectives and policies (MIFIDPRU 8.2);
- Governance arrangements (MIFIDPRU 8.3);
- Own funds (MIFIDPRU 8.4);
- Own Funds requirements (MIFIDPRU 8.5); and
- Remuneration policy and practices (MIFIDPRU 8.6).

This disclosure is in relation to abrdrn Capital Partners LLP (the Firm or LLP), a private limited company, incorporated in the United Kingdom, authorised and regulated by the FCA. Under the IFPR's firm categorisation, the firm is categorised as a non-small non-interconnected (non-SNI) MIFIDPRU investment firm. The Firm's reference number is 469934.

The Firm is a wholly owned subsidiary of abrdrn plc. abrdrn plc and its subsidiaries are defined as the abrdrn group. The abrdrn group's business is structured around three types of businesses (Investments, Adviser and interactive investor) which are focused on the changing needs of clients. The Firm sits in the Investments business.

1.2 Frequency and location of disclosure

The Firm's disclosure under MIFIDPRU is made annually at the same time as the publication of its financial statements. Additional disclosure may be made where appropriate, for example, in the event of a major change in business model.

All areas of disclosure are covered in this document with the exception of MIFIDPRU 8.2 Risk management objectives and policies and the qualitative disclosures relating to MIFIDPRU 8.6 Remuneration policy and practices. These are covered in separate documents titled Risk Management Disclosures for MIFIDPRU Investment Firms and 2023 Group Remuneration Disclosure, respectively.

These disclosures can be found on the abrdrn plc website:

<https://www.abrdrn.com/en-gb/corporate/investors/investor-information/regulatory-disclosures>

1.3 Verification and sign-off

The Firm's regulatory disclosure has been subject to external verification to the extent that financial information is equivalent to content taken from the audited annual financial statements and the remaining content has been subject to an additional internal verification exercise.

2. Governance arrangements

2.1 Board and committees

The LLP is a limited liability partnership and is governed by a Members' Agreement.

The LLP has a Management Board with a minimum of 2 Board Members. Each of the Members of the LLP appoints a corporate representative to act as a Board Member. The Member appointing the Board Member may remove or replace that Board Member by written notice to the LLP and the Management Board at any time.

The Management Board has overall responsibility for the LLP's business including overseeing the implementation of the strategy. The Management Board oversees the operation of the LLP's business by senior management, as well as its adherence to risk appetite, compliance with abrdn group policies, including those relating to the provision of services, and the maintenance of adequate accounting and other internal control systems.

The abrdn group Conflicts of Interest ("COI") Policy sets the standards the LLP must adhere to and is attested to through the broader policy attestation framework in order to prevent and manage any potential and actual COI. The Board Members review and authorise Board Members' actual and potential conflicts of interest on a regular and ad hoc basis. As part of the process to approve the appointment of a new Board Member, the Management Board considers and, where appropriate, authorises their potential or actual conflicts. The Management Board also considers whether any new outside appointment of any current Board Member creates a potential or actual conflict before, where appropriate, authorising it. At the start of every Management Board meeting, Board Members are requested to declare any actual or potential conflicts of interests and in the event a declaration is made, conflicted Board Members can be excluded from receiving information, taking part in discussions and making decisions that relate to the potential or actual conflict.

The abrdn group, of which the LLP is a part, has an Enterprise Risk Management ("ERM") framework comprising three lines of defence; the first being day-to-day risk management, including identification and mitigation of risks and maintaining appropriate controls; the second being oversight from the abrdn group Risk and Compliance function, which reports to the Chief Risk Officer; and the third being the abrdn Internal Audit function, reporting to the Chief Internal Auditor, which independently verifies systems of control.

The governance framework comprises the Management Board of the LLP which collectively manage and oversee the business. The Management Board governs the LLP in accordance with the Members' Agreement and the Business Plan, which considers the long term success of the LLP, and ensures the likely long term consequences of any decisions by the LLP are taken into account. Matters which are material to the abrdn group must be referred by the Firm to the abrdn plc Board for nonobjection. The Management Board regularly reviews reports from the Chief Executive Officer on progress against approved strategies and the business plan, as well as updates on financial market and global economic conditions. Specific Management Board awareness sessions take place during the year.

The Management Board provides clear leadership, line of sight and accountability throughout the business. The LLP is subject to the Senior Managers Regime ('SMR') and all members of the Management Board and the management body hold SMF status and are registered and listed on the FCA Register. The Management Board is responsible for the business of the LLP. The Board Members' duties include:

- acting at all times in the best interests of the LLP for the benefit of the Members as a whole in all matters relating to the Business,
- complying with all legislation, regulations, professional standards and other provisions as may govern the conduct of the business, or be determined by the Members as standards to be voluntarily applied by the LLP to the business;
- showing the utmost good faith to the LLP and the other Members in all transactions relating to the business and affairs of the LLP and give the LLP a true account of all such dealings;

The Management Board oversees and is accountable for the LLP's governance arrangements.

The Management Board reviews public disclosures specific to the LLP's business and has approved this Regulatory Disclosure.

The Management Board meets quarterly, with ad hoc meetings scheduled, as needed. As at 31 December 2023, the Management Board comprised two Board Members.

MIFIDPRU 7.3 does not apply to the LLP and it is not required to establish a risk committee, nomination committee or remuneration committee. The Management Board fulfils the risk, nomination and remuneration oversight responsibilities for the LLP.

2.2 Management Board Members

The number of Executive and non-Executive directorships held by the Management Board members (not including abrdn Group Directorships) at the year ended 31 December 2023 were:

Directorship		
Director	Number of Executive Directorships	Number of Non-Executive Directorships
Executive Board Members		
Merrick McKay	0	1
Peter Branner	1	1

Executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives and executive and non-executive directorships held within the abrdn group are not in scope for the number of directorships to be included hence an adjusted number of directorships has been provided.

2.3 Diversity

The abrdn group's Diversity and Inclusion Policy applies to the abrdn plc board and the boards of the other regulated entities within the abrdn group, including the Firm. Its key objective is to provide an inclusive workplace where all forms of difference are valued and which is free from any form of unfair or unlawful treatment. As part of its commitment to diversity and inclusion the abrdn group has a current focus on gender and ethnicity as priorities. Targets have been set to improve the underrepresentation of women in the abrdn group management body and the abrdn plc Board, and to improve the underrepresentation of ethnic minority Board members. The abrdn group's 2023 Diversity, Equity and Inclusion report at www.abrdn.com/en-gb/corporate/about-us/diversity-equity-and-inclusion describes how the objectives of the abrdn group's Diversity & Inclusion policy are implemented and details the extent that objectives/targets have been met. Progress against the abrdn group's diversity, equity and inclusion framework is reviewed twice a year by the abrdn plc Nomination and Governance Committee.

For more information on the abrdn group's Diversity and Inclusion Policy see the Diversity, Equity and Inclusion section of the Directors' report from page 52 of the abrdn plc Annual Report and Accounts 2023.

3. Own Funds

3.1 Composition of regulatory Own Funds

The table below summarises the composition of regulatory Own Funds for the Firm as at 31 December 2023, including the audited profit for the year to 31 December 2023. Under the IFPR, Own Funds are made up of a firm's common equity tier 1 capital (CET1), additional tier 1 capital and tier 2 capital. The Firm's regulatory capital fully consists of CET1.

Composition of Regulatory Own Funds (OF1)			
	Item	Amount (GBP thousands)	Balance Sheet reference
1	Own Funds	25,407	
2	Tier 1 Capital	25,407	
3	Common Equity Tier 1 Capital	25,407	
4	Fully paid-up share capital	2,460	Page 17 financial statements – Members' Capital
5	Share premium	n/a	
6	Retained Earnings	22,947	Page 17 financial statements – retained earnings
7	Accumulated other comprehensive income	n/a	
8	Other reserves	n/a	
9	Adjustments to CET1 due to prudential filters	n/a	
10	Other funds	n/a	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	n/a	
19	CET1: Other Capital elements, deductions and adjustments	n/a	
20	ADDITIONAL TIER 1 CAPITAL	n/a	
21	Fully paid up, directly issued capital instruments	n/a	
22	Share premium	n/a	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	n/a	
24	Additional Tier 1: Other capital elements, deductions and adjustments	n/a	
25	TIER 2 CAPITAL	n/a	
26	Fully paid up, directly issued capital instruments	n/a	
27	Share premium	n/a	
28	(-) TOTAL DEDUCTINS FROM TIER 2	n/a	
29	Tier 2: Other capital elements	n/a	

3.2 Own Funds: reconciliation of regulatory Own Funds to balance sheet in the audited financial statements

The table below shows the breakdown of the total available regulatory capital reconciled to the capital shown on the balance sheet in the Firm's audited financial statements:

Own Funds: reconciliation of regulatory Own Funds to balance sheet in the audited financial statements (OF2)			
		Balance Sheet as in published/audited financial statements (£000s)	Cross reference to template OF1
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements.			
1	Investments in subsidiaries	3	
2	Trade and other receivables	10,123	
3	Cash and cash equivalents	17,138	
	Total Assets	27,264	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Trade and other payables	1,857	
	Total Liabilities	1,857	
Shareholders' Equity			
1	Members' Capital	2,460	Item 4 – fully paid-up share capital
2	Retained earnings	22,947	Item 6 – retained earnings
	Total Shareholders' Equity	25,407	

Own Funds: main features of own instruments

The Firm's Own Funds is comprised of members capital and retained earnings.

4. Own Funds Requirements

The Firm is required to hold capital resources to cover the higher of the Own Funds Requirement and the Own Funds Threshold Requirement (OFTR) in complying with the Overall Financial Adequacy Rule (OFAR). The OFAR states that a firm must, at all times, hold Own Funds and liquid assets which are adequate, both as to their amount and quality, to ensure that:

- the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- the firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

4.1 Own Funds Requirement

The Own Funds requirement is based on the higher of the Permanent Minimum Requirement, the Fixed Overheads Requirement and the K- Factor requirement as shown in the table below:

Own Fund Requirements¹		
	£'000	£'000
Permanent Minimum Requirement		75
Fixed Overhead Requirement		2,974
K-AUM	876	
K-CMH	0	
K-ASA	0	
K-AUM, K-CMH + K-ASA		876
K-COH		0
K-Factor Requirement		876
Own Funds Requirement		2,974

1 As per latest MIFIDPRU Reporting as at 31 December 2023.

The K-Factor definitions are as follows:

- K-AUM: K-factor requirement based on assets under management.

4.2 Own Funds Threshold Requirement

The OFTR supplements the Own Funds Requirement via the Internal Capital Adequacy and Risk Assessment (ICARA), which is the means by which the Group assesses the level of capital that adequately supports all of the relevant current and future risks in its business, taking into account potential periods of financial stress during the economic cycle as well as a potential wind-down scenario. The OFTR is the higher of the two, as per the OFAR. The ICARA is performed at a Group level with the resulting Own Funds and liquid asset requirements allocated to subsidiaries as appropriate. The results of the Group's ICARA process will be subject to periodic review by the FCA under the Supervisory Review and Evaluation Process (SREP).

5. Remuneration policy and practices

5.1 Quantitative remuneration disclosure

The tables below provide an overview of the following:

- Aggregate total remuneration paid by abrdn Capital Partners LLP to staff identified as Material Risk Takers (MRTs); and
- Aggregate total remuneration paid by abrdn Capital Partners LLP to its entire staff.

Aggregate total remuneration

	Senior Management ^{1,2}	Other MRTs ²	Other Staff ³
Total MRTs identified	40	6	N/A
Fixed remuneration	£11,419,198	£865,028	£9,881,646
Variable remuneration	£10,494,022	£50,000	£731,159
Total	£21,913,220	£915,028	£10,612,805

- 1 Senior Management are defined in this table as those holding Senior Management Functions for the entity.
- 2 The Other MRTs disclosure relates to individuals identified as MRTs, who are not defined as Senior Management, and represents total compensation of those staff of the entity who are fully or partly involved in the activities of the entity.
- 3 As there are a number of individuals indirectly and directly employed by the entity, these figures represent an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the entity on a revenue basis.

The exemption set out in MIFIDPRU 8.6.8R(7)(b) was relied upon for obligations 8.6.8R(5)(a, b and c) to prevent individual identification of an MRT.

Qualitative remuneration disclosures have been made on a consolidated Group basis, and can be found on our website, under [Regulatory disclosures](#).