



MIRABAUD SECURITIES LIMITED
MIFIDPRU 8 DISCLOSURE
31 DECEMBER 2022

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1. Introduction

The MIFIDPRU 8 Disclosure document (the “disclosure document”) sets out the disclosure requirements for Mirabaud Securities Limited (the “Mirabaud” or the “Firm”) pursuant to the FCA Prudential Sourcebook for Investment Firm Chapter 8 (“MIFIDPRU 8”) and its proportionality principle. The disclosure document is made on an individual entity basis the purpose of which is to give stakeholders, clients, and investors an insight to how the Firm is run, its management of capital resources, and overall culture and behaviour.

The Firm is a full scope 750k non-SNI MIFIDPRU investment firm whose principal activity is to provide investment banking related services in the form of primary and secondary activities, such as corporate finance advisory and trading in transferable securities. The Firm’s activities are conducted in the United Kingdom, where it is authorised and regulated by the Financial Conduct Authority (the “FCA”), by a third country branch in Spain, which is authorised by the Comisión Nacional Del Mercado De Valores, and two representative offices in Switzerland (in Geneva and Zurich).

The MIFIDPRU 8 Disclosure document is an annual disclosure issued using a reference date of 31 December of each year. The disclosure document will be published at the same date when the Firm’s annual financial statements are published, which will be in April of every year.

This version of the disclosure document made accessible to the public and available on the Mirabaud Group website (www.mirabaud.com) is the latest version. If the Firm has gone through significant change during the financial year, an up-to-date disclosure document will be issued and published as soon as reasonably possible.

2. Business Model

Mirabaud is an agency brokerage business comprised of a Primary and Secondary team that operates from London, the branch in Spain and representative offices in Geneva and Zurich.

The Primary team conducts the regulated activity of placing financial instruments without a firm commitment and ancillary services that cover equity and debt capital market transactions, mergers & acquisitions and the production and distribution of investment recommendations.

The Secondary team conducts agency and principal trading in transferable securities and units in collective investment undertakings on behalf of Professional Clients and Eligible Counterparties. Mirabaud uses local brokers to access various execution venues and white labels brokers’ algorithmic trading and direct market access services.

The Primary and Secondary teams also produce and distribute investment recommendations in financial instruments and issuers covered by their respective teams. In addition to the Primary and Secondary businesses, Mirabaud is also able to hold and safeguard client money and assets on an arranged or non-arrangement basis.

3. Governance

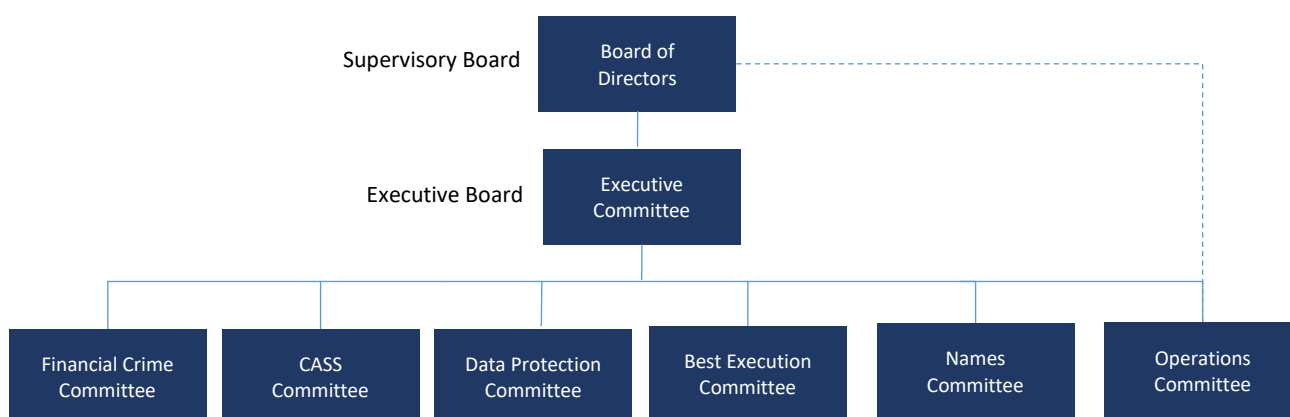
3.1 Management Arrangements

The Board of Directors (the “Board”) of the Firm meets at least four times a year and is responsible for establishing and articulating a blueprint of the Firm’s business strategy and vision. The Board has implemented an appropriate governance structure which can deliver on the Board’s plan while at the same time ensuring effective and prudent management of the Firm; the segregation of duties; the management of conflicts of interest; and one which promotes the integrity of the market as a whole and the interests of its clients. The Board achieves this by ensuring that the Firm has in place the effective control functions, that front and back-office departments are adequately resourced and that there are appropriate segregation of duties and responsibilities.

To ensure the Board is qualified in discharging its duties, and pursuant to FCA SYSC 4.3A.1R, members of the Firm’s Board are hired on the basis of the following criteria:

- are of sufficiently good repute.
- possess sufficient knowledge, skills and experience to perform their duties.
- possess adequate collective knowledge, skills and experience to understand the firm's activities, including the main risks.
- reflect an adequately broad range of experiences.
- commit sufficient time to perform their functions in the firm.
- act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making.

3.2 Mirabaud Committee Structures



3.3 Committees

In pursuit of its vision and strategy and compliance with FCA SYSC 4.3A.1R, the Board has created a governance structure comprised of senior leaders, and committees which are utilised, and are responsible, for the execution and delivery of the Board’s overall objectives. Pursuant to FCA MIFIDPRU 7.3.1R, the Firm is not required to have a Risk Committee.

Executive Committee

The Committee meets at least four times a year and is the highest-ranking executive decision-making body of the firm and discusses significant operational issues across all front-office areas of the Firm. It oversees the strategy, direction, and activity of the Firm in general, including delivery of the Firm’s business plan. It is responsible for monitoring the direction and performance of the Firm within the strategic framework set by the Board.

Operations Committee

The Committee meets twice a month and is a sub-committee of the Executive Committee and the decision-making body for all operational issues across all Central Service functions of the Firm. It oversees the operational activities of the Firm in general and manages and monitors all risk related issues arising from all the Firm’s activities.

Financial Crime Committee

The Committee meets four times a year and is a sub-committee of the Executive Committee responsible for overseeing the implementation of the Firm’s Financial Crime strategy including Financial Crime controls to prevent the Firm in knowingly or unwittingly participating in money laundering or any of its predicate crimes.

CASS Committee

The Committee meets four times a year and is a sub-committee of the Executive Committee responsible for overseeing the implementation of the Firm’s Financial Conduct Authority CASS obligations to ensure that client money and assets are always protected and are not commingled with Firm’s assets.

Data Protection Committee

The Committee meets annually and on an add hoc basis and is a sub-committee of the Executive Committee responsible for overseeing the implementation of the Firm’s data protection strategy and ensuring that rights of data subjects are protected, all personal data is processed under a lawful purpose, and personal data is protected by an effective control framework.

Best Execution Committee

The Committee meets at least four times a year and is a sub-committee of the Executive Committee and is responsible for overseeing the implementation of the Firm’s best execution strategy and adherence of the Firm to its Order Execution Policy.

Names Committee

The Committee meets on an ad hoc basis and is a sub-committee of the Executive Committee responsible for reviewing and approving new capital markets transaction & corporate finance mandates proposed by the Firm’s Primary team.

3.4 Directorship Information

The total number of executive and non-executive directorships held by Board members with the Firm and commercial enterprises outside of the Mirabaud Group as at 31 December 2022.

Director	Position	Number of Directorships
Lionel Aeschlimann	Non-Executive Director (Chairperson)	3
Camille Vial	Non-Executive Director	1
Laurent de la Beaumelle*	Chief Executive Officer	1

*Mr de la Beaumelle became the Chief Executive officer of the firm on 1 February 2023.

3.5 Diversity Policy

Although the Firm does not have a Diversity Policy, the Board recognises that diversity throughout all levels of the Firm is important in encouraging breadth of views, ideas and opinions which are essential to the success and long-term value creation of the Firm. Therefore, the Firm’s hiring practices are such that diversity is promoted across the Firm at all levels.

4. Risk Management

The Firm has a dedicated Risk Management function whose objectives are to identify and monitor the Firm’s risks so as to mitigate or reduce the risks to within the Firm’s risk appetite and tolerance threshold. Risk

monitoring is done using Key Risk Indicators (KRIs) to ensure that the control framework utilised to manage the Firm's risks are effective. KRI data is captured on a monthly or quarterly basis.

The firm has multiple means of identifying inherent risks to which it may be exposed due to internal and external business drivers. The main source of risk identification occurs during formal discussions between Risk and Heads of Central Services (including management) as well as from ad hoc staff escalation of operational incidents and breaches. Internal and external audits are useful measures to independently check the performance of the firm and its staff and to also identify risk exposure.

The Risk Management function produces regular management information for both the Operations Committee, Executive Committee, and the Board to show the evolution of the Firm's risks to enable senior management to be able to make informed decisions about the management of the Firm.

4.1 Risk Policies

In pursuit of its risk management objectives as a whole (including own funds requirement, concentration risk and liquidity risk), the Risk Management function has the following policies in place which have been approved by the Executive Committee.

The Risk Management Policy

The risk management policy describes the Firm's approach to setting and controlling its risk exposure taking account the Firm's size, nature, and complexity. It explains how effective risk management is enabled by robust governance arrangement with clear organizational structure with well defined, transparent, and consistent lines of responsibility that allows for effective processes to identify, manage, monitor, and report the risks the Firm is exposed to, or it might pose to others. The Risk Management function must be independent from operational functions and has sufficient authority, stature, resources, and access to the Board of Directors.

Concentration Risk Policy

The policy identifies, monitors, controls and reports on the risks posed to the Firm arising from different types of activities, exposures and relationships. This includes exposure not just to single clients but also groups of connected clients and not just to trading books, where the Firm transacts on an own account basis, but also non-trading book and off-balance sheet items.

Disclosure Policy

The policy outlines the Firm's annual disclosure requirements around risk management, governance arrangements, own funds, own funds requirement and remuneration to support effective market discipline and to help stakeholders to make informed decisions about their relationship with the Firm based on the harm it poses to clients and the markets.

Internal Capital Adequacy Risk Assessment Policy

The policy outlines how the Firm meets the Threshold Conditions of having adequate resources and thereby reducing the likelihood of market disruption, increasing the chances Mirabaud can put things right when they go wrong, and minimising harm – to clients and the integrity of the UK financial system – if the Firm was to fail and exit the market. The Internal Capital Adequacy Risk Assessment ("ICARA") is an adequate resources assessment, which considers and accounts for potential harms the Firm poses to clients, the markets and itself during the economic cycle. Through the ICARA process, the Overall Financial Adequacy Rule, made up of the Own Funds Threshold Requirement and Liquid Assets Threshold Requirement, are determined and which must be always met. All of which ensures the Firm can be satisfied that it meets the FCA Threshold Conditions.

Liquidity Risk Management Policy

The policy explains how the Firm will maintain adequate financial resources to be able to meet its liabilities as they fall due and to always have a minimum stock of liquid assets to fund the initial stages of a wind-down process if wind-down becomes necessary. It also describes the Firm's approach to complying with the basic liquid asset requirement and strategies, processes, and systems that enable the Firm to assess, maintain and access liquidity resources.

Own Funds Policy

The policy describes how the Firm maintains appropriate eligible capital as regulatory capital, known as "own funds", whose composition and proportion must be held at the right level, to enable the Firm to be more resilient and able to absorb unexpected losses. Consequently, increasing the Firm's safety and soundness and reduce the capacity to cause harm to market and clients. It explains how the Firm determines its baseline own funds requirement that is comprised of initial capital (permanent minimum requirement), fixed overhead requirement and the K-Factor calculations, before further requirements are identified by the Firm's internal capital adequacy risk assessment.

Trading Book Policy

The policy describes and documents the Firm's approach to identifying which positions in financial instruments form part of the trading book and their inclusion for the purposes of calculating the K-Factors and therefore the Firm's own funds requirements.

4.2 Harms from Business Strategy

The following section is a concise statement of harms which affect the firm's own funds requirement, concentration risk and liquidity risk as identified by the Risk function and are recognised by the Board.

Primary Business Strategy

In the pursuit of growing the Primary business through the acquisition of new clients and mandates and the seeking of synergies with the Mirabaud Group, the Firm's risk appetite is low given the identified risks that are relevant to the strategy.

With respect to "risk to clients", the most significant risk exposure relates to the need to have in place suitable legal documentation to highlight to clients their regulatory protections. The same risk applies to "risk to the Firm", but in addition sanctions risk has come to the fore as a result of the conflict in Ukraine. Seeking new business opportunities, and in potentially new jurisdictions, may increase the firm's exposure to sanctions risk. Also, sanctions risk effects market integrity and credibility, "risk to market", if the Firm was to introduce sanctioned individuals and their services to the wider UK market.

As a result of the Board's aversion to the risks identified with the Primary business strategy, the risks have been suitably addressed with appropriate screening controls which are conducted weekly, monthly and on an ad hoc basis during the client on-boarding process. All of which are designed to prevent the risk from occurring. Legal documentation is also in place and kept up to date to ensure client MiFID II protections are disclosed to them in a timely fashion and before the commencement of any MiFID activity and service.

Secondary Business Strategy

In the pursuit of growing the Secondary business through the acquisition of new clients for execution and Alpha Capture services, the Firm's risk appetite is deemed high based on the identified risks that are relevant to this strategy.

With respect to "risk to clients", the highest risk exposure relates to the K-Factor, K-COH, which represents the strategy's agency trading activities. This is followed by post-trade transparency, which requires that executions are made public, in accordance with deadlines, to provide price transparency to not only the client

but the market as a whole. The main thrust of the Secondary strategy remains the provision of quality high and low touch best execution services to clients and the submission of trade ideas that are of value to clients in terms of alpha generation.

“Risk to Firm” is made up of sanctions risk and the K-Factors K-TCD, K-DTF and K-CON. K-DTF is the most significant risk exposure and represents non-agency trading activities. This is a major part of the strategy (encompassing equity, ETF and fixed income riskless and matched principal transactions) and the firm accepts a high level of risk in its pursuit. In addition, sanctions risk affects the Secondary business further in that sanctions can also cover financial instruments as well as designated persons and their businesses.

“Risk to market” is a combination of the risks previously mentioned. Price transparency is important to the market in assisting with the price formation process; and the failure to submit timely transaction reports can undermine the integrity of the markets if the regulators are unable to effectively carry out market abuse monitoring. Sanctions risk remains a threat to the market and government policy goals if the Firm is unable to enforce the sanctions rules.

As a result of the Board of Director’s aversion to the risks identified with this strategy, the risks connected with it have been suitably addressed with controls and processes designed to remove or minimize their occurrence and impact. Transaction reporting is monitored daily and front to back reviews of historic reports are reviewed monthly. Sanction risk controls involve periodic screening and ad hoc reviews of financial instruments against UK, EU and US sanction regimes to ensure the financial instrument is not restricted.

4.3 Risk Appetite

The Firm’s risk appetite shows the amount of risk, in terms of anticipated financial loss (and therefore own funds commitment), the firm is willing to take in its pursuit of its financial and strategic goals and objectives. The risk appetite is determined by analysing the firm’s business strategies, broken down into its constituent business areas, and attributing to them the various risks that are prevalent to each business area. The applicable risks are identified by each department Head as well as management through the internal capital and risk assessment (ICARA) process. The ICARA involves the identification of the appropriate financial loss (using personal experience or publicly available data) for each applicable risk.

The Firm’s risk appetite is also viewed in conjunction with risk tolerance, which is the point or maximum level of risk the Firm can absorb or manage before breaching factors such as capital base, liquidity levels, reputational standing, regulatory requirements, and operational constraints. Risk tolerances are also identified by department Heads and management.

4.4 Assessment of Risk Management

The Firm’s risk management processes are reviewed by department Heads and management each year as part of the ICARA process. In addition, the Firm relies on the third control function, Internal Audit, to review the efficacy of the Firm’s risk management processes. The audit by an independent third party in 2019 produced a number of recommendations which have since been adopted and which have enhanced the existing Risk Function.

5. Own Funds

Under MIFIDPRU 7.4.7, the Firm is required to hold own funds and liquid assets that are adequate to ensure the Firm is able to address any material harms that may result from its ongoing activities, and in the event of a wind down, it can be wound down in an orderly manner that minimises harm to clients and other market participants. This requirement to have adequate financial resources is called the Overall Financial Adequacy Rule (OFAR).

The Firm's own funds as of 31 December 2022, the Reference Date, and a reconciliation of the Firm's own funds balance and related information, as of Reference Date, to corresponding information in the Firm's audited financial statement for the financial year ended on the reference Date is set out in the tables below.

	Item	Amount (GBP '000)	Reference
1	OWN FUNDS	1,881	
2	TIER 1 CAPITAL	18,015	
3	COMMON EQUITY TIER 1 CAPITAL	18,000	Note 15
4	Fully paid-up capital instruments	18,000	Note 15
5	Share Premium		
6	Retained earnings	(16,134)	
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		
19	CET1: Other capital elements, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL	15	
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	15	
25	TIER 2 CAPITAL	0	
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		

Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
		Amount (GBP '000)	Reference
1	Tangible Assets	1,006	Note 10
2	Investments	0	
3	Debtors	2,216	Note 13
4	Current Asset Investments	53	Note 11
5	Cash at bank	5,846	
	Total Assets	9,121	
Liabilities - Breakdown by asset classes according to the balance sheet in the audited financial statements			
6	Creditors (less than 1 year)	7,240	Note 14
	Total Liabilities	7,240	
Shareholders' Equity			
7	Called up share capital	18,000	
8	Capital redemption reserve	15	
9	Profit & Loss Account	(16,134)	
	Total Shareholders' Equity	1,881	

Common Equity Tier 1 is made up of ordinary shares wholly owned and issued to the Firm's parent company, Mirabaud SCA.

6. Own Funds Requirements

On an annual basis and through the ICARA process, the Firm assesses the adequacy of its own funds in support of ongoing operations, to ensure the Firm can wind down in an orderly fashion while minimising harms to clients and market participants, and to continually meet the Overall Financial Adequacy Rule (OFAR) in FCA MIFIDPRU 7.4.7R.

The baseline figures for the own funds requirement are the Fixed Overhead Requirements (FOR) and the K-Factors whose calculations are prescribed by the FCA MIFIDPRU rules.

In addition to the baseline figures, the ICARA process identifies those material harms which have not been mitigated or reasonably covered by the FOR or the K-Factors. The material harms are assigned to and top-up either the FOR, if the underlying risk relates to wind down operations, or the K-Factors, if the underlying risk relates to ongoing operations.

The Firm's own funds requirement is the higher of two values: the FOR plus additional material harms related to wind-down activities; or the sum of the K-Factors plus additional material harms related to ongoing activities.

6.1 Capital Disclosure

As of the 31 December 2022, the Firm's FOR was £2,819,814 and the sum of the K-Factors was £1,754,717. Below is the split of the Firm's K-Factors provided in GBP thousands:

- £1 (sum of K-ASA and K-CMH)
- £1,516 (sum of K-COH and K-DTF)
- £238 (sum of K-NPR, K-CON and K-TCD)

7. Remuneration

7.1 The Firm's Risk Profile

The Firm's remuneration policy and bonus schemes have been designed in line with the Firm's culture and values; which aim to discourage excessive risk taking and short termism, to encourage and reward positive behaviours, to promote a strong conduct culture and sound and effective risk and conflicts management.

Although the business strategy is moderately risk averse, there are certain risks related to regulatory risk and misconduct which are not tolerated, and the level of variable remuneration is therefore linked to non-financial performance and adverse outcomes from such misconduct.

7.2 Governance

The Firm's Board of Directors are responsible for overseeing and implementing the Firm's remuneration practices. The Board of Directors delegates responsibility for day-to-day remuneration decisions, within the parameters of the schemes, to the Chief Executive Officer. The Head of Compliance provides input into the remuneration policy and the broad structure of the remuneration schemes.

7.3 Components of Remuneration

Remuneration is comprised of an appropriate balance of fixed and variable remuneration, with the fixed component forming a significant proportion of total remuneration.

All employees of the Firm are employed with a fixed base salary that is comparable to the market rate. The fixed base salary takes into account the responsibilities and skill level of the role and the level of professional experience in the role. Variable remuneration is to reward performance, above and beyond the day-to-day responsibilities of the role, and includes any discretionary pension benefits and any carried interest.

7.4 Financial and Non-Financial Performance Criteria

In considering the amount of variable remuneration to be paid, an assessment of the performance of the individual, the overall results both the team in which they work and of the Firm is undertaken. When assessing individual performance, financial and non-financial criteria are considered.

Individual performance assessment may consider the following Key Performance Indicators (“KPIs”); net revenue; business development and corporate citizenship, such as engagement in individual, team and business success, contribution to corporate social responsibility and contribution to team, business line and Company-wide initiatives, compliance with Company policies and risk mitigation.

7.5 Performance Adjustment Criteria

Performance adjustment criteria applies to MRT’s and Senior Manager Function holders (SMF’s) to promote safety and soundness of the Firm, so that the Firm is able to apply in-year adjustments, malus and/or clawback to all variable remuneration of such individuals as applicable.

7.6 Non-Standard Forms of Variable Remuneration

The Firm does not typically award non-standard forms of variable remuneration. Guaranteed bonuses would only be used as an exception in the context of hiring new MRTs, and only in their first year of service and where the Firm has a strong capital base.

Should a severance payment for an MRT be necessary, it would adequately reflect the individual’s performance over time, without rewarding failure or misconduct.

7.7 Material Risk Taker Definition

The Firm defines its MRTs based on those staff members whose professional activities have a material impact on the risk profile of the Company or the assets that the Company manages.

As a minimum, an individual will be an MRT if they fall into any of the qualitative categories listed below:

- Member of the management body in its management and supervisory function;
- Member of the senior management;
- Managers of these business areas: arranging (bringing about) deals in investments, dealing in investments as agent, dealing in investments as principal and making investments with a view to transactions in investments;
- Managers of activities of a control function;
- Manager responsible for the prevention of money laundering and terrorist financing;
- Staff member responsible for managing a material risk within MSL (i.e., 12 month normal anticipated loss is greater than £10k);
- Manager of information technology and security, and outsourcing arrangement of critical or important functions; and
- Staff member with authority to take decisions approving or vetoing the introduction of new products.

7.8 Total Remuneration Awarded to All Staff

For the year ending 31 December 2022, the total amount of remuneration awarded to staff comprised of:

	All Staff	Senior Management	Material Risk takers
Fixed	£5,292,594	£380,980	£846,950
Variable	£1,330,879	£157,945	£190,695

As at 31 March 2023, there has been no guaranteed variable remuneration to senior management or MRT's by the Firm. The only and highest severance payout made by the Firm to an MRT was £130,000.

8. Summary of Significant Changes

This is the Firm's first MIFIDPRU 8 disclosure under the new FCA rules and therefore there have been no significant changes to the information disclosed.