

Regulatory Information

AlphaReal as ACD and AIFM

Alpha Real Capital LLP (“AlphaReal”) is the Authorised Corporate Director (“ACD”) and, where relevant, Alternative Investment Fund Manager (“AIFM”) to a number of FCA authorised umbrella open-ended investment companies (each sub-fund being a “Fund”). Alpha Real Property Investment Advisors LLP (trading as TIME Investments), which is within the same group of entities as AlphaReal, is appointed as investment manager to each of the Funds, with portfolio management (amongst other services) delegated to TIME Investments. AlphaReal and TIME Investments are the co-manufacturers of the Funds. TIME investments is the main distributor of the Funds.

AlphaReal is responsible for the Funds to which it acts as the ACD/AIFM. AlphaReal is responsible for managing and administering the affairs of each Fund in compliance with the FCA Regulations including portfolio management and risk management. Our robust fund governance ensures investor interest is at the very core of our ACD/AIFM business.

To access the Fund documentation for each of the Funds where AlphaReal is ACD/AIFM for, please click on the following link which will take you to the TIME Investments website: Literature Library (time-investments.com)

Assessment of Value

The Assessment of Value was introduced by the FCA in September 2019, as part of the FCA's measures aimed at improving outcomes for investors. AlphaReal as ACD/AIFM is required to consider value each of the Funds provides to investors against seven criteria which include the following:

1. Quality of service to investors, such as efficiency of administration, the quality and robustness of the investment process and the corporate governance and stewardship.
2. Fund performance considered over an appropriate timescale given the Fund's objectives, policy and strategy.
3. The overall cost for providing the service that each Fund charge relates to, including all monies paid by the Fund to associates or external parties.
4. Potential savings and benefits from economies of scale considering direct or indirect costs and whether the Fund has grown or contracted in size.
5. The comparable market rates for similar funds offered by other external fund managers.
6. The Fund charges in place for other comparable services the AFM provides, with similar objectives, policies and size.
7. Classes of units; the appropriateness of investors being in classes of units with higher charges than those applying to other similar share classes of the same fund with substantially similar rights

The rationale behind the seven criteria embedded in the new rules is to strengthen the duty of care to act in the best interests of investors in these Funds. AlphaReal believes the Assessment of Value will help investors make better informed investment decisions, by making it easier for them to evaluate their funds and the investment management of those funds

Our Assessment of Value reports for each Fund can be found on the TIME Investments Website here: Literature Library (time-investments.com)

Our approach to Consumer Duty

In July 2022, the Financial Conduct Authority (“FCA”) published a Policy Statement and Finalised Guidance setting out final rules and guidance on the new Consumer Duty, being that “a firm must act to deliver good outcomes for retail customers” which includes requirements for both manufacturers and distributors. As part of the Consumer Duty, firms must act in good faith towards customers, avoid causing them foreseeable harm, and enable and support them to pursue their financial objectives.

Our approach to Consumer Duty has been to review all of the FCA requirements and guidance, take examples of what good looks like that the FCA has provided, and have a series of in-depth workshops for each of our product areas. From those workshops we developed and actioned a detailed project plan, with areas where we felt our existing activities were fit for purpose, areas where improvement was required and areas which required building new processes

To assist those in the distribution chain to the Funds to meet their obligations under the Consumer Duty, including practical guidance and support material, we have made certain Consumer Duty materials available on the TIME Investments website

Please use the following link: <https://time-investments.com/adviser-centre/#consumer-duty>

MIFIDPRU (IFPR) Regulatory Disclosures

For the year end 31st March 2023

Contents

1 Overview	2	5 Own funds	7
1.1 Objective	2	5.1 Composition of regulatory own funds	7
1.2 Basis of disclosure	2	5.2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements	8
1.3 Frequency of disclosure	2	5.3 Main features of own instruments issued by the firm	8
1.4 Corporate background	2	6 Own funds requirements	8
2 Risk management objectives and policies	2	6.1 K-Factor requirement and fixed overheads requirement - amount in GBP thousands	8
2.1 Risk appetite	2	7 Remuneration policy and practices	9
2.2 Identifying and profiling of principal harms and risks	3	7.1 Remuneration policy	9
2.3 Approach to assessing own funds requirement, concentration risk and liquidity risk	3	7.2 Approach to remuneration	9
2.4 ICARA process	3	7.3 Governance of remuneration arrangements	10
2.5 Material risks	4	7.4 The link between pay and performance	10
2.6 Risk management framework	4	7.5 Material Risk Takers (MRTs)	10
3 Governance arrangements	4	7.6 Performance adjustments	10
3.1 Overview of governance arrangements	4	7.7 Quantitative remuneration disclosures	11
3.2 Group Governance Structure	5	8 Important information	11
3.3 Conflicts of interest	5		
3.4 Directorships	6		
4 Diversity and inclusion	6		
4.1 Diversity and inclusion policy for the governing and management bodies of AlphaReal	6		

1 Overview

1.1 Objective

The UK Investment Firms Prudential Regime ('UK IFPR') came into force on 1st January 2022 and applies to Alpha Real Capital LLP (also referred to as "AlphaReal" or "the Firm") as an investment firm authorised and regulated by the FCA in accordance with the provisions of the Markets in Financial Instruments Directive ('MiFID'). UK IFPR replaces the Capital Requirements Regulation ('CRR') and Capital Requirements Directive ('CRD IV') rules aims to streamline and simplify the prudential requirements for UK investment firms. The public disclosure requirements of IFPR are set out in MIFIDPRU 8 of the FCA Handbook, replacing the previous Pillar 3 requirements of BIPRU 11.

1.2 Basis of disclosure

This report is prepared on an accounting individual basis and includes the following regulated entity: Alpha Real Capital LLP. (FCA Firm Reference Number: 436048). This disclosure is not required to be reviewed by the firm's external auditor and does not form part of the annual audited financial statements of the firm. This disclosure should not be relied upon in making any judgement about the financial position of the firm.

For the 2023 financial year, AlphaReal as a non-small non-interconnected investment firm (non-SNI) have published these disclosures in accordance with the requirements of MIFIDPRU 8 of the Prudential Sourcebook. Specifically, these disclosures include the MIFIDPRU 8.2 (Risk management objectives and policies), MIFIDPRU 8.3 Governance arrangements, MIFIDPRU 8.4 (Own funds), MIFIDPRU 8.5 (Own funds requirements) and MIFIDPRU 8.6 (Remuneration policies and practices). For further details of each requirement, please see the information below.

1.3 Frequency of disclosure

The AlphaReal IFPR disclosures are produced on an annual basis concurrently with the Annual Report and Accounts in accordance with regulatory guidelines. Unless otherwise stated, all figures are as of 31st March 2023 which is the firm's financial year end.

1.4 Corporate background

AlphaReal is a fully owned subsidiary of Alpha Real Capital Holdings Limited ("ARCH"). The ultimate parent entity is Alpha Real Capital Limited. AlphaReal's sister company is Alpha Real Property Investment Advisors Ltd ("ARPIA") trading as "TIME Investments" or "TIME". Both TIME and AlphaReal have the same parent entities. AlphaReal and TIME, together form the Group.

AlphaReal is the FCA Authorised UCITS Management Company ("UCITS ManCo") and Alternative Investment Fund Manager ("AIFM") for UK Undertakings for Collective Investment in Transferable Securities ("UK UCITS") and UK Alternative Investment Funds ("UK AIFs") respectively. AlphaReal has delegated the portfolio management of the retail UK AIF and UK UCITS funds to TIME.

2 Risk management objectives and policies

2.1 Risk appetite

AlphaReal is a specialist real assets investment manager focused on secure income strategies. AlphaReal provides investors with real asset solutions across a range of investments such as commercial ground rents, UK renewable infrastructure, social real estate, and secured lending. AlphaReal has over £4bn of assets under management in funds that invest in UK and European assets with predictable secure long term cash flows. The firm provides these services to professional clients in the UK.

The firm's governing body has overall responsibility for the establishment and maintenance of an appropriate risk management framework. The executive committee, which is the governing body of the Firm is supported by various committees. It is responsible for governance of the firm on a day-to-day basis and for formal compliance with the Partnership Deed. The committee structure at AlphaReal ensures that procedures, controls, and limits are consistent with the governing body approved risk Management framework and risk appetite. The firm's regular assessments of its regulatory capital requirements is an integral part of the risk protocol which ensures compliance with regulatory requirements and maintenance of strong capital and liquidity position.

The Firm has a medium to low appetite for risk. This means that the governing body will look to mitigate all controllable risks to a medium-low or low risk score. Therefore, the Firm seeks to optimise the performance of its business activities by remaining within its risk appetite. Where controllable risks are not mitigated within the firm's risk appetite, the Group Risk Committee will ensure such risks are monitored regularly and will ensure a plan of action is in place to mitigate the risk to a lower level.

The firm acknowledges that there are risks outside of its control that can't be mitigated to a level that sit within its risk appetite and it will continue to monitor these risks closely – these include for example, the risk to the firm from changing economic and regulatory conditions. These risks are considered within the Firm's Wind Down Plan, to ensure that it understands the risk these factors pose to the business and can wind down in an orderly manner if needed.

2.2 Identifying and profiling of principal harms and risks

The firm's Governing Body accepts that in its pursuit of its strategic and business goals, the Firm is exposed to risk. Some risks are consciously taken in the pursuit of profit and other risks will be an indirect consequence of profit-making activities. Accordingly, it is important that the company's overall risk-taking activities are undertaken within a set of prescribed limits and tolerances in order for the potential impact of such risks on the earnings and capital ratios of the company to be mitigated.

Risk management is the responsibility of all, with specific risk responsibilities allocated to different functions or staff within the Firm. AlphaReal maintains a detailed risk register, containing detailed risks identified in relation to AlphaReal's business activities and this risk register is the principal tool for monitoring those risks. The risk register is regularly reviewed in line with existing and new regulations. Each risk has detailed controls in place to mitigate against them. Each risk in the risk register is rated in terms of its potential financial impact and its probability of occurrence. Multiplying the two risk ratings gives the overall score of each risk. All risks have been assessed to identify whether they pose potential harm to clients, the firm, or to the market, or any potential combination of the three. AlphaReal reviews and monitors its risk exposures closely, considering the potential impact and any management actions required to mitigate the impact.

2.3 Approach to assessing own funds requirement, concentration risk and liquidity risk

AlphaReal must always meet the 'overall financial adequacy rule' ("OFAR"), this means that AlphaReal must, at all times, hold own funds and liquid assets which are adequate, both in their amount and quality, to make sure AlphaReal 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. In addition, AlphaReal must ensure that it has adequate own funds and liquid assets that its business can be wound down in an orderly manner, minimising harm to clients or to other market participants.

Liquidity risk could arise from the firm being unable to meet its financial liabilities as they fall due. A disorderly wind down could cause direct harm to clients through potential forced sales and reduced returns. AlphaReal has a very low appetite for liquidity risk. Due to the size of the AlphaReal it is not believed that this would have a significant impact on the market, although a disorderly winddown would reduce overall confidence in the property investment sector of the financial services market. AlphaReal has significant liquid assets in the business. The budgeting process is carried out annually and re-forecasted half yearly. The firm monitors liquidity risk through ongoing liquidity monitoring and reporting, in accordance with it has a liquidity policy. In addition, stressed scenarios are periodically reviewed to ensure that sufficient resources are always maintained.

Concentration risk may arise where the firm's earnings are overly exposure to a single counterparty, product, service one or more large client relationships or the ongoing success of particular investment strategies, such that issues with that counterparty, product, service, or client could cause harm to the Firm or its other clients. We manage concentration risk by ensuring the Firm's cash balances are reviewed and monitored monthly as part of the monthly treasury/banking reporting (which is reported to the AlphaReal Management Committee). Concentration risk is considered within this report in terms of various banking credit ratings. The Firm's quarterly management accounts are reviewed to identify if any concentration risks are in the assets held (e.g. large debtors). AlphaReal is required to report these values to the FCA quarterly through the MIF004 return, including the top 5 entities where firm cash is held and the top 5 income generating clients.

The ICARA is undertaken as part of the AlphaReal's Internal Capital Adequacy Assessment Process (the "ICARA Process"), in accordance with MIFIDPRU rules. It assesses own funds requirements, concentration risk and liquidity and ensures that AlphaReal hold own funds and liquid assets that are adequate for the business it undertake. This is done by identifying the most material risks of harm to the business model and strategy. In conducting the ICARA, AlphaReal have:

- Identified risks that may result in material harms to the firms' clients and counterparties, the markets in which the firm operates and the firm itself.
- Ensured it has appropriate systems and controls in place to identify, monitor and, where proportionate, reduce all potential material harms that may result from the ongoing operation of its business or winding down its business.
- Considered on a forward-looking basis the own funds and liquid assets that will be required to meet the overall financial adequacy rule, taking into account any planned future growth; and
- Considered relevant severe but plausible stresses that could affect the firms' business and considered whether the firm would still have sufficient own funds and liquid assets to meet the overall financial adequacy rule.

2.4 ICARA process

AlphaReal reviews the adequacy of the ICARA process at least once every 12 months and following any material change in the firm's business or operating model. The ICARA process document and associated external disclosures have been reviewed in detail by senior management and therefore has had senior management input throughout the document's development.

Scenario analysis and stress testing is conducted and documented within the ICARA to assess the potential financial impact of specific events on the Firm and whether the Firm would remain a going concern. The Firm is required to provide information from the ICARA to the FCA on a periodic basis via a number of regulatory returns. The FCA also completes its ICARA questionnaire (regulatory return MIF007) on an annual basis.

The ICARA process has been developed from a risk review of AlphaReal and its annual budget exercise. It is therefore already integrated into the Firm's procedures and has been approved by the Governing Body of the Firm.

To ensure AlphaReal meets its ongoing capital needs and liquidity requirements, these are reviewed each month in the Management Committee and the Group Regulatory Committee.

2.5 Material risks

The Firm has set out below its risk appetite to each of the different types of key risk. This collectively is the Firm's risk appetite. Full details of all risks and the risk of harm, mitigations, risk score and actions or owners are held within our Firm's Risk Register.

Overall, the Firm does not intend to take any risks with its own capital and ensures that risk taken within the funds it manages is closely monitored. Any issues arising with its own capital would not only affect the clients but have an adverse effect on the Firm itself. The Firm ensures that own funds are well in excess of its own fund's requirement.

Operational controls are designed to ensure that there is little risk of errors occurring which would impact the clients. As risks are identified within the business, appropriate controls are put in place to mitigate these. Management oversight and regular internal compliance oversight (with the assistance of external compliance consultants) ensures the controls continue to operate effectively.

2.6 Risk management framework

The Firm will employ several risk management strategies in order to control its risks, such as regular risk identification, assessment and recording of all risks in a Risk Register. All employees are responsible for understanding operational risk, for appreciating how it can manifest itself in their day-to-day duties and for identifying and escalating any potential risk events. A major component of the identification and measurement of operational risk is the timely notification and reporting of risk events. The firm also puts in place mitigation plans for all new risks identified as having a material impact on the Firm, including new risks due to regulatory changes.

Risks are identified through robust risk management tools and methodologies and are assessed using other elements such as annual budgets, monthly compliance reports, annual money laundering reporting officer's reports, quarterly risk management reports, quarterly stress testing reports and other ad-hoc reports that may be used to recognise potential new risks and review existing risks on a continuous basis.

The compliance function maintains a level of independence from business lines. Compliance is responsible for providing oversight and challenge of the business lines day-to-day management, monitoring of firm's compliance with regulations, policies and procedures and reporting of monitoring findings and risks to the Group Regulatory Committee.

The Firm's risk management framework refers to its arrangements (including practices, policies, processes, systems, resources, and culture) that enable risks to be managed. The Firm operates with a prudent and conservative attitude to risk. It seeks to ensure that it identifies any and all risks that it may face, focusing on understanding, including measuring and monitoring, all risks, and mitigating or managing all risks wherever it reasonably can.

The Firm's governing body oversees the overall management of the business and is responsible for ensuring that senior management is fulfilling its responsibilities with due skill, care, and diligence. The firm's governing body and senior management, including the chief executive and compliance officer, are supported by an internal compliance function, external legal and regulatory/compliance consultants.

3 Governance arrangements

3.1 Overview of governance arrangements

The Partnership ("Board") is governed by the Partnership Deed and the partners have joint overall responsibility for governance within the Firm and for ensuring the Firm sets and meets its strategic objectives and direction; some partners/members have specific operational and executive responsibilities.

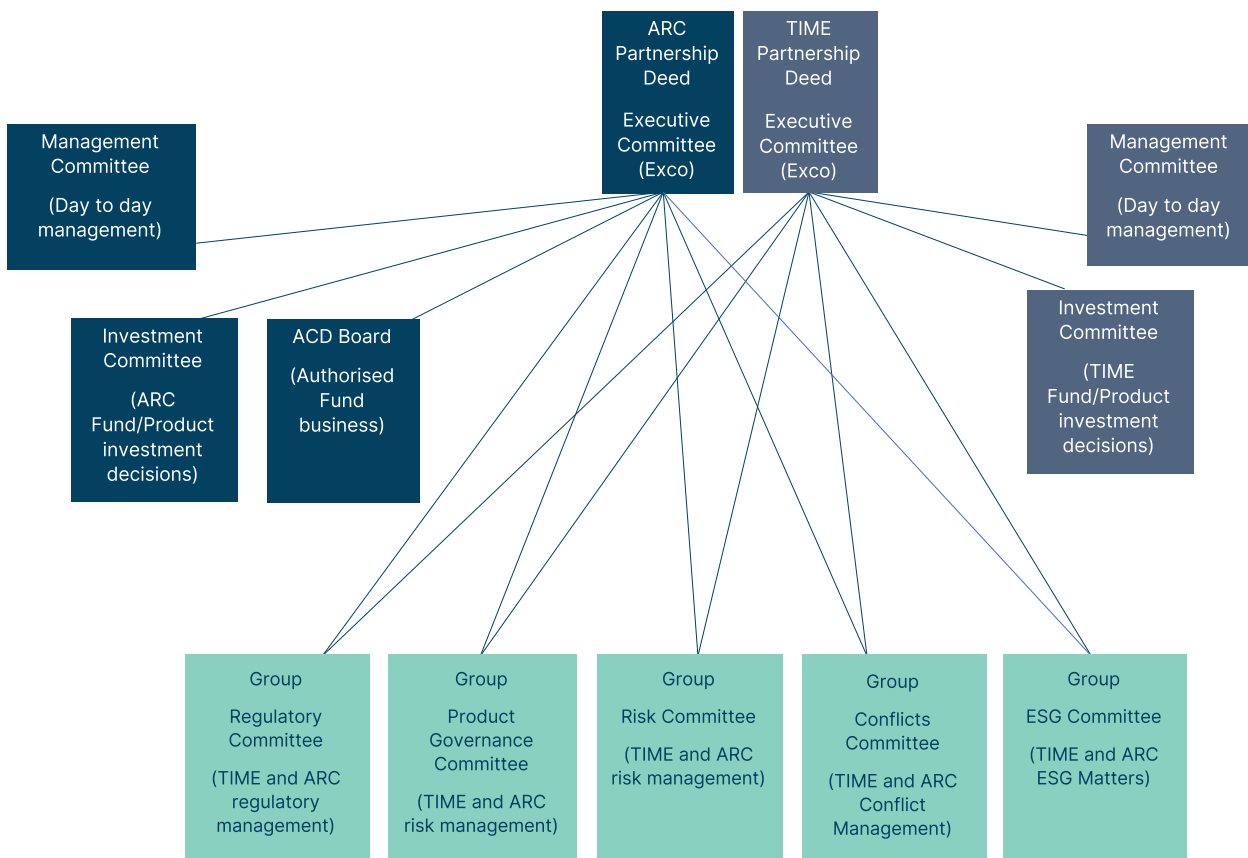
The governing body of AlphaReal, which is the firm's Executive Committee has ultimate responsibility for the overall management of the firm. It is supported by various committees. It is responsible for governance of the firm on a day-to-day basis and for formal compliance with the Partnership Deed. To meet its responsibilities, the Board has delegated the day-to-day running of the firm to the Executive Committee and the following committees:

1. The AlphaReal Management Committee
2. The AlphaReal Investment Committee
3. The ACD Board
4. The Group Risk Committee
5. The Group Regulatory Committee
6. The Group Conflicts Committee
7. The Group Product Governance Committee
8. The Group Environmental, Social and Governance (“ESG”) Committee

3.2 Group Governance Structure

As shown in the below structure chart, the Executive Committee has established sub-committees and delegated certain responsibilities to them as set out in their respective terms of reference.

Chart 1: AlphaReal/TIME Group Governance Structure



3.3 Conflicts of interest

Information for dealing with conflicts of interest is set out in the Group Conflicts of Interest Policy which is approved by the governing body of the firm. The policy sets out how the Firm seeks to prevent and manage conflicts of interest if they arise.

This policy is reviewed and approved by the Group’s Regulatory Committee annually. The Firm’s monthly Management Committee and the Group Regulatory Committee meetings review new potential conflicts, newly arisen conflicts in the period and considers whether conflicts are likely to arise; the policy is also updated as necessary. Conflicts are identified in different arenas noting that the Firm’s Investment Committee process includes a review of conflicts within its framework.

The Executive Committee of AlphaReal (the Firm’s Governing Body), receives a written report at least annually of situations contained in the Conflicts of Interest Register, the results of our monitoring activities and any changes to the policy as a result of deficiencies identified. The Group Conflicts Committee reviews and adjudicates on conflicts; the minutes of this committee form the basis of an entry in the Firm’s Conflicts of Interest Register.

The Compliance Officer of AlphaReal may also independently raise conflicts of interest-related issues to the Group Regulatory Committee whenever necessary and for consideration by the Group Conflicts Committee members.

3.4 Directorships

The table below outlines the composition of the Executive Committee/ARCH which is the management body and governing body of AlphaReal, including the number of directorships held by each member of the Executive Committee/ARCH in external organisations that pursue predominantly commercial objectives (executive and non-executive), as at 31 March 2023. This means that executive and non-executive directorships held within the same group or within an undertaking (including a non-financial sector entity) in which the firm holds a qualifying holding, is not in scope of the directorships disclosure.

Table 1

Name	Position	Number of directorship (executive and non-executive) held by each member of the Governing Body/Board
Karl Devon-Lowe	Director of Alpha Real Capital Holdings Ltd Chief Finance Officer (CFO) Compliance Officer (SMF16) Money Laundering Reporting Officer (SMF17) Member of the Management Committee Partner (SMF 27)	3
Mark Andrew Rattigan	Director of Alpha Real Capital Holdings Ltd Chief Operating Officer (COO) Member of the Management Committee Partner (SMF 27)	1
Edward Jonathan Palmer	Director of Alpha Real Capital Holdings Ltd Chief Investment Officer (CIO) & Head of Sustainability Member of the Management Committee Partner (SMF 27)	0

4 Diversity and inclusion

4.1 Diversity and inclusion policy for the governing and management bodies of AlphaReal

As a firm, we follow a Group Diversity and Inclusion Policy which applies to all partners and employees. Our aim is to encourage diversity and inclusion, whilst recognising the contribution it makes in a performance-based culture. We believe that combining individuals with different backgrounds and experiences can enhance a range of business processes, from idea generation and decision making to problem solving and risk management. The Group seeks to foster a culture where differences are not only recognised but valued, and where all colleagues are treated with respect.

This policy relates specifically to the governing and management bodies of AlphaReal which are Alpha Real Capital Limited ("ARCL") and Alpha Real Capital Holdings Limited (ARCH) respectively; ARCH represents the Executive Committee for both firms. The objectives of this policy are to improve transparency on the current diversity of the Board and the executive management team; and outline our proposed strategy and timeline for increasing such diversity.

At present, the ARCL Board has three Directors, two of whom are women (67%). The ARCH Board has three Directors, all of whom are men. There are no Directors of ethnic minority background at either Board. Over the medium term, we anticipate that there may be opportunities to increase the diversity of the executive management team, but at present there is no defined timeline and there are no specific actions being contemplated to address this.

The firm has a Group Diversity and Inclusion Policy that it follows. Our aim is to encourage diversity in our workforce, whilst recognising the contribution it makes in a performance-based culture. We believe that combining individuals with different backgrounds and experiences can enhance a range of business processes, from idea generation and decision making to problem solving and risk management. The Group seeks to foster a culture where differences are not only recognised but valued, and where all colleagues are treated with respect.

5 Own funds

5.1 Composition of regulatory own funds

As at 31 March 2023, the firm held regulatory capital of £9,343K after deductions. This was made up as follows:

Table 2: Composition of regulatory own funds

Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1 OWN FUNDS	9,343	N/A
2 TIER 1 CAPITAL	9,343	N/A
3 COMMON EQUITY TIER 1 CAPITAL	9,343	N/A
4 Fully paid-up capital instruments	10,367	Partnership Statement of Movement in Members Interest
5 Share premium	-	N/A
6 Retained earnings	-	N/A
7 Accumulated other comprehensive income	-	N/A
8 Other reserves	297	Partnership Statement of Movement in Members Interest
9 Adjustments to CET1 due to prudential filters	-	N/A
10 Other funds	-	N/A
11 (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	1,321	N/A
19 CET1: Other capital elements, deductions and adjustments	1,321	Note 13
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 DEDUCTIONS FROM TIER 2	-	N/A
29 Tier 2: Other capital elements, deductions, and adjustments	-	N/A

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

The information in the table below reflects the balance sheet in the audited financial statements as at 31st March 2023.

Table 3: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

	a	b	c
	Balance sheet as in published/ audited financial statements as at period end (GBP thousands)	Under regulatory scope of consolidation as at period end	Cross- reference to template OF1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Investments	1,321	Note 13
2	Fixed Assets	463	Note 11 and Note 12
3	Trade and other receivables	11,131	Note 14
4	Cash and Cash Equivalents	12,688	N/A
	Total Assets	25,603	N/A
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Lease Liabilities	292	Note 12
2	Trade and Other Payables	5,289	Note 15
3	Amounts due to Members	9,358	N/A
	Total Liabilities	14,939	N/A
Member's Equity			
1	Members Capital Classified as Equity	10,367	N/A
2	Other Reserves	297	N/A
	Total Member's equity	10,664	N/A

5.3 Main features of own instruments issued by the firm

The table below explains the type of regulatory capital held by the firm, including its main features.

Table 4: Own funds: main features of own instruments issued by the firm

CET1 Capital consists of £10,367K of members' capital classified as equity contributed primarily from the parent undertaking, Alpha Real Capital LLP, plus £297K of other reserves. Other than in insolvency or wind down, membership capital classified as equity can only be withdrawn from the partnership by either prior permission from the FCA or by the same amount of capital being offset by that of another partner. Distributable amounts owed to partners are not included in CET1 Capital.

6 Own funds requirements

6.1 K-Factor requirement and fixed overheads requirement - amount in GBP thousands

As a minimum to comply with the Own Funds Adequacy Rule ("OFAR"), AlphaReal must meet its Own Funds Requirement ("OFR") and its Basic Liquid Assets Requirement ("BLAR"). The approach to assessing the adequacy of own funds and liquid assets is described in the 'Risk management objectives and policies' section above.

Alpha Real Capital LLP is required to maintain at all times own funds that are at least equal to its OFR, by assessing three key items:

1. Its permanent minimum capital requirement ("PMR"). This is defined by regulation and is £75,000 due to its regulatory permission profile and the activities it undertakes.
2. Its fixed overheads requirement ("FOR") is an amount equal to one quarter of the firm's expenditure net of certain non-fixed expenditure items, from the most recent audited financial statements, which is £2,378,000.
3. Their K-factor requirement ("KFR") and the K-Factor total is £76,000.

Table 5

K-Factor	Description	Value (GBP thousands)
K-AUM	K-AUM is the K-factor own funds requirement investment firms are required to hold against risks associated with managing assets for clients	76
K-COH	COH is the K-Factor own funds requirement designed to cover potential risks from handling client orders.	0
Fixed Overhead Requirements ("FOR")	The FOR is intended to calculate a minimum amount of capital that AIM would need available to absorb losses if it has cause to wind-down or exit the market, and is equal to one quarter of the firm's relevant annual expenditure	2,378

The own funds requirement is whichever is the largest of these three key items: therefore, for Alpha Real Capital LLP, its Own Funds requirement is £2,378K.

The K-Factor Requirements (KFR) methodology is a new concept introduced by the IFPR from 1 January 2022. K-factors are designed to be proxy measures for the operational risk of the MIFIDPRU activities undertaken by a firm. They are business model specific and will not necessarily all apply to any one firm. The only k-factors relevant to AlphaReal's activities is K-AUM.

In addition, AlphaReal is required to perform an internal assessment through their ICARA to establish if additional own funds and liquid assets are required to support its ongoing operations and/or an orderly wind-down. This assessment allows AlphaReal to derive its own funds threshold requirement ("OFTR") and its liquid assets threshold requirement ("LATR"). The assessment of own funds and liquid assets against OFTR and LATR, respectively, ensures the full compliance with the OFAR. AlphaReal maintain own funds and liquid assets which are adequate, both in amount and quality, to ensure that the firm remain financially viable.

7 Remuneration policy and practices

7.1 Remuneration policy

The FCA's aim is to ensure that the performance assessment and remuneration of our staff, does not conflict with their duty to act in the best interest of our clients and or the underlying investors in our clients' products. AlphaReal's Remuneration Policy applies to all aspects of the way we remunerate staff members that could impact on our ability to effectively manage the risks to our business and treat our clients fairly. It is designed to ensure that our remuneration policies and practices are consistent with, and promote, sound and effective risk management and are in line with the business strategy, objectives, and long-term interests of the Group.

Our Remuneration Policy is gender neutral. We ensure that as a firm, we meet the requirements of the Equality Act 2010, which prohibits discrimination on the basis of an individual's protected characteristics both before and after employment is offered. The Act applies to pay and all other contractual terms, including variable remuneration.

7.2 Approach to remuneration

AlphaReal's remuneration approach, aimed at ensuring the competitiveness and the effectiveness of its policies, is based on the following key principles:

1. Remuneration programs should drive both business results and desired behaviours which, overall, aim to align the interests of individual employees with the long-term interests of AlphaReal and its clients.
2. Remuneration structures drive ethical behaviour of employees.
3. The remuneration structure must avoid incentives that would encourage employees to take unnecessary and/or excessive risks.
4. Sustainability of AlphaReal's business and alignment of remuneration with corporate results and individual performance.
5. To retain and develop key talent at all levels of the organisation.
6. There is clear governance around remuneration decisions.

7.3 Governance of remuneration arrangements

On consideration of the size of the Firm, the nature and scope of its activities, the AlphaReal does not meet the criteria for an Enhanced Remuneration Code Firm, and therefore does not consider it necessary to have an independent Remuneration Committee. Remuneration is managed by the Governing Body of the Firm and approved the Firm's Remuneration Policy. The Governing body ensures the policy has been implemented effectively and is responsible for ensuring that remuneration policy and practices are designed in such a way so as not to create a conflict of interest or incentive that may lead employees to favour their own interests or those of the Firm to the potential detriment of any client.

7.4 The link between pay and performance

Any fixed or variable remuneration may be in the form of monetary payments or benefits. This includes (but is not limited to): partnership payments, salaries, and bonuses. In both performance measuring and the allocation of variable remuneration, the governing body of AlphaReal makes qualitative judgements, taking due recourse to the Firm's current Internal Capital Adequacy Risk Assessment process and liquidity statement and also the Liquidity Policy of the AIFs and consideration of the UCITS management. The measurement of financial performance includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks and the cost and quantity of capital and liquidity required.

Remuneration is designed to reward performance, with the overall package intended to generally reflect market practice for any given role. The Firm's remuneration structure comprises a fixed salary element, which is intended to reflect an employee's professional experience and organisational responsibilities and is distinct from variable remuneration which is intended to reward performance in excess of that required to fulfil the employee's job description.

Discretionary variable bonuses are paid following a 12-month performance review of the financial period to which they relate. All variable pay awards are conditional, discretionary, and contingent on performance and therefore capable of clawback forfeiture at the employer's discretion. Clawback arrangements also apply to discretionary pension benefits.

7.5 Material Risk Takers (MRTs)

In accordance with the FCA rules we identify our Material Risk Takers ("MRTs"), as their professional activities can have a material impact on the risk profile of each Firm and the Group. These staff can also be known as Code Staff. It is not the title or role of the person however, but more importantly the authority and responsibility they have. It is important therefore that we consider all roles that we believe may have a material impact on our risk profile. We consider the ability of an individual to impact risk within:

- Operational procedures, systems, and controls.
- The market in which we operate.
- The conduct and culture of the Firms/ Group, including our reputation; and
- Our financial standing and capital requirements.

As we are part of a prudential consolidation group, we must also consider MRTs at group level. This includes any individuals who have the ability to have a material impact on the risk profile of the Group as a whole or on a regulated entity within the Group.

AIFM and UCITS Remuneration Code staff comprise those categories of staff whose professional activities have a material impact on the risk profiles of the relevant funds AlphaReal manages. This includes senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

7.6 Performance adjustments

All variable remuneration is subject to in-year adjustments or clawback arrangements. The Group's clawback policy is to consider reducing or cancelling variable remuneration awards (if the payment has yet to be made) or recouping variable remuneration awards (if the payment has already been made) if certain specified events or wrongful conduct occur. These would specifically apply where an MRT was involved in or was responsible for conduct that meant that either Firm or the Group as a whole suffered financially, or where the MRT failed to meet the standards of fitness and propriety expected of them.

Our minimum clawback period is 3 years. We may however set different clawback periods and criteria for different MRTs based on the nature of their role at the Firms, the risks impacted by that role and the time frame over which the risks could materialise. We will set the clawback period at the time the award is made, and this will be included in the award notification made to the MRT. The application of clawback is decided by the Governing Body of the Firm, with input from Human Resources.

7.7 Quantitative remuneration disclosures

The below table provides the details of Alpha Real Capital LLP's remuneration provided to all staff, MRTs and Senior Management as at 31st March 2023.

Table 6

Categories	Remuneration Disclosures As at 31st March 2023
Number of Material Risk Takers	16
Total Remuneration (Senior Management)	3,962,837.47
Fixed Remuneration (Senior Management)	1,406,386.15
Variable Remuneration (Senior Management)	2,556,451
Total Remuneration (other Material Risk Takers)	1,269,884.34
Fixed Remuneration (other Material Risk Takers)	825,206.15
Variable Remuneration (other Material Risk Takers)	444,678
Total Remuneration (Other Staff)	6,520,856.70
Fixed Remuneration (Other Staff)	5,207,343.46
Variable Remuneration (Other Staff)	1,313,513
Total Guaranteed Variable Remuneration Awards	N/A
Total Guaranteed Variable Remuneration Awards received by Material Risk Takers	N/A
Total amount of the severance payments awarded during the financial year and the number of Material Risk Takers receiving those payments.	N/A
Highest severance payment awarded to an individual material risk taker.	N/A

8 Important information

Alpha Real Capital LLP is authorised and regulated by the Financial Conduct Authority (FRN:436048).

Registered address: 338 Euston Road, London, NW1 3BG.

Registered in England and Wales company number OC312705.

All information is correct at November 2023.