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Credere Capital LLP is a limited liability partnership incorporated in England and Wales (number OC400672), with its registered address at 60 Gresham Street, London EC2V 7BB.

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Applications to invest in any product referred to on this website must only be made on the basis of the documentation relating to the specific investment.

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You should always bear in mind that:

The value of investments and any income from them may go down as well as up. You may not get back all of your original investment. Past performance is not a reliable indicator of future results. You should be aware that indications of past performance displayed on this website will not necessarily be repeated. Rates of exchange may cause the value of underlying investments to go up or down

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In the European Economic Area, the information on this Website is not to be issued or distributed to, nor directed at, persons other than “Qualified Investors” within the meaning of Article 3(2)(a) of Directive 2003/71/EC (the “Prospectus Directive”). The information

contained on this Website must not be accessed by, acted on, or relied on by persons in the European Economic Area who are not Qualified Investors. Within the European Economic Area, any investment or investment activity to which the information on this Website relates is only available to Qualified Investors and will be engaged in only with Qualified Investors.

## **Switzerland**

The Funds mentioned on this Website have not been registered with the Swiss Financial Market Supervisory Authority FINMA as foreign collective investment schemes pursuant to Article 120 of the Swiss Collective Investment Schemes Act (the “CISA”). Accordingly, the interests in the Funds may not be publicly offered in or from Switzerland, and no offering or marketing materials relating to the interests in the Funds may be made available through a public offering in or from Switzerland. The interests in the Funds may only be offered and any offering or marketing materials may only be distributed, or otherwise made available, in or from Switzerland by way of private placements exclusively to qualified investors as such term is defined in the CISA and its implementing rules and regulations.

Neither the contents of this Website, nor any offering or marketing materials relating to the interests in the Funds have been or will be filed with, or approved by, any Swiss regulatory authority. The investor protection afforded to investors of interests in collective investment schemes under the CISA does not extend to acquirers of interests in the Funds.

This Website does not represent a prospectus as defined in Article 652a or 1156 of the Swiss Code of Obligations.

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The information you are about to access is available in Hong Kong only (1) to “professional investors” or (2) in circumstances which do not constitute an offer to the public for the purposes of the Companies Ordinance (Cap 32, Laws of Hong Kong) or the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (“SFO”), and only such offerees are eligible to act on the information herein. As defined in the SFO and its subsidiary legislation, “professional investors” include the following: 1) exchange companies and other automated trading facilities; 2) licensed financial intermediaries, their wholly-owned subsidiaries and holding companies; 3) licensed banks, their wholly-owned subsidiaries and holding companies; 4) licensed insurers; 5) authorised retail funds; 6) Hong Kong mandatory provident fund schemes or a trustee or an investment manager of any such scheme; 7) any government of central banking authority; 8) a trust corporation with total assets of at least HK\$40m; 9) an individual (either alone or with any of his or her associates on a joint account) with a portfolio of investments valued at at least HK\$8m; 10) a corporation or partnership having a portfolio valued at at least HK\$8m or total assets of at least HK\$40m; and 11) an investment holding company wholly-owned by a person referred to in preceding category.

# Pillar 3 Disclosure

Updated September 2020.

## Introduction

Credero Capital LLP (“Credero” or the “Firm”) is a London-based discretionary investment manager to an unregulated collective investment scheme. The Firm is required to make its Pillar 3 disclosure at least annually, and is made as at the Firm’s Accounting Reference Date. The disclosure may be published on our website or as an appendix to our statutory audited annual accounts. The purpose of this disclosure is to encourage market discipline.

The Capital Requirements Directive (CRD) created a revised regulatory capital framework across Europe covering how much capital financial services firms must retain. In the United Kingdom, rules and guidance are provided in the General Prudential Sourcebook (GENPRU) and the Prudential sourcebook for Banks, Building Societies and Investments Firms (BIPRU).

The FCA framework consists of three “Pillars”:

- Pillar 1 sets out the minimum capital requirements that companies need to retain to meet their credit, market and operational risk;
- Pillar 2 requires companies to assess whether their Pillar 1 capital is adequate to meet their risks and is subject to annual review by the FCA;
- Pillar 3 requires companies to develop a set of disclosures which will allow market participants to assess key information about its underlying risks, risk management controls and capital position. These disclosures are seen as complimentary to Pillar 1 and Pillar 2.

BIPRU 11 sets out the provisions for Pillar 3 disclosure. The rules provide that companies may omit one or more of the required disclosures if such omission is regarded as immaterial. Information is considered material if its omission or misstatement could change or influence the decision of a user relying on the information. In addition, companies may also omit one or more of the required disclosures where such information is regarded as proprietary or confidential.

The information contained in this document has not been audited, and as such does not constitute any form of financial statement and must not be relied upon.

## Firm Overview

Credero is incorporated in the UK and is authorised and regulated by the Financial Conduct Authority (“FCA”) as a Full-Scope Alternative Investment Fund Manager with the Collective Portfolio Management Firm (“CPMI”) designation, which also makes the Firm a BIPRU firm. The Firm is a Solo regulated entity, and as such does not form part of UK Consolidation Group for FCA prudential requirements.

The Governing Body of Credero has management and oversight responsibility. It generally meets quarterly and is composed of:

- Oliver Dobbs Managing Partner
- Nicolas Marquez Partner
- Catherine Vassallo Partner

The Governing Body is responsible for the entire process of risk management, as well as forming its own opinion on the effectiveness of the process. In addition, the Governing Body decides Credere's risk appetite or tolerance for risk and ensures that Credere has implemented an effective, ongoing process to identify risks, to measure its potential impact and then to ensure that such risks are actively managed. Senior Management is accountable to the Governing Body for designing, implementing and monitoring the process of risk management and implementing it into the day-to-day business activities of Credere.

## **Capital Resources and Requirements**

### **Pillar 1**

As a limited liability partnership its capital arrangements are as follows: The Firm is a BIPRU Investment Firm without an Investment Firm Consolidation Waiver deducting Material Holdings under (GENPRU 2 Annex 4). Tier 1 Capital comprises of Members' Capital.

As a CPMI, the Firm is subject to the capital requirements set out in IPRU(INV) Chapter 11 and also BIPRU/GENPRU. The Firm has the following capital resources:

Members Capital: Tier 1 capital of £630,886.

As at 31 March 2020, the Firm's Pillar 1 capital resource requirement was £116,194.

### **Pillar 2**

The Firm has adopted the "Structured" approach to the calculation of its Pillar 2 Minimum Capital Requirement as outlined in the Committee of European Banking Supervisors Paper, 27 March 2006 which takes the higher of Pillar 1 and 2 as the ICAAP capital requirement. It has assessed Business Risks by modeling the effect on its capital planning forecasts and assessed Operational Risk by considering if Pillar 2 capital is required taking into account the adequacy of its mitigation.

Since the Firm's Internal Capital Adequacy Assessment Process (ICAAP or Pillar 2) process has not identified capital to be held over and above the Pillar 1 requirement, the capital resources detailed above are considered adequate to continue to finance the Firm over the next year. No additional capital injections are considered necessary and the Firm expects to continue to be profitable.

## **Risk Management**

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management process is overseen by the Firm's members.

As risks are identified within the business, appropriate controls are put in place to mitigate these and compliance with them is monitored on a regular basis. The frequency of monitoring

in respect of each risk area is determined by the significance of the risk. The Firm does not intend to take any risks with its own capital and ensures that risk taken within the portfolios that it provides investment services to is closely monitored. Details of the Firm's risk management systems and controls is reported to the Governing Body.

The Firm has a risk management objective to develop systems and controls to mitigate risk to within our risk appetite, as set-out in our ICAAP. Ordinarily, a firm must disclose its risk management objectives and policies for each separate category of risk. On the basis of materiality, we have omitted those items not relevant to the Firm, however, have provided summary information upon the below listed risk items.

## **Operational Risk**

The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Firm has identified a number of key operational risks. These relate to disruption of the office facilities, system failures, trade failures and failure of third party service providers. Appropriate policies are in place to mitigate against risks, including appropriate insurance and business continuity plans.

## **Credit Risk**

The main credit risk to which the Firm is exposed is in respect to the failure of its debtors to meet their contractual obligations. The majority of the Firm's receivables is related to its investment management activities. The Firm believes its credit risk exposure is limited since the Firm's revenue is ultimately related to management fees received from funds, which are drawn throughout the year from the funds managed. Other credit exposures include bank deposits. The Firm undertakes periodic impairment reviews of its receivables. All amounts due to the Firm are current and none have been overdue during the year.

The Firm has adopted the standardised approach to credit risk, and therefore follows the provision within BIPRU 3 standardised credit risk of the FCA handbook. The Firm applies a credit risk capital component of 8% to its non-trading book risk weighted exposure. As the Firm does not make use of an external credit rating agency, it is obligated to use a risk weight of 100% to all non-trading book credit exposures, except cash and cash equivalents which are held by investment grade firms and currently attract a risk weighting of 20%. The Firm has excluded disclosure of its Credit risk calculation on the basis that it is not material.

## **Market Risk**

The Firm is not exposed to Market risk, since the Firm holds no trading book positions on its own account, and all bank accounts are in GBP. Accordingly, the Firm has excluded disclosure of its Market risk calculation on the basis that it is not material.

## **Remuneration Code**



The Firm has adopted a remuneration policy and procedures that comply with the different chapters of the FCA’s Senior Management Arrangements, Systems and Controls Sourcebook (SYSC), and in accordance with ESMA’s Guidelines on sound remuneration policies. The Firm have considered all the proportionality elements in line with the FCA Guidance. All variable remuneration is adjusted in line with capital and liquidity requirements.

As a UK AIFM the Firm has assessed the proportionality elements and disappplies the Pay Out Rules. Furthermore, the Firm has concluded, on the basis of its size and the nature, scale and complexity of its legal structure and business that it does not need to appoint a remuneration committee. Instead, the Governing Body sets, and oversees compliance with, the Firm’s remuneration policy including reviewing the terms of the policy at least annually. The Firm make the following remuneration disclosure:

**Remuneration Code Staff Remuneration by Business Area\* \*\***

<b>Business Area</b>	<b>Total Remuneration</b>
Investment Management	£0
Business Management	£0

**Aggregate Quantitative Remuneration by Senior Management and other Remuneration Code Staff \* \*\***

<b>Type of Remuneration Code Staff</b>	<b>Total Remuneration</b>
Senior Management (SIF)	£0
Other Remuneration Code Staff	£0
Total Fixed Remuneration of Code Staff	£0
Total Variable Remuneration of Code Staff	£0

\* The above remuneration disclosure includes remuneration paid to Code Staff in respect to both their AIFMD and non-AIFMD activities. Credere Capital LLP is a limited liability partnership and as such the Partners do not have fixed salaries. The Partners take Members drawings which are discretionary and variable.

\*\* As of September 2020

# Stewardship Code & Shareholders Rights Directive

Updated September 2020

The Firm supports the principles enshrined in the Financial Reporting Council's Stewardship Code (the "Code") and the EU Shareholder's Right's Directive (the "Directive") which both set out good practice for investor engagement.

The FCA requires all authorised asset managers to publicly disclose either a statement of compliance with the Code or where they do not commit, their alternative investment strategy.

The Financial Conduct Authority and the Financial Reporting Council have acknowledged that certain aspects of the Stewardship Code are not directly relevant to all managers.

Similarly, the Directive requires firms that invest in shares that trade on an EU regulated market to develop and publicly disclose an engagement policy or publicly disclose a clear and reasoned explanation of why it has chosen not to comply with this requirement.

The Firm is a fund manager to a single alternative fund; it does not adopt an active approach to shareholder participation. As such, the Firm has deemed compliance with the Code not to be relevant and has similarly chosen not to develop and publicly disclose an engagement policy.

The Firm's Governing Body will continue to review the Code and Directive's applicability.

For further information on the Firm's approach please contact the Firm at: [catherine@crederecap.com](mailto:catherine@crederecap.com)

# Privacy Notice

## PURPOSES OF PROCESSING AND LEGAL BASIS FOR PROCESSING

When managing and administering an investor's holdings in any relevant fund, CREDERE or its Data Processors may process an investor's personal data to carry out anti-money laundering ('AML') checks and related actions which CREDERE considers appropriate to meet any legal obligations imposed on CREDERE relating to the prevention of fraud, money laundering, terrorist financing, bribery, corruption, tax evasion and to prevent the provision of financial and other services to persons who may be subject to economic or trade sanctions.

CREDERE or its Data Processors may monitor and record calls and electronic communications for investigation and fraud prevention purposes, for crime detection, prevention, investigation and prosecution, and to enforce or defend CREDERE and its Data Processors' rights, itself or through third parties to whom it delegates such responsibilities or rights in order to comply with a legal obligation imposed on CREDERE and to assist with investigations, complaints, regulatory requests, litigation, arbitration, mediation or to pursue any other legitimate interests for which CREDERE or its Data Processors may be entitled.

## RECIPIENTS OF DATA AND INTERNATIONAL TRANSFER OF DATA

During processing personal data about the investor and (if applicable) its directors, officers, employees and beneficial owners to carry out money laundering and identity checks and comply with legal obligations, CREDERE or its Data Processors may disclose the personal data to:

- credit reference agencies and other third party information providers; and
- competent authorities (including tax authorities), courts and bodies as required by law or requested or to affiliates for internal investigations and reporting.

The disclosure of personal data to the affiliates and other third parties set out above may involve the transfer of data to jurisdictions outside the European Economic Area ('EEA'). Such countries may not have the same data protection laws as the EEA.

## RETENTION PERIOD

CREDERE will retain investors' personal data for as long as is required for the purposes for which the data was collected, depending on the legal basis for which that data was obtained and/or whether additional legal/regulatory obligations mandate that CREDERE retains the personal data.

## DATA SUBJECT RIGHTS

To the extent provided by the General Data Protection Regulation ('GDPR') or any successor provision that is substantively comparable thereto, each individual has the right to request:

- Access to their personal data.
- Rectification or erasure of their personal data.
- Restriction of the use of their personal data.

- Objection to the processing of their personal data.
- Data portability (in certain specific circumstances).

Where CREDERE requires the personal data of the investor and (if applicable) its directors, officers, employees and beneficial owners to comply with AML or other legal requirements, failure to provide this information means the investor may not be able to invest in the fund.

If the investor considers that CREDERE or its Data Processors have processed personal data in violation of the GDPR and failed to remedy such violation to the investor's reasonable satisfaction, the investor may lodge a complaint with the Information Commissioner's Office at [www.ico.org.uk](http://www.ico.org.uk).

#### HOW TO CONTACT US

If the investor has any questions about CREDERE's use of personal data, please contact [catherine@crederecap.com](mailto:catherine@crederecap.com).