



SPX INTERNATIONAL ASSET MANAGEMENT LTD.

MIFIDPRU 8 DISCLOSURE

As at 31 December 2024

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1	INTRODUCTION
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1.1 Business background

SPX International Asset Management Ltd. (the “**Company**”) is a private limited company. The Company was incorporated on 29 September 2015 in England and Wales (Company Number 09799467) and became authorised and regulated by the UK Financial Conduct Authority (“**FCA**”) on 3 November 2016 (FRN: 737180). The Company’s main business is to co-sub-manage and advise on the assets of investment funds which are also under the co-sub-management of affiliated firms located overseas.

For the purposes of applicable FCA prudential rules, the Company is classified as a MIFIDPRU investment firm and accordingly is required to comply with the disclosure requirements set out in MIFIDPRU 8 of the FCA Handbook. The Company is sub-classified as a non-SNI MIFIDPRU investment firm, and the information in this disclosure has been prepared accordingly.

1.2 Basis and purpose of disclosure

This disclosure provides market participants with both qualitative and quantitative information of the Company’s governance, risk management processes, own funds makeup and own funds requirements and the Company’s remuneration policies and processes to a level of detail which is appropriate to the Company’s size, and to the nature, scope and complexity of its activities.

This disclosure is revised at least annually, with additional updates prepared to address any material change, and published on the Company website at <https://www.spxcapital.com/>.

This disclosure has been prepared on a solo entity basis as at 31 December 2024, being the reference date of the Company’s most recent published annual financial statements.

2 RISK MANAGEMENT OBJECTIVES AND POLICIES (MIFIDPRU 8.2)

2.1 Approach to risk management

The Company's board of directors ("**Board**") manages the Company's business and identifies risks through a framework of policies and procedures that takes into account applicable laws, standards, principles and rules, including FCA rules and guidance, with the aim of operating a defined and transparent risk management framework ("**RMF**"). These policies and procedures are updated as required to ensure that the Company operates with utmost integrity and professionalism in all business dealings.

2.2 Risk management structure and operations

The Board has established and maintains the Company's governance arrangements. It has designed and implemented and operates a RMF that identifies the risks that the execution of the business's strategy entails, assesses those risks against the Company's risk appetite, assesses the arrangements in place to mitigate and/or manage those risks on an ongoing basis, and - where appropriate - identifies, implements and operates enhanced procedures and/or controls to improve the Company's ongoing mitigation and/or management of specific risks.

The Board has identified that operational, business, market and concentration risks are the principal types of risk to which the Company is exposed. Where the Board identifies that specific risks are material to the Company, the financial impact of those risks is considered as part of business planning (as above) and also capital management (in determining whether the level of regulatory capital held by the Company is adequate).

2.3 Risk appetite

The Company defines 'risk appetite' as the level of risk that the Board considers acceptable for a given risk or group of risks. The assessment of risk takes into account the perceived or actual effectiveness of existing mitigating controls. The Board has decided that the Company's overall risk appetite is low to medium in respect of investing and managing business and operational activities. The members of the Board are experienced with proven ability to ensure that the business remains tightly controlled and encourages all staff to identify, escalate and minimise risks as much as possible.

2.4 Assessing effectiveness of risk management processes

As noted above, the Company operates its RMF on an ongoing basis, where the effectiveness is under continuous review and enhancements are made as necessary. At least once annually, the Company undertakes a review of its Internal Capital Adequacy and Risk Assessment ("**ICARA**") process, of which the RMF is an integral part. Should any enhancements be recommended as a result of this review, these are fed back to the Board and changes are made as necessary to ensure all processes remain harmonised.

2.5 Potential harm

As detailed within the Company's ICARA process document, the RMF is used to conduct an assessment of the potential material harms to customers, market participants and the Company itself. The material harms are considered in additional detail in terms of their impact to the business strategy, own funds, concentration risk and liquid assets.

The overall outcome of the material harms assessment is that the most material harms are those to the Company itself. This is because, where the Company identifies a potential harm to customers or market participants, it implements safeguards to minimise customers' and markets' exposure and, ultimately, transfer the risk to the Company itself.

The specific harms that the Company has identified as material, and accordingly conducts further detailed analysis on as part of the ICARA process, can be summarised as follows:

- Risk to customers:
 - failure to maintain sufficient cash flow to meet liabilities as they fall due.
- Risk to markets:
 - market abuse and insider dealing.
- Risk to firm:
 - operational failures in the investment process;
 - loss of fund or large investor or the closure of a portfolio;
 - damage to reputation; and
 - adverse macroeconomic environment.

The Board meets formally on a periodic basis and discusses the Company's investment business as well as its current profitability projections, cash flow, business planning and risk management. Furthermore, within these meetings the Board is provided a formal update on compliance and operational matters, which includes reviewing the continued adequacy of the Company's own funds and liquid assets.

2.6 Risk management objectives and policies

As part of ongoing monitoring of strategic, financial and compliance matters, the Company ensures it remains in compliance with own funds requirements (MIFIDPRU 4), concentration risk requirements (MIFIDPRU 5), and liquidity requirements (MIFIDPRU 6).

In compliance with MIFIDPRU 4, the Company calculates a K-factor requirement ("KFR") for K-AUM, based on the investment portfolios over which it exercises its MiFID permission for discretionary management. The Company does not execute trades outside of these discretionary portfolios, does not hold client money or assets and does not operate a trading book, and so is not required to calculate any other KFRs.

In compliance with MIFIDPRU 5, the Company monitors and controls its concentration risk using sound administrative and accounting procedures and robust internal control mechanisms. On a quarterly basis, the Company reports to the FCA its counterparty concentrations of cash deposits and earnings.

In compliance with MIFIDPRU 6, the Company calculates a basic liquid asset requirement (“**BLAR**”) and ensures that it has sufficient core liquid assets to cover this at all times. This position is monitored on an ongoing basis to ensure a healthy surplus to safeguard against unforeseen adverse conditions.

The Company’s adherence with MIFIDPRU 4, MIFIDPRU 5 and MIFIDPRU 6 is subject to rigorous challenge as part of the ICARA process, whereby the potential financial impact of risks and material harms is assessed to determine if the Company’s financial resources are sufficient to withstand severe yet plausible stressed scenarios.

3 GOVERNANCE & RISK ARRANGEMENTS (MIFIDPRU 8.3)

The Company is not part of a consolidation group and is regulated on a standalone basis; therefore, the responsibility of risk management is held internally at the Company. The Company's Board has ultimate oversight over the governance and operation of the Company and is ultimately responsible for instilling an appropriate risk culture within the Company, aligning risk with the business strategy, defining the Company's risk appetite and approving policies and infrastructure.

3.1 The Board

The Board consists of the individuals in the table below.

Name	Title	FCA Senior Management Function	FCA Individual Reference Number
Rogério Xavier	Director	SMF 3	RRX01000
Bruno Pandolfi	Director	SMF 3	BPD01034
Daniel Schneider	Director	SMF 1 and SMF 3	DDS01054

The Board meets periodically and oversees the Company's RMF, identifying any new potential harms and monitoring the Company's response to any potential harms already identified. It is the Board's responsibility to challenge the ICARA process and ultimately provide sign-off.

3.2 Diversity

The Company and the Board support and affirm their commitment to the legal and moral imperatives that preclude unlawful discrimination in all relevant matters - including remuneration - on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.

3.3 Risk committee

The Company does not have a risk committee and (under MIFIDPRU 7.1.4R) is not required to establish one.

4 OWN FUNDS (MIFIDPRU 8.4)

Under MIFIDPRU 8.4, firms are required to disclose the following information:

- a reconciliation of CET1, AT1 and T2 items including relevant deductions;
- a reconciliation against the balance sheet; and
- a description of the CET1, AT1 and T2 makeup.

4.1 Composition of own funds at as 31 December 2024

	Item	Amount (GBP)	Source based on reference numbers of the audited financial statements
1	OWN FUNDS	52,413,956	
2	TIER 1 CAPITAL	52,413,956	
3	COMMON EQUITY TIER 1 CAPITAL	52,413,956	
4	Fully paid-up capital instruments	39,200,000	Statement of changes in equity (p.13)
5	Share premium	-	N/A
6	Retained earnings	9,964,722	Statement of changes in equity (p.13)
7	Accumulated other comprehensive income	-	N/A
8	Other reserves	3,283,471	Statement of changes in equity (p.13)
9	Adjustments to CET1 due to prudential filters	-	N/A
10	Other funds	-	N/A
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(34,237)	Note 8 (p.21)
19	CET1: Other capital elements, deductions and adjustments	-	N/A
20	ADDITIONAL TIER 1 CAPITAL	-	
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	-	
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

4.2 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 (GBP)	Under regulatory scope of consolidation (GBP)	Cross reference to template OF1
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Tangible fixed assets	101,413	N/A	N/A
2	Investments	24,125,837	N/A	N/A
3	Debtors	15,053,196	N/A	N/A
4	Debtors due after one year	1,463,127	N/A	N/A
5	Cash and cash equivalents	37,110,876	N/A	N/A
6	Total assets	77,854,449	N/A	N/A
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
7	Creditors	25,406,256	N/A	N/A
8	Total liabilities	25,406,256	N/A	N/A
Equity				
9	Share capital	39,200,000	N/A	4
10	Profit and loss	9,964,722	N/A	6
11	Other reserves	3,283,471	N/A	8
12	Total equity	52,448,193	N/A	N/A

4.3 Own funds: main features of own instruments issued by the Company

As at 31 December 2024 the Company had own funds of £52,413,956. This consisted of £39,200,000 share capital, invested by the sole parent SPX Capital Holding Ltd., cumulative profits of £9,964,722, other reserves of £3,283,471 and deferred tax assets of (£34,237).

The Company notes that distributions of dividends totalling £20,700,000 are disclosed as post balance sheet events in the most recent published annual financial statements.

This capital is deemed at CET1 capital and satisfies the requirements set out in the section "Own Funds Requirements (MIFIDPRU 8.5)" below.

5 OWN FUNDS REQUIREMENTS (MIFIDPRU 8.5)

The Company is required to assess the adequacy of its own funds in accordance with the overall financial adequacy rule. As at 31 December 2024, the Company's basic own funds requirement as a non-SNI MIFIDPRU investment firm in accordance with MIFIDPRU 4.3 was calculated as follows (amounts in GBP):

Permanent Minimum Requirement ("PMR")	75,000
K Factor Requirement ("KFR") (sum of below):	628,155
<i>KFR - Risk to Client</i>	628,155
<i>KFR - Risk to Market</i>	-
<i>KFR - Risk to Firm</i>	-
Fixed Overhead Requirement ("FOR")	3,443,612
Basic Own Funds Requirement	3,443,612

The Company's KFR comprises a K-AUM requirement of £628,155.

The FOR, as the highest of the relevant requirements, is the Company's basic own funds requirement. The Company monitors its own ongoing expenditure and prepares financial forecasts to ensure that they stay abreast of any material change that could result in an increase in the FOR.

The Company also continuously assesses the size of the assets that it manages to ensure that the KFR remains below the FOR. The Board keeps up to date with the Company's strategy and initiatives to ensure that capital planning is in place should the K-AUM requirement (in particular) exceed the FOR.

The Company is also obliged to consider risks on top of its basic own funds requirement through its ICARA process (MIFIDPRU 7.6.2R). The Company must produce a reasonable estimate of the own funds it needs to hold to ensure that:

- the Company is able to remain financially viable throughout the economic cycle, with the ability to address any potential material harms that may result from its ongoing activities; and
- the Company's business can be wound down in an orderly manner.

The Company has calculated such additional own funds as follows (amounts in GBP):

Additional own funds from material harms assessment	1,665,828
Additional own funds required for the Company to be wound down in an orderly manner	-
Own Funds Threshold Requirement	1,665,828

6 REMUNERATION POLICY AND PRACTICES (MIFIDPRU 8.6)

As a MIFIDPRU investment firm, the Company comes within the MIFIDPRU Remuneration Code (the “Code”), which is set out at SYSC 19G of the FCA Handbook and contains the principal general requirement to “establish, implement and maintain remuneration policies and practices” (SYSC 19G.2.1R).

As a non-SNI MIFIDPRU investment firm falling within the quantitative ceilings in SYSC 19G.1.1R(2), the Company must comply with the entire Code except for the “extended” remuneration requirements listed at SYSC 19G.1.1R(4).

6.1 Approach to remuneration

The Board is responsible for the remuneration policy, which is designed to ensure that the Company’s compensation arrangements:

- are consistent with and promote sound and effective risk management;
- do not encourage risk-taking which is inconsistent with the risk profiles of the investment portfolios managed;
- seek to avoid creating conflicts of interest; and
- are in line with the Company’s business strategy, objectives, values and long-term interests.

Compensation is based upon consideration of qualitative and quantitative factors, including the performance of the individual and business overall. Variable remuneration is adjusted in line with capital and liquidity requirements.

6.2 Development of remuneration policies and practices

The decision-making procedures and governance surrounding the development of the remuneration policies and practices adopted by the Company have risk management, equality and conflicts of interest at their core:

- Risk management:
 - adopting policies and procedures for setting variable remuneration based on factors including individual, team and Company performance;
 - alignment with the Company’s business strategy, values and long term-goals;
 - alignment with the protection of the Company’s clients and investors;
 - ensuring variable remuneration does not undermine the Company’s viability, sustainability and ability to meet its Overall Financial Adequacy Rule and Threshold Conditions; and
 - ensuring financial and non-financial incentives do not promote excessive risk-taking.
- Equality:
 - ensuring that remuneration is not discriminatory on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation.
- Conflicts of interest:
 - adopting policies and procedures aimed at mitigating any potential conflicts that may arise between the Company, staff members, clients, investors and investment strategies; and

- maintaining a Conflict of Interests Register which includes potential conflicts relating to remuneration as well as any procedures implemented to mitigate such conflicts.

6.3 Objectives of financial incentives

The Company's business strategy, objectives, values and long-term interests are consistent with sound and effective risk management. Further, variable remuneration is correlated to profits. This mechanism directly aligns the Company's interests with those of its staff.

6.4 Components of remuneration

The Company sets fixed remuneration at a level which reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment.

Variable remuneration, by contrast, is based on performance or, in exceptional cases, other conditions.

When determining the fixed and variable components of total remuneration, the Company ensures that an appropriate balance is achieved by taking into consideration all relevant factors, including the Company's business activities and associated prudential and conduct risks, and the role of the individual in the Company.

Full discretion over variable remuneration and the total pool available for variable remuneration is exercised by the Board, which takes into account the Company's realised profits and capital and liquidity position in setting these levels.

In addition, appropriate use is made of ex-post risk adjustment to address crystallised risk events including any weakening in the Company's capital position. Specifically, variable remuneration may be subject to clawback and/or deferral and malus, depending on the category of staff.

6.5 Performance criteria used for assessment

The assessment of an individual's performance is part of a multi-year framework that ensures: (a) the assessment of performance is based on longer-term performance; and (b) the payment of performance-based remuneration is spread over a period that takes account of the business cycle of the Company and its business risks.

Financial criteria, including an employee's P&L, are relevant for certain categories of staff.

Non-financial criteria include: (a) measures relating to building and maintaining positive customer relationships and outcomes; (b) performance in line with the Company's strategy or values; (c) adherence to the Company's risk management and compliance policies; (d) achieving targets relating to environmental, social and governance factors and diversity and inclusion; and (e) how far the individual adheres to effective risk management and complies with relevant regulatory requirements.

When assessing an individual's performance and deciding on the amount of any variable remuneration to be awarded, the Company and the Board take no account of the individual's protected characteristics (namely: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation).

6.6 Material Risk Takers ("MRTs")

For the performance year ended 31 December 2024, The Company has identified a total of 4 MRTs who come within the criteria of SYSC 19G.5.3R.

6.7 Performance adjustment

The Board's determination of the bonus pool reflects any subdued or negative performance of the Company. In case of the Company's subdued or negative performance, the Board has discretion to deploy malus and clawback arrangements and/or reduce the current year's bonus pool to zero. Such mechanisms are deployed in a way that is consistent, fair, robust and transparent.

6.8 Guaranteed variable remuneration

The Company may, exceptionally, offer a guaranteed level of minimum variable remuneration to a new MRT joiner which they have forgone by leaving the previous employer. Such offers are compliant with SYSC 19G.6.8R in that they occur in the context of a new hire, are limited to the employee's first year of service with the Company, and are only made to the extent that the Company has a strong capital base.

6.9 Quantitative disclosure

Aggregated quantitative information for all remuneration awarded to all staff in the financial year ended 31 December 2024 (amounts in GBP):

Fixed Remuneration	6,180,838
Variable Remuneration	13,465,296
Total Remuneration	19,646,134

Aggregated quantitative information for all remuneration awarded to MRTs in the financial year ended 31 December 2024 (amounts in GBP):

	Senior Management	Other MRTs
Number of MRTs	4	-
Fixed Remuneration	1,327,133	-
Variable Remuneration	6,175,392	-
Total Remuneration	7,502,525	-

No guaranteed variable remuneration awards or severance payments were made in the financial year ended 31 December 2024.