

**Tenaron Capital Management UK LLP
(‘the Firm’)**

SNI Disclosure

27 September 2023

1 Public Disclosure

1.1 Introduction

The Investment Firm Prudential Regime ('IFPR') is the FCA's prudential regime for MiFID investment firms, which aims to streamline and simplify the prudential requirements for UK investment firms. The IFPR came into effect on 1 January 2022, and its provisions apply to Tenaron Capital Management UK LLP (the 'Firm') as an FCA-authorised and regulated MIFIDPRU firm.

Under the IFPR, the Firm is categorised as a small and non-interconnected ('SNI') MIFIDPRU investment firm.

Tenaron Capital Management UK LLP (FRN: 811869) has been authorised by the FCA since 1 November 2018 and provides order execution and sub-investment management services to its sole client and indirect parent, Tenaron Capital Management LP ('Tenaron US'), an SEC-registered investment adviser and a CFTC/NFA registered commodity pool operator based in the New York, USA. Tenaron US is the investment manager to Tenaron Capital Macro Master Fund Ltd. ('Macro Master Fund'), Tenaron Capital Relative Value Master Fund Ltd. ('Relative Value Master Fund'), and each of their two respective feeder funds. The investment products that the Macro Master Fund and Relative Value Master Fund trade generally consist of: government bonds, futures contracts; interest rate swaps; repurchase and reverse repurchase agreements; swaptions; foreign exchange options; foreign exchange forward contracts; forward rate agreements; credit default swap indices and futures options.

The Firm is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8 of the FCA Handbook. This disclosure document covers all aspects of the disclosure requirements within the scope of the MIFIDPRU rules applicable to SNIs that have not issued additional tier 1 ("AT1") instruments under Basel III; specifically, disclosure relating to the Firm's remuneration policy and practices.

This disclosure is prepared annually on an individual basis and published on Tenaron US's website.

The Firm will consider making more frequent public disclosure where particular circumstances demand it, such as a major change to its business model or following a merger.

The Firm is not a member of a UK consolidation group as defined in the FCA Handbook.

The Firm believes that its qualitative disclosures are appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

The annual audited accounts of Tenaron Capital Management UK LLP set out further information which complements the information in this disclosure. The audited accounts are freely available from UK Companies House.

This document does not constitute any form of financial statement on behalf of Tenaron Capital Management UK LLP. The information contained herein has been subject to internal review but has not been audited by the Firm's external auditors.

1.2 Objectives

This document sets out the public disclosure under MIFIDPRU 8 for the Firm as of 31 December 2022, which is the Firm's accounting reference date.

As a MIFIDPRU investment firm, we must establish and implement disclosure requirements to provide investors, stakeholders and wider market participants insight into how the Firm is run. This disclosure sets out the overarching requirements that apply to the Firm.

1.3 General Application of Remuneration Policy

As a MIFIDPRU investment firm, we must establish, implement and maintain gender-neutral remuneration policy and practices that are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the Firm. Our remuneration policy and practices do not discriminate employees on the basis of gender or other characteristics.

The Firm has adopted a remuneration Policy that complies with the requirements of Chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook.

1.4 Governance

The Governing Body is responsible for the Firm's remuneration policy.

As a SNI, the Firm is not required to establish a remuneration committee. Therefore, the remuneration policy's supervisory function is undertaken by the Firm's Governing Body.

The Governing Body is responsible for reviewing and approving remuneration, and ensuring that remuneration policies are consistent with the promotion of effective risk management. The Governing Body is responsible for reviewing and approving salaries and the Firm's bonus pool arising from the annual compensation review, with reports made to the Governing Body as required.

The Governing Body meets regularly and is composed of:

- Peter Lurie, chairperson
- Jens Loosen
- Panos Korantzopoulos

External consultants Kroll have provided a third-party review for the purpose of assisting in the determination of the Remuneration Policy. The external consultant has also provided independent review of any changes to remuneration policies and procedures put in place to meet the requirements of IFPR relating to remuneration arrangements contained in the SYSC 19G Remuneration Code.

1.5 Performance period

The Firm's most recently completed performance period is from 1 January 2022 to 31 December 2022.

1.6 Approach to remuneration for employees

The Firm's remuneration approach is designed to support individual and firm performance, encourage the sustainable long-term financial health of the business, promote sound risk management for the success of the Firm and the benefit of its sole client, counterparties and the wider market.

The Governing Body believes the Firm's remuneration structure is appropriate for the business and the industry it operates in, and it is aligned with the Firm's strategy to create long-term value. Its objective is to align compensation with the creation of long-term value, which enhances the Firm's reputation; and preclude undeserved remuneration, which sends a negative message to stakeholders, including the Firm's staff.

1.7 Financial incentives objectives

The objectives of the Firm's remuneration practices are as follows:

- The Firm undertakes to reward all employees fairly, regardless of job function, race, religion, colour, national origin, sex, sexual orientation, marital status, pregnancy, disability or age;
- It is the policy of the Firm to operate competitive remuneration policies to attract, retain and motivate an appropriate workforce for the Firm;
- The Firm is committed to ensuring that its remuneration practices encourage high standards of personal and professional conduct, support sound risk management aligned with the Firm's regulatory requirements, and disincentives risk taking that exceeds the level of tolerated risk of the Firm;
- Provides rewards for all staff aligned to financial and non-financial performance criteria and risk profile, and the Firm's business strategy, objectives, values, culture and long-term interests;
- The Firm will not allow any unfair or unjust practices that affect pay;
- The Firm undertakes that it will not award remuneration using vehicles or methods intended to avoid application of the relevant FCA's Remuneration Code.

The Firm uses the following financial incentives:

- base salary increases;
- performance-based discretionary bonuses;
- pension match;
- benefits package; and
- professional development opportunities

Our financial incentives are designed to:

- raise employee satisfaction;
- recognise individual performance;
- attract and retain talent;
- encourage collaborative teamwork; and
- motivate staff to achieve firm-wide objectives.

1.8 Components of remuneration

The Firm makes a clear distinction between fixed and variable remuneration.

Fixed remuneration primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment; and is pre-determined, nondiscretionary, non-revocable and not dependent on performance.

Variable remuneration is discretionary and based on annual performance, reflecting the long-term performance of the staff member in the context of the staff member's job description and terms of employment. In exceptional cases, variable remuneration may be based on other factors.

The Firm will ensure that the fixed and variable components of an individual's total remuneration are appropriately balanced. In determining this balance, the Firm considers the following factors:

- The Firm's business activities and associated prudential and conduct risks;
- The role and level of experience of the individual;
- The impact that different categories of staff have on the risk profile of the Firm or of the assets it manages;

The Firm seeks to ensure that:

- No individual must be dependent on variable remuneration to an extent likely to encourage them to take risks inconsistent with the risk guidelines of the Firm; and
- Variable remuneration does not affect the Firm's ability to ensure a sound capital base.

It may be appropriate for an individual to receive only fixed remuneration, but not only variable remuneration. When assessing individual performance to determine the amount of variable remuneration, the Firm takes into account financial as well as the non-financial criteria set forth in section 1.9 below.

1.9 Financial and non-financial performance criteria

The Firm must take into account both financial and non-financial criteria when assessing the individual performance of its staff. This aims not only to discourage inappropriate behaviours but also to incentivise and reward behaviour that promotes positive non-financial outcomes for the Firm.

The Firm uses the following financial performance criteria:

- Firm performance; and
- individual performance, only after the Firm's liquidity and capital requirements have been considered.

The Firm uses the following non-financial performance criteria:

- performance in line with the Firm's strategy or values through leadership, teamwork or creativity;
- adherence to the Firm's risk management and compliance policies; and
- diversity and inclusion.

Non-financial performance criteria form a significant part of the performance assessment process, include metrics on conduct and compliance with relevant regulatory requirements, and may override financial criteria, where appropriate.

1.10 Total amount of remuneration awarded

Under MIFIDPRU 8.6.8R(2), the Firm must disclose the total amount of remuneration awarded to all staff, split into:

- fixed remuneration; and
- variable remuneration.

| Remuneration type | £ |
|-----------------------|----------------|
| Fixed remuneration | 363,970 |
| Variable remuneration | 247,875 |
| Total amount | 611,845 |