MIFIDPRU 8 Disclosure Statement

Year Ending 31 March 2025

Introduction

Apax Partners LLP (FRN: 222975) (the "Firm" or the "LLP") is authorised and regulated by the Financial Conduct Authority (the "FCA"). The Firm is a UK limited liability partnership and is the appointed investment adviser to the Apax private equity and private credit funds (the "Apax funds") which invest in companies across three global sectors: Tech, Services and Internet/Consumer. The Firm is the parent company for the Apax business worldwide (the "Apax Group"). The Firm is categorised as a non-small and non-interconnected MIFIDPRU Investment Firm ("non-SNI MIFIDPRU investment firm").

The purpose of this document is to set out information the Firm is required disclose to comply with the disclosure rules set out in MIFIDPRU 8 of the FCA handbook. These rules require the Firm to publicly disclose information on risk management objectives and policies, governance arrangements, own funds and own funds requirements, and remuneration policies and practices, which are applicable to its size and internal organisation, and to the nature, scope and complexity of its activities.

The Firm is required to disclose this information annually on the date it publishes its annual financial statements.

Scope

The information in these disclosures is relevant to the Firm on an individual basis, i.e. it does not concern any other entities in the Apax Group.

Unless otherwise noted, the information contained in this Disclosure Statement has not been audited by the Firm's external auditors and does not constitute any form of financial statement and should not be relied upon in making any judgment on the Firm.

Governance arrangements

The Executive Committee is the governing body of the Firm, with responsibility for the supervision and oversight of the Apax Group's business worldwide.

The Executive Committee defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the Firm and the prevention of conflicts of interest, in a manner that promotes the integrity of the market and the interests of its clients.

The Executive Committee meets formally on a monthly basis and receives regular updates and management reports from relevant business functions covering business initiatives, finance, legal and compliance, human resources and operational risk. The Executive Committee also approves policies and procedures including, but not limited to, conflicts of interest, remuneration, personal account dealing, anti-money laundering and market abuse.

The Executive Committee is responsible for the Firm meeting its obligations under the FCA Senior Managers and Certification Regime. Members of the Executive Committee have been approved by the FCA to undertake Senior Management Functions and have certified other members of the Firm as fit and proper to perform their roles.

The Executive Committee has established a risk appetite and risk strategy and drives a positive risk culture within Apax.

Executive Committee members

The Executive Committee is composed of the current Co-CEOs, Andrew Sillitoe and Mitch Truwit who currently do not hold any directorships outside of Apax, or companies held by the Apax funds, or that have predominantly commercial objectives.

Diversity

The Firm is committed to creating an environment where everyone feels safe, seen, valued, and connected. We work to create a true meritocracy for those that work with us and those we serve. We aim to recruit, develop, promote and treat our people equitably.

Risk committee

The Firm is exempt from the requirement to have a Risk Committee as required by MiFIDPRU 7.3.1 as it is exempt under MiFIDPRU 7.1.4R.

Risk management objectives and policies (MIFIDPRU 8.2.1R)

This section describes the Firm's risk management objectives and policies for the following categories of risk:

- Own funds requirement
- Concentration risk
- Liquidity

Potential for harm associated with the Firm's business strategy

The Firm considers that the potential for harm associated with its business strategy is low. In particular, the Firm does not take balance sheet risk and does not deal with retail clients. The Firm's revenues are mainly obtained through advisory fees charged to the General Partners of the Apax Funds. As these are closed ended funds and fees are calculated on the basis of investor commitments (during the investment period) or on invested capital (following the investment period), the revenues are stable and predictable. As a result, the assessment of the potential harm associated with the Firm's business strategy is considered low.

The Executive Committee is responsible for establishing the risk appetite within the Firm. As a private equity advisory business, the risk appetite is driven by its responsibilities to its stakeholders (e.g. the investment managers of the Apax Funds). The need to take on risk in order to produce appropriate levels of returns for the underlying fund investors is the primary driver for investment risk, whereas the Firm's responsibilities to its regulatory authorities is one of many factors driving its operational and strategic risks. Ultimately Apax's entire business model is centred around risk and it forms the basis for all decisions that are made within the Firm.

Risk Framework

The Executive Committee has oversight and control in relation to the Firm's risks and are responsible for ensuring that the Firm maintains a risk culture that is compatible with the risk appetite statement. In discharging this responsibility, the Executive Committee utilises the skill and expertise of senior members of the Apax Group.

The type and amount of risk the Firm is willing to accept as part of its business objectives is determined by the Executive Committee and reviewed periodically. Risks cannot and should not be fully eliminated as they are necessary to the continuing success of the business model, but they must always be appropriate to the results the Firm is trying to achieve.

The Firm's risk management framework is as follows:

- Identification – clearly identify the risks
- Measurement and assessment – score the impact and the likelihood of the risk
- Control and mitigation – ensure the appropriate controls are in place to mitigate the risk
- Monitoring of risks – monitor risk indicators and act before they reach danger limits
- Reporting of risks – ensure escalation to appropriate committee or Senior Management

The Executive Committee reviews key business risks within Apax and determines how they should be mitigated. Investment risk and portfolio risk are primarily considered by the Investment Committees, which seek to ensure that the relevant Apax Fund has investment risk appropriate for the expected rate of return at both the individual investment level as well as the portfolio level. The relevant Apax Fund Investment Committee reviews the Apax Fund's portfolio periodically and at least annually.

Operational risk is the responsibility of the Executive Committee who delegate this function to the COO on a day-to-day basis. The COO articulates the risk appetite, as stated by the Executive Committee from time to time, to the heads of department and ensures that the business as a whole takes on the appropriate level of operational risk. The Operational Risk Committee oversees operational risks and is comprised of senior Operations staff.

Own funds requirement

The Firm is required to maintain own funds that are at least equal to the Firm's own funds requirement. The own funds requirement is the higher of the Firm's:

- Permanent minimum capital requirement ("PMR"): the level of own funds required to operate at all times. Based on the MiFID investment services and activities that the Firm currently has permission to undertake, this is set at £75,000;
- Fixed overhead requirement ("FOR"); The fixed overheads requirement is an amount equal to one quarter of the firm's relevant expenditure during the preceding year;
- K-factor requirement ("K-AUM"); a scalar applied to particular activities the Firm carries on such as providing ongoing investment advice.

The Firm's current own funds requirement is set by its FOR as this is the highest of the three metrics.

The Firm has a process in place for monitoring its own funds requirement. This comprises quarterly reporting (looking at the capital and liquidity position of the Firm at the reporting date and its projected capital and liquidity position to assess whether or not the Firm is approaching its early warning indicator.

Liquidity

Liquidity risk is the risk that the Firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure resources only at excessive price.

The Firm manages its liquidity risk day-to-day through the Finance department, Global Head of Finance and the Chief Operating Officer. The Finance department monitors the Firm's liquidity position on a weekly basis to ensure that the Firm continues to meet its liquidity obligations.

Concentration Risk

The Firm has identified the following concentration risks and applied a control strategy for each. The Firm's assessment in relation to each concentration risk is that it does not pose a material risk to the firm, its clients or the market.

Earnings

The risk that the Firm has a significant amount of its revenue concentrated in a small number of clients, leaving it exposed if it loses one or more of those clients.

The Firm has successfully grown its core strategies over the past few years and launched several new funds in the past year. These funds provide long-term revenue (up to 10 years) and can provide a clear view of the Firm's projected income.

Cash deposits

The risk that the Firm's cash deposits are held with a single credit institution, leaving the Firm exposed if the credit institution was to become insolvent.

To manage concentration risk, the Firm maintains cash deposits (instant access) cash accounts with two UK credit institutions (which have high credit ratings) and also invests surplus cash in Money Market Funds with high credit ratings, a diversified portfolio of low-risk investments and daily liquidity. The Finance team regularly reviews the investments in Money Market Funds and their credit ratings.

Own funds

LLP's own funds are made up of Common Equity Tier 1 Capital only. Throughout 2024 and as at 31 December 2024, the Firm had sufficient own funds as required. The composition of the Firm's regulatory own funds is set out below:

	Item	Amount GBP '000	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	8,027	
2	**TIER 1 CAPITAL**	8,027	
3	**COMMON EQUITY TIER 1 CAPITAL**	8,027	
4	Fully paid-up capital instruments	3,805	Note 23 - Members' capital classified as equity
5	Share premium	-	
6	Retained earnings	7,854	Note 23 - Members' other interest – other reserves classified as equity (a balance presented as of the year-end has partly been allocated and paid after the year-end)
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	
19	CET1: Other capital elements, deductions and adjustments	(3,632)	Note 12 and 15 – Intangible assets and Investments in subsidiary undertakings

20	**ADDITIONAL TIER 1 CAPITAL**	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25	**TIER 2 CAPITAL**	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

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	Under regulatory scope of consolidation	Cross-reference to template OF1
		As at period end (GBP '000)	As at period end (GBP'000)	
Assets				
1	Intangible assets	403		N/A
2	Tangible assets	10,705		N/A
3	Investments	3,229		N/A
4	Debtors: amounts falling due within one year	72,480		N/A
5	Cash and cash equivalents	41,452		N/A
	Total Assets	**128,269**		N/A
Liabilities				
1	Creditors: amounts	36,225		N/A

	falling due within one year			
2	Provision for liabilities	55,547		N/A
	Total Liabilities	**91,772**		N/A
Members' Capital				
1	Members' capital classified as equity	3,805		Item 4
2	Members' other interests – other reserves classified as equity	29,766		Item 6 (this balance as of the year-end has partly been allocated and paid after the year-end)
3	Loans and other debts due to members (including amounts due from Members captured in Debtors)	2,926		N/A
	Total Members' capital	**36,497**		N/A

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

Members' capital classified as equity represents the capital contributions made by the members. Where the partnership does not have an obligation to repay the member their capital, such capital is classified as equity.

Own Funds comprises:

	£,000
Total members' capital as per above	36,497
Amounts classified as Debt	(2,926)
Amounts allocated and paid after the year end	(21,912)
Total CET1 Capital	**11,659**
Deductions from CET1 Capital – intangible assets	(403)
Deductions from CET1 Capital - investments in subsidiaries	(3,229)
OWN FUNDS	**8,027**

Own funds requirements

The table below shows the breakdown of the Firm's own funds requirement. LLP must maintain own funds at least equal to the Firm's own funds requirement.

Basic Own Funds Requirement			
1	Permanent Minimum Capital ("PMR")	75	
2	Fixed Overhead Requirement ("FOR")	4,802	*Based on Audited Results for 31st March 2025*
3	K-Factor Requirement - K-AUM applicable for the Firm	4,905	*As at 31st March 2025*
	Higher (of 1-3)	4,905	
	Additional own funds to meet Overall Financial Adequacy Rule ("OFAR")	1,240	
	Total Own Funds Threshold Requirement ("OFTR") - Excluding Transitional Provisions	**6,145**	

Approach to Assessing the Adequacy of Own Funds

The Firm uses the Internal Capital Adequacy and Risk Assessment ("ICARA") process to determine whether it complies with the Overall Financial Adequacy Rule ("OFAR") and if not, to work out what actions are needed to be taken. The ICARA process focuses on identifying the risks that may arise from the operation of the Firm's business. There is also analysis undertaken to determine that the business can be wound down in an orderly manner if needed.

The ICARA process is carried out annually, or updated if there is a material change in the Firm's business model and therefore risk profile.

Renumeration Policy and Practices

The below disclosures are made in accordance with the requirements of MIFIDPRU 8.6. These disclosures provide information on the Firm's renumeration policies and governance, as well as quantitative information on the renumeration of those categories of staff whose professional activities are considered by the Firm to have a material impact on its risk profile or on the assets of the Apax Funds it advises ("MRTs") in respect of the 12 month period ending 31 December 2024. For the purposes of the FCA's remuneration rules under the Investment Firms' Prudential Regime (SYSC 19G) (the "Remuneration Code"), the Firm is categorised as a non-SNI MIFIDPRU investment firm.

Renumeration Policy

The Firm's renumeration policy (the "Renumeration Policy") sets out the renumeration policies and practices for all the Firm's staff. The Renumeration Policy is designed to ensure that the Firm's renumeration arrangements:

(i) align risk and reward appropriately;
(ii) do not create conflicts of interest;
(iii) comply with regulatory requirements and reflect good governance practice;
(iv) are in line with the Firm's business strategy, objectives, values and long-term interests; and
(v) are gender neutral and respect the principle of equal pay for male and female Employees for equal work or work of equal value.

Governance

The Executive Committee of Apax Partners LLP has overall responsibility for setting the renumeration policies and procedures for the Firm and the wider Apax Group. Such policies are reviewed annually. The Co-Chief Executives share the responsibility for implementing the Firm's renumeration policy, which is operated on a day-to-day basis by the Firm's People Department with support from the Compliance Department.

The Firm does not have a Remuneration Committee.

The Firm has developed an internal framework of qualitative criteria for identifying its MRTs. The framework is in accordance with the criteria set out in SYSC 19G.5 of the Renumeration Code.

The types of staff that have been identified as material risk takers are:

- Members of the Executive Committee
- Members of the Investment Committees
- Those who have managerial responsibility for client-facing interactions
- Those who have managerial responsibility for the activities of a control function
- Those who have managerial responsibility for the prevention of money laundering and terrorist financing
- Those who are responsible for managing information technology, information security and outsourcing arrangements of critical functions.

For the performance year 2025, 15 individuals were identified as MRTs of the Firm.

Renumeration Structure

The Firm's remuneration arrangements are highly focussed on ensuring effective risk alignment between the Firm's staff, the Firm itself and the Apax funds. The Firm's primary source of revenue is advisory fees paid by the general partners of the Apax funds. This is a stable and predictable revenue stream that does not fluctuate in the short term as a result of individual behaviours.

The Firm's continuing success relies on Apax's ability to raise future funds. This requires Apax to be able to demonstrate a strong investment track record over many years. The Firm's senior personnel are therefore focussed on incentivising behaviours that deliver strong investment returns over the medium-long term. This includes the appropriate identification and management of investment risks, commensurate with the sector of the market in which the Firm operates and the risk profile of the Apax funds

Fixed Remuneration

The fixed remuneration of the members of the LLP is typically partner profit share distributed in monthly drawings over the course of the year and a final profit share paid following the end of the financial year. These are fixed with reference to a portion of the Firm's profits and will vary annually in line with the profitability of the Firm. It is intended that these are fixed to achieve a balanced between ensuring the relevant members receive drawings that, at a minimum, are commensurate with maintaining a reasonable standard of living and, and the financial stability of the Firm. The Firm also pays fixed pension contributions and provides other benefits such as private medical and dental insurance and income protection.

Variable Remuneration

Where staff receive variable remuneration, the aggregate amounts available for distribution usually reflect the performance of the Firm or the Apax funds over a multi-year framework. Performance-based remuneration (other than the AGA Share Awards) is based only on realised profits or realised investment returns, and not on unrealised amounts. All determinations of variable remuneration to be paid by the Firm (rather than through carried interest schemes) take into account the Firm's regulatory capital and liquidity requirements, future working capital needs and any reasonably foreseeable liabilities or obligations.

End of year partner profit distributions are determined in accordance with the Apax Partners LLP rules. The amount of variable remuneration payable to particular individuals is usually determined by reference to individual performance.

Individual performance is assessed by reference to both financial and non-financial criteria, including whether an individual has adhered to the Firm's internal compliance policies and procedures and demonstrated behaviours consistent with the Firm's corporate values. The performance of individuals in control functions is assessed by reference to effective performance of those control functions.

For the Firm's senior personnel, the most significant element of variable remuneration is carried interest. The Firm's carried interest schemes are designed to ensure a high degree of alignment between the Firm's staff and the investors in the Apax Funds. Awards of carried interest are made based on an individual's performance over preceding multi-year periods. The returns from carried interest schemes are wholly variable and are determined by the underlying realised performance of the relevant fund or investments

The Firm's operating model and remuneration structures are inherently designed to avoid or mitigate conflicts of interest. As noted above, the Firm has a stable revenue stream that does not fluctuate in the short term as a result of individual behaviours and returns from carried interest schemes reflect whole fund performance over an extended period of time. Individuals are therefore not able to increase the variable remuneration they receive by engaging in short-term risky behaviours, or by acting in a manner that conflicts with the interests of the Firm or its clients.

The Firm has obtained legal advice in relation to the requirements in SYSC 19G (the MIFIDPRU Remuneration Code) but does not use external consultants in the development of its remuneration policies and practices.

Non-standard forms of variable remuneration

The Firm does not typically offer non-standard forms of variable remuneration. The Firm hires individuals into roles conferring MRT status only rarely. In exceptional circumstances, the Firm may offer guaranteed variable remuneration to MRTs joining the Firm in the form of a 'lost opportunity bonus', provided the Firm's capital position is sufficiently sound at that time. Any such bonus is subject to malus and clawback in accordance with the Firm's remuneration policy.

Risk Adjustment

The Firm's bonus arrangements are fully discretionary and in-year adjustments may be applied to bonuses that would otherwise have been paid to an MRT where the Executive Committee considers this to be appropriate in the circumstance. In relation to partner profit distributions, the Firm has entered into a side letter with all MRTs under which it is agreed that in-year adjustments may be applied by the Firm to bonuses that would otherwise have been paid in respect to partner profit distributions in accordance with the Apax Partners LLP rules.

The Firm does not typically defer bonus payments. Such payments are therefore subject to in-year adjustments and clawback, but not malus. Bonuses paid to MRTs, including bonuses in respect of partner profit distributions, are subject to clawback for a period of three years from the date on which payment is made. The Firm can only apply clawback where an MRT:

- participated in or was responsible for conduct which resulted in significant losses to the Firm; and/or
- failed to meet the appropriate standard of fitness and propriety.

The Firm will apply Malus and Clawback to carried interest awards up to the fourth anniversary of the date upon which the General Partner closed or, transferred or awarded the relevant Initial/Post-Initial Carry allocation in respect of the individual.

The Firm maintains policies and procedures governing its approach to risk adjustments and severance payments, including how the Firm takes into account current and future risks when adjusting remuneration.

Quantitative remuneration disclosures

The tables below provide details of the quantitative remuneration information that LLP is required to disclose for the year ended 31 March 2025.

	LLP
Total number of MRTs identified under SYSC 19G.5	15

Remuneration for year ended 31 March 2025

	Fixed remuneration (£m)	Variable remuneration (£m)	Total remuneration (£m)
Senior Management & Other MRTs[1]	14,969	24,435	39,404
Other staff	18,357	27,905	46,262
Total remuneration overall			85,666

Guaranteed variable remuneration and severance payments for senior management and other material risk takers[2]:

	(£m)	Number of MRTs
Total amount of guaranteed variable remuneration awards made	0	0
Total amount of severance payments made	0	0
The amount of the highest severance payment awarded to an individual MRT	0	

[1] In accordance with MIFIDPRU 8.6.8(7), LLP has aggregated the information to be disclosed for senior management and other MRTs as splitting the information would lead to the disclosure of information about one or two people.

[2] In accordance with MIFIDPRU 8.6.8(7), LLP has aggregated the information to be disclosed for senior management and other MRTs as splitting the information would lead to the disclosure of information about one or two people.