



Redmayne Bentley

2022 PILLAR 3 DISCLOSURES

For the Financial Year Ended 31st March 2022

CONTENTS

Overview	3
Governance Arrangements	4
Own Funds	11
Own Funds Requirements	13
Remuneration Policy and Practices	16
Appendix	17

OVERVIEW

This disclosure is in relation to Redmayne Bentley LLP (“RBLLP”, “the Firm”). RBLLP is a Limited Liability Partnership company incorporated in the United Kingdom (“UK”), authorised and regulated by the Financial Conduct Authority (“FCA”) under a Firm reference number 499510.

RBLLP is an investment management and execution-only stockbroking firm. Its clients are predominantly private retail, and its main source of revenue is derived from the provision of services, either through commission charged for the placing of trades or through fees levied for the ongoing advisory, discretionary or dealing with advice services.

This document sets out the public disclosures for RBLLP as at 31st March 2022, representing the end of the financial accounting period.

BASIS AND FREQUENCY OF DISCLOSURE

As a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive (“MIFID”), RBLLP is subject to the prudential requirements of the Investment Firms Prudential Regime (“IFPR”) contained in the MIFIDPRU Prudential sourcebook for MIFID Investment Firms of the FCA Handbook.

RBLLP is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8 of the IFPR. These requirements are supplemented by the guidance set out in MIFIDPRU 8 published by the FCA.

Under the IFPR’s firm categorisation, RBLLP is categorised as a non-small non-interconnected (“non-SNI”) MIFIDPRU investment firm.

The disclosure for RBLLP is prepared annually as a solo entity (i.e., individual) basis. The disclosed information is proportionate to RBLLP’s size and organisation, and to the nature, scope and complexity of RBLLP’s activities.

TRANSITIONAL PROVISIONS

In accordance with the disclosure requirements applicable to non-SNI MIFIDPRU investment firms and the Transitional Provisions (“TP”) relating to disclosure requirements contained in MIFIDPRU TP12, RBLLP has adopted TP12 for the purposes of its first MIFIDPRU 8 public disclosure (i.e., for FY22) since the IFPR regime was implemented on 1 January 2022.

Consequently, the scope of the information disclosed in this document relates principally to RBLLP’s governance arrangements, own funds, own funds requirements and remuneration arrangements in place. A high-level overview of the risk management framework is also provided in this disclosure.

POLICY, VALIDATION AND SIGN-OFF

RBLLP is committed to following a robust internal control framework to ensure the completeness, accuracy, and compliance with the relevant standards and regulatory requirements of any external reports and disclosures. As an external publication, this document has been subject to internal challenge and approval by the Firm’s Risk Oversight Committee and Main Board.

The governance in place allows for appropriate challenge and oversight prior to publication. The disclosure is not required to be subject to independent external audit.

GOVERNANCE ARRANGEMENTS

LEGAL AND ORGANISATIONAL STRUCTURE

The Firm has nine associated entities which are either Nominee companies or dormant. Redmayne Perth LLP and Minnie Business Systems Limited are two smaller entities; therefore, the Firm applies regulatory consolidation on this group of 3. The Firm is the only FCA-regulated entity.

At the tax-year end (31st March 2022), the Firm consisted of seven equity members (one is a limited company - Redmayne Capital Limited) and one fixed-profit share member.

The Firm has principal offices in Leeds, Locksbottom and London, employing 266 individuals throughout the Firm. Leeds continues to be the largest office with 178 individuals. There are also 103 non-employed individuals who work under one of the following agreements: franchise, franchise associate or associate agreements.

The Equity Members are assisted by a team of directors who oversee departments throughout the Firm.

BUSINESS OVERVIEW

RBLLP operates solely within the UK. RBLLP is an execution-only stockbroker and investment management firm. Its clients are predominantly private retail, and its main sources of revenue are derived from the provision of services, either through commission charged for the placing of trades with the stock market or through fees levied for ongoing advisory or discretionary management services.

The Firm offers additional services including Dealing with Advice and Financial Planning, but these are not material to the firm's sources of revenue. The Financial Planning service was only introduced in 2022 and will grow over the short to medium term.

The firm initially created a five-year strategic plan which commenced in April 2019. Owing to external pressures including the pandemic, the decision was made in 2022 to extend the business plan to six years, concluding in March 2025. The key themes of the strategic plan are:

- Business Growth (primarily increasing Funds under Investment Management);
- Excellent Client Service;
- Streamlining Processes, and
- Developing People.

RBLLP GOVERNANCE STRUCTURE

RBLLP has a formalised governance structure which is designed to provide oversight of the risk management of the Firm's business operations in line with the systems and controls that RBLLP has in place to operate appropriately and in accordance with the necessary regulatory requirements and expectations. The governance structure further provides for independent oversight and challenge to the executive.

During the 21/22 financial year, the Firm commissioned PWC to undertake a board evaluation and to provide feedback on the governance structures, board compositions and responsibilities. As a result, a number of the committees and boards have recently been changed or are in the process of being changed. Set out below is the latest Committee Structure which gives details of key management committees and their reporting line.

Main Board (“MB”)

The MB consists of six equity members and two non-executive directors. It meets formally every quarter and is responsible for the overall direction of the Firm and its financial performance. The MB has ultimate responsibility for the effective management of risk and approves the Firm’s Risk Appetite and is supported by the Risk Oversight Committee (“ROC”). As well as receiving reports from the Executive Board, it receives updates from the main Control Committees - ROC, Audit, CASS, IT Strategy, Communications and Remuneration, Nominations & Governance.

Executive Board (“EB”)

The EB has responsibility for the formulation and delivery of the Firm’s Business Plan. The EB meets monthly, and reports to the MB.

The EB consists of seven directors and two Joint Chief Executives. The members of the EB work closely with the business and have executive accountability for the ongoing monitoring, assessment, and management of the Firm’s risks, and is supported by the Risk Management Committees.

The EB are involved in the preparation of the ICARA, including the risk assessment, risk appetite of the additional provisions and construction of the stress tests used in the sensitivity analysis. Subsequently these are submitted to the ROC and then the MB for approval.

Risk Oversight Committee (“ROC”)

The ROC is responsible for the management of the Firm’s risk framework and systems of internal control. The ROC is chaired by one of the Firm’s non-executive directors and other members of the Committee include the Firm’s Life President, the Firm’s Chairman, another non-executive director, 1 of the Joint Chief Executives, Director of Operations, Head of Regulation, Director of Finance, Director of Business and Branch Development and the Risk Manager. Other personnel may be co-opted if required, including other directors who are rotated and attend meetings periodically.

There are 4 underlying Risk Management Committees (‘RMC’s) which form the governance structure of the ROC;

- Operational RMC,
- Market, Credit & Liquidity RMC,
- Conduct & Regulatory RMC, and
- IT & IT Security RMC.

These committees are responsible for managing aspects of risk experienced within the daily operations of the Firm and escalate any issues of materiality to the ROC for review and discussion.

The ROC has had oversight of the preparation of the 2022 ICARA and has approved and signed off the Risk Assessment, statement of Risk Appetite, overarching risk framework and stress tests undertaken prior to submission to the MB.

Audit Committee (“AC”)

The AC is chaired by a non-executive director. The Committee has delegated authority from the MB and is responsible for ensuring the effectiveness of the Firm’s risk management processes. The AC also oversees the audit framework, including compliance departmental reviews, branch assessments and the work performed by the third-party internal auditors. The Committee’s responsibility also covers the Firm’s principal accounting and management processes. All meetings are minuted and minutes are circulated to members of both the EB and MB.

CASS Committee

The CASS Committee is a control committee of the MB, from which it obtains its authority and to which it regularly reports. The committee is chaired by the Chair of the Firm, its members include one Joint Chief Executive, Director of Operations, Director of Finance, Head of Asset Services & Settlements, the CASS Manager, Director of Stockbroking, Head of Investment Management and Head of Regulation. The CASS Committee is responsible for the Firm's ongoing compliance with the FCA's CASS rules by overseeing the systems and processes employed, any CASS breaches and their resolution.

Remuneration, Nominations and Governance Committee ("RNGC")

The Firm has a remuneration policy which ensures that the Firm is fully compliant with the FCA remuneration code for the Firm's level 3 category and corporate governance. This has no implications for the Firm's capital resources. The Remuneration, Nominations and Governance Committee meets to review the implementation of the policy and makes recommendations to the MB for changes to the policy and other remuneration decisions. The Committee is chaired by one of the non-executive directors and also includes the Chair, and the other non-executive director who are all voting members. Both Joint Chief Executives are members of the Committee but only hold a single vote between them. The Director of Human Resources attends meetings as a non-voting member.

Owners Board ("OB")

Towards the end of 2022, RBLLP created the "Owners Board" which is solely comprised of members of the LLP, to include representation from the corporate equity member as well. The purpose of this board is to provide a mechanism for the MB to communicate with the owners of the business and to make decisions specifically required by the LLP's Membership Agreement. This OB will ratify the firm's risk appetite statements and review the capital plans of the firm.

In addition, there is an IT Strategy group and Communications committee responsible for overseeing the firmwide approach to IT infrastructure and development, and internal and external communications respectively.

2022 PILLAR 3 DISCLOSURES

Directorships

The following information relates to the appointments of directors held in both, executive and/or non-executive functions, including any directorships held at external commercial organisations as at 31st March 2022 as required by MIFIDPRU 8.3.1R:

SMF FUNCTION / ROLE	NAME	BACKGROUND	NUMBER OF OTHER EXTERNAL DIRECTORSHIPS
SMF27 – Partner Life President	Keith Loudon	Keith joined the Firm in 1962. Keith is Life President of Redmayne Bentley. He has occupied a leading position in the industry both regionally and nationally. Keith was invited by the Bank of England to be a Founder Director of CREST.	10
SMF9 – Chair SMF27 – Partner Chairman	Michael Wheeler	<p>Michael joined the Firm in 2000</p> <p>Michael had a long career in public accounting practice and specialised in regulatory audit and ancillary services to small- and medium-sized stockbrokers and fund managers. Michael moved to Redmayne Bentley as Finance Officer in 2000 and became an equity partner in April 2003.</p> <p>Up to 2018 Michael had board level responsibility for statutory account, regulatory returns, company secretarial and contractual legal issues.</p> <p>Michael then became Non-Executive Vice-Chairman while still part of the Audit, Risk, Remuneration, IT Strategy and Client Money and Assets Committees, chairing the latter two.</p> <p>In 2021 Michael became the firm's Chairman.</p>	11
SMF27 – Partner Joint Chief Executive	David Loudon	<p>David joined the firm in 1993 and has represented the firm and the industry as a member of various groups and was an active board member of the Personal Investment Management and Financial Advice Association (PIMFA) for ten years until late 2021 when his term expired.</p> <p>David is a Joint CEO and has direct responsibility for the firm's Operations, Finance, Risk and Human Resources departments, and is a member of the firm's Remuneration and CASS committees. David sits on both the Main and Executive Boards.</p>	10
SMF27 – Partner	Stuart Davis	Stuart's career in the financial services industry began in 1983, firstly in accountancy before moving to stockbroking	11

2022 PILLAR 3 DISCLOSURES

Joint Chief Executive		<p>in 1986. He joined Redmayne Bentley in 1991 and became an equity partner of the firm in April 2003 and in 2005 a Fellow of the Securities and Investment Institute.</p> <p>Now, as Joint CEO, he has direct responsibility for Investment Management, Stockbroking and IT and sits on both the Main and Executive Boards. His role also includes contributing to and implementing strategic planning for the firm.</p>	
SMF16 – Compliance Oversight	Nick Bettison	Nick's career in financial services began in 1990, joining Redmayne Bentley in 1991 as a Stockbroker. In 2008 he joined the firm's senior management team as Head of Trading.	3
SMF27 – Partner			
Director of Business and Branch Development		<p>Based in the London office, Nick sits on several of the firm's key Control Committees and is involved in Redmayne Bentley's ongoing growth and expansion strategy as part of his responsibility for business and branch development. Externally, Nick is a Board member of the Personal Investment Management and Financial Advice Association (PIMFA).</p> <p>During 2020 Nick became an Equity Partner of the firm and is a member of both the Main and Executive Boards.</p>	
SMF27 – Partner	James S. Andrews	James is based at the firm's Leeds Head Office and has responsibility for investment management and research. He joined Redmayne Bentley from KPMG, where he was Head of Equity Research in its investment advisory division.	2
Director of Investment Management		<p>James has an MBA with Distinction from the University of Leeds and is a Chartered Fellow of the Chartered Institute for Securities and Investment with over 19 years of institutional and private client investment management experience.</p> <p>During 2021 James became an Equity Partner of the firm and sits on both the Main and Executive Boards.</p>	
SMF10 – Chair of the Risk Committee	Kim Rebecchi	Kim is a Fellow of the Chartered Institute of Bankers and holds a postgraduate diploma in financial services. She worked at Leeds Building Society for 28 years, latterly as the Sales and Marketing Director and as an executive member of the Board.	2
SMF12 – Chair of the Remuneration Committee			

2022 PILLAR 3 DISCLOSURES

SMF13 – Chair of the Nominations Committee		She holds the Financial Times Non-Executive Diploma and is also a Director of Furness Building Society and Cynergy Bank.	
SMF14 – Senior Independent Director Non-Executive Director		Kim joined Redmayne Bentley as a Non-Executive Director in April 2016 and was attracted by the firm's strong business performance, solid values, and reputation. Kim also chairs the Remuneration, Nominations & Corporate Governance and Risk Oversight committees.	
SMF11 – Chair of the Audit Committee Non-Executive Director	Ian Cordwell	<p>Ian joined the Board of Redmayne Bentley in November 2020 following a 30-year career in retail financial services serving on Boards for the past 25 years. A Fellow of the Institute of Chartered Accountants, Ian has held diverse roles ranging from traditional CFO to Group Marketing, Group Operations and Chief Investment Officer in organisations such as M&S Financial Services, LV= and Police Mutual. Ian has also spent time with the Pensions Regulator, developing his own small businesses and as a Non-Executive Director of a Health Trust.</p> <p>Ian is also a Non-Executive Director and Audit Committee Chair for National Pharmacy Association Insurance. In addition, he runs a small employee benefits business and a green waste recycling business.</p>	3

OWN FUNDS

COMPOSITION OF REGULATORY OWN FUNDS

RBLLP's own funds (i.e., capital resources) comprise the LLP's fixed capital, retained earnings and a subordinated loan.

As at the FY end on 31st March 2022, RBLLP complied with the relevant capital regulatory obligations as outlined in the IFPR.

Table 1 - Composition of Regulatory Own Funds (Source based on reference numbers/letters of the balance sheet in the audited financial statements)

	£000'S
1 Own Funds	13,874
2 Tier 1 Capital	11,974
3 Common Equity Tier 1 Capital	11,974
4 Fully paid-up capital instruments	9,499
6 Retained earnings	4,077
7 Accumulated other comprehensive income	-
8 Other reserves	2,545
9 Adjustments to CET1 due to prudential filters	-
10 Other funds	-
11 (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(4,147)
19 CET1: Other capital elements, deductions and adjustments	(4,147)
25 TIER 2 CAPITAL	1,900
26 Fully paid up, directly issued capital instruments	1,900
27 Share premium	-

RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE FINANCIAL STATEMENTS

The table below describes the reconciliation with own funds in the balance sheet as at 31st March 2022, where assets and liabilities have been identified by their respective classes. The information in the table below reflects the balance sheets in the audited financial statements.

Table 2 - Own Funds: Reconciliation of Regulatory own funds to balance sheet in the audited financial statements (as at 31st March 2022).

at 31st March 2022.				
		a	b	c
		BALANCE SHEET AS IS PUBLISHED/AUD ITED FINANCIAL STATEMENTS (£000s)	UNDER REGULATORY SCOPE OF CONSOLIDATION (£000s)	CROSS- REFERENCE TO TEMPLATE OF OF1
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Goodwill	153	(153)	Item 11
2	Intangible Assets	927	(927)	Item 11
3	Tangible Assets	320		
4	Investments	3,032	(3,032)	Item 11
5	Debtors	43,436	(35)	Item 11
6	Cash at Bank and in Hand	37,219		
	Total Assets			
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors due within 1 year	64,491		
2	Provisions	873		
3	Creditors due after 1 year	2000		
	Total Liabilities			
Shareholders' Equity				
1	Members capital classified as Equity	9,499		
2	Members capital classified as a liability	5,679		
3	Revaluation Reserve	2,544		
	Total Members Equity	17,722		

OWN FUNDS REQUIREMENTS

K-FACTOR REQUIREMENT AND FIXED OVERHEADS REQUIREMENT

RBLLP is required to disclose the K-factor requirement (“KFR”) and the fixed overheads requirement (“FOR”) amounts in relation to its compliance with the own funds requirements (“OFR”) set out in MIFIDPRU 4.3. The amounts are presented in the table below. For the definition of each K-factor, please refer to the appendix.

ITEM		TOTAL AMOUNT IN £000'S
K-Factor	Σ K-AUM, K-CMH, K-ASA and K-COH	£5,139
	Σ K-NPR and K-CMG	£0
	Σ K-TCD, K-DTF and K-CON	£1
FOR		£5,624

APPROACH TO ASSESSING THE ADEQUACY OF OWN FUNDS

RBLLP is further required to disclose its approach to assessing the adequacy of its own funds in accordance with the overall financial adequacy rule (“OFAR”) as outlined in MIFIDPRU 7.4.7R.

ICARA PROCESS

The Internal Capital Adequacy and Risk Assessment (“ICARA”) process serves as the means of assessing key risks to which RBLLP is exposed. Further, it assists RBLLP with identifying and managing material harms that the Firm may cause through its regulated and unregulated activities. The ICARA process further seeks to determine the level of own funds and liquid assets the Firm needs to hold.

The ICARA process has been implemented and is in the process of being embedded within the Firm’s risk management framework (“RMF”). It has replaced the former Internal Capital Adequacy Assessment Process (“ICAAP”) and has been enhanced to improve the effectiveness of the new process.

The following are key elements that will be assessed as part of the ICARA process:

- Business strategy and growth plans;
- Comprehensive key risk and harms assessments;
- Internal assessment of own funds adequacy
- Internal assessment of liquidity adequacy;
- Capital and liquidity planning (i.e., financial, own funds and liquidity);
- Stress testing;
- Recovery actions; and
- Wind-Down Plan (“WDP”).

The adequacy of the ICARA process will be reviewed at least annually or more frequently, should there be any material changes to RBLPP’s risk profile, business strategy or if requested by the RBLLP MB.

2022 PILLAR 3 DISCLOSURES

OVERALL OFAR COMPLIANCE

At all times, RBLLP must hold adequate financial resources, both in amount and quality, to ensure that the Firm remains financially viable throughout the economic cycle with the ability to address and mitigate any potential harms that may be caused, arising from its ongoing business activities, and that the Firm is prepared for an orderly wind-down while minimising harm to customers or to other marketing participants, without threatening the integrity of the UK financial system.

As a minimum to meet the OFAR, an FCA standard of determining the adequacy of its financial resources through the internal assessment of its capital and liquidity adequacy, RBLLP must meet the OFR and basic liquid assets requirement ("BLAR").

As a non-SNI firm, RBLLP has to comply with the provisions of the OFR contained within MIFIDPRU 4.3.2R by holding the highest of:

- Its permanent minimum capital requirement ("PMR") (per MIFIDPRU 4.4);
- Its FOR (per MIFIDPRU 4.5); or
- Its KFR (per MIFIDPRU 4.6).

RBLLP complies with its PMR of £750,000, being a fixed requirement based on the permissions the Firm has to undertake its regulated activities.

The IFPR KFR methodology for calculating own funds requirements, as outlined in MIFIDPRU and implemented on 1st January 2022, provides for a suite of K-Factors to be applied as relevant, based on a firm's permissions. The relevant K-Factors to RBLLP's activities are K-AUM, K-COH, K-CMH, K-ASA and K-DTF. Their combination is referred to as the Firm's KFR.

RBLLP does not expect the other K-Factors to be relevant to its calculations given the Firm's current permissions and activities. However, should RBLLP explore alternative business activities, impacts would be assessed by the EB.

Further, RBLLP performs an internal assessment of the own funds and liquid assets required to support its ongoing operations and to support an orderly wind-down of the Firm. RBLLP also undertakes annual stress testing and scenario analysis as key inputs in these internal assessments of the adequacy of its financial resources. These internal assessments, alongside the OFR and BLAR, help inform the adequate level of financial resources required to be maintained by RBLLP in compliance with the OFAR.

OWN FUNDS ADEQUACY AND MONITORING

RBLLP recalculates the available Own Funds each month and tracks it through its financial information and risk reviews. As such the information is reviewed by the relevant RMC and ROC.

LIQUID ASSETS ADEQUACY AND MONITORING

RBLLP recalculates the available Liquid Assets each month and tracks it through its financial information and risk reviews. As such the information is reviewed by the relevant RMC and ROC.

WIND-DOWN

RBLLP has a WDP, which provides an overarching governance framework for the process of easing its operations while ensuring minimal adverse impact to clients, markets, or the firms counterparties. It provides a guide and practical steps to assist the MB and senior management in making timely and effective decisions to wind down RBLLP in the event of several financial stress. The WDP includes key actions and a timeline from when a wind down is, through to the preparation, execution, and endpoint of the process.

2022 PILLAR 3 DISCLOSURES

The thresholds and escalations set within our monthly Own Funds Adequacy and Monitoring process are aligned and consistent with the wind-down triggers included within WDP.

The WDP is reviewed and updated annually.

OVERVIEW OF RISK MANAGEMENT AND CONTROL ENVIRONMENT

The management of risk within RBLLP is formalised and set out in the RBLLP Enterprise Risk Management framework, the Risk Appetite Framework and in associated policies. The RMF comprises the following components:

- Risk governance including policies and procedures;
- Risk culture and strategy;
- Board-defined overall risk appetite statements;
- Risk and Control Self-Assessments;
- Capital and Liquidity Adequacy;
- Stress testing;
- Monitoring, reporting and management information; and
- ICARA Process review document.

RBLLP assigns roles and responsibilities for managing its identified risks by using the 'three lines of defence' model. The primary responsibility of risk management is assigned to the business operations.

Monitoring of risks, reporting to senior management and the Board and the overall oversight of risk management to ensure effective operation of the RMF are subject to formalised processes and procedures.

REMUNERATION POLICY AND PRACTICES

As the Firm is regulated by the Financial Conduct Authority (FCA), it is subject to the FCA Remuneration Code. The obligations under the code are proportionate to the size, nature, scope, and complexity of a firm and as a firm with limited activity, RBLLP has been categorised as Level 3.

Level 3 firms can dis-apply the requirement:

- to establish a remuneration committee
- for variable remuneration to be paid partly in shares
- to defer variable remuneration
- for performance adjustments
- on leverage (ratios between fixed and variable remuneration); and on multi-year frameworks for remuneration

The Firm reviews the Remuneration Policy annually as part of governance arrangements. The following are the key elements of its approach to ensuring that it meets good governance principles and to ensure that any potential conflicts of interest which could arise from remuneration schemes are minimised.

- Although not strictly under level 3, the Firm does have a Remuneration, Nominations and Governance Committee which is responsible for ensuring there is a greater alignment between risk and individual reward to discourage excessive risk taking and to deliver the objective of the Remuneration Policy. The committee reports to the Main Board. The policies are reviewed annually or if there is a significant change to the business requiring an update to its internal capital adequacy assessment.
- Salaries are reviewed by reference to salary bands which are updated through regular job evaluation. Recommendations on salary reviews above 25% are made by Directors and considered by the Remuneration Committee. The Firm's remuneration arrangements represent a combination of fixed salaries and variable remuneration including bonus payments, commission, and shares of management fees. The process is designed to align the interest of the Firm and its employees with those of its clients and other stakeholders to ensure the Firm's long-term profitability.
- Bonus payments to employees are made on a fully discretionary basis, determined by a fixed formula linked directly to the overall profits of the Firm each half year and based on performance against core competencies. Commission and fee shares are also based on a pre-determined formula.
- Franchisees and their associates are rewarded by a fixed rate share of revenue with no target thresholds. These are agreed contractually.

APPENDIX

K-FACTORS DEFINITION

Prudential sourcebook for MIFID investment firms (i.e., MIFIDPRU) of the FCA handbook sets out the KFR methodology for calculating own funds requirements, effective from 1st January 2022. The IFPR introduced nine K-Factors. The application of each K-Factor at individual firms is determined by a firm's regulatory permissions.

K-FACTOR	DESCRIPTION
K-AUM	Assets under management
K-COH	Client orders handled
K-ASA	Assets safeguarded and administered
K-CMH	Client money held
K-NPR	Net position risk
K-CMG	Clearing margin given
K-TCD	Trading counterparty default
K-DTF	Daily trading flow
K-CON	Concentration risk