Pillar 3 and Remuneration Disclosure
Perella Weinberg Partners UK LLP for the 2019 financial year

The Capital Requirements Directive ("CRD") (Directive 2013/36/EU) and the Capital Requirements Regulation ("CRR") (Regulation (EU) No 575/2013) of the European Union establish the regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain. In the United Kingdom, the CRD has been implemented by the Financial Conduct Authority ("FCA") in its regulations through the Prudential Sourcebook for Investment Firms ("IFPRU").

The statements contained in this Pillar 3 disclosure represent the position as of 31 December 2019, unless expressly stated otherwise herein.

It should be noted that on 31 March 2020, as part of an internal reorganisation, the business of Perella Weinberg Partners UK LLP was transferred to Perella Weinberg UK Limited and, in connection therewith, the FCA approved the delicensing of Perella Weinberg Partners UK LLP with effect from 31 March 2020.

The CRD consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets the firm's credit, market and operational risk capital requirement;
- Pillar 2 requires the firm to assess whether its capital reserves, processes, strategies and systems are adequate to meet Pillar 1 requirements and further determine whether it should apply additional capital, processes, strategies or systems to cover any other risks that it may be exposed to;
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position to encourage market discipline.

The CRR sets out the provision for Pillar 3 disclosure. This document is designed to meet our Pillar 3 obligations.

The Pillar 3 disclosure document has been prepared by Perella Weinberg Partners UK LLP (the "Firm") and is approved by relevant senior management. Unless otherwise stated, all figures are as at 31 December 2019.

We are permitted to omit required disclosures if we believe that the information is immaterial such that the omission would not be likely to change or influence the decision of a reader relying on that information. In addition, we may omit required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties. We have made no omissions on the grounds that it is immaterial, proprietary or confidential. We have neither made any omissions on the grounds of data protection.

Scope and application of the requirements

The Firm is authorised and regulated by the FCA and as such is subject to minimum regulatory capital requirements. The Firm is categorised as an IFPRU limited licence firm by the FCA for capital purposes. The Firm's business is to provide advisory services to corporate clients principally relating to mergers, acquisitions and financial restructuring. It is a financial advisory firm and as such has no trading book exposures.

The Firm is not a member of a UK group and so is not required to prepare consolidated reporting for prudential purposes. However, we are part of the wider Perella Weinberg Partners group of companies which is headquartered in the United States. We do not have any investments in other group companies and foresee no impediments to the prompt transfer of capital between group entities should the need arise. There is no difference in the basis of consolidation for accounting and FCA prudential purposes.

Risk management

The Firm is governed by its members ("Senior Managers") who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Firm's governance arrangements along with designing and implementing a risk management framework that recognises the risks that the business faces. The Senior Managers also determine how the risk our business faces may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The Senior Managers meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital management, and business planning and risk management. The Senior Managers manage the Firm's risks business though a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required. The Senior Managers have identified that business and strategic, reputational and information security risks are the main areas of risk to which the Firm is exposed. Annually the Senior Managers formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness. Where the Senior Managers identify material risks they consider the financial impact of these risks as part of our business planning and capital management and conclude whether the amount of regulatory capital is adequate.

Governance arrangements, the management body and competence

The Senior Managers meet on a regular basis. Such meetings have a formal agenda which countenances enterprise-wide issues and the risk appetite of the business. The meetings demonstrate how the Senior Managers oversee and are accountable for the implementation of governance arrangements and ensures the effective and prudent management of the Firm, with due consideration to the appropriate and proportionate segregation of duties and the prevention of conflicts of interest.

The Firm considers that appropriate policies are in place to ensure the fitness and propriety of all staff, including the Senior Managers. All the Senior Members are experienced industry professionals and any senior appointments are subject to the approval of the management body with due consideration to the reputation, fitness and experience of the candidate as well as the long-term strategic goals targets of the business.

Each of the Senior Managers have disclosed any outside business interests.

Initial ongoing assessments of the competence of staff are conducted, and all Senior Managers and Certification Function staff are required to attest to their ongoing compliance with the fitness and properness obligations of the Senior Managers and Certification Regime.

On an on-going basis, all staff (including the Senior Managers) undergo training on a variety of regulatory topics on an annual basis.

Regulatory capital

The Firm is a Limited Liability Partnership and its capital arrangements are established in its Limited Partnership Agreement. The main features of the Firm's capital resources for regulatory purposes are as follows (December 2019):

	Capital item £m
Tier 1 capital less innovative tier 1 capital	**28.5**
Total tier 2, innovative tier 1 and tier 3 capital	**0**
Deductions from tier 1 and tier 2 capital	**0**
Total capital resources, net of deductions	**28.5**

Our Firm is small with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its accounts receivable and payable in foreign currency, and credit risk from fees receivable from its clients and the cash it holds at the bank. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk. The Firm is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge though it considers this as part of its process to identify the level of risk based capital required.

As discussed above, the Firm is a limited licence firm and as such its Total Risk Exposure is determined by reference to the higher of:

- The sum of the risk weighted exposures relating to market and credit risk; and
- 12.5 multiplied by the Fixed Overhead Requirement

The FOR is calculated, in accordance with FCA rules and the EBA regulatory technical standards, based on the Firm's previous years audited expenditure.

Summary of capital ratios

CET1 Capital ratio	24.1%
Surplus(+)/Deficit(-) of CET1 capital	£23.2m
T1 Capital ratio	24.1%
Surplus(+)/Deficit(-) of T1 capital	£21.4m
Total capital ratio	24.1%
Surplus(+)/Deficit(-) of total capital	£19.0m

Capital requirements

The Firm's capital requirement is the greater of:

- Its base capital requirement of €50,000; or
- The sum of its market and credit risk requirements; or

- Its Fixed Overhead Requirement.

It is the Firm’s experience that the Fixed Overhead Requirement establishes its capital requirements and hence market and credit risks are considered not to be material.

Remuneration disclosure

The Firm is subject to FCA Rules on remuneration. These are contained in the FCA's Remuneration Code located in the SYSC Sourcebook of the FCA’s Handbook. The Remuneration Code (“the RemCode”) covers an individual’s total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two.

Our policy is designed to ensure that we comply with the RemCode and our compensation arrangements:

1. are consistent with and promotes sound and effective risk management;
2. do not encourage excessive risk taking;
3. include measures to avoid conflicts of interest; and
4. are in line with the Firm's business strategy, objectives, values and long-term interests.

Proportionality

Enshrined in the European remuneration provisions is the principle of proportionality. The FCA have sought to apply proportionality in the first instance by categorising firms into 3 levels. Our Firm falls within the FCA's Level 3 and as such this disclosure is made in line with the requirements for a level 3 Firm.

Application of the requirements

We are required to disclose certain information on at least an annual basis regarding our remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the firm. Our disclosure is made in accordance with our size, internal organisation and the nature, scope and complexity of our activities.

(a) Decision making process

The Firm has established a remuneration policy in accordance with the FCA’s Remuneration Code. In light of the size, internal organisation, nature and complexity of the business, the Firm has concluded it is not necessary to establish a separate Remuneration Committee. The senior management is responsible for establishing, implementing and maintaining remuneration policies, procedures and practices that are consistent with and promote sound and effective risk management. When setting the remuneration policy the senior management will take into account the long-term interests of the Perella Weinberg Partners group (the “Group”), the Firm and its clients. The senior management is responsible for ensuring the Firm’s compliance with the UK FCA’s Remuneration Code, as well as compliance with other applicable laws and regulations. No external consultant has been used for the determination of the remuneration policy.

(b) **Link between Pay and Performance**

The Firm remunerates all staff, independently of level of seniority, through a combination of fixed and variable remuneration. The variable component, if any, allocated to each individual is fully discretionary and will depend on a number of factors, including individual performance, the financial performance of the advisory business of the Group and of the advisory business in Europe. The executive committee of the Group, with input from the operating committee of the advisory business, is responsible for determining the pool for the variable compensation and, when doing so, take into account potential risks to the Group's and the Firm's business. Individuals' performance is measured against documented and agreed objectives and takes into account both financial and non-financial performance metrics. Remuneration is determined at least annually.

(c) Aggregate remuneration expense and Code staff

Aggregate quantitative information on remuneration broken down by significant business division (the Firm does not have relevant business divisions).

	Total compensation expense for latest fiscal year (2019) (£m)
Firm	48.0

Aggregate quantitative information on remuneration, for staff whose actions have a material impact on the risk profile of the firm.

	Total compensation expense for latest fiscal year (2019) (£m)
Code Staff	27.5