

Creating Real Value.



MIFIDPRU Disclosure

InfraRed Capital Partners Limited

December 2025

ircp.com

1. Introduction

InfraRed Capital Partners Limited (“IRCP” or “InfraRed”, the regulated entity) is an international infrastructure investment manager, investing in Infrastructure. InfraRed Capital Partners Limited is authorised and regulated by the Financial Conduct Authority (“FCA”), (FCA ID No. 195766) as an operator of unregulated collective investment schemes and as an investment management firm.

IRCP is a MIFIDPRU limited licence firm and has is authorised and regulated by the FCA as a full-scope Alternative Investment Fund Manager (“AIFM”) under the Alternative Investment Fund Managers Directive (“AIFMD”).

IRCP is an AIFM with “MiFID top-up permissions”, known as a Collective Portfolio Management Investment Firm (“CPMI”). As a CPMI firm, IRCP is subject to regulatory capital requirements under the rules that are applicable to AIFMs (in Chapter 11 of the FCA’s IPRU(INV) Sourcebook) and, separately, under the rules that are applicable to MIFIDPRU investment firms (as set out in the FCA’s MIFIDPRU Sourcebook).

For the purposed of MIFIDPRU, IRCP is considered a non-SNI firm managing in excess of £1.2billion assets under management and will comply with the rules for non-SNI firms.

This report is based on the financial year end 31 December 2024.

2. Basis of Disclosure

MIFIDPRU 2.4 and 2.5 consolidation rules set out the circumstances in which firms might be considered part of an ‘investment firm group’ (“IFG”) which then affects whether group prudential consolidation requirements (extending the prudential requirements beyond the firm and to certain group entities) will apply and, therefore the amount of capital which must be held.

IRCP has two UK parents entities, which are both UK investment holding firms, so considered part of an ‘investment firm group’ (“IFG”) and therefore subject to consolidation rules (the entities constituting the investment firm group are shown below).

FRN (if applicable)	Entity name	Type of group undertaking	Sub-type of group undertaking	Location (Principal place of business and incorporation (if different))
929145	InfraRed (UK) Holdco 2020 Limited	<u>UK Parent Entity</u>	Other <u>financial institution</u>	UK
	InfraRed Partners LLP	<u>Subsidiary</u>	Other <u>financial institution</u>	UK
	InfraRed Capital Partners (Holdco) Limited	<u>Subsidiary</u>	<u>Ancillary services undertaking</u>	UK
195766	InfraRed Capital Partners Limited	<u>Subsidiary</u>	<u>MIFIDPRU investment firm</u>	UK

FRN (if applicable)	Entity name	Type of group undertaking	Sub-type of group undertaking	Location (Principal place of business and incorporation (if different))
	InfraRed Capital Partners (GP Holdco) Limited	<u>Subsidiary</u>	<u>Ancillary services undertaking</u>	UK
	InfraRed Capital Partners (US) LLC	<u>Subsidiary</u>	<u>Other financial institution</u>	USA

IRCP (a MIFIDPRU investment firm) and InfraRed Capital Partners (Holdco) Limited are wholly owned subsidiaries of InfraRed Partners LLP.

InfraRed Partners LLP is 100% member of InfraRed (UK) Holdco 2020 Ltd (the UK Parent Entity).

For the purposes of this disclosure ("Disclosure"),

IRCP is required to:

- At all times hold own funds and liquid assets which are adequate, both as to their amount and to their quality, to ensure it is able to remain financially viable throughout the economic cycle, with the ability to address any material harm that may result from its ongoing activities; and
- Ensure that the business can be wound down in an orderly manner, minimising harm to consumers or other market participants.

The disclosure for IRCP is prepared on a consolidated basis. It does not constitute any form of audited financial statement and has been produced solely for this purpose. This Disclosure document is proportionate to IRCP's size and organisation, and to the nature, scope and complexity of its activities.

This Disclosure document is updated and published annually. It will be updated more frequently if there are significant changes to the business (such as changes to the scale of operations or range of activities) or to its risk profile.

This Disclosure is published on IRCP's website – www.ircp.com.

3. IRCP's risk management framework

As an international financial services business, IRCP encounters a variety of risks. The Risk Management Framework ("RMF") provides a structured approach to identify, measure, manage, monitor and report on risks to achieve business objectives and maintain organisational resilience.

The RMF seeks to ensure that risks to the business are appropriately managed to achieve IRCP's business objectives and not exceed the pre-established boundaries for risk taking.

This RMF applies to all IRCP staff, departments and offices.

The Governance Risk and Oversight committee ("GRO") is responsible for the Risk Management Framework which includes the following:

- IRCP Risk Taxonomy
- Risk Management Governance Structure
- Risk Appetite Statements

- Key Risk Indicators
- Operational Risk and Internal Controls framework

Risk management operates at all levels throughout IRCP, across business areas, geographies and functions.

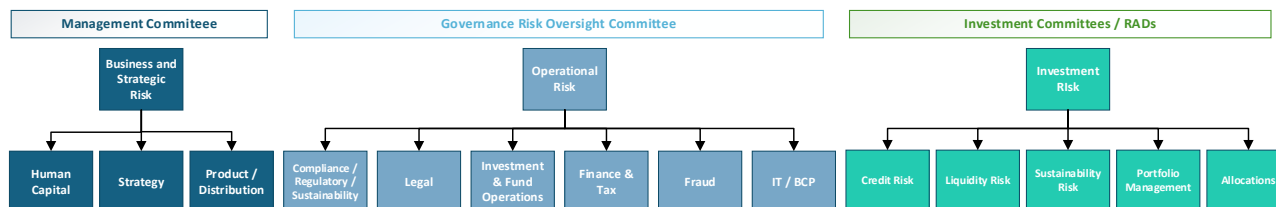
3.1 Governance Risk and Oversight Committee (GRO)

The GRO, comprising of CEO, Partner Head of HR, GC & CCO, COO and Head of Core Income Funds is responsible for the supervision and authorisations of the entity's actions as Operator of regulated or unregulated collective investments schemes (the Funds). Amongst other things the GRO is responsible for: approving and maintaining business policies, procedures and controls; and audit, compliance and regulatory affairs.

The full membership and attendess below.

Role	Committee role
CEO	Chair
HR - Partner	Member
General Counsel & CCO	Member
Head of Core Income Funds	Member
COO	Member
Senior Assistant Company Secretary	Attendee and Committee secretary
IT - Managing Director	Attendee
Finance - Managing Director	Attendee
Tax - Managing Director	Attendee
Compliance - Director	Attendee
Operational Risk - Team member	Attendee
Sustainability - Director	Attendee

3.2 The IRCP Risk Taxonomy



IRCP classify and define types of risks to provide a structured and consistent means for grouping and reporting on risk events across IRCP and to SLC. A list of significant risk categories and sub-categories have been identified, collectively known as the IRCP Risk Taxonomy. These categories reflect our business environment and facilitate consistency in reporting and aggregation of risks.

This risk categorisation includes consideration that risk does not always exist as a standalone risk category. For example, the risks relating to business and strategic, and investment risk include aspects of operational risk. It is important to not only identify the risks and their components, but also the potential interconnections that can exist between and among various risk categories.

3.2.1 Business and Strategic Risk

The Management Committee are responsible for setting risk appetite and direction of travel for the global business but has delegated certain risk monitoring and management responsibilities to the Board of IRCP and relevant committees. The CEO, with the support from Heads of Business/SMT, is responsible for day-to-day authority over general business strategy, new investment products and distribution and human resources. The Management Committee is ultimately responsible for monitoring and managing operational risks and approving all material risks.

3.2.2 Investment Risk

The IRCP Board has set up dedicated Investment Committees (“ICs”) for each active mandate. The purpose of the relevant IC is to make portfolio investment and ongoing management decisions on behalf of IRCP, acting in its capacity as AIFM / discretionary manager of the relevant mandates. The ICs are responsible for managing all portfolio investment risks including (without limitation):

- The IC’s are required to monitor relevant (i) market (ii) credit (iii) liquidity (iv) counterparty and (v) portfolio risks and any additional risks that the Fund’s portfolio is exposed to and to review the Fund’s risk matrix for appropriateness and ensure any limits are adhered to on at least a quarterly basis.
- The IC’s are also required to ensure that the each investment and ongoing management thereof is always in line with the applicable investment parameters, restrictions and objectives of the relevant mandate; in addition, IC needs to monitor on an ongoing basis any material sustainability-related risks, opportunities, and impacts, and associated mitigative actions, as well as regulatory obligations related to each mandate and its investments.

IRCP has sought to create functional and hierarchical separation of investment risk management function from the portfolio management functions through staffing the ICs with independent and senior staff and by designating the Chair of the Investment Committees as the person ultimately responsible for the portfolio risk management function. There are dedicated investment origination and asset management teams at IRCP who are responsible for sourcing prospective investments and monitoring ongoing performance with a clear escalation mechanism to the relevant IC. The members of the ICs are designated as Material Risk Takers and have an element of their compensation linked to the performance of the relevant mandate through carry and co-investment obligations thus aligning their interests with those of the performance of the mandates.

3.2.3 Operational Risk

The GRO is responsible for ensuring that the operational risks are identified, assessed and controlled. This includes:

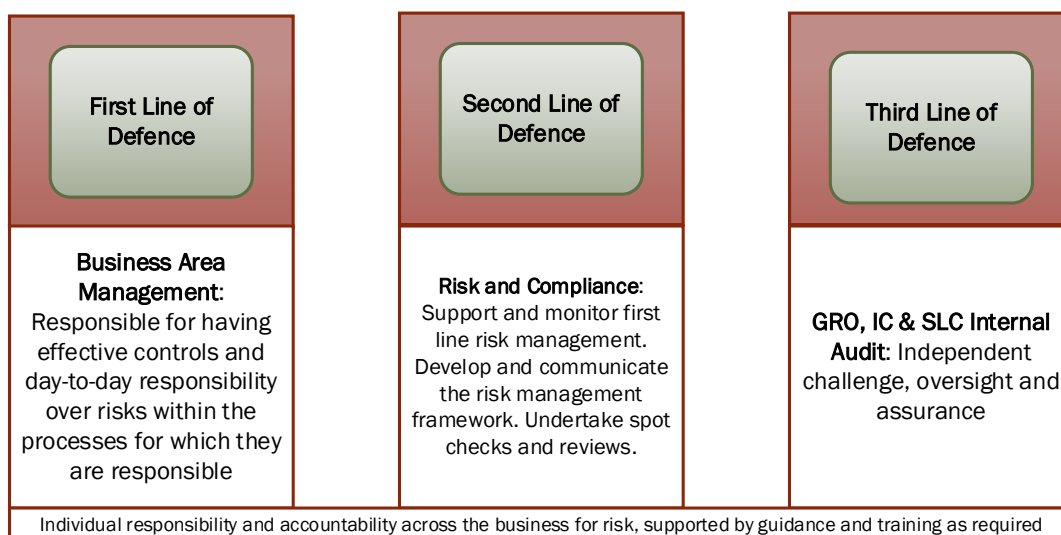
- Ensuring implementation of the RMF;
- Approval and oversight of business policies, procedures and controls;
- Oversight and challenge of the reported operational risks;
- Identify emerging issues and anticipate changes in internal and external business conditions that may affect IRCP's operational risk profile;
- Consider internal and external audit findings, regulatory risks, risk review findings, ICC exceptions, third-party supplier risks and significant operational incidents, ensuring that they are reported in the operational risk profile and actions are monitored appropriately; and
- Periodically review the adequacy and effectiveness of resources employed in the management of second line teams.

3.3 Risk Appetite Statement

The Management Committee determines the business strategy and the risk appetite. Risk appetite is the degree of risk that management are willing to accept without applying further resources and capital to mitigate the risk. The risk appetite statement (RAS) covers the key risks IRCP is exposed to and is monitored by the use of Key Risk Indicators (KRI's) which comprise of a mixture quantitative and qualitative limits depending on the appropriateness for the risk. KRI's are gathered on quarterly basis and any amber or red metrics are reported to the GRO.

3.4 Risk Governance & Three Lines of Defence

The management of operational risk is the key focus, and the Operational Risk and Internal Control Framework ("ORIC") is in place. The ORIC promotes a three lines of defence model to manage risk (see chart below).



Underpinning the Risk Management Framework and three lines of defence is the principle of individual responsibility and accountability across the business, supported by guidance and training. This is subject to independent challenge and oversight by Compliance and Risk functions.

It is the responsibility of all individuals to be alert to operational risks and operating incidents during the execution of their day-to-day responsibilities. Should any individual become aware of emerging or inadequately controlled operational risks, or identify an operational risk loss, these should be reported to managers in their Business Area, ensuring the Risk & Compliance team is also informed within 24 hours. The operational risk incident should be formally reported to Risk Management using the Operational Risk Incident form within five business days. IRCP risk management reviews all operational incidents and where relevant undertakes root cause analysis, tracks actions and reports to the Governance Risk and Oversight Committee. IRCP operates a “no surprises” policy and the risk management framework supports this philosophy.

3.5 Documented policies and procedures

A fundamental feature of IRCP’s approach to risk management is the role of extensive documented policies and procedures which are subject to review and approval by the Board at least annually. The policies are available on the IRCP intranet thus available to all staff. All IRCP staff are required to attest compliance with the manual on an annual basis.

3.6 General features and controls

IRCP’s risk management framework also includes the following features and controls:

- Clear management and organisational structure;
- Clearly defined and documented responsibilities in line with FCA and other equivalent regulatory requirements;
- Stringent recruitment procedures ensuring that only appropriate persons are selected;
- Effective segregation of duties between those initiating & executing by (Investment team), settling (portfolio management team) and recording transactions (Fund Administrator) including enhanced controls where appropriate;
- Robust financial controls exist between financial systems, such as reconciliations and proper substantiation of balances;
- Comprehensive policies and procedures; for example, covering personal account dealing, managing conflicts of interest – documented as above;
- Where possible and practical, use of systems to ensure reliable and consistent performance of tasks, including risk management operations, to create an auditable record and enable efficient reporting;
- Relevant training programmes for management and individuals;
- An independent Risk & Compliance function;
- A performance appraisal process which includes assessment of adherence to policy and appropriate standards of risk management; and
- Clear delegations and limits of authority.

3.7 Reporting and monitoring

The GRO supports IRCP’s management in discharging its responsibility for the risk and controls framework within IRCP and the monitoring of risks and controls across the InfraRed Group. Accordingly, the GRO receives a range of information each quarter, separate from the Internal Control Certificate (“ICC”). This information comes in the form of various regular reporting items, such as the following:

- Details of material operational incidents (including near-miss events) e.g. errors, breaches of policy;
- Updates on action points from operational incidents audits, risk reviews;
- Notes on emerging risks, e.g. regulatory, operational, IT-related;
- Detail of amended policies and procedures;

- Any relevant news or developments in relation to bribery and corruption, anti-money laundering and other high priority areas;
- Considering all the matters considered for the quarterly meeting, a review of IRCP's capital position, including the surplus over the forecast minimum regulatory capital requirements;
- Any amber or red key risk indicators; and
- Third party risk.

SLC's operational risk management framework requires all operational risk incident (events) resulting in a financial loss or gain of \$25k CAD or more to be captured, analysed and reported monthly by all Operational Risk teams to SLC.

4. Governance

The GRO is responsible for the effectiveness of the IRCP risk management arrangements and has implemented an appropriate process to review the IRCP risk management framework. Operational Risk reports to the GRO an assessment of the risk management framework covering its adequacy and effectiveness of processes, strategies, and systems to manage the risks facing the business, being sufficiently comprehensive and proportionate to its nature, scale and complexity.

The GRO then reviews this assessment and then makes its agreement or further actions it recommends prior to submission to the Management Committee for final declaration.

5. Own Funds [MIFIDPRU 8.4]

In line with MIFIDPRU 8.4 IRCP has prepared the reconciliation of own funds in line with the MIFIDPRU 8 Annex 1.

As at 31 December 2024 IRCP had total capital of £41.7m as detailed below.

Item	Composition of own Funds	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	Own Funds	£41,723	Statement of financial position
2	Tier 1 capital	£41,723	
3	Common Equity Tier 1 Capital	£41,723	
4	Fully Paid-up Capital instruments	£36	Share Capital Note 13
5	Share premium	N/A	
6	Retained Earnings	£41,687	Profit and Loss account
7	Accumulated other comprehensive income	N/A	

8	Other reserves	N/A	
9	Adjustments to CET1 due to prudential filters	N/A	
10	Other funds	N/A	
11	(-) Total Deductions from Common Equity Tier 1	N/A	

IRCP held no additional Tier 2 or Tier 3 capital.

IRCP conducts an annual internal assessment of the financial resources that are adequate to cover the risks facing its current and future activities. This exercise is known as the ICARA and it is a requirement of the prudential regulation of investment firms in the UK by the Financial Conduct Authority ("FCA").

In order to carry out this assessment, IRCP considers its current business strategy and outlook, which is already supported by projections of financial profitability, financial resources, and capital and liquidity requirements.

The firm also considers the main risks to which its business is, or might be, exposed. A range of scenario tests are used to estimate the financial resources which would be required to respond to the impact of extreme but plausible events.

The resulting report, including this disclosure, has been approved by the Governance Board of IRCP.

5.1 Own Funds Requirements [MIFIDPRU 8.5]

5.1.1 Own Funds

In accordance with the MIFIDPRU 4.3, the Own Funds Threshold Requirement, IRCP must maintain at all times capital resources equal to, or in excess of, the highest of:

- The base capital resources requirement of (€125,000) for AIFMD
- The variable capital requirement, which is defined of the higher of its
 - Permanent Minimum Requirement ("PMR") £75,000 [MIFIDPRU 4.4]
 - Fixed Overhead Requirement ("FOR") [MIFIDPRU 4.5], and
 - K-factor requirement ("KFR") [MIFIDPRU 4.6].

As set out above (part 5 of this Disclosure), IRCP holds capital of £41.7m, significantly in excess of its own funds' requirement of £10.8m as at 31 December 2024 and foresees no impediments to continuing to hold capital in excess of FOR.

K-Factor	Calculation methodology
K-AUM – Assets under management	0.02% of IRCP's average AUM above €250m (£2.1m)
K-CMH -Client Money Handling	N/A
K-ASA- Administration activities	N/A
K-COH -Client Orders Handled	N/A
Total K-factor	£2.1m
FOR	£10.7m based on one quarter of relevant IRCP expenditure

5.1.2 Risk Assessment

IRCP has assessed its Risk Assessment capital requirement as part of the ICARA, including through the use of scenario tests. The main risks to which IRCP is exposed are operational and business-related since it primarily acts as an agent to the funds it manages; IRCP does not invest its own capital in these funds.

On completion of the ICARA it was concluded that IRCP's Risk Assessment requirement does not exceed its Own Funds capital requirement.

The firm is required to plan for and calculate the cost of an orderly wind-down of the business in the eventual catastrophic failure of its business model. The purpose of this is to demonstrate that the firm has enough capital and liquidity to support a wind down without breaching regulatory requirements. IRCP has undertaken an analysis of the circumstances giving rise to, and the actions that management would take to effect, an orderly wind-down of the business. This analysis has confirmed that IRCP would remain sufficiently liquid and maintain enough capital resources in the event of, and throughout, an orderly wind down without the need to raise capital.

6. Remuneration policies [MIFIDPRU 8.6]

MIFID investment firms that are prudentially regulated by the FCA in the UK (FCA investment firms) are within scope of the MIFIDPRU Remuneration Code (the Code) in the FCA Handbook at SYSC 19G. As part of the Code, firms are expected to ensure that their remuneration policies and practices (including performance assessment processes and decisions) are clear and documented.

IRCP's disclosure provides information regarding the remuneration policy and practices for staff identified (using qualitative and quantitative criteria) as undertaking professional activities which have a material impact on the firm's risk profile.

InfraRed Partners LLP (the "LLP") is the parent undertaking of IRCP. Remuneration policy is set consistently across the InfraRed Group. InfraRed has a remuneration policy which appropriately addresses potential conflicts of interest and ensures that InfraRed's authorised persons are not rewarded for taking inappropriate levels of risk.

InfraRed is satisfied that the policies in place are appropriate to its size, internal organisation and the nature, scope and complexity of its activities, and that these comply with Chapters 19B & 19G of the FCA's Systems and Controls Sourcebook.

6.1 Remuneration Policy responsibility

InfraRed's Remuneration Policy is set by the Members of the LLP. InfraRed has assessed its employees and the partners (including those who were remunerated through the LLP's then 20% owner, Charles II Realisation LLP until 22 August 2024 when the remaining 20% of InfraRed Partners LLP was acquired by Sun Life Financial Inc) and concludes that nineteen Members and two employees qualify as Code Staff. Each year, InfraRed assesses the amount of capital it considers necessary to run its business and if necessary uses some or all of the profits available to increase its capital resources.

6.2 Remuneration Policy

Until 22 August 2024, UK based partners of Charles II Realisation LLP were remunerated through a fixed base profit share and a discretionary profit share which was funded directly from profit allocations of the LLP to Charles II Realisation LLP and receive no salaries. Members of Charles II Realisation LLP who are based overseas were remunerated through foreign subsidiaries. If surplus profits were available, Members of the LLP received a residual profit share from the LLP based upon their proportionate interests in the LLP. The partners of Charles II Realisation LLP received a profit share in proportion to their holding in that entity. A percentage of the profits of the Group was paid into a discretionary pool which was split between all partners of Charles II Realisation LLP and employees and is allocated to individuals' based upon their contribution to the business.

Following the sale of the remaining 20% of the LLP by Charles II Realisation LLP on 22 August 2025, Charles II ceased to have any economic interest in InfraRed Partners LLP. A number of partners of Charles II Realisation LLP became members of the LLP on 22 August 2024 and were awarded profit allocations of the LLP on that date in respect of the profits for the year ended 31 December 2024 once these accounts were finalised.

6.3 Remuneration Principles

The link between performance and remuneration is based on competitive market-based rates that fairly compensate Members and employees in view of skills provided, work performed and responsibility undertaken. InfraRed have employed external consultants in order to ensure that remuneration attracts and motivates the right staff for the business and that the business has suitable processes in place to set objectives, monitor performance and reward success against the objectives set. There was no material change in process following the sale of the remaining 20% of InfraRed partners LLP to Sun Life Financial Inc.

6.4 Remuneration Disclosure

InfraRed Capital Partners Limited makes its public disclosure under MIFIDPRU 8.6 in the consolidated financial statements of InfraRed Partners LLP which are available to the public and may be obtained from Companies House.

6.5 Quantitative Remuneration Data

The business operates a single discretionary pool and accordingly no breakdown of remuneration by business area is provided.

Aggregate quantitative information on remuneration for Material Risk Takers (including Code Staff) is in respect of senior management.

	Senior management Risk Takers (MRT)
Number	21
Aggregate remuneration	11,677,839
• Fixed	5,503,474
• Variable	6,174,365

The amount above reflects the allocations to be made in 2025 in respect of the 2024 period end and the amount for accrued bonuses. The figure above does not include the allocations made in 2024 in respect of the 2023 discretionary pool as this amount was included in the prior year's disclosure.

7. Conclusion

Based on our analysis of risks faced by the business and the capital required to be set aside for those risks, IRCP is adequately capitalised.

IRCP has concluded that the ICARA process is fit for purpose. The firm's ICARA process covers its risk management, and incorporates the results of business model assessment, forecasting & stress, recovery planning, and wind down planning. IRCP's ICARA process has shown that the firm meets the Overall Financial Adequacy Rule ("OFAR"), effective from January 1, 2025.

- IRCP holds funds in excess of the firm's Own Funds Threshold Requirement
- The firm also has liquid assets in excess of the firm's Own Threshold Liquid Asset Requirement.