Registered number: OC399737

PORTSEA ASSET MANAGEMENT LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

PORTSEA ASSET MANAGEMENT LLP

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INFORMATION

Designated Members

C de Weck
L Spoljaric

Members

C P Fincke
J Schmalfuss
Portsea AIFM Malta Limited

LLP registered number

OC399737

Registered office

17 Dominion Street
London
EC2M 2EF

Independent auditors

haysmacintyre
Statutory Auditors
26 Red Lion Square
London
WC1R 4AG

MEMBERS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016

The members present their annual report together with the audited financial statements of Portsea Asset Management LLP ("the LLP") for the period ended 31 March 2016.

Principal activity

The LLP was incorporated on 6 May 2015 and commenced trading on that date.

The principal activity of the LLP is the provision of investment management and advisory services. The LLP is authorised and regulated by the Financial Conduct Authority ("the FCA") effective 1 December 2015.

Members

The members of the LLP during the period and up to the date of this report were as follows:

C de Weck*	(appointed 6 May 2015)
L Spoljaric*	(appointed 6 May 2015)
C P Fincke	(appointed 30 October 2015)
J Schmalfuss	(appointed 30 October 2015)
Portsea AIFM Malta Limited	(appointed 30 October 2015)

* denotes designated member

Members' capital and interests

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the LLP Agreement dated 30 October 2015.

Details of changes in members' capital in the period ended 31 March 2016 are set out in the Reconciliation of Members' Interests.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Pillar 3 and UK Stewardship Code

Details of the LLP's unaudited Pillar 3 disclosures, required under Chapter 11 of the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") and details of the LLP's commitment to the UK Stewardship Code, required under rule 2.2.3R of the FCA's Conduct of Business Sourcebook ("COBS") are detailed as an appendix to these financial statements.

Members' responsibilities statement

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, as applied to LLP's, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLP's, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Auditors

The auditors, haysmacintyre, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 15 July 2016 and signed on their behalf by:

C de Weck
Designated member

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTSEA ASSET MANAGEMENT LLP

We have audited the financial statements of Portsea Asset Management LLP for the period ended 31 March 2016, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditors

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTSEA ASSET MANAGEMENT LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Simon Wilks (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

15 July 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016

	Note	Period ended 31 March 2016 £
Turnover	4	56,973
Administrative expenses		(235,631)
Other operating income	5	840
Operating loss	6	(177,818)
Interest receivable and similar income	10	18
Loss for the period available for discretionary division among members		(177,800)

There were no recognised gains and losses other than those included in the income statement.

There was no other comprehensive income.

The notes on pages 10 to 16 form part of these financial statements.

PORTSEA ASSET MANAGEMENT LLP
REGISTERED NUMBER: OC399737

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note		2016 £
Current assets			
Debtors: amounts falling due after more than one year	11	143,582	
Debtors: amounts falling due within one year	11	268,939	
Cash at bank and in hand	12	370,405	
		782,926	
Creditors: amounts falling due within one year	13	(23,495)	
Net current assets			759,431
Total assets less current liabilities			759,431
Net assets attributable to members			759,431
Represented by:			
Loans and other debts due to members within one year			
Members' other interests			
Members' capital classified as equity		937,231	
Other reserves classified as equity		(177,800)	
			759,431
			759,431
Total members' interests			
Amounts due from members (included in debtors)	11		(138,333)
Members' other interests			759,431
			621,098

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 15 July 2016.

C de Weck
Designated member

The notes on pages 10 to 16 form part of these financial statements.

RECONCILIATION OF MEMBERS' INTERESTS
FOR THE PERIOD ENDED 31 MARCH 2016

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Loss for the period available for discretionary division among members	-	(177,800)	(177,800)	-	-	(177,800)
Members' interests after profit for the period	-	(177,800)	(177,800)	-	-	(177,800)
Amounts introduced by members	937,231	-	937,231	-	-	937,231
Drawings	-	-	-	(138,333)	(138,333)	(138,333)
Amounts due from members	-	-	-	(138,333)	(138,333)	(138,333)
Balance at 31 March 2016	937,231	(177,800)	759,431	(138,333)	(138,333)	621,098

The notes on pages 10 to 16 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016

	2016 £
Cash flows from operating activities	
Loss for the financial period	(177,800)
Adjustments for:	
Increase in debtors	(274,188)
Increase in creditors	23,490
Net cash used in operating activities	(428,498)
Cash flows from financing activities	
Members' capital contributed	937,231
Distribution paid to members	(138,333)
Net cash generated by financing activities	798,898
Net increase in cash and cash equivalents	370,400
Cash and cash equivalents at the end of period	370,400
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	370,405
Bank overdrafts	(5)
	370,400

The notes on pages 10 to 16 form part of these financial statements.

1. General information

Portsea Asset Management LLP is a limited liability partnership incorporated and domiciled in England and Wales. The address of its registered office is 17 Dominion Street, London, EC2M 2EF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.3 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the entity's cash management.

2.6 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.9 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the process of applying its accounting policies, the LLP is required to make certain estimates, judgments and assumptions that it believes are reasonable based on the information available. These judgments, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the LLP evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following paragraphs detail the estimates and judgments the LLP believes to have the most significant impact on the annual results under FRS 102.

Revenue recognition and allowance for doubtful receivables
The LLP recognises revenue generally at the time of delivery and when collection of the resulting receivable is reasonably assured. When the LLP considers that the criteria for revenue recognition are not met for a transaction, revenue recognition is delayed until such time as collectability is reasonably assured.

At each reporting date, the LLP evaluates the recoverability of trade receivables and records allowances for doubtful receivables based on experience. These allowances are based on, amongst other things, a consideration of actual collection history. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	Period ended 31 March 2016 £
Investment management and advisory services	56,973

All turnover arose within Europe.

5. Other operating income

	Period ended 31 March 2016 £
Other operating income	840

6. Operating loss

The operating loss is stated after charging:

	Period ended 31 March 2016 £
Exchange differences	(1,711)

7. Auditors' remuneration

	Period ended 31 March 2016 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	7,250
Fees payable to the LLP's auditor and its associates in respect of:	
Other services relating to taxation	2,250

8. Employees

The entity has no employees other than the members, who did not receive any remuneration.

9. Information in relation to members

	2016 Number
The average number of members during the period was	4

10. Interest receivable

	Period ended 31 March 2016 £
Other interest receivable	18

11. Debtors

	2016 £
Due after more than one year	
Other debtors	143,582

	2016 £
Due within one year	
Trade debtors	42,508
Other debtors	39,262
Prepayments and accrued income	48,836
Amounts due from members	138,333
	268,939

Other debtors due after more than one year relates to the rent deposit which is repayable in May 2017.

12. Cash and cash equivalents

	2016 £
Cash at bank and in hand	370,405
Less: bank overdrafts	(5)
	370,400

13. Creditors: Amounts falling due within one year

	2016 £
Bank overdrafts	5
Trade creditors	12,458
Accruals and deferred income	11,032
	23,495

14. Financial instruments

	2016 £
Financial assets	
Financial assets measured at fair value through profit or loss	370,400
Financial assets that are debt instruments measured at amortised cost	186,091
	556,491
Financial liabilities	
Financial liabilities measured at amortised cost	(23,491)

Financial assets measured at amortised cost comprise trade debtors and rent deposit due after more than one year.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

15. Commitments under operating leases

At 31 March 2016 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £
Not later than 1 year	119,652
Later than 1 year and not later than 5 years	9,971
Total	129,623

During the period ended 31 March 2016 the LLP recognised rental costs totalling £76,249 in relation to non-cancellable operating leases.

16. Related party transactions

During the period ended 31 March 2016 the LLP provided investment advisory services totalling £56,973 to Portsea AIFM Malta Limited, a company under common control and itself a member of the LLP. At 31 March 2016 a balance of £42,508 remains due to the LLP and is included within trade debtors.

17. Controlling party

The controlling party is C de Weck, a designated member.

Portsea Asset Management LLP
Pillar 3 Risk Disclosure

Introduction

Portsea Asset Management LLP ("Portsea" or "the Firm") is required by the Financial Conduct Authority ("the FCA") to disclose information relating to the capital it holds and each material category of risk it faces in order to assist users of its accounts and to encourage market discipline.

The Capital Requirements Directive ("CRD") created a revised regulatory capital framework across Europe covering how much capital financial services firms must retain. In the United Kingdom, rules and guidance are provided in the General Prudential Sourcebook ("GENPRU") for Banks, Building Societies and Investments Firms ("BIPRU").

The FCA framework consists of three "Pillars":

- Pillar 1 sets out the minimum capital requirements that companies need to retain to meet their credit, market and operational risk;

- Pillar 2 requires companies to assess whether their Pillar 1 capital is adequate to meet their risks and is subject to annual review by the FCA;

- Pillar 3 requires companies to develop a set of disclosures which will allow market participants to assess key information about its underlying risks, risk management controls and capital position. These disclosures are seen as complimentary to Pillar 1 and Pillar 2.

Rule 11 of BIPRU sets out the provisions for Pillar 3 disclosure. The rules provide that companies may omit one or more of the required disclosures if such omission is regarded as immaterial. Information is considered material if its omission or misstatement could change or influence the decision of a user relying on the information. In addition, companies may also omit one or more of the required disclosures where such information is regarded as proprietary or confidential. The Firm believes that the disclosure of this document meets its obligation with respect to Pillar 3.

Firm Overview

Portsea is incorporated in the UK and is authorised and regulated by the FCA as an Investment Management Firm and is authorised by the FCA as a "BIPRU" firm.

The Governing Body of Portsea has the daily management and oversight responsibility. It generally meets quarterly and is composed of:

- Cyrus de Weck
- Luka Spoljaric
- Chris Fincke
- Josef Schmalfuss

Portsea Asset Management LLP
Pillar 3 Risk Disclosure

The Governing Body is responsible for the entire process of risk management, as well as forming its own opinion on the effectiveness of the process. In addition, the Board decides Portsea's risk appetite or tolerance for risk and ensures that Portsea has implemented an effective, ongoing process to identify risks, to measure its potential impact and then to ensure that such risks are actively managed. Senior Management is accountable to the Governing Body for designing, implementing and monitoring the process of risk management and implementing it into the day-to-day business activities of Portsea.

Capital Resources and Requirements

Capital Resources

Pillar 1

Portsea was authorised by the FCA on 1 December 2015. As at 31 March 2016, the Firm on a solo basis held regulatory capital resources of £621,098, comprised solely of core Tier 1 capital of members' own funds.

The Firm's capital requirements are the greater of:

- Its base capital requirement of €50,000;
- The sum of its market and credit risk requirements; or
- Its fixed overhead requirement (FOR).

As at 31 March 2016, the Firm's Pillar 1 capital requirement was £87,860.

Satisfaction of Capital Requirements

Pillar 2

The Firm has adopted the "Structured" approach to the calculation of its Pillar 2 Minimum Capital Requirement as outlined in the Committee of European Banking Supervisors Paper, 27 March 2006 which takes the higher of Pillar 1 and 2 as the ICAAP capital requirement. It has assessed Business Risks by modeling the effect on its capital planning forecasts and assessed Operational Risk by considering if Pillar 2 capital is required taking into account the adequacy of its mitigation.

Since the Firm's Internal Capital Adequacy Assessment Process (ICAAP or Pillar 2) process has not identified capital to be held *over* and *above* the Pillar 1 requirement, the capital resources detailed above are considered adequate to continue to finance the Firm *over* the next year. No additional capital injections are considered necessary and the Firm expects to continue to be profitable.

Portsea Asset Management LLP
Pillar 3 Risk Disclosure

Risk Management

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management process is overseen by the Firm's members.

As risks are identified within the business, appropriate controls are put in place to mitigate these and compliance with them is monitored on a regular basis. The frequency of monitoring in respect of each risk area is determined by the significance of the risk. The Firm does not intend to take any risks with its own capital and ensures that risk taken within the portfolios that it provides advice to is closely monitored. The results of the compliance monitoring performed is reported to the partners by the Compliance Officer.

Operational Risk

The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Firm has identified a number of key operational risks. These relate to disruption of the office facilities, system failures, trade failures and failure of third party service providers. Appropriate policies are in place to mitigate against risks, including appropriate insurance policies and business continuity plans.

Credit Risk

The main credit risk to which the Firm is exposed is in respect to the failure of its debtors to meet their contractual obligations. The majority of the Firm's receivable is related to investment management activities. The Firm believes its credit risk exposure is limited since the Firm's revenue is ultimately related to management fees received from funds. These management fees are drawn throughout the year from the funds managed. Other credit exposures include bank deposits and office rental deposits.

The Firm undertakes periodic impairment reviews of its receivables. All amounts due to the Firm are current and none have been overdue during the year. As such, due to the low risk of non-payment from its counterparties, management is of the opinion that no provision is necessary. A financial asset is overdue when the counterparty has failed to make a payment when contractually due. Impairment is defined as a reduction in the recoverable amount of a fixed asset or goodwill below its carrying amount.

The Firm has adopted the standardised approach to credit risk, and therefore follows the provision within BIPRU 3 standardised credit risk of the FCA handbook. The Firm applies a credit risk capital component of 8% to its non-trading book risk weighted exposure. As the Firm does not make use of an external credit rating agency, it is obligated to use a risk weight of 100% to all non-trading book credit exposures, except cash and cash equivalents which are held by investment grade firms and currently attract a risk weighting of 20%.

Portsea Asset Management LLP
Pillar 3 Risk Disclosure

The table below sets forth the Firm's credit exposures and corresponding capital resource requirements as at the date of its ICAAP assessment:

Capital	**£**
Base Capital Requirement	43,729
Fixed overheads requirement(b)	87,860
Credit risk + Market Risk (c)	45,305
Total Capital resources	621,098
Surplus	533,238

Solo Basis	**Credit Exposure**	**Capital Resource Requirement**
National Governments	£-	£-
Tangible fixed assets	£-	£-
Due from affiliates – within 3 months	£42,508	£3,401
Due from affiliates – after 3 months	£-	£-
Cash at bank	£370,400	£5,925
Prepayments	£88,098	£7,048
Other	£143,582	£11,487
	---------------	------------
Total	£644,588	£27,861
	=========	=======
Credit Risk Capital Component (8% of risk weighted exposure)		**£27,861**

Portsea Asset Management LLP
Pillar 3 Risk Disclosure

Market Risk

Since the Firm holds no trading book positions on its own account, and all bank accounts are in GBP and all advisory fee income is in GBP, the Firm's exposure to foreign currency risk is not significant. Since the settlement of debtor balances take place without undue delay, the timing of the amount becoming payable and subsequently being paid is such that it is not considered to present a material risk to the Firm. The Firm has excluded market risk on the basis that it is not a material risk to the Firm.

Remuneration Code

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19C of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook (SYSC), as interpreted in accordance with the FCA's guidance publication entitled "General Guidance on Proportionality: The Remuneration Code (SYSC 19C) & Pillar 3 Disclosures on Remuneration (BIPRU 11)" and subsequent items of guidance issued by the FCA, including its document entitled "Frequently Asked Questions on the Remuneration Code".

As a BIPRU firm, the Firm falls within proportionality level 3. The Firm has concluded, on the basis of its size and the nature, scale and complexity of its legal structure and business that it does not need to appoint a remuneration committee. Instead, the Governing Body sets, and oversees compliance with, the Firm's remuneration policy including reviewing the terms of the policy at least annually.

The Firm will make the Pillar 3 quantitative disclosure following its first full performance period following its FCA authorisation.

Portsea Asset Management LLP

UK Stewardship Code Disclosure Statement 31 December 2015.

Under COBS 2.2 of the FSA Handbook, we are required to make a public disclosure in relation to the nature of our commitment to the above Code, which was published by the Financial Reporting Council ('FRC') in July 2010.

The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. It sets out good practice on engagement with investee companies and is to be applied by firms on a "comply or explain" basis. The FRC recognises that not all parts of the Code will be relevant to all institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate. It is of course legitimate for some asset managers not to engage with companies, depending on their investment strategy, and in such cases firms are required to explain why it is not appropriate to comply with a particular principle.

Portsea Asset Management LLP pursues a long/short equity strategy that involves investing in global equities including UK equities. The Code is therefore relevant to some aspects of the firm's activities. While the firm supports the objectives that underlie the Code the firm has chosen not to commit to the code.

We determine our approach to stewardship on a case by case basis, taking into account our duties to the funds that we manage and the actions that will lead to the most favourable outcome for the value of our investments.

Furthermore the firm takes a consistent approach to engagement with issuers and their management in all of the jurisdictions in which it invests and, consequently, does not consider it appropriate to commit to any particular code relating to any individual jurisdiction.

For further details on any of the above information, please contact Chris Fincke at chris.fincke@portsea-asset.com

Portsea Asset Management LLP

31 December 2015.