

SS&C Hubwise MIFIDPRU8 Disclosure

October 2023

Purpose

This disclosure is in relation to Hubwise Securities Ltd (“HSL”), a non-SNI MIFIDPRU investment firm.

As a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive (“MIFID”), HSL 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.

HSL is required to disclose on an individual entity basis in line with the requirements described in MIFIDPRU 8, taking account of the FCA’s transitional provisions for disclosure requirements contained in MIFIDPRU TP12.

This document sets out the public disclosures for HSL as of 30th September, which represents the end of HSL’s financial accounting period. This disclosure was approved by the Board on 12th October 2023.

Overview

HSL is ultimately a wholly owned subsidiary of SS&C Technologies Inc having been acquired by SS&C in Q1 2022.

Hubwise Holdings Limited is the parent entity in the Hubwise group of companies and is a non-trading, holding company.

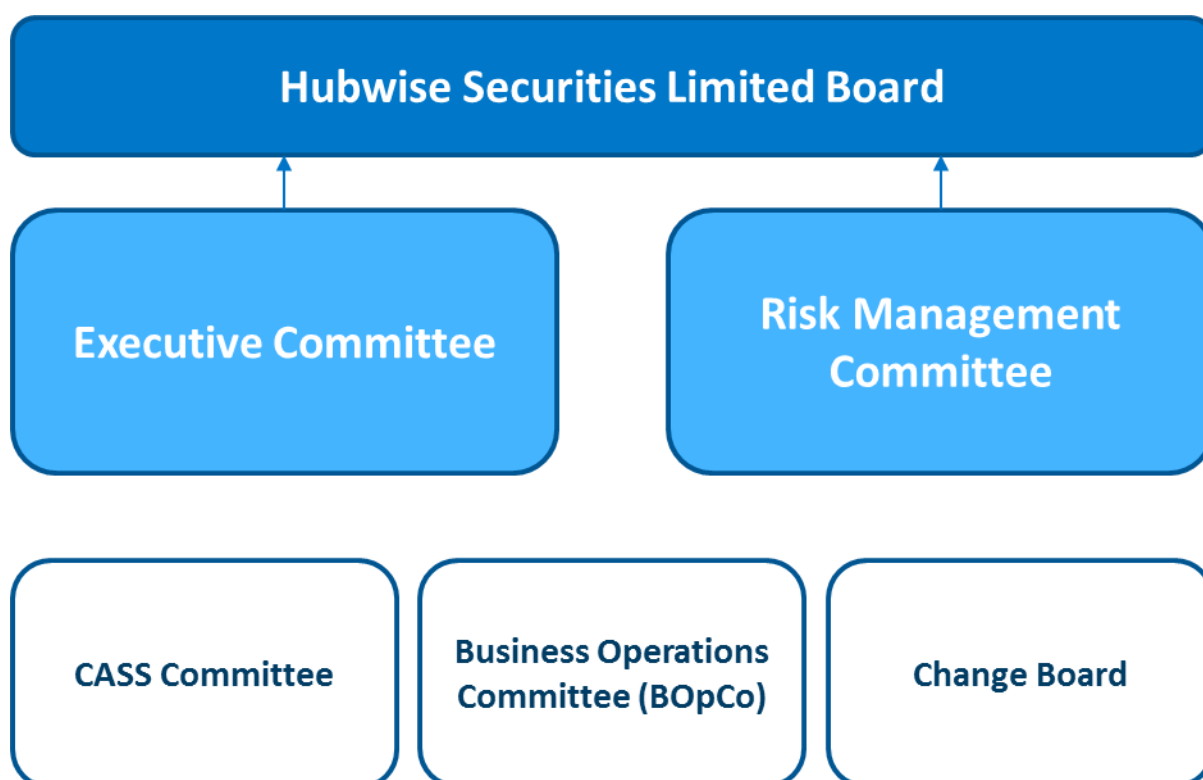
HSL is authorised by the FCA, firm reference number 502619, and is the only group entity to be subject to the ICARA. The firm is not subject to consolidated supervision.

HSL performs a range of services which can be adopted by regulated investment firms. This includes platform and custody services as well as software offerings. HSL is also an ISA Manager and SIPP provider.

Governance Arrangements

The HSL Board has overall governance responsibility and is responsible for setting the strategic direction and risk appetite of the company.

The Board have established a risk management structure to assist managers achieve business objectives while managing risks within acceptable bounds. To that end, a number of key governance committees are in place below the Board.



In addition, HSL is represented on a number of SS&C Group governance committees.

HSL operates a three lines of defence model of governance and oversight with independence between the first line operational areas, second line Risk & Compliance and third line audit and assurance.

The individuals on the HSL Board and the number of additional directorships held by each member is summarised in the table below.

Name	Position Held	Directorships Held
Joanne Jones	Managing Director SMF1 and SMF3	0
Nicholas Wright	Executive Director SMF3	1
Damien Barry	Executive Director SMF3	0
Matthew Kemp	Executive Director SMF3	0

Risk management objectives and policies

The company's risk appetite described below is set by the Board and monitored by the Risk Management and Executive Committees.

In general, HSL is risk averse and has designed its business model and policies accordingly.

The company has no appetite for some risks which are considered detrimental to its brand values, including:

- Internal fraud risk
- External fraud risk
- Regulatory censure

The Risk Management Committee (RMC) reports directly to the Board and meets monthly. The RMC is charged with the responsibility of ensuring Hubwise has an effective, ongoing framework for the management of various risks, including business, information processing, technology and regulatory risks.

This Committee will assist Hubwise in achieving its business objectives while managing risks within acceptable bounds. The Committee is comprised of appropriate senior officers of Hubwise and is chaired by the Head of Risk & Compliance SMF16.

Diversity & Inclusion

Our DE&I programme identifies a series of actions that will create a more comprehensive approach to Diversity, Equity and Inclusion. This is an area of ongoing development and we will report annually on progress.

When we talk about Diversity, we aim to consider the following strands of diversity:

- Gender Equality
- Gender Identity and reassignment
- Sexual Orientation
- Race Inclusion
- Religion and Belief
- Disability
- Neuro Diversity (the concept that people experience and interact with the world around them in many different ways; there is no one 'right' way of thinking/learning/behaving)
- Age Diversity

We want our people to feel they can:

- Be open
- Be themselves
- Be inclusive
- Be curious and ask questions
- Listen and Learn
- Celebrate differences
- Be different together

We will empower our people to do this by:

- Inviting/encouraging people to speak openly about their experiences/beliefs etc.
- Inviting/encouraging people to try new things, ask questions and start conversations
- Emphasise the importance of listening and learning on these subjects
- Showing them that this is all possible by getting leaders to show the way

Own Funds

No.	Item	Amount (GBP '000s)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	1,590	31 Dec 22 accts
2	TIER 1 CAPITAL	1,590	
3	COMMON EQUITY TIER 1 CAPITAL	1,590	
4	Fully paid up capital instruments	431	
5	Share premium	0	
6	Retained earnings	1,159	
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	
19	CET1: Other capital elements, deductions and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	C
		Balance sheet as in published/ audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		As at period end	As at period end	
Assets -Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Trade and other receivables	724		
2	Cash and cash equivalents	891		
3				
4				
	Total Assets	1,615		
Liabilities-Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Trade and other payables	25		
2				
3				
4				
	Total Liabilities	25		
Shareholders' Equity				
1	Called up equity share capital	431		
2	Profit and Loss account	1,159		
3				
	Total Shareholders' Equity	1,590		
Own funds: main features of own instruments issued by the firm				

Own Funds Requirement

SS&C Hubwise is making use of the Transitional Provisions contained in MIFIDPRU TP 2.7 until 1st January 2027.

As such, the Own Funds Requirement as per the audited financial statements is **£617,000**.

MIFIDPRU 7 requires firms to comply with the Overall Financial Adequacy Rule ("OFAR"). The OFAR states that SS&C Hubwise must at all times hold own funds and liquid assets which are adequate, both in amount and quality to ensure it that:

- SS&C Hubwise remains financially viable throughout the economic cycle, with the ability to address any material potential harms that may result from its ongoing activities; and
- SS&C Hubwise business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

SS&C Hubwise assesses the adequacy of its own funds requirements through its annual ICARA process and has determined that the own funds requirement is sufficient for the requirements of MIFIDPRU7.

Remuneration policy and practices

As a non-SNI MIFIDPRU Investment Firm, Hubwise Securities Limited (HSL) is subject to the requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook ("SYSC")).

HSL complies with the Code in a manner which is appropriate to its size, internal organisation and to the nature, scope and complexity of activities undertaken.

The objectives of HSL's remuneration policies and practices are to:

- Encourage responsible business culture across all areas of the Firm;
- Promote effective risk management in the long-term interests of the Firm and its clients;
- Discourage risk taking inconsistent with the risk profile of the Firm;
- Discourage behaviours that can lead to misconduct and poor client outcomes; and
- Avoid and mitigate any actual or potential conflicts of interest.

The HSL Board is responsible for overseeing the Firm's remuneration policy and practices. HSL is not required to have a specific Remuneration Committee under the relevant SYSC 19G and MIFIDPRU rules.

HSL will not pay variable remuneration through financial vehicles or methods that facilitate non-compliance with the MIFIDPRU Remuneration Code.

HSL has identified its Senior Manager Function holders as Material Risk Takers as per the MIFIDPRU definition. These staff are considered Remuneration Code staff.

Remuneration at HSL is made up of fixed and variable components. The fixed and variable components of remuneration are appropriately balanced.

The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff, which typically include fixed salary and other benefits such as medical cover, life assurance, flexible time off and various other allowances where applicable.

Variable remuneration has two components: Periodic Bonuses and SS&C Share Scheme. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's financial performance and the performance of the individual in contributing to the Firm's success, achievement of individual objectives, and adherence to the firm's risk management and compliance culture.