

MIFIDPRU Public Disclosure Document

ECOFIN ADVISORS LIMITED

Date as at 15 January 2023

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1 Overview and summary

Ecofin Advisors Limited (“the Firm”) is regulated by the Financial Conduct Authority (“FCA”) as a Markets in Financial Instruments (“MiFID”) firm and subject to the rules and requirements of the FCA’s Prudential Sourcebook for MiFID Investments Firms (“MIFIDPRU”) handbook. It is also registered and regulated by the FCA as an Alternative Investment Fund Manager.

For the purposes of MIFIDPRU, the Firm has been classified as a small non-interconnected (“SNI”) firm.

The Firm has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to SNI firms.

This Public Disclosure Document has been prepared based on the financials as at 31 December 2022, covering the financial period from 1 January 2022.

The Firm’s main business activity is to provide investment management services to investment funds and separately managed accounts using listed securities within four sustainability strategies, being Energy Transition, Global Renewables Infrastructure, Sustainable Listed Infrastructure and Global Water.

2 Risk management objectives and policies

The Firm has implemented and embedded risk management framework, policies and procedures across all relevant risk areas of the Firm. The Board of Directors of Ecofin Advisors Limited and the Executive Committee of TortoiseEcofin sets the business strategy and risk appetite statement of the Firm, which flows through to the risk management framework of the Firm.

In line with the Firm’s business strategy, risk appetite and risk management framework the Firm identifies and further assesses key risks within the Firm’s Internal Capital and Risk Assessment (“ICARA”) process.

The Firm maintains a risk register, which includes risk assessment and rating methodologies in accordance with its risk appetite statement. Key risks are reported to the Board of Directors at each meeting, as appropriate.

2.1 Own funds requirements – MIFIDPRU 4

As an SNI firm without permissions for dealing as principle or holding client money or client assets, the Firm is subject to a Permanent Minimum Requirement of £75,000.

The Firm calculates its own funds requirements based on the Fixed Overhead Requirement (“FOR”) calculation and is not subject to any K-factor requirements.

The Firm has further assessed any risks facing its business operations within its ICARA and quantified additional own funds and liquidity, where required.

2.2 Concentration risk – MIFIDPRU 5

The Firm does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The Firm therefore does not have any concentration risks on or off-balance sheet and does not operate a trading book.

2.3 Liquidity – MIFIDPRU 6

The Firm maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement (BLAR), being at least 1/3 of its FOR.

The Firm does not provide any client guarantees and therefore its entire liquidity requirement is driven by its expenses, as captured by the FOR.

As part of the ICARA, the Firm also maintains liquidity to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the Firm.

3 Remuneration arrangements

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC").

In accordance with MIFIDPRU 8.6.2 the Firm makes the following qualitative remuneration disclosures:

- The Firm's remuneration policies and practices are reviewed annually to ensure they are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the firm.
- The Directors of the Firm, as the de facto Remuneration Committee, is responsible for the overall remuneration policy.
- The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all employees.
- Variable remuneration is adjusted in line with capital and liquidity requirements as well as the Firm's performance.

The Firm determines the criteria for setting fixed and variable remuneration. All remuneration paid to staff members is clearly categorised as either fixed or variable remuneration.

Fixed remuneration is based upon a staff member's professional experience and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration is based that individual's performance and the performance of the Firm as a whole, and is discretionary. A portion of variable remuneration is often deferred.

Performance reflects the long-term performance of the staff member as well as performance which is perceived to meet or in some cases exceed the staff member's job description and terms of employment.

Total remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and the staff member's business unit as provided above.

The Firm ensures that fixed and variable components of the total remuneration are appropriately balanced; and the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible and discretionary policy on variable remuneration.

The Firm monitors fixed to variable compensation to ensure SYSC 19G is adhered to with respect to Total remuneration.

Quantitative Remuneration

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration.

As an SNI firm and in accordance with MIFIDPRU 8.6.8, Ecofin Advisors Limited is required to disclose the total amount of remuneration to its staff, split into fixed and variable remuneration.

For the performance year ending 31 December 2022:

Total fixed remuneration £2,076,293
Total variable remuneration £1,636,126
Total remuneration £3,712,419