



Investment Firms Prudential Regime public disclosures

Year-ending
31st December 2025

LGT Wealth Management UK LLP – IFPR (MIFIDPRU 8) Public Disclosure

Year ended 31 December 2025

1. Introduction, Scope and Regulatory Context

This document sets out the **IFPR public disclosures** of **LGT Wealth Management UK LLP** (“LGT WM UK LLP” or the “Firm”) for the year ended **31 December 2025**, in accordance with **MIFIDPRU 8** of the FCA Handbook.

The Firm is authorised and regulated by the **Financial Conduct Authority** and is subject to the **Investment Firms Prudential Regime (IFPR)** as a **non-SNI MIFIDPRU investment firm**.

- The Firm’s **financial year end** is **31 December**.
- Unless otherwise stated, all information in this document (qualitative and quantitative) is as at **31 December 2025**.
- Financial information is based on the Firm’s **audited annual accounts**.
- Information is presented on a **consolidated basis where applicable** for LGT WM UK (as defined below), while statutory financial statements for **LGT WM UK LLP, LGT WM US, LGT WM Jersey and LGT WM Limited** are prepared on an **individual basis**.

This disclosure is published **at least annually** and as soon as possible after the Firm’s audited accounts are approved. It is made available on the **LGT Wealth Management UK** website:

www.lgtwm.com

2. LGT WM UK Background and Business Model

2.1 LGT WM UK background

The entities within the **LGT Wealth Management UK Group** (“LGT WM UK”) are wholly owned subsidiaries of **LGT UK Holdings Limited** which is **100% owned by LGT Group Foundation**, a foundation registered in the Principality of Liechtenstein.

LGT WM UK comprises:

- **LGT Wealth Management UK LLP** (authorised and regulated by the FCA)
- **LGT Wealth Management Limited** (authorised and regulated by the FCA)
- **LGT Wealth Management US Limited** (authorised and regulated by the FCA and a Registered Investment Adviser with the US Securities and Exchange Commission)
- **LGT Wealth Management Jersey Limited** (regulated by the Jersey Financial Services Commission)

2.2 Business model and activities

LGT WM UK is principally engaged in:

- **discretionary investment management**
- **financial advisory services**
- **model portfolio services** to independent financial advisers

These activities are primarily for **high net worth and ultra-high net worth retail clients, companies and trusts**.

LGT WM UK's business strategy forms part of LGT Group's wider strategy in **private banking and asset management** and is focused on the provision of portfolio management, investment advisory and financial planning services, including services to **independent financial advisers** through LGT UK WM's model portfolio services.

3. Governance Arrangements

3.1 Governance framework

LGT WM UK has adopted a governance framework designed to ensure:

- a **clear organisational structure** with defined, transparent and consistent lines of responsibility
- effective processes to **identify, manage, monitor and report** risks
- sound **internal control mechanisms**, including administrative and accounting procedures and IT controls
- arrangements proportionate to the **nature, scale and complexity** of the Firm's activities and inherent risks
- appropriate oversight of **subsidiaries** and **outsourcing arrangements**, including intragroup services

The Firm applies three lines of defence model:

1. **First line** – front office (client facing) individuals and operations.
2. **Second line** – compliance and risk.
3. **Third line** – external and internal audit functions.

3.2 Boards

LGT WM UK LLP is governed by a Governing Board which:

- oversees management of the entity and monitors senior management decision making;
- determines and sets the **strategic direction, framework, policies and culture by providing direction, control and oversight of management; and**
- is responsible for overseeing and monitoring the risk strategy, **risk appetite and risk management framework**.

The Governing Board meets at least **quarterly** and is comprised of **executive, non-executive and independent non-executive members**. On an annual basis, the Governing Board assesses its **effectiveness**.

In line with **MIFIDPRU 8**, the table below summarises the number of **external directorships** held by members of **the Governing Board**:

Name	Position	Executive directorships	Non-executive directorships
Olivier de Perregaux	CEO LGT Private Banking, Chair and non-executive member	0	2
Michael Buerge	CFO LGT Private Banking, Non-executive member	0	0
Benjamin Snee	Non-executive member	0	3

Name	Position	Executive directorships	Non-executive directorships
H.S.H. Princess Adelheid Liechtenstein	Non-executive member	0	1
Susan Ward	Independent non-executive member	1	2
Heinrich Henckel	Chief Executive Officer, LGT WM UK LLP, Executive member	0	0
Stephan Tanner	Corporate Development & Transformation, Non-executive member	0	0

3.3 Management Boards

Where appropriate given the scale and complexity of each entity, a **Management Board** is established, comprised of senior managers. Collectively they:

- are responsible for managing business on a day-to-day basis within the business strategy and risk appetite and tolerance set down by the Board;
- reviews the risk framework of the entity annually and maintains awareness of the material risks and issues that might affect its respective entity and LGT WM UK as a whole; and

Management Boards meet at least **quarterly**, and their responsibilities and composition are set out in their respective **Terms of Reference enacted by the Board**.

3.4 Board level committees

LGT WM UK LLP has two Board level governance committees:

- **Audit, Risk & Compliance Committee** – assists the Governing Board in fulfilling its oversight responsibilities defined by law and internal or external regulations by:
 - reviewing the financial information.
 - monitoring the appropriateness, adequacy and effectiveness of the system of risk management and oversight, internal controls and policies, processes and procedures.
 - monitoring the qualifications, independence and performance of the External Auditors and Internal Audit.
 - reviewing the risk profile of the LLP and LTD to obtain assurance that it is being satisfactorily managed within the firm's risk appetite.
- **Local HR Compensation Committee (LHRCC)** – assists the Governing Board in overseeing **remuneration policies and practices**, including remuneration of **Senior Management** and key control function heads, and reviews and recommends compensation schemes and discretionary awards.

4. Risk Management, ICARA and Risk Profile

4.1 Risk management framework

LGT WM UK's **risk strategy** and **risk/return appetite** are set by the Governing Board and implemented through a formal risk management framework, including Risk Appetites, Risk Appetite statements and Key Risk Indicators (KRI). The framework covers:

- identification and assessment of key risk types
- risk mitigation measures
- limits and controls
- regular monitoring and reporting

The main risk categories used by LGT WM UK are:

Principal Risks	Strategic Risk	Business Risk	Regulatory & Legal Risk	Operational Risk	Financial Risk	Information & Technology Risk
Level 1 Risks	People	Sustainability	Fraud	Transaction Processing & Execution	Credit	Technology
	Reputational	Market	Conduct	Physical Security & Safety	Liquidity & Funding	Information Security
	Business Model	Investment Performance	Financial Crime	Business Resilience	Statutory reporting & Tax	Data Management
		Key Person	Legal	Third Party	Model	
			Regulatory			

4.2 Key risk types

- **Strategic risk** – risk of losses from strategic decisions, changes in the economic/commercial environment, inadequate implementation of strategic objectives, inability to adapt to changing conditions, or dependency on key staff.
- **Market risk** – risk from movements in interest rates, currencies or equity markets. LGT WM UK does **not** manage its own assets or conduct proprietary trading; market risk is therefore **not significant**, and no specific internal capital allocation method is used. For client portfolios, limits at portfolio, instrument and, where relevant, issuer level are used to control market exposures.
- **Liquidity and funding risk** – risk that the Firm cannot meet its obligations as they fall due or cannot access funding in a timely and cost-effective manner.
- **Credit risk** – risk of loss if a counterparty fails to meet its obligations. This can arise from loans and advances, debt securities, derivatives and off-balance-sheet items such as commitments and guarantees.
- **Operational risk** – risk of loss from inadequate or failed processes, people, systems or external events.
- **Regulatory risk** – risk that changes in laws/regulations, or non-compliance with them, materially affect the Firm's business or market environment.
- **Reputational risk** – risk of loss or damage from deterioration in the Firm's reputation among stakeholders.

4.3 Risk process

For each material risk type, the Firm follows a structured process:

1. **Identification**
2. **Assessment and analysis**
3. **Management and mitigation**
4. **Monitoring and review**

The **Risk and Control Self-Assessment (RCSA)** process, performed at least annually, is the cornerstone of the risk management process and is used to identify and assess risks associated with the Firm's activities, together with the effectiveness of mitigating controls.

4.4 Three lines of defence model

LGT WM UK applies the three lines of defence model to risk management, which work together to identify, assess and mitigate risks:

- The first line of defence (operational business) owns the risks and is responsible for monitoring, managing, controlling and reporting these risks.
- The second line of defence (independent control functions) monitor the risks in line with laws, regulations and internal policies, and provide advice to the first line as required.

- The third line of defence (audit function) provides independent objective assurance with regard to the risk framework.

The three lines of defence model enables the Governing Board to make informed decisions about risk management, including setting strategies, defining risk appetite, and allocating resources to achieve the Firm's goals.

4.5 ICARA process and wind-down planning

LGT WM UK undertakes an **Internal Capital and Risk Assessment (ICARA)** at least annually, as required under IFPR. The ICARA is an ongoing process supported by the **Risk** and **Finance** functions and reviewed by the relevant **Boards and Committees**, including the, Management Board, Audit Risk & Compliance Committee, and the Governing Board.

The ICARA:

- assesses LGT WM UK's material risks and associated potential harms to the Firm, its clients and the markets.
- considers both **financial risks** and **non-financial (operational and other) risks** identified through the RCSA.
- quantifies risks through modelling, stress testing and scenario analysis, including scenarios linked to LGT WM UK's strategy and external risk factors.
- determines LGT WM UK's **Own Funds Threshold Requirement (OFTR)** and **Liquid Assets Threshold Requirement (LATR)**, being the levels of capital and liquid assets required to support ongoing operations and an orderly wind-down.
- includes an assessment of **Group risk**, reflecting LGT WM UK's status as a wholly-owned subsidiary of LGT Group.

LGT WM UK has a **low appetite** for liquidity and funding risk and seeks to maintain **capital and liquidity buffers** in excess of its assessed OFTR and LATR. LGT WM UK's risk appetite is to maintain a **regulatory capital and liquidity surplus of at least 30%** over the minimum requirement and to comply with relevant **FCA early warning trigger** expectations.

As part of the ICARA, LGT WM UK has also considered:

- the capital required to fund **ongoing business operations**, including K-Factor requirements and capital for non-financial and financial risks; and
- the capital required to support an **orderly wind-down**, including identification of potential **wind-down trigger events** and a quantitative assessment of wind-down costs and resources.

The ICARA is prepared on a **consolidated basis** for LGT Wealth Management UK, comprising the operationally active regulated entities of LGT WM UK (including LGT WM UK LLP, LGT WM Limited, LGT WM US and LGT WM Jersey).

Based on the ICARA as at **31 December 2025**, LGT WM UK concluded that:

- it holds **own funds** in excess of its **Own Funds Threshold Requirement (OFTR)**; and
- it maintains **liquid assets** in excess of its **Liquid Assets Threshold Requirement (LATR)**, including under the modelled stress and wind-down scenarios.

The ICARA, including its methodology, assumptions and conclusions, has been reviewed and approved by the relevant Boards, which have been provided with access to supporting analysis and documentation.

5. Own Funds

5.1 Composition of regulatory own funds

On both a **consolidated** and **individual** basis, the Firm is sufficiently capitalised with own funds comprising solely **Common Equity Tier 1 (CET1) capital**.

For **LGT WM UK LLP**, CET1 is derived principally from **Partner Capital contributions**. The composition is as follows:

Composition of regulatory own funds	£'000
Own funds	67,323
Tier 1 capital	67,323
Common Equity Tier 1 capital	67,323

Composition of regulatory own funds	£'000
Tier 1 capital before deductions	67,323
Fully paid-up capital instruments	81,522
Share premium	0
Retained earnings	0
(–) Total deductions from CET1	0
CET1: Other capital elements, deductions and adjustments	0

5.2 Reconciliation to audited financial statements

The reconciliation to the audited balance sheet is as follows.

Assets

Assets	£'000
Intangible assets	0
Property, plant and equipment	5,565
Trade and other receivables	81,737
Cash and cash equivalents	29,433
Total assets	116,735

Liabilities

Liabilities	£'000
Trade and other payables	29,969
Trade and other payables – non-current	5,244
Total liabilities	35,213
Total assets less liabilities	81,522

Member equity

Member equity	£'000
Member capital classified as equity	88,890
Other reserves classified as equity	(7,368)
Total Member equity	81,522

Regulatory CET1 capital is derived from Partner Capital contributions, after applying regulatory deductions and adjustments (e.g. deduction of intangible assets), resulting in **CET1 capital of £67,323k**.

6. Own Funds Requirements

6.1 Capital requirements overview

The Firm’s own funds requirement is the **highest** of:

- the **Permanent Minimum Capital Requirement (PMR)**
- the **Fixed Overheads Requirement (FOR)**
- the **K-Factor Requirement (KFR)**

As at **31 December 2025**, the Firm’s regulatory capital position for LGT WM UK LLP is as follows:

Capital requirement	£'000
Permanent Minimum Capital Requirement (PMR)	750
Fixed Overheads Requirement (FOR)	28,901
K-Factor Requirement (KFR) (non-SNI firms)	12,903
Applicable capital requirement (highest)	28,901

With **Tier 1 capital of £67,323k**, the Firm holds a **capital buffer** of **£38,422k** above the applicable requirement (FOR). This equates to an own funds’ requirement ratio of **233%**.

6.2 K-Factor requirement

The **K-Factor Requirement** is broken down as follows:

K-Factor requirement	£'000
K-AUM	4,395
K-CMH	1,946
K-ASA	6,531
K-COH	31
Total K-Factor requirement	12,903

7. Remuneration Disclosures

7.1 Remuneration policy and governance

This section summarises the Firm’s approach to remuneration across **LGT WM UK**. The workforce includes **Partners (Executive Members)** and **employees**.

The Firm’s remuneration framework aims to:

- comply with **FCA** and other applicable regulatory requirements, including the **MIFIDPRU Remuneration Code**
- support the **business strategy, risk appetite** and **values**

- promote **sound and effective risk management**, avoiding incentives for excessive risk-taking
- be consistent with the duty to deliver **good customer outcomes**
- ensure remuneration does not **reward failure** and is not paid where it would be detrimental to the Firm's or LGT Group's sound capital base

The **Local HR Compensation Committee (LHRCC)** oversees:

- remuneration policy and its alignment with **risk and conduct**
- remuneration of **Senior Management** and key control function staff
- bonus pool determination and allocation principles
- application of **deferral, malus and clawback**, in line with regulatory requirements

7.2 Material Risk Takers (MRTs)

The Firm identifies **Material Risk Takers (MRTs)** in accordance with **SYSC 19G.5**. MRTs include:

- members of the **Management Boards/ExCos** of LGT WM UK who hold **Senior Management Functions** under the SMCR
- other individuals whose activities have a **material impact** on the Firm's risk profile

7.3 Components of remuneration

Fixed remuneration

- For **Executive Members**, fixed remuneration comprises **base drawings** on account of profit share.
- For **employees**, fixed remuneration is **base salary and benefit costs**.

Fixed pay is determined based on role, responsibilities and contribution, and is reviewed **annually**, considering performance, market levels, inflation and affordability.

Benefits

Employees receive a core benefits package including:

- **private medical insurance**
- **income protection**
- **life assurance**

A **benefits pot** is used for employer pension contributions and other flexible benefits. For individuals at or above the pension lifetime allowance, a cash equivalent is added to base pay.

Variable remuneration

Variable remuneration is discretionary and linked to:

- Firm performance
- business unit performance (where relevant)
- individual performance, including **risk management, conduct and compliance**

Bonus pools are set by the **LHRCC**, taking into account profitability and risk. For:

- **Revenue producers** – awards are linked to revenues and new business, with an overlay for conduct and compliance.
- **Other staff** – awards are based on performance against objectives, conduct, and market benchmarks.

All bonus proposals are subject to review and calibration by the **LHRCC**.

Deferral, malus and clawback (MRTs)

For **MRTs**:

- the maximum ratio of **variable to fixed remuneration** is **2:1** (1:1 for control functions)

- **50–60%** of variable remuneration is **deferred** into a **Value Alignment Plan (VAP)**, whose value is linked to the profitability of the wider **LGT Group**
- VAP awards vest over **five years**, with **one-fifth** vesting each year after a **one-year blocking period**

Variable remuneration for MRTs is subject to **malus and clawback** for up to **six years**, which may be applied in the event of (for example):

- misconduct, lack of fitness and propriety or serious breach of policies
- material downturn in financial performance or risk management failure
- financial misstatement or errors affecting variable pay calculations

Executive Members (Partners) – additional profit allocations

Subject to sufficient profits after base drawings and the variable pool:

- additional profit allocations may be awarded to **Executive Members** based on Firm and Group performance and individual contribution
- for MRTs, these are subject to the same **deferral, malus and clawback** rules as other variable remuneration
- for non-MRT Executive Members, deferred amounts are held in execution-only accounts and released over time

7.4 Guaranteed variable remuneration and severance

- **Guaranteed variable remuneration** is only offered to **new hires**, on a case-by-case basis, typically limited to the first year of employment.
- **Severance payments** are determined on a case-by-case basis, are proportionate to the individual's contribution and circumstances, and do not reward failure. Deferred remuneration, where applicable, remains subject to **malus and clawback**.

7.5 Quantitative remuneration information (FY 2025)

For the financial year ended **31 December 2025**, total remuneration awarded was as follows:

	Material Risk Takers (£m)	All other staff (£m)
Number of staff	9	599
Fixed remuneration	2.6	58.9
Variable remuneration (paid in April 2026)	3.3	28.3
Total remuneration	5.9	87.2

Additional information:

- **5 guaranteed bonuses** were awarded to new joiners in their first year (none to MRTs).
- **33 severance payments** were made (none to MRTs).
- The **average total remuneration** of the **top three highest earners** was **£1.114m**.

8. Basis of Preparation and Verification

This disclosure has been prepared by **LGT Wealth Management UK LLP** based on its **regulatory returns, internal management information** and **audited financial statements** as at **31 December 2025**.

While certain figures are taken from the Firm's audited financial statements, this disclosure itself has **not been audited**. It has been **reviewed and approved** by senior management and the Governing Board to ensure that it is **fair, clear and not misleading**.