

Eaton Vance Advisers International Ltd

Investment Firm Prudential Regime Disclosures Report

As at 31 December 2022

Table of Contents

1. Overview and Key Metrics	3
2. Regulatory Frameworks	5
3. Capital Management	6
4. Risk Management	7
5. Governance and Board of Directors	12
6. Capital Resources.....	14
7. Capital Instruments Template	16
8. Appendix I: IFPR Article Reference Mapping	17
9. Appendix II: Abbreviations.....	19

Tables

Table 1: Key Metrics	3
Table 2: Composition of regulatory own funds	14
Table 3: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements.....	15
Table 4: Own funds: main features of own instruments issued by the firm	16

1. Overview and Key Metrics

The principal activity of Eaton Vance Advisers International Ltd (“EVAIL”) is provision of portfolio management for clients.

EVAIL is a fund management entity authorised under the Alternative Investment Fund Managers (“AIFM”) Directive to provide a range of services and activities to investors in financial markets. EVAIL is prudentially authorised and regulated in the UK by the Financial Conduct Authority (“FCA”).

EVAIL’s disclosure as at 31 December 2022 has been prepared on a standalone basis. The disclosures fulfil the firm’s regulatory obligation to disclose to market participants key pieces of information on its risk management objectives and policies, own funds, own funds requirements and remuneration policies.

The information presented below is reflective of the facts and circumstances that existed as at 31 December 2022.

Table 1: Key Metrics

EVAIL	Amount (GBP thousands)
Common Equity Tier 1 Capital (“CET1”)	20,452
Additional Tier 1 Capital (“AT1”)	-
Tier 1 Capital	20,452
Tier 2 Capital	-
Total Own Funds	20,452
Permanent Minimum Capital Requirement	75
Fixed Overheads Requirement	2,893
Total K-Factor Requirement	4,230
Assets for which the firm is responsible (K-AUM, K-CMH & K-ASA)	3,839
Execution activity undertaken by the firm (K-COH & K-DTF)	-
Exposure-based risks (K-NPR, K-CMG, K-TCD & K-CON)	391
Own Funds Requirement	4,230

The Own Funds Requirement is equal to the higher of: a) Permanent minimum capital requirement, b) Fixed Overheads Requirement (“FOR”) or c) K-Factor Requirement (“KFR”).

The FOR is a proxy for the amount of own funds which must be held to allow the firm to wind-down in an orderly way. The FOR is equal to 25% of the firm’s annual relevant expenditure.

The KFR is the amount of own funds required to cover the risk of harm from the ongoing operation of the firm’s business falling within the following risk categories:

- Assets for which the firm is responsible captures the value of assets an investment firm manages for its clients (“K-AUM”), amount of client money it holds (“K-CMH”) and value of assets it safeguards and administers for clients (“K-ASA”).
- Execution activity undertaken by the firm captures the value of orders that an investment firm handles for clients (“K-COH”) and the daily value of transactions it enters through dealing on own account or the execution of orders on behalf of clients (“K-DTF”).
- Exposure-based risks captures standardised market risk provisions (“K-NPR”), margin required by a clearing member or qualifying central counterparty (“K-CMG”), trading activity giving rise to risk of trading counterparty default (“K-TCD”) and concentration risk to a client or group of connected clients in the trading book (“K-CON”).

The KFR provides for risk sensitive capital requirements based on the activities of the firm. The relevant K-Factors to EVAIL’s activities are K-AUM and K-NPR.

Morgan Stanley Group

EVAİL's immediate parent is Morgan Stanley International Holdings LLC. The ultimate parent undertaking and controlling entity is Morgan Stanley, a Delaware corporation which, together with its consolidated subsidiaries, form the Morgan Stanley Group. Morgan Stanley is a "Financial Holding Company" as defined by the Bank Holding Company Act of 1956, as amended, and is subject to regulation and oversight of the Board of Governors of the Federal Reserve System.

EVAİL is a wholly owned subsidiary of the Morgan Stanley Group. The information disclosed in this document is not necessarily indicative of the Morgan Stanley Group as a whole, nor is it comprehensively representative of the Morgan Stanley Group's activity in any particular region. Investors, stakeholders, creditors or other users seeking information on capital adequacy, liquidity, risk exposure and risk management policies should consult the public disclosures of Morgan Stanley Group.

Details of the latest Morgan Stanley Group Pillar 3 disclosure can be accessed at <http://www.morganstanley.com/about-us-ir/pillar-us>.

Morgan Stanley is listed on the New York Stock Exchange and is required, by the US Securities and Exchange Commission, to file public disclosures, including Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. These can be accessed at <https://www.morganstanley.com/pub/content/msdotcom/en/about-us-ir/sec-filings>.

2. Regulatory Frameworks

The Investment Firm Prudential Regime (“IFPR”), effective date 1 January 2022, sets out a regulatory framework applicable to UK investment firms authorised under Markets in Financial Instruments Directive (“MiFID”) as well as AIFM investment firms and UCITS investment firms which provide certain MiFID regulated services. Prior to the implementation of the IFPR, smaller investment firms, such as EVAIL, were subject to the application of Basel Committee Banking Supervision (“BCBS”) standards which are designed for internationally active banking groups. The IFPR aims to provide a proportionate and streamlined regulatory framework for the non-systemic investment firms prudentially regulated in the UK.

Under the IFPR Framework, investment firms are split into three categories:

1. Designated Investment Firms - firms designated by the Prudential Regulation Authority (“PRA”) under article 3 of the PRA-regulated Activities Order, which remain subject to a BCBS based capital regime.
2. Non small and non-interconnected (“non-SNI”) firms - firms that do not meet definition of a small and non-interconnected (“SNI”) investment firm, which are subject to full IFPR requirements.
3. SNI firms - firms which meet all the required SNI thresholds and conditions set out by the FCA, will be subject to reduced IFPR requirements.

EVAIL is a non-SNI investment firm and is subject to full IFPR requirements implemented by the FCA via the MIFIDPRU Prudential sourcebook.

The IFPR framework applies: 1) minimum capital and liquidity requirements, 2) additional own funds requirements calculated based on additional risks as identified by the firm or relevant competent authority, and 3) for non-SNI firms, a public disclosures requirement.

EVAIL has policies and procedures in place to assess the appropriateness of its disclosures. EVAIL’s disclosures are not required to be, and have not been, audited. The disclosures have been prepared as at 31 December 2022 on the basis of the IFPR and related legislation requirements.

EVAIL does not hold, directly or indirectly, any voting rights in any company and as such IFPR investment policy disclosures are not relevant.

3. Capital Management

EVAIL conducts an Internal Capital Adequacy and Risk Assessment (“ICARA”) at least annually to meet its obligations under the FCA Handbook.

The ICARA is a key tool to ensure that EVAIL has appropriate systems and controls in place to identify, monitor, and, if proportionate, reduce all material potential harms:

- a) that the ongoing operation of the business may cause to: clients and counterparties, the markets in which the firms operate, and the firm itself; and
- b) that may result from winding down the business, to ensure that EVAIL can be wound down in an orderly manner.

The ICARA enables EVAIL to:

- a) remain financially viable throughout the economic cycle, with the ability to address any potential material harms that may result from its ongoing activities; and
- b) to enable EVAIL to conduct an orderly wind-down while minimising harm.

If required, the FCA may provide individual guidance to EVAIL about the amount of own funds that the FCA considers is necessary to comply with the overall financial adequacy rule. Alternatively, the FCA may apply a requirement to the firm that specifies an amount of own funds that the firm must hold for that purpose.

In order to maintain or adjust its capital structure, EVAIL may pay dividends, return capital to its shareholders or issue new shares.

4. Risk Management

Risk Management Framework

The EVAIL Risk Management Framework is embedded and operating appropriately. EVAIL's Risk Management practices have been enhanced to be in line with Morgan Stanley Group's practices.

The EVAIL Risk Management Framework includes a well-defined comprehensive risk governance structure with appropriate risk management expertise, including processes for periodically assessing the efficacy of the Risk Management Framework.

Risk Appetite Statement

EVAIL's risk appetite is defined by the risk appetite of the Board, and is driven by a mix of the following factors:

- A desire to see the business grow, tempered by the need to continually have a strong and robust infrastructure; and
- The industry in which the business operates is a small, closely-connected industry in which reputation risk is paramount – as such caution is exercised in the fields of tax planning, business risk, recruitment procedures, etc.

EVAIL has a low overall risk appetite. Specifically, it does not intend to take any risks with its own capital and ensures that risk taken is closely monitored and consistent. Issues arising with the latter would not only affect the clients but also have an adverse effect on the EVAIL itself. In practical terms, the low-risk appetite means that whilst management would be prepared to tolerate a degree of unexpected costs, close attention is paid to ensuring that these do not exceed the expected long-term economic benefit of EVAIL's activities.

Risk Identification and Assessment

The Risk Identification process for EVAIL is subject to regular review and enhancement and leverages firm-wide best practices.

The process of Risk Identification is performed as part of the day-to-day activities of the EMEA Business Units and EMEA independent Risk Management functions including, for example, the EMEA Risk Division and EMEA Compliance Department.

The objectives of the Risk Identification process include identifying material risks that inform risk measurement, monitoring and management, and inform the scenarios that drive EVAIL's ICARA, as well as guiding EVAIL's Risk Appetite.

The EVAIL Risk Identification process is aligned to other Morgan Stanley Group entities such as Morgan Stanley Investment Management Limited and leverages firm-wide best practices.

Material Potential Harms

EVAIL is required to identify, monitor and reduce all material potential harms that may result from its ongoing operations, or the entity winding down. For each material risk, an internal capital adequacy and / or liquid assets assessment is performed to ensure that each risk is managed, governed and subject to effective internal controls, and where appropriate additional own funds and / or liquid assets are proposed to be held to address material potential harms.

The selection of risks reviewed as part of the ICARA is subject to governance through the EMEA ICAAP Steering Committee, and then the EVAIL Board as part of the overall ICARA process.

The following risks are assessed as part of the ICARA process. This assessment has been performed on a point-in-time basis and considers how each risk may evolve in the future.

Operational Risk

Operational Risk refers to the risk of loss or damage to EVAIL's reputation, resulting from inadequate or failed processes or systems, from human factors or external events (e.g., fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets).

Operational Risk is EVAIL's most material risk and manifests itself through the Risk to Client and Risk to Firm categories.

EVAIL acknowledges that Operational Risk is inherent to the asset management business and cannot, therefore, be entirely eliminated.

EVAIL manages its Operational Risk within the overall Risk Management Framework. The framework includes the application of specific Operational Risk related policies and procedures, the Operational Risk control framework, delivered primarily by EVAIL's Three Lines of Defence model, and a governance structure designed to oversee the overall level of Operational Risk taken by EVAIL.

Business Risk (Earnings at Risk)

Business Risk ("Earnings at Risk") is defined as the risk arising from:

- Changes to EVAIL's business, including the acute risk to earnings posed by falling or volatile income, and the broader risk of EVAIL's business model or strategy proving inappropriate due to macroeconomic, geopolitical, industry, regulatory or other factors;
- The risk that EVAIL may not be able to carry out its business plan and desired strategy;
- Risk arising from EVAIL's remuneration policy.

For EVAIL, Business Risk manifests itself through the Risk to Firm category. Material potential harms include key persons leaving the firm; fee pressures and client behaviour. Business Risk also includes the evolving regulatory landscape.

EVAIL's strategy and business plan enable it to deliver against its capital, risk and control agenda, and earnings resilience under stress has been demonstrated.

Liquidity Risk

Liquidity and funding risk refers to the risk that the EVAIL will be unable to finance its operations due to a loss of access to the capital markets, or difficulty in liquidating its assets. Liquidity risk also encompasses the EVAIL's ability (or perceived ability) to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern as well as the associated funding risks triggered by the market or idiosyncratic stress events that may cause unexpected changes in funding needs or an inability to raise new funding.

EVAIL has an inherently low liquidity risk profile given its business model.

EVAIL's Board of Directors sets the liquidity risk appetite to ensure adequate liquid resources are held to meet potential outflows under normal and stressed conditions and to meet its operating expenses while simultaneously ensuring durability of funding. The entity manages its liquidity risk appetite through the overall Required Liquidity Framework ("RLF"). The RLF establishes the amount of liquidity the entity must hold in both normal and stressed environments to ensure that the entity's financial condition and overall soundness are not adversely affected by an inability (or perceived inability) to meet financial obligations in a timely manner. The RLF ensures the entity holds sufficient liquidity to meet both the Regulatory and Internal Liquidity Requirements. EVAIL maintains its liquidity reserves in the form of short-term cash deposits within its credit limit framework to remove any risk from liquidating assets.

The RLF includes the application of specific liquidity risk related policies and procedures in addition to a governance structure designed to oversee the overall level of liquidity risk taken.

As at 31 December 2022, EVAIL is compliant with the FCA's IFPR regime and has sufficient liquidity resources to meet its regulatory liquidity requirements.

Legal, Regulatory and Compliance Risk

Legal, Regulatory and Compliance Risk includes the risk of legal or regulatory sanctions, material financial loss; including fines, penalties, judgements, damages and/or settlements, limitations on our business, or loss to reputation which EVAIL may suffer as a result of a failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct applicable to EVAIL's business activities. This risk also includes contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. It also includes compliance with anti-money laundering, anti-corruption and terrorist financing rules and regulations. EVAIL is generally subject to extensive regulation in the different jurisdictions in which it conducts its business.

Compliance Risk manifests itself through the Risk to Client and Risk to Firm categories.

EVAIL seeks to comply with the applicable laws, rules and regulations, including those related to financial crimes, and has no appetite for transactions, business activities or conduct by employees, contingents, customers or counterparties that give rise to a significant breach of EVAIL's compliance obligations.

EVAIL and its employees and contingents are subject to the Global Compliance Policy. EVAIL has a robust compliance framework in place to monitor and mitigate Compliance Risk. Potential losses arising from Compliance Risk are assessed within the Operational Risk assessment.

Reputational Risk

Reputational Risk is also referred to as Franchise Risk. Reputational Risk describes the potential risks associated with the way in which EVAIL conducts its business and the perception of EVAIL by external parties, including the shareholders, clients, regulators and the public. Reputational Risk may be triggered by the nature of the transaction, business practice, the identity or reputation of the client/counterparty or jurisdictional considerations.

Reputational Risk manifests itself in the Risk to Firm category.

EVAIL does not have any appetite for transactions, business practices, clients or counterparties that pose a significant franchise risk and jeopardise the firm's reputation.

The Global Franchise Risk Policy sets out examples of "red flags" that may be indicative of potential Reputational Risk. The primary mitigant to Reputational Risk is a robust Risk Management Framework, encompassing monitoring, escalation and review.

Conduct Risk

Conduct Risk is defined as the risk arising from misconduct by individual employees or contingent workers (collectively, "Covered Persons") or groups of Covered Persons, or the risk arising from conduct by Morgan Stanley where the outcome has an adverse impact on clients, markets or the Morgan Stanley Group's reputation. Conduct includes both intentional and unintentional behaviours.

EVAIL has no risk appetite for Conduct Risk. It acknowledges, however, that Conduct Risk remains inherent in doing business and thus cannot be entirely eliminated. Potential losses arising from Conduct Risk are assessed within the Operational Risk assessment.

Credit Risk

Credit Risk refers to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to EVAIL.

For EVAIL, Credit Risk manifests itself through the Risk to Firm category, as cash in the form of deposits at other institutions or outstanding payments or loans due.

EVAIL has no exposure to traded products (i.e., Over-the-Counter (“OTC”) derivatives and Securities financing transactions (“SFTs”)) and no direct exposure to the Credit Risk of the Assets under Management (“AuM”).

Market Risk

Market Risk refers to the risk that a change in the level of one or more market prices, rates, indices, implied volatilities, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio.

For EVAIL, Market Risk manifests itself through the Risk to Firm category and is limited to foreign exchange (“FX”) risk on non USD revenues and expenses. There is no direct Market Risk exposure to the AuM.

Model Risk

Model Risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs. Model Risk can lead financial loss, poor business and strategic decision making, or damage to EVAIL’s reputation.

For EVAIL, Model Risk manifests itself in the Risk to Client and Risk to Firm categories.

The Model Risk appetite is set to a level that, after considering EVAIL's model governance and control processes, does not pose a material risk to the EVAIL capital adequacy, reputation and regulatory standing.

Concentration Risk

Concentration Risk is the risk of loss due to an outsized exposure to counterparty, group of counterparties or counterparties in the same industry or geographic region.

Concentration Risk manifests itself through the Risk to Firm category.

Credit Risk exposures that would give rise to Concentration Risk are not material. As EVAIL has no direct exposure to the Credit Risk of funds, there is no further Concentration Risk from the AuM.

Group Risk

Group Risk is the risk that the financial position of an entity may be adversely affected by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole group (for example, through reputational contagion).

EVAIL has no intercompany loans with the Morgan Stanley Group or Eaton Vance affiliates, therefore Group Risk does not pose a material risk to EVAIL’s capital or liquidity adequacy.

Taxation Risk

Taxation (Tax) Risk is defined globally as the risk that (i) potential future tax benefits are not fully realised prior to expiration; (ii) a tax authority may successfully assert that Morgan Stanley Group is subject to more tax liability than expected; or (iii) unanticipated tax rule changes result in potential reduction in capital.

Taxation Risk does not post a material risk to EVAIL’s capital or liquidity adequacy.

Climate and Environmental Risk

Environmental risk may include impacts to biodiversity, pollution of land, water or air, climate change, deforestation and forest degradation, and other significant negative impacts on the environment as a result of human activities. Within environmental risk, the risks arising from climate change are a particular area of focus.

The Morgan Stanley Group divides climate and environmental risks into two main categories: transition risk and physical risks.

- **Transition risks:** Transitioning to a low-carbon and more environmentally sustainable economy will entail extensive regulatory, policy, legal, technology and market initiatives as society adapts to climate

change, mitigates its causes and promotes a more sustainable environment. Depending on the nature, speed and focus of these changes, transition risks may pose varying types and levels of financial and reputational risk to businesses and other organisations.

- **Physical risks:** These risks include both acute physical events such as flooding, and chronic physical risks related to longer-term shifts in climate patterns such as more frequent and prolonged drought and progressive shifts like biodiversity loss, land use change, habitat destruction and resource scarcity. Financial implications for organisations can range from direct damage to assets to indirect impacts from supply chain disruption, driven by factors such as changes in water availability, food security and agricultural productivity. Extreme temperature changes may affect an organisation's physical locations, operations, supply chain, transport needs and employee safety.

Risk Appetite and Limit Framework

Climate risk as a material risk forms part of EVAIL's risk management framework as a driver of existing risks.

Scenario Analysis and Stress Testing

Scenario Analysis is central to the Morgan Stanley Group's Climate Risk Management Framework. Operational Risk Scenario Analysis workshops are held across the Group to assess the impact of a number of scenarios, including physical risk scenarios focused on business disruption and scenarios to assess litigation and reputational risk.

Given the strategy and risk profile of the entity, the EVAIL Board is satisfied that the risk management framework is appropriate for the identification and mitigation of the potential for harm associated with its business strategy. The effectiveness of the framework is reviewed at least annually and, where appropriate, elements are updated to reflect best practice, evolving market conditions, lessons learned following market-wide or idiosyncratic risk events, and in response to changing regulatory expectations and requirements.

5. Governance and Board of Directors

Governance Arrangements

Ruairi O’Healai is the Chief Executive Officer of EVAIL (the “CEO”) and an executive director on the EVAIL Board. As CEO he is responsible for the executive management of the business and operations of EVAIL.

The EMEA IM Operating Committee has been established to assist in the coordination of the EMEA IM Business, including the business conducted by EVAIL. Its authority and responsibilities extend to a wide range of matters including strategy; performance; investment oversight and product development; risks and controls; operational, conflicts, legal and regulatory matters; and human resources and culture-related matters. Connectivity with the wider EMEA governance structure is facilitated by cross membership between the EMEA IM Operating Committee and other EMEA Executive-Level and Management-Level Committees. In particular, the CEO is also a member of the EMEA Operating Committee and the EMEA Risk Committee.

The EMEA IM Operating Committee is supported in its activities by a layer of EMEA IM Management-Level committees. Namely the EMEA IM Operations Committee, the EMEA IM Product Governance Committee, the EMEA IM Regulatory Management Committee, the EMEA IM Investment Committee, the EMEA IM Conflicts of Interest Committee and EMEA IM Risk Committee.

EVAIL is also supported by a number of global committees which consider certain processes that are relevant to Morgan Stanley Group’s IM business globally. Where appropriate, the CEO or other senior executives within the EMEA IM Business are members of these committees.

Appointments to the EVAIL Board

When identifying and recommending candidates to join the EVAIL Board, the EVAIL Board will consider a broad range of qualities and characteristics, to ensure there are directors with appropriate skills and experience on the EVAIL Board. It will also take into account regulatory requirements and relevant policies of the Morgan Stanley Group. New directors go through tailored induction programmes and all directors are provided with ongoing training.

Diversity and the composition of the EVAIL Board

The EVAIL Board recognises the importance and benefits of diversity both within business operations and at a board level. All appointments to the EVAIL Board are made on merit, in the context of the skills and experience that the EVAIL Board as a whole requires to be effective, with due regard given to the benefits of diversity. When assessing the composition of the EVAIL Board and recommending new directors, the EVAIL Board considers the benefits of diversity, including gender diversity.

The EVAIL Board aspires to meet or exceed a target of a minimum of 33% female representation on the EVAIL Board by 2025. As at 31 December 2022 the EVAIL Board has met that target.

Executive Directors¹

Ruairi O’Healai

Ruairi was appointed as an executive director and CEO of the EVAIL Board on 4 May 2022. Ruairi is Morgan Stanley Investment Management’s (“MSIM”) EMEA Chief Operating Officer. Prior to his current role, Ruairi served as International Chief Risk Officer for MSIM until January 2017.

Ruairi has over twenty years’ industry experience. Prior to joining MSIM, he was the Global Head of Risk Management for Pioneer Investments, where he worked for 12 years.

Ruairi holds a B.A. Banking and Finance degree from the University of Ulster and a Master of Commerce from the Graduate School of Business, University College Dublin.

Zoë Parish

Zoë was appointed as an executive director of the EVAIL Board on 26 April 2022. Zoë is the Head of International product and Board Governance for MSIM.

Before returning to Morgan Stanley in 2019, Zoë spent 4 years at Coutts and Co, and was most recently Head of Europe and Americas. From 1993 to 2014, Zoë held leadership and product roles in Morgan Stanley’s Private Wealth Management business in EMEA.

Zoë holds a B. A. (Hons) in Politics and History and an LLB (Hons) in Law, both from the University of London.

Directorships Held by the EVAIL Board

Director	Number of Directorships as at 31 December 2022	Directorships adjusted For SYSC4.3A.7(2)
Ruairi O’Healai	13	3
Zoë Parish	11	3

Risk Committee

EVAIL does not meet the thresholds under MIFIDPRU 7.1.4 R(1) for the requirement for a Risk Committee and therefore does not have one.

¹ Paul d’Arcy was appointed as a director of EVAIL on 20 April 2023.

6. Capital Resources

The capital resources of EVAIL as at 31 December 2022 are set out in Table 2. The main terms and conditions of the capital instruments are disclosed in Table 4.

Table 2: Composition of regulatory own funds

EVAIL	Amount (GBP thousands)	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1 OWN FUNDS	20,452	
2 TIER 1 CAPITAL	20,452	
3 COMMON EQUITY TIER 1 CAPITAL	20,452	
4 Fully paid up capital instruments	1,500	A
5 Share premium	-	
6 Retained earnings	14,030	B
7 Accumulated other comprehensive income	-	
8 Other reserves	6,284	C
9 Adjustments to CET1 due to prudential filters	-	
10 Other funds	-	
11 (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(1,362)	D
19 CET1: Other capital elements, deductions and adjustments	-	
20 ADDITIONAL TIER 1 CAPITAL	-	
21 Fully paid up, directly issued capital instruments	-	
22 Share premium	-	
23 (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24 Additional Tier 1: Other capital elements, deductions and adjustments	-	
25 TIER 2 CAPITAL	-	
26 Fully paid up, directly issued capital instruments	-	
27 Share premium	-	
28 (-) TOTAL DEDUCTIONS FROM TIER 2	-	
29 Tier 2: Other capital elements, deductions and adjustments	-	

Own Funds of EVAIL are based on audited financial statements. Table 3 provides a reconciliation of regulatory own funds to balance sheet information as at 31 December 2022.

Table 3: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

EVAIL¹	a Balance sheet as in published / audited financial statements (GBP thousands)	c Cross- reference to Table 2
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements		
Non-current assets		
1 Debtors (amounts falling due after more than one year)	1,493	
Of which: Deferred tax assets	1,103	D
Current assets		
2 Debtors (amounts falling due within one year)	7,004	
Of which: Deferred tax assets	259	D
3 Cash at bank and in hand	41,728	
Total current assets	48,732	
Total assets	50,225	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements		
Current liabilities		
1 Creditors (amounts falling due within one year)	16,330	
Non-current liabilities		
2 Creditors (amounts falling due after more than one year)	4,794	
Total liabilities	21,124	
Net assets	29,101	
Shareholders' Equity		
1 Called up share capital	1,500	A
2 Share-based payment reserve	6,284	C
3 Retained earnings	21,317	
Of which: Previous years retained earnings	14,030	B
Of which: Current years retained earnings	7,287	
Total Shareholders' Equity	29,101	

1. "Under regulatory scope of consolidation" column has been omitted as the investment firm's accounting and regulatory consolidation is the same.

7. Capital Instruments Template

Table 4 provides a description of the main features of the capital instruments issued by EVAIL as at 31 December 2022.

Table 4: Own funds: main features of own instruments issued by the firm	
EVAIL	
Description	
Instrument Type	Common Equity Tier 1
Accounting classification	Shareholder's Equity
Amount recognised in Regulatory Capital	£1,500,001
Nominal amount of instrument	£1 per ordinary share
Original date of issuance	01/05/2015
Perpetual/Dated	Perpetual
Write-down features	N/A
Fixed or Floating Dividend/Coupon	Floating
Convertible or non-convertible	Non-Convertible

8. Appendix I: IFPR Article Reference Mapping

Articles	Summary of Requirements	Compliance Reference EVAIL
8.1 Disclosure		
8.1.1	All disclosure requirements apply to a non-SNI firm, with the exception of: (4) Investment policy only applies if the firm does not fall within MIFIDPRU 7.1.4R(1).	EVAIL is a non-SNI firm.
8.1.2		
8.1.3	SNI MIFIDPRU Investment Firms: 1. A non-SNI investment firm may be reclassified as an SNI MIFIDPRU Investment firm in certain circumstances and be subject to reduced disclosure requirements. When reclassified to a SNI investment firm, full disclosure requirements apply the year of reclassification. 2. When an SNI investment firm is reclassified as a non-SNI investment firm, reduced disclosure requirements apply the year of reclassification, but it can choose to fully disclose in line with non-SNI investment firms requirements.	n/a
8.1.4		
8.1.5		
8.1.6		
8.1.7	Disclosure required on an individual basis, unless exempt.	Disclosure prepared for EVAIL on an individual basis
8.1.8	Qualitative disclosure detail must be appropriate to the size and complexity of the investment firm.	Meet requirement.
8.1.9	E.g., non-SNI investment firms should disclose more detailed remuneration detail than an SNI investment firm.	
8.1.10	Disclosure is required annually on the date the investment firm publishes its annual financial statements.	
8.1.11	More frequent disclosure should be considered in particular circumstances, such as a major change in business model or merger.	
8.1.12	MIFIDPRU TP12 details transitional provisions for disclosure requirements.	n/a
8.1.13	Disclosure must be easy to easily accessible, free to obtain, clearly presented and easy to understand.	Meet requirement.
8.1.14	For future disclosures, the format should be consistent with previous disclosure periods, and any significant changes should be highlighted.	
8.1.15	A firm is not required to disclose items which in doing so would breach the law of another jurisdiction.	
8.1.16	Disclosures should be published on a website.	
8.1.17		
8.2 Risk management objectives and policies		
8.2.1	An investment firm must disclose its risk management objectives and policies relating to Own funds requirements, concentration risk and liquidity.	Section 4: Risk Management.
8.2.2	This must include a concise statement approved by the investment firm's governing body describing the potential for hard associated with the business strategy and a summary of the strategies and processes used to manage each risk category, highlighting how this helps reduce the potential for harm.	
8.2.3	An investment firm may draw information from the ICARA process to comply with disclosing its approach to risk management referencing its risk management policies, details of risk management structure and operations, how risk appetite is set and summary of how it assesses the effectiveness of its risk management processes.	
8.3 Governance arrangements		
8.3.1	Information relating to internal governance arrangements: 1. an overview of how it complies with governance arrangements; 2. number of directorships (executive and non-executive) held by each board member; 3. a summary of the policy promoting diversity in the board; 4. if the firm has a risk committee and whether the firm is required to establish a risk committee.	Section 5: Governance and Board of Directors.
8.4 Own Funds		
8.4.1	Information on own funds: 1. a reconciliation of CET1, AT1 and T2 to calculate own funds; 2. a reconciliation of own funds to its audited financial statements; and 3. a description of the main features of CET1, AT1 and T2 instruments issued by the firm. A firm that is not required to publish annual financial statements is not required to disclose (2)	Section 6. Capital Resources Table 2: Composition of regulatory own funds. Table 3: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements. Section 7: Capital Instruments Template Table 4: Own funds: main features of own instruments issued by the firm.
8.4.2	A firm must use the template available at MIFIDPRU 8 Annex 1R in order to disclose the information requested at MIFIDPRU 8.4.1R .	

8.5 Own Funds Requirements		
8.5.1	An investment firm must disclose: 1. The K-Factor requirement broken down into a. Sum of K-SUM, K-CMH and K-ASA; b. Sum of K-COH and K-DTF; c. Sum of K-NOR, K-CMG, K-TCD and K-CON. 2. Fixed overheads requirement.	Section 1. Overview and Key Metrics. Table 1: Key Metrics.
8.5.2	An investment firm must disclose its approach to assessing the adequacy of its own funds in accordance with the overall financial adequacy rule.	Section 3. Capital Management.
8.6 Remuneration policy and practices- Disclosed separately		For remuneration disclosures: https://www.eatonvance.co.uk/pillar-3-risk-disclosure.php
8.7 Investment policy		n/a

9. Appendix II: Abbreviations

Term	Definition
AIFM	Alternative Investment Fund Managers
AT1	Additional Tier 1
AuM	Assets Under Management
BCBS	Basel Committee Banking Supervision
CEO	Chief Executive Officer
CET1	Common Equity Tier 1 Capital
EMEA	Europe, Middle East, and Africa
ESG	Environmental, Social and Governance
EU	European Union
EVAIL	Eaton Vance Advisers International Ltd
FCA	Financial Conduct Authority
FOR	Fixed Overheads Requirement
FX	Foreign Exchange
GBP	British Pound Sterling
ICAAP	Internal Capital Adequacy Assessment Process
ICARA	Internal Capital Adequacy and Risk Assessment
IFPR	Investment Firms Prudential Regime
IM	Investment Management
K-ASA	Assets Safeguarded and Administered K-Factor Requirement
K-AUM	Assets Under Management K-Factor Requirement
K-CMG	Clearing Margin Given K-Factor Requirement
K-CMH	Client Money Held K-Factor Requirement
K-COH	Client Orders Handled K-Factor Requirement
K-CON	Concentration Risk K-Factor Requirement
K-DTF	Daily Trading Flow K-Factor Requirement
KFR	K-Factor Requirement
K-NPR	Net Position Risk K-Factor Requirement
K-TCD	Trading Counterparty Default Risk K-Factor Requirement
MiFID	Markets in Financial Instruments Directive
MSIM	Morgan Stanley Investment Management Limited
NED's	Non-Executive Directors
NomCo	MSI Nomination & Governance Committee
Non-SNI	Non Small and Non-Interconnected
NPA	New Product Approval
OTC	Over the Counter
PRA	Prudential Regulation Authority
RLF	Required Liquidity Framework
SFDR	Sustainable Finance Disclosure Regulation
SFTs	Securities Financing Transactions
SNI	Small and Non-Interconnected
UK	United Kingdom
USD	United States Dollar