Modern Slavery Act Transparency Statement
MODERN SLAVERY ACT TRANSPARENCY STATEMENT

Capula Investment Management LLP ("CIM LLP") and Capula Investment Services Ltd ("CISL" and together, "Capula") make this statement under section 54 of the Modern Slavery Act 2015 (the "Act"). This statement sets out the approach that Capula is taking towards modern slavery for the financial year ending 31 March 2019.

'Modern slavery' under the Act may refer to slavery, servitude, forced or compulsory labour and human trafficking. Capula is committed to conducting its business without modern slavery and to taking appropriate and reasonable measures to minimise the risk of modern slavery occurring within its business and its supply chains.

Business activity and organisation

Capula is a global fixed income investment management firm headquartered in London with affiliates in the U.S., Japan and Hong Kong. It manages absolute return, enhanced fixed income, volatility and tail risk strategies on behalf of its clients.

CIM LLP is a limited liability partnership authorised to provide investment management services in the United Kingdom and is regulated by the Financial Conduct Authority. CISL operates as a service company in the U.K. and is a member of CIM LLP.

Business risk assessment

Core business

Capula’s sole business activity is investment management. Capula trades in the financial markets, primarily in the sovereign debt of leading, developed nations. The highly specialised and complex nature of the services provided by Capula to its clients necessarily requires a highly skilled and educated workforce. Capula’s international workforce in London commands compensation in line with the rest of the financial services industry and Capula employees and contractors enjoy the protections of UK employment law, which are reflected in Capula’s recruitment, remuneration and other internal policies. Capula’s trading business does not manufacture goods or develop products through the processing of raw materials. Further, its trading counterparties and intermediaries are all highly regulated institutions. For these reasons, Capula considers the risk of modern slavery occurring within its core business to be very low. Capula consequently does not consider necessary and is not currently taking steps to ensure that modern slavery is not occurring within its trading activities.

Ancillary activities

However, Capula acknowledges that the risk of modern slavery occurring within the supply chain related to its office support and facilities procurement activities requires a different assessment. Capula operates from London office premises subject to a lease granted by a UK-listed landlord that is also subject to the provisions of the Act. The majority of maintenance and cleaning services are contracted through the landlord. Capula has reviewed the steps outlined in the landlord’s Disclosure Statement under the Act and is satisfied that the steps that it has taken are appropriate with respect to the risk of slavery and trafficking occurring within its own supply chain. Capula therefore considers the risk of modern slavery occurring with the supply chain related to its ancillary activities, to be low.

Steps Capula is taking

Capula is nonetheless taking, and will continue to take, the following steps to ensure that there is no modern slavery within its supply chains:

1) ensuring that services to its U.K. premises are sourced from reputable suppliers;
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2) where appropriate, ensuring that pre-contractual due diligence encompasses a modern slavery risk assessment; and

3) seeking assurances, including if possible by way of contractual clauses, to ensure that the supplier has conducted its own assessment and/or taken steps to reduce the risk of modern slavery occurring within its business and supply chain.

This statement, including Capula's approach to and ongoing management of the risk of modern slavery, will be reviewed annually and updated as necessary to reflect any changes in the identification and management of such risk.

This statement, as undersigned, has been approved by the Board of Partners of CIM LLP and by the Board of Directors of CISL.

Signed for and on behalf of Capula Investment Management LLP

[Signature]

Signed for and on behalf of Capula Investment Services Ltd

[Signature]