



GRAVIS ADVISORY LTD (“GAL”)

MIFIDPRU Disclosure Document

Introduction

GAL is a MIFID investment firm and as such must comply with the rules contained in the FCA Handbook Chapter MIFIDPRU 8 in relation to *non-SNI MIFIDPRU investment firms*.

Basis of Disclosures

This document sets out the disclosures that we are required to make publicly available under MIFIDPRU. The disclosures are not audited and do not form part of the firm's annual audited financial statements.

As a non-SNI firm, this public disclosure document will address the following key areas:

- Risk management objectives and policies
- Governance arrangements;
- Own funds and own funds requirements; and
- Remuneration policy and practices.

Risk management objectives and policies

Risk management is not a stand-alone discipline but requires integration with business processes.

As required under the Investment Firms Prudential Regime ('IFPR'), GAL has conducted and documented its Internal Capital Adequacy and Risk Assessment ('ICARA'). The ICARA provides an overview of the business model and governance and risk management frameworks. It considers the material risks of harm posed to clients and GAL itself and assesses the soundness of the firm's current financial position and its ability to withstand plausible stressed conditions.

The ICARA process is linked to our overall risk management, business planning and capital management, with each of these components informing the others.

At its core, the ICARA process is about demonstrating that the firm:

- understands the risks it faces;
- has credible plans in place to manage those risks; and
- maintains adequate resources to continue operating — or wind down — in an orderly fashion.

GAL operates a simple business model and the ICARA is considered proportionate to the nature, scale and complexity of its activities.

There are three stages to GAL's risk management framework in practice:

- Risk identification;
- Risk assessment and rating; and
- Risk monitoring and reporting

The business functions constitute the first line of defence and are responsible for day-to-day ownership, responsibility and accountability for assessing, controlling and managing risk. The GAL team operate in accordance with defined controls and processes.

The Gravis Group Committee structure and compliance monitoring constitute the second line of defence.

GAL is represented on all relevant Gravis Group committees. Risk and Compliance is independent of the business functions and the Compliance and Risk Officer works with the business to provide support and challenge on risk management. The role includes a quarterly monitoring programme, which includes a review of the processes completed in respect of MIFID compliance and broader regulatory requirements. The results of the monitoring programme are circulated to the GAL Board on a quarterly basis and any material items are discussed, including remediation where relevant.

GAL does not currently require an internal audit function given the nature, scale and complexity of its activities but continues to keep this under review. Note that it is subject to review by ORIX Group internal audit.

Governance arrangements

The Gravis Group has a clearly defined governance structure with processes that cover all aspects of the business. It has established formal Governance Approval Rules which set out the approvals required before detailed specific actions can be undertaken by Gravis Capital Management Ltd or its subsidiary, Gravis Advisory Ltd.

GAL has its own Board of directors who have responsibility for the overall management of the firm. This board meets formally on a quarterly basis.

The GAL Investment Advisory Group is the formal governance panel for the recording of any GAL managed fund issues that require internal discussion, action or potentially escalation.

Otherwise, GAL is represented on all relevant Gravis Group committees:

- New Products Committee - responsible for the coordination and prioritisation of new business initiatives;
- Operations Committee – responsible for the coordination of operational activities;
- Responsible Investment Committee - responsible for the coordination of Gravis and Fund based Responsible Investment initiatives.

Own funds

This disclosure has been made in accordance with MIFIDPRU 8.4 requirements using the MIFIDPRU 8 Annex 1R template as required. The information contained in this section is as of 31 March 2025.

| Composition of regulatory own funds | | | |
|--|--|---------------------------------------|---|
| | Item | Amount (GBP thousands) | Source based on reference numbers/letters of the balance sheet in the audited financial statements |
| 1 | OWN FUNDS | 2,875 | |
| 2 | TIER 1 CAPITAL | | |
| 3 | COMMON EQUITY TIER 1 CAPITAL | | |
| 4 | Fully paid up capital instruments | | |
| 5 | Share premium | | |
| 6 | Retained earnings | 2,875 | |
| 7 | Accumulated other comprehensive income | | |
| 8 | Other reserves | | |

| | | | |
|----|---|--|--|
| 9 | Adjustments to CET1 due to prudential filters | | |
| 10 | Other funds | | |
| 11 | (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | | |
| 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: 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: | | 31 March 2025 £'000s | 31 March 2025 £'000s | |
| Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements | | | | |
| 1 | Tangible assets | | - | |
| 2 | Other investments | | - | |
| 3 | Debtors | 718 | - | |
| 4 | Current asset investments | | - | |
| 5 | Cash at bank and in hand | 3,828 | - | |
| | Total Assets | 4,546 | - | |
| Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements | | | | |
| 1 | Creditors: amounts falling due within one year | 1,518 | - | |
| 2 | Creditors: amounts falling due after more than one year | | - | |
| | Total Liabilities | 1,518 | - | |
| Shareholders' Equity | | | | |
| 1 | Called up share capital | | - | |
| 2 | Other reserves | 2,245 | - | |
| 3 | Profit and loss account | 783 | - | |
| | Total Shareholders' Equity | 3,028 | - | |

Own funds requirements

As a non-SNI firm, GAL is required to maintain an amount of capital that is the higher of the:

- Permanent minimum capital requirement (PMR); and
- Fixed overhead requirement (FOR); or
- Overall K-factor requirement (KFR); or
- Capital required for orderly wind down

For GAL, the Own Funds Requirement is £2,066k based on the capital required to facilitate an orderly wind down of the company.

Remuneration policy and practices

The Gravis Capital Management Board is the governing body for this purpose and, as such, is responsible for setting and overseeing the Gravis Group remuneration policy. The policy applies to all group employees and is reviewed annually.

GAL considers that the group remuneration policy:

- is consistent with and promotes sound and effective risk management;
- does not encourage excessive risk taking;
- includes measures to avoid conflicts of interest; and
- is in line with Gravis' business strategy objectives, values and long-term interests.

The structure of remuneration for employees comprises a combination of fixed and variable pay, made up of salary and an annual discretionary cash bonus. The Board considers that a balanced mix of fixed and variable remuneration supports the business strategy of GAL and its business activities.

In accordance with FCA rules, GAL is required to identify individuals whose professional activities are deemed to have a material impact on the risk profile of the firm, known as Material Risk Takers (MRTs). The remuneration rules and disclosures (subject to proportionality) apply to those individuals.

Variable remuneration for each employee is dependent on the performance of the Gravis group and is not directly linked to the individual performance of the different funds. The measurement of performance used to calculate bonuses includes the consideration of an individual's performance in the role assigned to them based on formal annual reviews.

GAL pays its employees at a level sufficient to attract and retain suitably qualified and experienced individuals. The level of remuneration reflects the market value of the role performed as well as the skills, experience and performance of the particular individual. The variable element is fully flexible and could be zero.

GAL is satisfied its remuneration policy is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

Quantitative disclosure

For the financial year ended 31 March 2025, GAL total remuneration was split as follows:

| | |
|-----------|------------|
| Fixed: | £1,709,769 |
| Variable: | £833,000 |

GAL has relied on the exemption in MIFIDPRU 8.6.8R(7) and aggregated the information disclosed in order to prevent identification of an individual material risk taker.