

# MIFIDPRU Disclosures

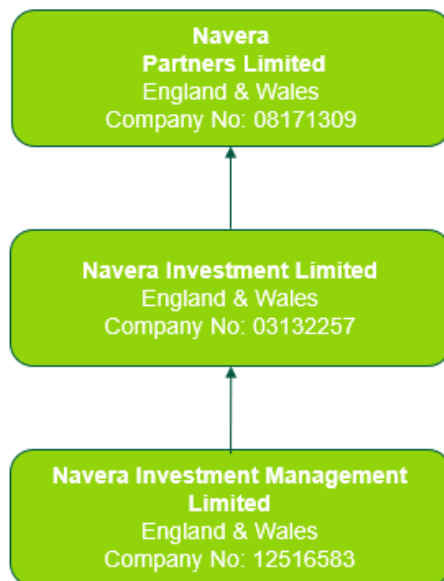
## Regulatory requirement

The Investment Firms Prudential Regulations ("IFPR"), implemented in January 2022, requires investment firms to make a public disclosure concerning their adherence to the regulations. This disclosure fulfils Navera Investment Management Limited's ("NIML") obligations to disclose to market participants key pieces of information on the firm's governance, own funds, own funds requirements, remuneration and diversity and inclusion.

## Company and MIFIDPRU structure

MIFIDPRU requirements (including the ICARA) have been produced at the NIML level. NIML is the FCA regulated entity which is subject to the MIFIDPRU handbook. As the only entity in the firm structure that undertakes FCA regulated business activities, NIML is subjected to the highest operational risk within the group.

## Group structure chart



NIML is categorised as a MIFIDPRU non-SNI firm, and all requirements have been considered in line with the appropriate regulations.

## Governance

Each entity is governed by a respective Board. The NIML Board (the regulated entity, “The Board”) oversees the strategy, operations, compliance, risk management and other key functions. The Board is responsible for ensuring that the regulated activities are carried out in accordance with the relevant legislation, regulation, and industry guidance.

The Board is comprised of the Executive Chair, Chief Executive Officer, Chief Investment Officer, and the Chief Operations & Technology Officer. The Compliance Officer and MLRO is an attendee at the Board. The Board is chaired by the Executive Chair who provides both challenge and support. The Board meets quarterly to formally provide oversight and governance. Day to day management has been delegated to the Chief Executive Officer, who is supported by the Board. All Board members and the attendee are active in the day-to-day management of the firm’s activities through the governance framework of committees and working groups as detailed below.

## Risk management

The Board has overall responsibility for risk management, the supporting system of internal controls and for reviewing their effectiveness. We use an approach of continuous identification and review. This includes monitoring of key risks, identification of emerging risks and consideration of risk mitigations after considering risk appetite and the impact of how those risks may affect the achievement of our business objectives.

As a regulated entity we manage risk in line with FCA regulation, internal risk appetite and investment policies.

The risks and uncertainties that the business may face can evolve over time. The Board are accountable for implementing and maintaining prudent and effective controls to ensure that risks are managed appropriately. Our risk management process is designed to identify, evaluate, and mitigate, rather than eliminate, the risk of failure to achieve our business objectives.

The Risk Framework is regularly tabled at Board meetings. This enables regular and proactive review and ongoing challenge of the identified risks and our internal control framework. The Risk Framework is considered along with the ICARA on an annual basis.

## External directorships and conflicts of interest

The table below highlights that no external directorships held by the directors of NIML, broken down into executive and non-executive directorships.

Members Name	Number of other directorships held
Mark Rayward	None
Caroline Stokell	None
Archana Mohan	None
Ross Ciesla	None

## Diversity and inclusion

Our internal, company-wide employment policy is laid out in our employee handbook. This policy lays out our commitment to equality, fairness, and respect for all our colleagues, and extends to the management body. There are no formal targets in relation to this policy for the management body because of its current diverse make-up. The company is committed to a diverse approach in the makeup of the management body and the broader organisation.

## Remuneration

The Remuneration Committee comprises the Executive Chair, the Chief Executive Officer, the Chief Investment Officer, and the HR Director. The employees on the committee are experienced investment professionals and shareholders with extensive management experience, they are fully engaged in the governance and oversight of the business.

All employees are paid base salaries which are set with reference to industry standards and reviewed by the Remuneration Committee. All employees on a permanent contract are eligible to be considered to receive an annual discretionary bonus designed to provide an appropriate annual reward that reflects the overall performance of the firm and the contribution of the individual in serving our clients.

All bonuses are discretionary and based on several key objectives including investment results, teamwork, client service, compliance and company profitability. Employees at the firm may be offered a cash bonus that has a proportion deferred for payment two years after the point of award. This would be considered for large awards and for our certified staff.

There is no direct link between individual revenues and discretionary bonuses. The discretionary bonus pool is set according to the firm's annual profitability such that the payment of bonuses would not result in a loss for the firm. The percentage profit paid out to the bonus pool is an agreed percentage range of pre-bonus gross profit. This varies annually based on business, capital, and retention requirements. The bonus pool is agreed by the Remuneration Committee and validated by the NIML Board. Bonuses are not guaranteed but are linked to profitability. Therefore, in the event of poor business performance impacting profitability, variable remuneration would decline. Claw back arrangements have not been used.

Material Risk Takers are defined as those with a Senior Manager Function (SMF) and any employee who manages client assets. On 30 September 2024 there were 19 Material Risk Takers.

The data below is for the financial year ending 30 September 2024, to which this disclosure relates.

Total amount of remuneration awarded to staff		
	Material Risk Takers (including senior management)	Other employees
<b>Fixed Income</b>	£4.0m	£4.4m
<b>Variable Income</b>	£9.5m	£2.7
<b>Total Remuneration</b>	£13.6m	£7.0m

## Financial Accounts

Composition of Own Funds		
OF1 Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
<b>OWN FUNDS</b>	15,999	
<b>TIER 1 CAPITAL</b>	15,999	
<b>COMMON EQUITY TIER 1 CAPITAL</b>	15,999	
Fully paid-up capital instruments	1	Note 13
Retained earnings	12,797	
Accumulated other comprehensive income	-	
Other reserves	190	
Adjustments to CET1 due to prudential filters	-	
Other funds	-	
<b>(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1</b>	0	
<b>TOTAL CET1 AFTER DEDUCTIONS</b>	15,999	
<b>ADDITIONAL TIER 1 CAPITAL</b>	-	
Fully paid up, directly issued capital instruments	-	
Share premium	-	
<b>(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1</b>	-	
<b>Additional Tier 1: Other capital elements, deductions, and adjustments</b>	-	

<b>TIER 2 CAPITAL</b>	-	
<b>Fully paid up, directly issued capital instruments</b>	-	
<b>Share premium</b>	-	
<b>(-) TOTAL DEDUCTIONS FROM TIER 2</b>	-	
<b>Tier 2: Other capital elements, deductions and adjustments</b>	-	

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

		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to template OF1
<b>Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements</b>				
<b>1</b>	<i>Total Fixed Assets</i>	220	220	
<b>2</b>	<i>Total Current Assets</i>	36,552	36,552	
<b>xxx</b>	<b>Total Assets</b>	<b>36,773</b>	<b>36,773</b>	

**Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements**

<b>1</b>	Creditors: amounts falling due within one year	20,773	20,773	Note 11
<b>xxx</b>	Total Liabilities	20,773	20,773	

**Shareholders' Equity**

<b>1</b>	Share Capital	1	1	Note 13
<b>2</b>	Retained Earnings	12,797	12,797	
<b>3</b>	Other Reserves	190	190	
<b>xxx</b>	Total Shareholders' equity	15,999	15,999	

## The ICARA

The ICARA considers all relevant risks that could affect capital and liquidity. This is done by:

- Reviewing enterprise risks identified within the Risk Framework. We have considered the financial impact of several scenarios occurring simultaneously and incorporated these into stress tests.
- Monitoring, as part of our ICARA and regulatory reporting, concentration risk of where our cash is held and concentration of revenue.
- Preparing a reverse stress test and considering the net costs and cash flow of orderly winddown for NIML.

## ICARA Summary

The table below shows that the OFAR is substantially covered.

<b>Own Funds Requirement (OFR)</b>	
<b>Permanent Minimum Requirement (PMR)</b>	£75,000
<b>K-Factors (KF)</b>	£2,417,094
<b>K-AUM</b>	£535,032
<b>K-ASA</b>	£1,882,062
<b>Fixed Overhead Requirements (FOR)</b>	£3,810,142

Highest of PMR, KF or FOR	£3,810,142
<b>Additional Own Funds Required (AOFR)</b>	
Enterprise Risks (ER)	£279,858
Stress Tests (ST)	£0
Net Orderly Wind Down costs (OWD)	£0
If ER, ST or OWD is above OFAR	£279,858
<b>Capital Conclusion</b>	
Own Funds Threshold Requirement (OFTR) = OFR + AOFR	£4,090,000
Total Available Regulatory Capital	£15,999,454

<b>Basic Liquid Asset Requirement (BLAR)</b>	
33.33% of FOR	£1,270,047
1.6% of the total amount of any guarantees provided to clients	£0
Sum of the above	£1,270,047
<b>Liquidity Self-Assessment (LSA)</b>	
Enterprise Risks (ER)	£0
Liquidity Stress Test (LST)	£0
Net Orderly Wind Down liquidity requirements (OWD)	£0
If ER, LST or OWD is above BLAR	£0
<b>Liquidity Conclusion</b>	
Liquidity Asset Threshold Requirement (LATR) = BLAR + LSA	£1,270,047
(Ringfenced) core liquid assets held	£23,552,346

### Overall Financial Adequacy Rule (OFAR)

(OFTR) Capital requirements met

✓

(LATR) Liquidity requirements met

✓

## Concluding Remarks

The ICARA calculation is for NIML's accounting period ending 30 September 2024. The Group is profitable and maintains healthy cash balances with a predominately liquid balance sheet and low fixed cost base relative to revenues.