



Macdoch Asset Management Limited

MIFIDPRU 8 DISCLOSURE

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1. MIFIDPRU 8 DISCLOSURE

Macdoch Asset Management Ltd (“Firm”) is authorised and regulated by the Financial Conduct Authority (the “FCA”). The Firm is a UK domiciled discretionary investment manager to professional segregated account clients.

The Firm is categorised as a “Non-SNI MIFIDPRU investment firm” by the FCA for capital purposes. The Firm’s MIFIDPRU 8 disclosure fulfils the Firm’s obligation to disclose to market participants’ key information on a firm’s:

- Risk management objectives and policies
- Governance arrangements
- Own funds
- Own funds requirement
- Remuneration policies and practices

2. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Firm’s risk management function is responsible for analysing all risks to which the Firm may be exposed and working with the Senior Management to ensure such risks are mitigated as far as possible.

The Senior Management of the Firm discuss business and operational risks on a regular ongoing basis, informally and formally in the context of meetings among portfolio managers, managers and others. The governing body of the Firm have a long track record in business management, are cognisant of material risks faced by the business and have sufficient experience to manage the risks appropriately.

The Firm’s Senior Management regularly discuss and review risks to which the Firm is exposed. This includes maintaining and reviewing the risk register and the ICARA (Internal capital adequacy and risk assessment) process through which Senior Management manage the risks within the business, in particular the deployment of risk mitigation techniques to address potential and actual material harms.

3. GOVERNANCE ARRANGEMENTS

The Firm’s governance arrangements ensure that the effective and prudent management of the Firm is prioritised. This is both with respect to the composition of the governing body itself and with respect to the Firm’s overall structure, including the segregation of duties within the wider organisation.

The Firm maintains conflicts of interest procedures and processes. This includes the identification, managing and monitoring of potential or actual conflicts under the overall supervision of the governing body. The Firm emphasises the need to prioritise the interests of its clients and to resolve potential or actual conflicts between clients.

3.1 EXTERNAL DIRECTORSHIPS

The number of external directorships as disclosable per rule MIFIDPRU 8.3.2 R and held by the members of the Firm’s management body were 24.

3.2 DIVERSITY

As a small organisation with a small number of individuals comprising the management body, the Firm does not have any diversity targets as such. However, the Firm is satisfied that its practices with respect to management appointments are consistent with the Firm’s values and inclusivity at all levels within the organisation, including the management body.

3.3 Risk Committee

The Firm is not subject to a mandatory requirement to put in place a risk committee, per MIFIDPRU 7.3.1. Notwithstanding this, the Firm ensures that risk management is embedded into its culture and its overall systems and controls framework.

4. OWN FUNDS and Capital Resources

The Firm is a Limited Liability Company. Its capital comprises of share capital and audited reserves.

Table A

As at the date of the Firm's last financial year end, 31 December 2023, the Firm's regulatory capital position was

	Item	Amount (GBP thousands)
1	OWN FUNDS	2,033
2	TIER 1 CAPITAL	2,033
3	COMMON EQUITY TIER 1 CAPITAL	
4	Fully paid-up capital instruments	0
5	Share premium	
6	Retained earnings	2,033
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	0
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	0
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	

Table B

The following table sets out a reconciliation of the Firm's own funds to the balance sheet in the Firm's audited financial statements:

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 Table A
		As at period end	As at period end	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial Statements				
1	Current Assets	3,073	N/A	3,073
	Total Assets			
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial Statements				
1	Current Liabilities	(865)	N/A	(865)
2	Non Current Liabilities	(175)	N/A	(175)
	Total Liabilities	(1,040)	N/A	(1,040)
Shareholders' Equity				
1	Share Capital	0	N/A	0
2	Retained Earnings	2,033	N/A	2,033
	Total Shareholders' equity	2,033	N/A	2,033

5. OWN FUNDS REQUIREMENT

The Firm's own funds requirement includes the following components:

K-factor requirement:	GBP thousands
Sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement:	232
Sum of the K-COH requirement and the K-DTF requirement:	
Sum of the K-NPR requirement, the K-CMG requirement, the K-TCDF requirement and the K-CON requirement:	
TOTAL K-factor requirement:	232
Fixed overheads requirement	511

The Firm is required to assess the adequacy of its own funds in accordance with the overall financial adequacy rule. This requires the Firm to hold financial resources that are adequate for the business it undertakes. This is designed to achieve two key outcomes for the Firm:

1. To enable it to remain **financially viable** throughout the economic cycle, with the ability to address any potential material harms that may result from its ongoing activities (including both regulated activities and unregulated activities); and
2. To enable it to conduct an **orderly wind-down** while minimising harm to consumers or to other market participants, and without threatening the integrity of the wider UK financial system.

The Firm achieves this via its Internal Capital Adequacy and Risk Assessment (“ICARA”) process. The Firm sets out:

- A clear description of the Firm’s business model and strategy and how this aligns with the Firm’s risk appetite
- The activities of the Firm, with a focus on the most material activities
- Whether or not the ICARA process is ‘fit-for-purpose’. Where this is the case, the Firm must explain why it has reached this conclusion. Where this is not the case, the Firm must set out the improvements needed, the steps needed to make the improvements and the timescale for making them, and who within the Firm is responsible for taking these steps
- Any other changes to the Firm’s ICARA process that have occurred following the review and the reasons for those changes
- An analysis of the effectiveness of the Firm’s risk management processes during the period covered by the review
- A summary of the material harms identified by the Firm and any steps taken to mitigate them
- An overview of the business model assessment and capital and liquidity planning undertaken by the Firm
- A clear explanation of how the Firm is complying with the overall financial adequacy rule (“OFAR”) (i.e. the obligation to hold adequate own funds and liquid assets) vis-à-vis the Firm’s ongoing business activities and wind-down arrangements
- A summary of any stress testing carried out by the Firm
- The levels of own funds and liquid assets that, if reached, may indicate that there is a credible risk that the Firm will breach its threshold requirements
- The potential recovery actions that the Firm has identified
- An overview of the Firm’s wind-down planning

6. REMUNERATION POLICY

The Firm is subject to the Remuneration Code (the “Code”) for MIFIDPRU Firms as codified in Section 19G of the SYSC sourcebook of the Financial Conduct Authority handbook. This disclosure sets out qualitative and quantitative information on the Firm’s remuneration processes and practices.

Qualitative Information

The Firm has established, implemented and maintains remuneration policies, procedures and practices that are consistent with and promote effective risk management and do not encourage excessive risk taking. The Firm ensures that the remuneration policy and its practical application are consistent with the Firm’s business strategy, objectives and long-term interests.

Staff receive a salary which reflects their market value, responsibilities and experience. All staff may also receive variable remuneration, such as an annual bonus, where the individual operates within the risk appetite of the company and has demonstrated appropriate behaviour.

Material Risk Takers

The Firm has four directors who are classified as material risk takers. The directors are remunerated by a fellow group undertaking and the company’s associated cost included within a management charge from that group undertaking.

Variable remuneration is subject to malus and clawback in various circumstances.

It is not the Firm’s policy to pay guaranteed variable remuneration.

It is not the Firm’s policy to pay severance pay.

Quantitative Information

We may omit required quantitative disclosures in relation to remuneration where we believe that the information could be regarded as prejudicial to our adherence to 'UK General Data Protection Regulations' (which was adopted from the EU equivalent Regulation on 1 January 2021) and the Data Protection Act 2018 (the "DPA 2018") (hereinafter, the "UK GDPR") on the protection on natural persons with regard to the processing of personal data and of the free movement of such data.

Due to the size of the Firm and limited number of staff, quantitative disclosures in relation to remuneration have not been included.