

Method Investments and Advisory Ltd

MIFIDPRU 8 DISCLOSURE

Financial Year Ended 31/12/2024

1. INTRODUCTION

1.1. Background

Method Investments and Advisory ("the Firm") is prudentially regulated as a non-SNI MIFIDPRU investment firm. The Firm is Authorised as a 750k full scope MIFIDPRU Firm; Method's Part 4A Permission allows it to

- advise on investments (except on Pension Transfers and Pension Opt Outs),
- arrange (bring about) deals in investments,
- arrange safeguarding and administration of assets,
- safeguard and administer assets (without arranging),
- deal in investments as agent,
- deal in investments as principal,
- make arrangements with a view to transactions in investments and manage investments.

Method provides asset management, trading (execution only), corporate and family office advisory services. The Firm also has a proprietary trading desk. Since 21.09.2022 the Firm may control but not hold client money. It is permitted to act only for professional and institutional clients (no retail). The Firm is authorised and regulated under UK legislation by the Financial Conduct Authority ("FCA").

1.2 Scope of Application

Due to its ownership structure, the Firm is a member of an investment firm group (together with Fasanara Capital) and therefore is required to issue disclosures both on an individual and on a consolidated basis for prudential purposes. Being more conservative, however, this report refers exclusively to Method.

1.3 Disclosure Policy

This Disclosure is in line with the most recent published financial statements for the Firm as at 31/12/2024. Accounting information, instead, refers to Q1.2025 to keep consistency with the latest approved ICARA.

The MIFIDPRU Disclosure obligations, under MIFIDPRU chapter 8, require publication on an annual basis. The FCA expects this to be published on the Firm's website. This Disclosure will be assessed and amended if there are any material changes within the period of Disclosure.

This Disclosure has been approved by the governing body of the Firm and is not subject to audit, except where it is prepared under accounting requirements for publication.

2. GOVERNANCE

2.1 Method's Board

The Board has overall responsibility for the activities of the Firm. The Board consists of the Firm's directors. Together, they oversee the process of risk management, financial reports, and remuneration. At the meetings the Compliance Analyst also participates regularly.

As at the reporting date, the Board considered that it had in place adequate and appropriate systems and controls with regard to the Firm's strategy and that the Firm is properly resourced and skilled, to avoid or minimise loss.

2.2 Directorships

Name of Director/Senior Manager	Directorships
Dessi' Giuseppe	Executive Director and CEO
De Ris Theron	Executive Director

2.3 Diversity

The Firm operates in a gender-neutral working environment and does not discriminate against any protected characteristics. The Firm ensures its Remuneration Policy is compliant with the Equality Act 2010.

3. RISK MANAGEMENT

Under MIFIDPRU, the Firm's senior management is responsible for establishing and maintaining its Internal Capital Adequacy and Risk Assessment (ICARA). This requires the Firm to assess the Firm's capital and liquidity requirements and ensure it has sufficient own funds and liquidity resources at all times to meet the Overall Financial Adequacy Rule (OFAR) throughout the business cycle, whether in a Business as Usual or stressed environment. The ICARA assesses the aforementioned capital needs in a way which is consistent with the Firm's stated risk profile and operating environment. The Firm ensures that throughout its ICARA process, it identifies its material risks which are reviewed and amended where necessary by the Firm's board on an annual basis, and its winding down plan to ensure the Firm holds sufficient Own Funds and Liquidity to both mitigate its material risks and is able to wind down in an orderly manner.

The Firm's general risk management objective is to minimise the risks to the Firm's clients, its counterparties, and other stakeholders and to ensure it remains in full compliance with its regulatory and legal obligations. The Firm's risk appetite is reviewed on a regular basis and updated in accordance with the evolving strategy, business model, financial capacity, business opportunities, regulatory constraints, and other internal and external factors.

The Firm oversees and manages its risks through a combination of routine monitoring of policies and procedures, an efficient reporting process, a Compliance Manual, and the use of an independent outsourced compliance adviser. The Board of Directors has an overall responsibility for the process of risk management, as well as to determine the business strategy and risk appetite along with establishing, implementing, and maintaining adequate risk management policies and procedures. These policies and procedures are updated as required, having regard to the relevant laws, standards, principles, and rules (including FCA Principles and Rules).

Risk is inherent in all businesses and, therefore, arises in the normal course of the Firm's activities. The Firm accepts this and seeks to effectively identify, monitor, manage and mitigate each of the risks and they actively promote a risk awareness culture throughout the organisation. Appropriate action is taken where risks are identified which fall outside of the Firm's risk tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the Firm's systems and controls environment which has been established to mitigate such risks.

3.1 Own Funds Risk

The Firm's main business risk relates to the medium and long term profitability of the Firm that could be adversely affected by the failure to identify and implement the correct strategy and to react efficiently to changes in the business and market environment.

In the light of the yearly ICARA assessment, the following risks have been identified

- Low relevance to the firm:
 - Settlement risk
 - Liquidity risk
 - Concentration risk
 - Business risk
- Medium relevance to the firm:
 - Credit risk
 - Market risk
- High relevance to the firm:
 - Operational risk

These risks are assessed and mitigated as part of the ICARA process by clearly defining the Firm's strategy, analysing various economic scenarios to reduce single event and macroeconomic exposure.

4. CAPITAL ADEQUACY

The Firm is required to maintain sufficient capital resources at all times. Own funds describe the available capital resources of the Firm while own funds requirement describes the capital funds required as a result of the business activities of the Firm.

4.1. Own Funds

The table below shows the Firm's Own Funds. This is made of Common Equity Tier 1 (CET1) capital, Additional Tier 1 capital and Tier 2 capital held by the Firm. In this case the Firm benefits from CET1 capital only.

Own Funds	EUR as at 31.03.2025
Common Equity Tier 1 Capital	11,467,427.19
Additional Tier 1 Capital	0
Tier 2 Capital	0
Total Own Funds	11,467,427.19

5. OWN FUNDS REQUIREMENT

The Firm's Own Funds Requirement is calculated in accordance with MIFIDPRU 4.3, which states that the Firm's own funds requirement as a non-SNI Investment Firm is the highest of the following components: -

- Its permanent minimum capital requirement under MIFIDPRU 4.4;
- Its fixed overheads requirement under MIFIDPRU 4.5;
- Its K-factor requirement under MIFIDPRU 4.6

As at March 2025	kGBP
Permanent Minimum Capital Requirement	750
Fixed Overheads Requirement	3,789
K-Factor Requirement	4,566
Sum of K-AUM, K-CMH and K-ASA	32
Sum of K-COH and K-DTF	203
Sum of K-NPR, K-CMG, K-TCO and K-CON	4,331
Own Funds Requirement (Maximum of PMR, FOR and K-Factor Requirement)	4,566

Own Funds Requirement in EUR: 5,371,764.70.

6. REMUNERATION

6.1 Approach to Remuneration

The Firm does not link remuneration directly to the performance of the Firm, or that of the Group, rather, the Firm's performance may be a factor in determining variable remuneration. The Firm also considers its non-financial criteria when assessing remuneration.

Any discretionary bonus scheme pools are calculated by reference to the Firm's net operating profit, where the underlying revenue is not subject to recovery or downward adjustment. Employees are not encouraged, and the Firm's remuneration schemes do not reward, the taking of market or trading risks.

When determining the variable remuneration paid to any employee, the Firm considers a number of factors covering the firm as a whole, individual business units, and the individual employees as appropriate. The Firm's overall profitability, the absolute and relative performance of an employee and (as applicable) their business unit, the employee's conduct and adherence to the Firm's values, any disciplinary action taken against the employee and the results of the employee's performance review will be taken into account.

The discretion held by the Board of the Firm ensures that the Firm is able to retain employees in executive positions who are vital to the Firm's strategic development. The Firm has no obligation to pay variable remuneration other than out of realised profits which are not subject to later reduction (after subtracting all expenses relating to running the business) to allow for a fully flexible policy. Accordingly, the Firm's total variable remuneration does not limit its ability to strengthen its capital base.

The Firm oversees and manages its risks through a combination of routine monitoring of policies and procedures, an efficient reporting process, an annual independent audit (MHA MacIntyre Hudson), a Compliance Manual, and the use of an independent outsourced compliance adviser (IQEQ).

6.2 Remuneration Objectives

The Firm's financial incentives are designed to attract and retain employees with the appropriate skills, knowledge and expertise to enable the Firm to deliver its long-term strategic goals, widen its client base and expand into similar areas of business as and when the appropriate opportunities arise, in each case in a manner which is consistent with and which promotes effective risk management and does not expose the Firm to excessive risk.

6.3 Remuneration Governance

The Firm has in place a Remuneration Policy which is approved by the Board at least annually.

The Firm does not meet the criteria to form a remuneration committee under SYSC 19G. In view of the nature and size of the Firm, the Board does not believe it is proportionate to have a Remuneration Committee but will periodically monitor the remuneration practices of the Firm to determine if the implementation of such a committee would enhance its practices. The Board has oversight of the Firm's remuneration policies and refers to its remuneration Terms of Reference and the MIFIDPRU remuneration code. Furthermore, the Firm ensures that the Firm's standards, fairness, compliance objectives, corporate governance and maintaining a sound capital base are not compromised by its remuneration incentives. The Firm has used external consultants to assist in the development of its remuneration policies and practices.

6.3 Material Risk Takers

As the Firm is categorised as a non-SNI MIFIDPRU Investment Firm, staff members whose activities have a material impact on the risk profile of the Firm or of the assets that the Firm manages are categorised as material risk takers (MRTs) under SYSC 19G.5.3R.

Consistently with the latest submitted MIF008 (Reporting Period: 2024.01.01-2024.12.31; Due Date: 2025.04.30), the Firm has identified 23 material risk takers, of which 2 are Senior Managers of the Firm, and 21 are other material risk takers.

6.4 Total Remuneration

Remuneration	Total for Firm (£)	MRT's
Total Remuneration	3,870,647.10	2,506,974.98
Of which:		
Fixed Remuneration	3,649,081.60	2,427,224.18
Variable Remuneration	221,565.50	79,750.80

[For the purposes of complying with MIFIDPRU 8.6.8 (7), the Firm has not disclosed remuneration split across its Senior Management and other MRT's as this would lead to the disclosure of information about two people. Therefore, the Firm is exempt from obligations in MIFIDPRU 8.6.8 (4), (5)(a), (5)(b) and (6).]

The Firm has not paid guaranteed variable remuneration and/or severance payments during the period of this report.

Appendix 1: COMPOSITION OF REGULATORY OWN FUNDS

	Item	Amount (EUR)
1	OWN FUNDS	11,467,427.19
2	TIER 1 CAPITAL	11,467,427.19
3	COMMON EQUITY TIER 1 CAPITAL	11,467,427.19
4	Fully paid up capital instruments	26,000,000.00
5	Share premium	
6	Retained earnings	12,564,425.19
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	-27,096,998
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	

Approved by BOD held on 03/07/2025