AUGMENTUM FINTECH MANAGEMENT LIMITED (“AFML” or the “Firm”)

MIFIDPRU 8 DISCLOSURES 31 MARCH 2022

Introduction

Augmentum Fintech Management Limited (“AFML” or the “Firm”), is authorised and regulated as a limited license firm by the Financial Conduct Authority ("FCA"). The Firm is categorised as an SNI MIFIDPRU Investment Firm for prudential supervision. It is an investment management firm and as such has no trading book exposures. The Firm does not hold client money.

As part of its regulatory framework AFML is subject to making public disclosures in line with MIFIDPRU 8 in the FCA Handbook which, among other things, requires these public disclosures in relation the Firm’s Own Funds, its Own Funds Requirements, Senior Management’s control of business risks as well as the Firm’s remuneration practices.

Scope of Application of the Requirement

The disclosures contained in this document relate to the business of AFML, whose principal business is to provide discretionary investment management services to professional clients and eligible counterparties.

Own Funds

The Firm's Own Funds as of 31st March 2022 are summarised as follows:

Capital item	**£'000**
Ordinary Share Capital including share premium (Common Equity Tier 1 Capital)	500
Audited retained earnings (Common Equity Tier 1 Capital)	1,388
Total own funds	**1,888**

There were no deductions from CET 1 capital as of 31 March 2022:

Own Funds Requirements

The Firm has a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its accounts receivable in foreign currency, and credit risk from management and performance fees (receivable from the Firm’s parent company on transfer pricing basis) as well as other fee debtors in addition to cash at bank. In line with MIFIDPRU prudential requirements the Firm assesses impact of any credit or market through the Firm’s ICARA (Individual Capital Adequacy Risk Assessment) using a risk-based approach.

In line with MIFIDPRU rules the Firm is categorised as an SNI Investment Firm subject to on-going prudential requirements which were as follows as of 31 March 2022:

	£,000
➢ Permanent Minimum Requirement (PMR)	75
➢ Fixed Overheads Requirement (FOR)	508
➢ Own Funds Threshold Requirement	508
➢ Liquid Assets Threshold Requirement	584

The applicable capital adequacy requirement would be the "Own Funds Threshold Requirement" which takes account of the impact of risk assessment or of any potential wind down costs.

Risk Management

AFML is mainly exposed to business risk and operational risk. AFML's approach is to have in place processes and controls that are proportionate when considering the scale of the business operations. The risk map clearly identifies these items. AFML's ICARA, as an assessment of the business and operational risks, provides a framework for addressing those risks. Senior Management also determines how risks may be mitigated and assesses on an ongoing basis the arrangements needed to manage those risks.

Revenue is primarily linked to performance and thus the most fundamental method of managing business risk is through the prudent management of investor assets. Fluctuations in the value of foreign currencies can impact the sterling value of revenues. This risk is managed primarily through significant levels of capital held by the firm and the control of fixed costs.

AFML addresses ongoing and changing risk and the range of potential risks by monitoring its business and by creating a culture consistent with low risk and risk awareness.

Operational Risk

The firm places strong reliance on the operational procedures and controls that it has in place to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The firm has identified several key operational risks to manage. These risks are detailed in the ICARA Risk Management Framework and include risks of failure to meet regulatory requirements, failure of infrastructure or systems, loss of staff or inadequate staffing including key man risk, inadequate financial controls, failure of a supplier or third-party provider, inadequate procedures, errors, or omissions with respect to investment management operations, as well as legal risks and the risks associated with financial crime and market abuse. Appropriate polices are in place to mitigate against these risks, which includes taking out adequate professional indemnity insurance.

Market risk

The Firm takes no market risk other than foreign exchange risk in respect of its accounts receivable and cash balances held in currencies other than GBP. The Firm assesses the impact of this in its ICARA. Foreign exchange risk is not considered to be material for the purposes of this disclosure.

Market Risk can indirectly impact upon the Firm where there is a diminution in the values of funds it manages which arises because of exposures to financial instruments that are a constituent of the Fund. Appropriate policies to ensure that the Funds are managed in line with the management mandates are in place.

Liquidity risk

The Firm's policy is to maintain Liquid Assets at a level of 120% or more of its Threshold Liquid Assets Requirement. Senior Management believes that this policy is more than sufficient to cover the liquidity risks faced by the Firm.

The Firm is required to maintain sufficient liquidity to ensure that there is no significant risk that its liabilities cannot be met as they fall due or that financial resources can only be secured at excessive cost.

The Firm retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under normal business conditions. The firm has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this given the cash deposits it holds. Additionally, the cash position of the firm is regularly monitored by Senior Management.

The Firm's policy regarding liquidity risk is maintained within the ICARA.

Remuneration

The Firm has adopted a remuneration policy that complies with the requirements of chapter SYSC 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook (SYSC), as interpreted in accordance with the FCA's guidance publication entitled "General Guidance on Proportionality: The Remuneration Code (SYSC 19G), MIFIDPRU 8 disclosures and subsequent items of guidance issued by the FCA.

As a simple SNI the remuneration policy is prepared taking proportionality into account and the Senior Management of the Firm can confirm that this remuneration policy is a gender-neutral remuneration policy in line with the Equality Act 2010.

The RPS has been carefully considered by Senior Management to ensure that the Firm’s remuneration policies and practices are in line with the business strategy, objectives, and long-term interests of the firm. The Firm’s risk appetite, culture and values have been considered as well as avoiding conflicts of interest and promoting responsible business conduct.

As an SNI, the Firm is not required to have a remuneration committee. Senior Management oversees the implementation of the Firm’s policies and practices established in this RPS.

The Firm’s senior management will as standard practice conduct a review of whether the implementation of its remuneration policies and practices comply with this RPS adopted by the Firm.

Senior Management seek to ensure that staff engaged in control functions are independent from the business they oversee and have appropriate authority; and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.