MAIA Asset Management - Pillar 3 Disclosure –2022

Background

The European Union Capital Requirements Directive established a new framework for the management of regulatory capital. The framework consists of three 'pillars':

• Pillar 1 establishes the minimum capital requirements that firms must meet using standard criteria;

• Pillar 2 involves an assessment of risk exposures specific to the business and the amount of capital that should be held against these exposures;

• Pillar 3 requires firms to publicly disclose their policies for managing risk and their capital requirements.

In the UK, the Capital Requirements Directive was implemented by the Financial Conduct Authority (FCA) through the publication of the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU). Chapter 11 of BIPRU sets out the disclosure requirements in relation to Pillar 3.

Scope of application

MAIA Asset Management Ltd (MAIA) is authorised and regulated by the Financial Conduct Authority (FCA) as an investment management firm.

MAIA is categorized as a BIPRU 50k limited licence firm. In accordance with Chapter 11 of the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), the Firm is required to disclose Pillar 3 information.

Disclosure Policy

The Board has agreed that under normal circumstances Pillar 3 disclosures should be made annually as soon after the Firm's year end as possible.

If MAIA's circumstances change such that more frequent disclosure is required, the Board will approve necessary alterations to this policy and other relevant procedures.

The information that is required to be disclosed is set out in the FCA rules and guidance contained in BIPRU Chapter 11.

MAIA's Pillar 3 disclosure documents are approved by the Board before publication.

The Board has decided to publish MAIA's Pillar 3 disclosures on the Firm's web site at:

www.maia-am.co.uk

Risk Management Policies and Objectives

MAIA's Directors are responsible for risk management within the Firm. All Directors have a significant level of experience of the UK financial services industry.

The Directors are responsible for determining the Firm's appetite for risk and assessing, controlling and allocating financial resources for its business activities. To facilitate this, the Directors approve annual business plans and budgets for all departments of the Firm and an ICAAP document which assesses the Firm's capital and the extent to which it is adequate for planned business activity. These are stress tested to ensure that MAIA's capital resources are sufficient to withstand the shock of unplanned events and market conditions.

The Risk Management methodology involves assessing all material risks, both regulatory risks and those of a general business nature, and recording these in the Firm's risk register. All identified risks are allocated to the individual or department whose primary responsibility it is to manage them. For the purposes of Pillar 3 disclosure, relevant risks are categorised as: business risk, market risk, credit risk and operational risk.

Business Risk

The firm conducts a formal assessment of the business risk to which it is exposed on an annual basis, though given the size and youth of the firm no separate risk management function is considered necessary at this stage of the business. The firm's revenue is largely reliant on the level of funds under management and the performance of these assets. The Firm's strategy is to grow assets under management and its business plans are geared to achieving this.

Market Risk

Market risk is applicable to all forms of investment, however the asset allocation strategy adopted by the company ensures clients have highly diversified multi asset portfolios and our strategy of investing in professionally managed funds helps to manage this risk. MAIA does not trade on its own account, or operate a trading book or engage in any other activity that exposes it to material Market Risk.

Credit Risk

There are no credit risks as no debt-based investments are held by the company, and all fees are collected directly from clients' portfolios.

Operational Risk

Operational risk is defined as the risk of financial loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. Major sources of operational risk include outsourcing of operations, IT security, internal and external fraud, implementation of a strategic change and regulatory non-compliance. Maia operates a due diligence process to ensure its service providers do not represent an undue risk to the company. As a small business all personnel are incentivised to remain with the company for the long term.

Capital Resources

Capital is held to ensure that a suitable operating margin is maintained in excess of the higher of Pillar 1 and Pillar 2 Capital Requirements.

As a limited licence firm, the regulatory capital required by MAIA under Pillar 1 is the higher of:

EUR 50,000; or

Fixed overheads requirement (FOR); or

Credit risk requirement plus market risk requirement

As at 31st January 2022, MAIA's FOR was £196,444. This was greater than the sum of the credit risk requirement and the market risk requirement, which are not considered to be material. Therefore, MAIA's minimum capital requirement is £196,444.

Tier 1 Capital is £493,320.

Regulatory Capital % of minimum capital requirement (solvency ratio) is 251%

Remuneration Policy

Maia's approach to remuneration seeks to ensure that all employees are rewarded fairly for their contribution to the continuing success of the company, and remuneration is aligned and supportive of the Company's longer term strategic objectives.