Exo Investing Limited
("the Firm")

Pillar 3 disclosures

The Capital Requirements Directive ('the CRD') of the European Union establishes the regulatory capital framework across EU governing the amount and nature of capital that investment firms must maintain. In the UK, the CRD IV has been implemented by the Financial Conduct Authority ('FCA') in its regulations via the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms.

This framework consists of three 'Pillars':

● Pillar 1 sets out the minimum capital amount that meets the firm's credit, market and operational risk capital requirement;

● Pillar 2 requires the firm to assess whether a Firm's capital reserves, processes, strategies and systems are adequate to meet Pillar 1 requirements and further determine whether these are sufficient to cover mitigate any further risks it may be exposed to; and

● Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position to encourage market discipline.

This Pillar 3 disclosure is based as of 31st December 2020 and has been prepared in accordance with the regulatory requirements by Exo Investing Limited (collectively "The Firm"). It will be updated and published annually.

We may omit required disclosures if we believe that the information is:

- immaterial such that any omission is unlikely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions about the firm;
- regarded as proprietary i.e., that which if it were shared, could undermine the Firms competitive position; and or
- confidential i.e., it contains information about our customers, suppliers and counterparties.

Where information is so omitted, we will explain the omission.

As an entity which is authorised and regulated by the FCA the Firm's regulatory capital requirements are determined by its Part IV permissions. These include, amongst other things, the ability to provide Investment Management services to its clients. The Firm has no trading book exposures and is categorised as a "Limited Licence firm". As a single entity there is no requirement to prepare consolidated reporting for Prudential purposes.

The Firm has established a risk management framework to identify, monitor and manage risks which might impair its operation. While the Board has overall responsibility for the effectiveness of any systems and controls used to mitigate risks individual departments are accountable for their own business areas as below:

- Senior Management: Overall implementation of the business plan and associated risks;
- Finance: Management accounts, cash flow, Regulatory capital & reporting;
- Marketing: Financial promotion(s), GDPR Compliance & Brand awareness;
- Operations: Client on-boarding, Account opening & transaction processing;
- IT & Technology Platform & Web functionality, system stability & record keeping; and
- Compliance: Client complaints, regulatory reporting, AML & FCA obligations.

To support the above each area reports to the Board on a periodic basis as dictated by the needs of the business. All risk mitigation procedures are monitored for their effectiveness and relevance to the governance structure of the firm.

In addition, when any non-routine matters arise these are escalated to Senior Management and or the Board as appropriate. Any issues of regulatory concerns, such as, regulatory breaches, (Capital or otherwise) AML, CTF, Anti Bribery or Fraud are referred to Compliance on an immediate basis. The Firm is also minded as to the FCA 11 principles and operates with a defined and transparent risk management framework.

Specific risks applicable to the Firm are:

Business risk

An Investment Management Firm's revenue is reliant and therefore at risk from;

- a reduction of overall AUM;
- poor investment performance; and
- in-ability to attract new clients.

These risks are mitigated by:

- On-going support from its parent company;
- Holding an amount of Tier 1 Capital significantly in-excess of that required by the FCA; and
- On-going marketing and client acquisition.

Operational risk

The Firm has identified several key operational risks. These relate to matters such as failure of IT systems or a third-party provider, key man risk, regulatory breaches and market abuse. Appropriate policies are in place to mitigate against these risks.

Credit risk

The Firm does not grant or use credit. The number of credit exposures relating to the Firm's investment management is therefore limited to asset management fees. As these are drawn down upon the client funding their account and thereafter monthly this is not considered to be a credit exposure. In the event of a withdrawal request being received then any funds are returned to the client net of a pro-rata fee adjustment. The Firm uses the simplified standardised approach (BIPRU 3.5.5 FCA Handbook refers) when calculating risk weighted exposures of any of its own funds held at its bank. Accordingly, the firm considers its credit risk exposure to be de minimis.

Market risk

The Firm is not permissioned to trade on its own account and all revenue is generated in its base currency i.e., GBP. Therefore, it has no quantifiable market risk.

Liquidity risk

The Firm holds all its own funds as cash to ensure that its liabilities are met as they fall due. The Firm's policy is to retain an amount that is well in excess of both its working and regulatory capital requirements. In addition, the firm receives ongoing support from its parent.

Regulatory Capital requirement.

The Firm's capital resources, as of 31st December 2020, for regulatory purposes are as follows:

● Tier 1 capital*	£290K
● Tier 2 capital	£0
● Deductions from Tiers 1 & 2	£0
● Total capital resources	£290K

*No hybrid tier one capital is held

The Firm's Pillar 1 capital requirement has been determined by reference to the Firm's Fixed Overheads Requirement ("FOR") and calculated in accordance with the FCA's General Prudential Sourcebook ("GENPRU") at GENPRU 2.1.53. Its regulatory capital requirements therefore are the greater of:

- €125K; and
- The sum of the market & credit risk requirements; or
- The Fixed Overheads Requirement ('FOR').

The FOR is based on 25% of the annual expenses net of variable costs deducted. For the purposes of this report are £233K. This is monitored monthly to determine if the FOR needs adjusting.

UK Financial Reporting Council's Stewardship Code

FCA COBS Rule 2.2.3R requires FCA authorised firms to disclose whether they conform to the requirements of the UK Financial Reporting Council's Stewardship Code (the "Code"). Adherence to the Code is voluntary. The Firm invests on behalf of clients using ETFs. Therefore, while the Firm supports the principles of the Code, it does not consider it appropriate to conform to the Code at this time. If the Firm investment strategy changes in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

Remuneration code disclosure.

Under the FCA rules the Firm is subject to the rules on remuneration as set out in SYSC section of the FCA’s Handbook. The Remuneration Code (“the RemCode”) covers an individual’s total remuneration, fixed and variable. The FCA apply proportionality by categorising firms into three levels. The Firm falls within level three and therefore is required to disclose certain information on an annual basis regarding the policy and practices for those staff whose professional activities might have a material impact on the risk profile of the firm. As staff are incentivised through a combination of both we need to ensure that our policies:

- are consistent with and promotes sound and effective risk management;
- do not encourage excessive risk taking;
- include measures to avoid conflicts of interest; and
- are in line with the Firm's business strategy, objectives, values and long-term interests.

The Firm’s policy has been agreed by the Senior Management in line with the RemCode principles laid down by the FCA and is subject to annual review. We are not required to appoint an independent remuneration committee.