

8AM Global

Disclosure under Internal Capital Adequacy Risk Assessment (ICARA)

Date: March 2025

8AM Global (“the Firm”) is authorised and regulated by the Financial Conduct Authority and this document represents a risk assessment based on the ICARA methodology under MiFIDPRU 7 for 8AM as a MIFIDPRU non-SNI investment firm.

Frequency

ICARA was reviewed by 8AM’s senior management and Board of Directors, and will be reviewed and updated as part of the business planning cycle, unless its senior management or Board of Directors become aware of a major event, requiring a complete review of 8AM’s risks, capital and liquidity position. The document reference date is 31/03/2025, review date will be 31/03/2026. The document’s FCA reporting date is 31/03/2025. This report is available to the FCA on request.

Materiality

The firm regards the information in these disclosures as material if its omission or misstatement could change or influence the assessment or decision of a user relying on this information to make an economic decision. If the firm deems a certain disclosure to be immaterial, it may be omitted from this statement.

Risk Management

While the Board of Directors is ultimately responsible and accountable for the risk management at the Firm, the firm operates the following lines of defence;

- First line of defence: Line management are responsible for identification, measurements and management of risks within the firm, ensuring appropriate controls are in place and operating effectively.
- Second Line of defence: the Firm’s risk and compliance function provides risk management expertise and challenges the employees in their performance of risk management activities through independent reviews, monitoring and testing.
- Third line of defence: the Board oversee and review the effectiveness of the risk management structure and framework and ensure results are in line with the Firm’s risk appetite.

Monthly management accounts are used to monitor and project its capital resources and a compliance manual, a compliance monitoring program and an Internal Capital Adequacy Risk Assessment (ICARA) have been adopted to facilitate risk management in the firm.

8AM is not part of a wider Group. Tatton Asset Management (TAM) owns 50% of 8AM’s shares but 8AM reports separately to TAM.

Given the nature and activities of the firm, its risk appetite is low.

As part of ICARA, 8AM has undertaken a business model assessment on a solo basis, planning and forecasting capital and liquidity needs, both on an ongoing basis and if it was to wind-down today:

1. The Own Funds Requirement for 8AM would be £304,930 based on its KFR (as this is higher than PMR and FOR).
2. The ICARA which has been assessed for 8AM has identified an 'own harm' requirement of £292,600 to cover its business risks.
3. Given the key assumptions in 8AM's Wind-Down Plan, the effect of winding down the business is illustrated over a 6-month period.

Capital required for Wind Down is the same as for FOR, namely £304,930. Given the key assumptions in the Wind Down Plan, the effect of winding down the business is illustrated over a 6-month period. This shows that in a wind down situation, 8AM would make a loss of £22,500. However, this amount still includes full salaries and maintenance of all contracts, some of which could be reduced. This small loss is well covered by capital and no additional capital required to be held in respect of a wind down situation. Also bear in mind that there would be a very good chance that the business would be swiftly folded into TAM. For more information read the Wind Down Plan.

In summary, 8AM has a FOR of £304,930 which is higher than its KFR of £220,000 and higher than its 'Own Harm' requirement of £292,600 and therefore the minimum level of capital 8AM is required to hold.

Liquidity Adequacy Findings

The firm has adequate liquid assets to satisfy its IFPR requirements. The firm believes, from its projections and stress testing, that it also has sufficient ongoing liquid reserves to remain adequate over the period of projection.

Remuneration Findings

As a non-SNI firm, 8AM, through proportionality related to the scale and complexity of its business, must comply with both the "basic" and "standard" remuneration requirements as a non-SNI MiFIDPRU firm. All employees are remunerated on the basis of a salary, discretionary bonus or, where applicable a bonus related to AUM raised. This is to encourage responsible business conduct, fair treatment of clients as well as avoiding conflicts of interest in these relationships. This structure is designed to ensure that we comply with the RemCode and our remuneration arrangements:

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

This is reviewed along with the Remuneration policy by the board annually.

Wind-down Findings

It is estimated that the firm would take about 6 months to complete the material portion of wind-down. The majority of staff are on three-month notice contracts and this exercise has been carried out on that generic basis. The Firm's wind-down premises is its principal place of business - 1-5 Stud Offices, Redenham Park, Andover, Hampshire, SP11 9AQ.

Harm Findings

The firm is satisfied that it has mapped out the potential harm caused by crystallisation of risks resulting from its business model. The Board of Directors is satisfied that through a combination of controls and mitigation planning, it has minimised the harm resulting from crystallisation of risks both within and outside of its direct control.

Conclusion

It is 8AMs aim that the ICARA forms an important risk management tool and forms an integrated part of the firm's overall risk and control framework.

Going forward, the ICARA will be formally reviewed and signed-off by the Board of Directors once a year. The firm's material risks outlined and potentials for harm as detailed within this ICARA document will be examined throughout the year to ensure that the amount of capital needed in case these risks crystallise is available. The Board of Directors understand that changes in the business might trigger the ICARA to be revised and updated on an *ad hoc* basis.

Here are some examples of such potential triggers:

- Expansion of operations into new locations
- Internal loss events
- External events
- Changes in regulations/legislation
- Changes in managers perception of the risk profile of the business identified through the on-going impact/likely assessment process