Pillar 3 risk disclosure Statement (unaudited) Appendix 1

Introduction
COMAC Capital LLP ('the LLP') is required by the Financial Conduct Authority ("FCA") to disclose information relating to the capital it holds and each material category of risk it faces in order to assist users of its accounts and to encourage market discipline. These disclosures aim to provide information on the risk exposures faced by the LLP and the risk assessment process it has in place to monitor these. Known as "Pillar 3" disclosures, they are required to be made under Chapter 11 of the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") and are seen as complementary to the LLP's minimum capital requirement calculation ("Pillar 1") and the internal review of its capital adequacy ("Pillar 2").

Risk management
The LLP has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business.

The LLP has established an Executive Committee, comprised of the Chief Executive Officer and all partners, responsible for the strategic direction and overview of the enterprise wide management controls.

The risk management process is overseen by the Chief Operating Officer, with the Executive Committee taking overall responsibility for this process. An update on operational matters is provided to the Executive Committee, which generally meets monthly. Management accounts demonstrating continued adequacy of the LLP's regulatory capital are also discussed between the Chief Executive Officer and Partners on a monthly basis.

In addition, the Chief Operating Officer manages the LLP's operational risks through the monthly Operating Committee, which is attended by the Partners.

Appropriate action is taken where risks are identified which fall outside of the LLP's risk tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the LLP's mitigating controls.

Specific risks applicable to the LLP come under the headings of business, operational, credit, market and liquidity risks.

Business risk
The LLP's revenue is reliant on the performance of the existing funds under management. As such, the main risk posed to the LLP relates to underperformance resulting in a decline in revenue. The LLP holds sufficient levels of capital to withstand adverse changes in the business environment and has a proactive approach to manage the financial requirements of the LLP.

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

The more significant risks managed by the LLP relate to the risk of trade errors occurring, counterparty creditworthiness and operational failure due to unexpected circumstance such as IT failure and unavailability of business premises.

Credit risk
The LLP is exposed to credit risk in respect of investment management fees billed and cash held on deposit.

The number of credit exposures relating to the LLP's investment management clients is limited. Management fees are drawn monthly from the Fund managed. The LLP considers that there is little risk of default by its clients. All bank accounts are held with large international credit institutions.

Given the nature of the LLP's exposures, no specific policy for hedging and mitigating credit risk is in place. The LLP uses the simplified standardised approach detailed in BIPRU 3.5.5 of the FCA Handbook when calculating risk weighted exposures in respect of its debtors. This amounts to 8% of the total balance due. All bank balances are subject to a risk weighted exposure of 1.6% in accordance with BIPRU 3.4 of the FCA Handbook.

Market risk
The LLP 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 settlement of debtor balances generally takes place promptly and generally foreign currency received is converted into sterling on receipt. Funds may be held in USD and this may represent a further market risk to the LLP.

The LLP calculates its foreign exchange risk by reference to the rules in BIPRU 7.5.1 of the FCA Handbook and applies an 8% risk factor to its foreign exchange exposure.

Liquidity risk
The LLP has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this. In addition, the LLP has a liquidity risk policy in order to meet the requirements of FCA rules. The cash position of the LLP is monitored by the Chief Operating Officer on a weekly basis and the LLP has adopted a liquidity framework to manage these risks.

CAPITAL ADEQUACY

Capital resources
As at 31 March 2022 the LLP held regulatory capital resources of £858,000

Capital requirement
At all material times during the year, the LLP's Pillar 1 capital requirement is determined by its Fixed Overheads Requirement ("FOR") and calculated in accordance with the FCA's General Prudential Sourcebook ("GENPRU") at GENPRU 2.1.53. The requirement is based on the FOR as at Y/E 31st March 2022; this exceeded the total of the credit and market risk capital requirements and also exceeded its base capital requirement of GBP 75,000. As at 31st March 2022, the LLP's FOR was £184,000

The FOR is based on annual expenses net of variable costs deducted, which include discretionary bonuses paid to staff and foreign exchange losses. The LLP monitors its expenditure on a monthly basis and takes into account any material fluctuations in order to determine whether the FOR remains appropriate to the size and nature of the business or whether any adjustment needs to be made intra-year.

Satisfaction of capital requirements
Since the LLP's ICAAP (Pillar 2) process has not identified capital to be held over and above the Pillar 1 requirement, the capital resources detailed above are considered adequate to continue to finance the LLP over the next year. No additional capital injections are considered necessary and the LLP expects to continue to be profitable.

Pillar 3 Remuneration Code disclosure statement (unaudited)

Introduction
This disclosure is made in respect of COMAC Capital LLP, which is authorised and regulated by the FCA to provide discretionary investment management services. This disclosure does not include any statements for any other group member or affiliate of COMAC Capital LLP.

The Remuneration Code ('the Code') implements the main provisions of the Third Capital Requirements Directive ('CRD3'), which relate to remuneration. The Committee of European Banking Supervisors ('CEBS') published their "Guidelines on Remuneration Policies and Practices" on 10 December 2010.

The Remuneration Code also fulfils the FCA's duty under S.139A of the Financial Services and Markets Act 2000 ('FSMA') to have Rules requiring certain firms to have and act in accordance with a remuneration policy which is consistent with the effective management of risks and with the Financial Stability Board ('FSB') Compensation Standards.

The aim of the Remuneration Code is to ensure that firms have risk focused remuneration policies, which are consistent with and promote effective risk management and do not expose them to excessive risk. It expands upon the FCA's general organisational requirements as set out in the Systems and Controls ('SYSC') Handbook.

As a BIPRU Limited Licence Firm, the LLP falls into the Proportionality Tier Four Firm category as it is considered by the FCA to be a firm that generates income from agency business without putting its balance sheet at risk. Consequently, the LLP is subject to only a limited number of the FCA's Remuneration Code requirements as set as set out in SYSC 19A and BIPRU 11.5 of the FCA's Handbook.

The LLP is required to only disclose specific information below relating to our remuneration arrangements. These disclosures are designed to complement its minimum capital requirement calculation (Pillar 1), the internal review of its capital adequacy (Pillar 2) and its risk disclosures (Pillar 3)

1. Summary of how the LLP makes remuneration decisions:

- The LLP's policy is in line with the Remuneration Code principles laid down by the FCA.
- Due to the size, nature and complexity of the LLP, it is not required to appoint a remuneration committee though it has done so.
- The LLP's policy will be reviewed as part of annual process and procedures, or following a significant change to the business requiring an update to its internal capital adequacy assessment.
- The LLP seeks external benchmarking from various sources to understand remuneration levels and trends.
- The LLP's ability to pay bonus is based on the performance of LLP overall.
- There is limited involvement of the LLP in deriving asset prices.
- Remuneration of Partners is governed by the terms of the LLP Agreement.

2. Summary of how the LLP links pay and performance:

- Individuals are rewarded based on their contribution to the overall strategy of the business.
- Other factors such as performance, reliability, effectiveness of controls, business development and contribution to the business are taken into account.

Aggregate quantitative information on remuneration of Code Staff broken down by business division:

Business Area	Aggregate compensation expense for prior fiscal year
All Areas	£1,589,252

3. Aggregate quantitative information on remuneration of Code Staff for senior management and others whose actions have a material impact on the risk profile of the LLP:

Code Staff	Aggregate compensation expense for prior fiscal year
Senior Management and others	£1,589,252

The LLP may omit required disclosures where we believe that the information could be regarded as prejudicial to the UK or other national transposition of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data. In line with this, the LLP has aggregated all Code Staff remuneration as it pertains to item 3 and item 4.