



MIFIDPRU 8 Disclosure

MASECO LLP (FCA FRN: 489718)

February 2026

1. Introduction

As a MIFIDPRU investment firm, MASECO LLP (“MASECO” or the “Firm”) is required to publicly disclose certain qualitative and quantitative information that is appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

The provisions for public disclosure are set out in MIFIDPRU 8 and this document has been produced in order to meet the disclosure obligations of MASECO.

The disclosures are available on the Firm’s website (<https://masecoprivatewealth.com/>)

1.1 Business Overview

MASECO was founded in 2008 as a limited liability partnership in the United Kingdom, and it is authorised by the Financial Conduct Authority (“FCA”) to provide the following regulated activities:

- Advising on investments (except on Pension Transfers and Pension Opt Outs)
- Arranging (bringing about) deals in investments
- Arranging safeguarding and administration of assets
- Dealing in investments as agent
- Making arrangements with a view to transactions in investments
- Managing investments
- Agreeing to carry on a Regulated Activity
- Controlling but not holding client money

The Firm is authorised to provide services to the following client types:

- Professional (Per se and Elective)
- Retail

MASECO is also registered with the US Securities and Exchange Commission (“SEC”) as a Registered Investment Advisor and is registered in several US states. MASECO is also registered under the foreign investment firms exemption in three provinces of Canada, Alberta, British Columbia and Ontario.

MASECO was established with the original aim of providing wealth management services primarily to American families living in the UK. MASECO’s expertise is in managing and advising on portfolios for US families and employs investment strategies that are tax and regulatory compliant. Over the years, this universe of clients has developed and MASECO now also provides wealth management services to UK or US citizens living in the US as well as global families recognising the increasing mobility that the international workplace affords.

Through MASECO’s wealth management services (discretionary investment management or advisory/intermediated services) clients have access to model portfolios via a platform. Each model portfolio is constructed with an asset allocation designed to achieve certain stated investment objectives and risk profile. MASECO selects investments in accordance with the principle of prudent diversification to be held within each model portfolio. The model portfolios are reviewed periodically to ensure the ongoing suitability of the investments selected for inclusion within a particular model portfolio. As a result of such a review, MASECO may instruct changes to the model asset allocation of a particular portfolio and/or instruct a rebalancing of those client portfolios linked to the model portfolio.

MASECO’s discretionary investment management service targets clients with \$1m or more in assets which can be invested in a range of model portfolios or specific securities within a wrapper (such as an Individual Savings Account) or for a specific purpose (such as a Tier 1 Investor (Visa) Portfolio).

MASECO’s advisory/intermediated service also targets clients with \$1m or more in assets. The investment approach is the same as for the discretionary investment management service.

Most clients will go through some form of wealth planning exercise at take on. This may include the use of a cash flow toolset. MASECO's Wealth Managers offer a full financial planning service if needed offering both broad based generalist advice as well as expertise in specialist areas such as pension consolidation, optimal portfolio construction for tax efficiency.

Wealth planning will in general address any or all of the following areas:

- Tax & cash flow: income and spending analysis and planning for current and future years. The Firm will illustrate the impact of various investments on a client's current income tax and future tax liability.
- Personal: family records, budgeting, personal liability, estate information and financial goals.
- Education: Education IRAs, financial aid, state savings and 529 plans, grants and general assistance in preparing to meet dependents continuing educational needs through development of an education plan.
- Death & disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help clients achieve their retirement goals. It is noted that the Firm does not provide advice in relation to pension transfers or pension opt-outs. If a client requires such advice, the Firm will introduce the client to a third party who is able to provide advice on pension transfers or pension opt-outs.
- Investments: Analysis of investment alternatives and their effect on a client's portfolio.
- Wealth transfer: The Firm will provide an assessment of the most efficient estate planning strategies and outline ways to pass on wealth efficiently based on individual needs, objectives and priorities.
- Charitable giving: If a client has charitable giving intentions, the Firm is able to discuss available options and outline effective ways to meet charitable goals.

MASECO provides clients with the opportunity to access its model portfolios. Each model portfolio is constructed with an asset allocation designed to achieve certain stated investment objectives and risk profile. MASECO's core range comprises seven risk-graded investment portfolios with US Dollar, Euro and Pounds Sterling versions.

The investment approach is top down in terms of asset allocation. MASECO employs four investment management employees in London (as at 31 March 2025).

Funds/ETFs are selected based on various criteria, such as management style, investment philosophy, track record, investment objectives, portfolio composition, risk management, portfolio construction and fees and expenses.

Each Core Investment Portfolio is constructed primarily of exchange traded funds ("ETFs"), Mutual Funds and other pooled investment vehicles but may also include individual equities (including exchange-listed securities, securities traded over-the-counter or foreign issuers) and bonds (including warrants, corporate debt securities, certificates of deposit, municipal securities and US governmental securities) as well as fund of hedge funds.

The US Dollar core models primarily use US domiciled funds (or UCIS for the purposes of UK regulations). The Euro and Pound Sterling core models typically use UCITS. Historically, for clients deemed suitable, the Firm offered a core 'plus' model, which allocated 85% of funds into a combination of UCITS, US domiciled funds and ETFs, and 15% to other Non-Mainstream Pooled Investments (NMPs), i.e. funds domiciled outside the EU. As of 31 March 2025, the core plus model represented less than 10% of the Firm's clients' assets.

US citizens who are resident outside the US have to pay taxes to the US Internal Revenue Service on their global assets and investments. Prior to the tax rule changes in 2008 relating to non-domiciled residents, US citizens resident in the UK did not have a UK tax filing obligation on assets held in the US. Post these changes, in general US citizens in the UK had

a US and a UK tax filing obligation on an arising basis on their investment portfolios. From a UK perspective all US Mutual Funds and US ETFs were considered to be non-reporting and, as such, subject to income tax treatment in the UK. Conversely, all UCITS were considered to be Passive Foreign Investment Companies (PFICs) from a US perspective and, as such, would be subject to income tax treatment in the US (rather than capital gains tax treatment).

MASECO agreed with several fund managers and ETF providers to obtain UK Reporting Status on several of their US Mutual Funds/ ETFs so that the retail client could receive US and UK capital gains tax treatment on their investment in a US Mutual Fund or ETF. This became the default position on how US citizens living in the UK could invest tax efficiently and is a cornerstone of MASECO's business proposition.

Whilst US Mutual Funds and US ETFs are UCIS for the purposes of UK regulations, they are regulated vehicles in the US. US Mutual Funds are registered with the US Securities and Exchange Commission ("SEC") under the US Investment Company Act of 1940 (the "1940 Act"). The strictures under which managers of US Mutual Funds and US ETFs operate is as rigorous as those which apply to the manager of a UCITS.

MASECO's business proposition was designed to provide investment services primarily to US clients, who are categorised as retail clients, and bearing in mind that 1940 Act Funds are the only variety of US securities fund in which US retail investors may invest, as well as the tax advantages, for US clients it is a necessity that MASECO uses ETFs and to some extent US mutual funds in US clients' portfolios. These portfolios are managed on a discretionary basis. For non-US clients we invest mainly in UCITS securities.

MASECO also offers investment in a portfolio of direct securities where required, for example, in portfolios within Individual Savings Accounts or Tier 1 (Investor) Visa. In addition, the Firm has also entered into an outsourcing arrangement with Dimensional Fund Advisors (DFA) to access DFA's Separately Managed Accounts program which provides clients exposure directly to securities. This investment proposition is currently limited to US persons (either in the US or the UK) and who meet a specific investment threshold (currently \$5m).

MASECO adopts the principle of 'open architecture' and it is under no obligation to invest in the funds of any single fund management firm or group. However, given the requirement of the majority of its client base to invest in funds with UK Reporting Status the universe of fund management firms with such qualifying funds within their stable is a small sub-set of the whole fund sector. MASECO undertakes due diligence on each fund with quantitative and qualitative analysis. In simple terms, MASECO seeks to invest its clients' assets in those sectors and asset classes that it believes will deliver the best risk-adjusted return over a specified time horizon.

1.2 Classification

MASECO has been classified as a non-small non-interconnected (non-SNI).

The drivers for the classification to non-SNI include:

- Average assets under management (AUM) greater than £1.2bn

1.3. Regulatory Framework

This document has been prepared in accordance with the Investment Firms Prudential Regime ("IFPR") which is the regulatory regime for investment firms that the FCA has adopted. The IFPR establishes the prudential requirements for MASECO in terms of own funds, the level of minimum capital, concentration risk, liquidity requirements and level of activity with respect to UK investment firms. The disclosure requirements are described in MIFIDPRU 8.

The Firm's policy is to publish the disclosures required on an annual basis. In the event that there is a material change in approach used for the calculation of capital, business strategy or regulatory requirements MASECO will consider whether disclosure is required on a more frequent basis.

1.4 Declaration of the Members

Following a review by the Risk Committee and Management Committee, the Members perform an assessment on at least an annual basis of the adequacy of the Firm's risk management framework and ensure that the risk management arrangements and systems of financial and internal control in place are in line with MASECO's risk profile.

MASECO's risk management framework is designed to identify, assess, mitigate and monitor all sources of risk that could have a material impact on the Firm's operations. The Members considers that MASECO has in place adequate systems and controls with regards to its size, risk profile and strategy and an appropriate array of properly resourced risk mitigation mechanisms to avoid or minimise loss to the Firm.

2. Risk Management Objectives and Policies

In view of the nature, scale and complexity of MASECO's business it operates three lines of defence.

All employees are encouraged to participate in the management of risk and reduce harm to clients, the Firm and the market by ensuring they are familiar with the risks faced by the area in which they work and through the reading and understanding of various manuals and policies that affect the work they perform. The risk and controls within each department are discussed with department heads to populate the risk register.

The Compliance Team undertakes monitoring and tracks all errors reported to the team to either ensure controls are operating satisfactorily or appropriate remedial action is taken. Findings are reported to the Management Committee.

MASECO has independent assurance from external auditors who provide an independent evaluation of the firm's financial statements and internal controls at year end.

2.1 Risk Management Framework

The Members are ultimately responsible for the framework of risk governance, including setting the risk appetite and ensuring that appropriate procedures are in place for the effective identification, evaluation and control of the risks to which the business is exposed.

A core objective of the risk management framework is the consistent identification, management and reporting of risk. This can be achieved by:

- Understanding the business environment
- Setting business objectives
- Identification of risk
- Evaluating risk
- Assessing control functions
- Ensuring appropriate and timely risk information and communication
- Ongoing monitoring of risk

The Members' approach to the Firm's risk management framework is a firm-wide top-down view (to assess its capacity to take risk) and a Department / POD bottom-up view (to validate its assessment of risk).

The Executive Members have established a Management Committee with authority to create further sub-committees in order to assist the Members in ensuring that risk is being effectively identified, evaluated, monitored and report.

The Risk Committee is responsible for ensuring that there is appropriate oversight of the Firm's systems and controls in relation to the management of those risks identified by the Management Committee as recorded in MASECO's risk register and reflected in the Firm's Risk Appetite Statement, as well as any additional risk considered appropriate to be included in the Risk Committee's remit from time to time by the Management Committee.

The main objectives of the Risk Committee are:

- to identify, evaluate and monitor the exposure and risk profile arising from the Firm's business activities; and
- to assess the Firm's appetite for risk and ensure that this is communicated clearly to employees.

2.2. Risk Statement

MASECO's activities expose it to a variety of risks, these are outlined below. The Firm's approach to risk including its risk strategy and risk appetite are described in further detail below.

Risk Strategy

As outlined above, the Members are ultimately responsible for the framework of risk governance, including setting the risk appetite and ensuring that appropriate procedures are in place for the effective identification, evaluation and control of the risks to which the business is exposed. The risk strategy of the Firm is a responsibility of the Members, which formulates and is responsible for monitoring its implementation.

MASECO's approach to risk management supports the belief that risk taking is an inherent part of doing business and therefore does not need to be and cannot always be eliminated. Risk must be fully understood and adequately measured to ensure that the risk exposure is appropriate for the returns anticipated and is consistent with MASECO's long-term objective to avoid harm to clients, the Firm and the market whilst allowing sufficient operating freedom to secure a satisfactory return.

Risk Appetite

The risk appetite statement is an expression of how much risk MASECO is willing to take. Some risks must be taken, but these should be managed to prevent unnecessary risk being taken such as outsourcing business activities or dealing with counterparties. Other risks must be avoided such as harm to customers or compliance with regulation.

The Members are responsible for setting MASECO's risk appetite and have a defined Risk Appetite Statement covering the various risk types to which MASECO is exposed. This statement sets out the nature and scale of the risks acceptable to MASECO in achieving its business objectives. Risk appetite statements are reviewed annually by the Risk Committee and the Management Committee to ensure they remain appropriate for MASECO's risk profile and strategic objectives.

Risk Culture

Risk culture is a critical element in MASECO's risk management framework and procedures. Management considers risk awareness and culture within the Firm as an important part of the effective risk management process. Ethical behaviour is a key component of the strong risk culture, its importance is reinforced through the Firm's policies and senior management who lead by example and set an appropriate tone from the top.

MASECO is committed to embedding a strong risk culture throughout the business where employees understand the risks they personally manage, the importance of accountability and the identification of situations in which to escalate issues or seek advice.

2.3 Material Risks

In the context of the ICARA process, MASECO has identified the material risks of harm:

2.3.1 Breach of documented asset allocation

Failure to adhere to documented asset allocation resulting in clients having unsuitable portfolios leading to consumer harm, client redress and reputational damage. The harm is mitigated by the Investment and Product Governance Committee agreeing the constituents of

the Core Model Portfolios and Wealth Managers having oversight of all investments. This harm is fully covered by K-AUM. MASECO currently has sufficient systems, controls, capital and liquidity in place to mitigate the harm.

2.3.2 Unsuitable Investment decision or advice

Incorrect, inaccurate or delayed investment management decision or advice leading to unsuitable investments, consumer harm, client redress and reputational damage. The harm is mitigated by MASECO's Investment Team undertaking due diligence on all proposed investments and on an ongoing basis investments held in client portfolios. The Investment and Product Governance Committee approves all changes to Core Model Portfolios. This harm is fully covered by K-AUM. MASECO currently has sufficient systems, controls, capital and liquidity in place to mitigate the harm.

2.3.3 Trading Error

Erroneous trade with wrong value, wrong stock code or places trade in wrong direction. MASECO is unable to short client positions (cash and stock). MASECO has policies and procedures in place, these include the segregation of duties and four eyes controls, where appropriate. Training is provided as necessary. MASECO has in place Professional Indemnity insurance. The harm is fully mitigated by K-COH. MASECO currently has sufficient systems, controls and capital in place to mitigate the harm.

2.3.4 Client Failure

Risk of multiple clients defaulting on fees. This is mitigated by clients paying fees in advance. The risk that multiple clients default on fees is considered low and MASECO is not overly reliant on one client or one group of clients. MASECO currently has sufficient systems, controls and capital in place to mitigate the harm.

2.3.5 Failure of Third Party Service Providers

Risk that custodians and other providers fail to deliver services to expected standards resulting in errors, breaches and complaints or ultimately to such an extent that matters cannot be resolved or they cease to provide services requiring major remediation activity. MASECO undertakes counterparty due diligence at set up and then annually. The Firm will have contractual terms in place. The harm is fully mitigated by Fixed Overhead Requirement. MASECO currently has sufficient systems, controls and capital in place to mitigate the harm.

2.3.6 Internal Fraud

Fraudulent action by an employee resulting in loss of firm or client money. MASECO does not hold client assets or money. MASECO has policies and procedures in place, these include the segregation of duties, four-eye controls and dual signatory requirements and systemic. Any fraud linked to this risk would need at least 2 members of staff acting in collusion and at least 1 would need to have the necessary level of seniority to approve the movement of funds. No additional capital is set aside for this risk.

2.3.7 Cyber Security Risks

Risk that MASECO is subject to a cyberattack (e.g., phishing, ransomware, or data breach) by an external party, or malicious activity by a member of staff, resulting in unauthorised access to systems or data, disruption of services, or compromise of client information. Despite robust cyber security controls, residual risks remain. MASECO has implemented a comprehensive cyber security framework aligned with industry best practices and regulatory expectations. While no system can eliminate cyber risk entirely, the Firm's controls significantly reduce the likelihood and impact of such events.

In addition, MASECO has taken out dedicated Cyber Insurance which provides risk management services that support the Firm in mitigating the likelihood of an incident occurring and limiting the impact if one does.

With this insurance cover in place, the direct financial impact to the firm of an incident would be limited to the excess. MASECO therefore maintains sufficient capital and liquidity to absorb the financial consequences of a cyber incident and ensure continued compliance with the Overall Financial Adequacy Rule (OFAR).

The firm's ICARA process includes regular stress testing of cyber risk scenarios and ensures that capital planning reflects the evolving threat landscape.

3. Governance Arrangements

3.1 Meeting of the Members

The protocol for the Meeting of Members is set out in the Members Agreement.

The responsibilities of the Members include setting the Firm's strategic aims and its values, providing the leadership to put them into effect, supervising and constructively challenging the management who are responsible for the day-to-day operational running of the business within a framework of prudent and effective controls which enables risk to be assessed and managed.

The Members must also ensure that the necessary financial and human resources are in place for the Firm to meet its objectives and review management performance.

The Members' Agreement relating to MASECO and entered into between the Members includes certain provisions regarding the way in which the business is to be managed on a day-to-day basis.

Decisions made at the Meeting of Members are filtered down to the relevant committee.

The Meeting of Members Meeting takes place six-monthly.

3.2 Committees

The Executive Members have established a Management Committee with authority to create further sub-committees in order to assist the Members in ensuring that risk is being effectively identified, evaluated, monitored and reported. The primary sub-committees currently are:

- Risk Committee
- Investment and Product Governance Committee
- Operations Committee

Each committee has formal terms of reference and are fully minuted.

3.3 Management Committee

The Executive Members have delegated to Senior Management the power to make certain decisions on operational matters and the day-to-day management of the business through the Management Committee. Senior Management must act in a manner which complies with the requirements of applicable laws and regulations and in line with the Firm's appetite for risk. The Management Committee meets weekly to ensure that the Firm is operating within the firm's Risk Appetite Statement and key issues are dealt with on a prompt basis or escalated to the Members as appropriate.

3.4 Risk Committee

The Risk Committee is responsible for ensuring that there is appropriate oversight of the Firm's systems and controls in relation to the management of those risks identified and recorded in the Firm's risk register and reflected in the Firm's Risk Appetite Statement, as well as any additional risk considered appropriate to be included in the Risk Committee's remit from time to time by the Management Committee and Members.

The main objectives of the Risk Committee are:

- to identify, evaluate and monitor the exposure and risk profile arising from the Firm's business activities; and
- to assess the Firm's appetite for risk and ensure that this is communicated clearly to employees.

The Risk Committee is chaired by the Head of Compliance and has formal Terms of Reference.

3.5 Investment and Product Governance Committee

The Investment and Product Governance Committee is the primary forum which oversees the investment proposition (having oversight of asset allocation, investment strategy and performance and risk management process) and challenge investment decision made in relation to bespoke as well as model portfolios.

In fulfilling this responsibility, each member of the Investment and Product Governance Committee ensures that MASECO's investment proposition is managed in a compliant manner in accordance with relevant regulatory rules and guidelines and any issues are identified and addressed promptly.

In particular, the Investment and Product Governance Committee is responsible for ensuring that the asset allocation within the model portfolios is appropriate for the relevant risk grading attributed to a particular model portfolio. In addition, the Investment and Product Governance Committee is responsible for ensuring that each risk-graded model portfolio has been designed for a specific type of client and is performing in line with expectations.

The Investment and Product Governance Committee is chaired by the Chief Investment Officer and has formal Terms of Reference.

3.6 Operations Committee

The purpose of the Operations Committee is to provide a forum to discuss, determine actions and resolve issues relating to the infrastructure, operations and support activities of MASECO, specifically with regards to Compliance, Operations, Client Services, Finance, IT and Human Resources. Matters discussed will generally cover issues, projects, initiatives and other matters that affect various departments across the business. The Operations Committee also acts as a means of ensuring key decisions and/or matters of importance discussed at the Management Committee are communicated to the operational heads of MASECO.

The Operations Committee members will discuss and plan for legal, financial, regulatory and operational developments across the business ensuring that, where necessary, department heads are assigned to specific issues or matters.

The Operations Committee will determine which matters should be escalated to the Management Committee and the minutes of the Committee are available for review by the Management Committee.

The Operations Committee is chaired by the Chief Operating Officer and has formal Terms of Reference.

3.7 Policy on recruitment

New Members are appointed by Special Resolution. This involves an assessment that candidates possess sufficient knowledge, skills and experience to perform their duties. The Members have a broad range of experiences to be able to understand MASECO's activities, including the main risks to ensure the sound and prudent management of the Firm as well as sufficient knowledge of the legal framework governing the operations of the Firm.

3.8 Directorships

As at 1 February 2026 there were two Executive Members, fourteen Ordinary Members and one General Partner. Details of the Executive and Ordinary Members and their external directorships are set out below:

Name of Member	Role at MASECO	Number of External Directorships
Joshua Matthews	Managing Partner, Founder & Senior Wealth Manager	0
James Sellon	Managing Partner, Founder & Senior Wealth Manager	0
David Rory Dorman	Senior Wealth Manager	0
Henry Findlater	Senior Wealth Manager	0
Torgeir Flonaes	Senior Wealth Manager	0
Andrea Solana	Head of Advanced Planning	0
Damian Barry	Chief Investment Officer	0
Andrew Benson	Chief Technology Officer	0
Patrick Bowen	Senior Wealth Manager	0
Marc Cane	Head of Compliance	0
Charles (Ollie) Cutting	Senior Wealth Manager	0
Adrian Edwards	Chief Operating Officer	0
Edward Howison	Senior Wealth Manager	0
Stephen Johnson	Senior Wealth Manager	0
Kyle McClellan	Senior Wealth Manager	0
Cormac Naughten	Head of MASECO Institutional	0

3.9 Policy on Diversity

MASECO is committed to providing a workplace that seeks and respects diversity and inclusion at every level of the business including senior management and Members. The Firm believes that anyone joining the business should benefit from the opportunity to develop, progress and succeed within the Firm. The Firm recognises that recruiting and retaining a diverse and inclusive workforce requires long-term commitment from across the business.

4. Own Funds

Composition of Regulatory Own Funds

MASECO's own funds are exclusively CET1 capital. As at 31 March 2025 and during the year, the Firm complied with all externally imposed capital requirements in accordance with the rules

set out in IFPR. Tier 1 capital consisted of £3,900k of Member's capital satisfying all the criteria for Tier 1 instruments as outlined in the CRR, IFPR and audited reserves.

Table 1

	Item	Amount (GBP Thousands)	Source based on reference numbers / letters in the balance sheet in the firm's audited financial statements to 31 March 2025
1	Own Funds	3,900	Table 2 E1
2	Tier 1 Capital	3,900	Table 2 E1
3	Common Equity Tier 1 Capital	3,900	Table 2 E1
4	Fully paid-up Partner Capital accounts	3,900	Table 2 E1
5	Share premium	-	-
6	Retained earnings	-	-
9	Adjustments to CET1 due to prudential filters	-	-
10	Other funds	-	-
11	(-) Total Deductions from Common Equity Tier 1	-	-
19	CET1: Other capital elements, deductions and adjustments	-	-
20	Additional Tier 1 Capital	n/a	-
25	Tier 2 Capital	n/a	-

Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The table below shows a reconciliation with own funds in the balance sheet where assets and liabilities have been broken down by assets and liabilities classes respectively. The information in the table below reflects the balance sheet in the audited financial statements as at 31 March 2025.

Table 2

	Amount (GBP Thousands)	Balance sheet as in audited financial statements	Cross- reference to Table 1.
		As at period end	
A1	Tangible fixed assets	284	
A2	Intangible fixed assets	34	
A3	Debtors – within one year	2,178	
A4	Debtors – due after one year	-	
A5	Financial assets	1,646	
A6	Cash at bank and in hand	5,184	
A7	Total Assets	9,325	
L1	Creditors – due within one year	4,235	
L2	Creditors – due more than one year	102	
L3	Provisions	-	
L4	Total Liabilities	4,337	
	Net Assets	4,988	

E1	Capital	3,800	Table 1.4
E2	Current Accounts	1,188	
E3	Total	4,988	
4			

Main Features of Own Instruments Issued by the Firm

The table below provides information on the ET1, AT1 and Tier 2 instruments issued by the Firm. There were no changes since the last financial year. Only CET1 was held.

Issuer	MASECO LLP
Governing law of the instrument	UK
Regulatory treatment	
Regulatory classification	Common Equity Tier 1
Instrument type	Partnership interests
Amount recognised in Audited Financial Statements	3,900
Nominal amount of instrument	
Issue price	
Rights of redemption	
Accounting classification	
Distributions	
Full discretionary, partially discretionary or mandatory (in terms of timing)	

5. Own Funds Requirements (MIFIDPRU 8.5)

K-Factor Requirement and Fixed Overhead Requirement

The Own Funds requirement of a non-SNI MIFIDPRU investment firm is the highest of the following three requirements:

1. Permanent Minimum Capital Requirement (“PMR”) per MIFIDPRU 4.4
2. Fixed Overhead requirement (“FOR”) per MIFIDPRU 4.5
3. K-Factor requirements per MIFIDPRU 4.6

PMR – the PMR is a flat minimum requirement and is based on the investment firms MiFID activities and services. The PMR thresholds are £75,000, £150,000 and £750,000. MASECO has permission for Portfolio Management and providing investment advice, and this means the PMR is £75,000.

FOR – the FOR of MIFIDPRU investment firm is equal to one quarter of the firm’s relevant expenditure during the preceding year.

KFR – the KFR is the amount of own funds required to cover the risk of harm from the ongoing operation of a firm’s business. At 31 March 2025 the following K-factors were applicable:

- K-AUM (assets under management). This incorporates discretionary funds managed and non-discretionary funds managed on an ongoing basis.
- K-COH (client orders handled). This covers the risks of failure of client orders, mistakes or failure of best execution may lead to client harm.

The table below shows the K-factor requirement, broken down into two groupings and the total amount of Fixed Overhead Requirement (FOR).

	Amount (GBP Thousands)
Permanent Minimum Requirement (PMR)	75
Fixed Overhead Requirement (FOR)	2,971
K-AUM	554
K-COH	577

Total K-Factor Requirement (KFR)	1,131
Own Funds Requirement (OFR)	2,971

The Own Funds Requirement (OFR) is determined by the FOR.

Approach to assessing the adequacy of own funds

ICARA Process

The internal capital adequacy and risk assessment process (ICARA process) is the core risk management process for FCA investment firms. The ICARA process is a continuous assessment of the harm a firm may pose to clients and markets as part of its ongoing business and during its wind-down.

MASECO will review the adequacy of its ICARA process at least once every 12 months and following any material change in the Firm's business or operating model.

The ICARA process document and associated external disclosures have been reviewed in detail by the Risk Committee, Management Committee and Members. Therefore, it has had senior management input throughout the document's development.

The ICARA process has been developed from a risk review of MASECO. It is integrated into the Firm's procedures and has been approved by the Management Committee and Members.

To ensure MASECO meets its ongoing capital needs and liquidity requirements, these will be reviewed on a quarterly basis in the Management Committee.

On the basis the Management Committee is satisfied that the Firm has sufficient own funds and liquid assets to meet its Overall Financial Adequacy Rule both as to amount and quality to ensure that:

1. it is able to remain financially viable throughout the economic cycle, with the ability to address material potential harm that may result from its ongoing activities; and
2. its business can be wound down in an orderly manner, minimising harm to customers or to other market participants.

6. Remuneration

As a non-SNI investment firm, MASECO is required to disclose certain information on its remuneration policy and practices as well as certain quantitative aggregated information about the remuneration awarded to its employees in respect of the Firm's financial year ended 31 March 2025.

The definition of "employees" includes employees of the Firm and Members.

MASECO has in place a remuneration policy (the "Remuneration Policy") in line with the requirements set by the FCA. The Policy is proportionate to the size and activities of the Firm.

The Remuneration Policy is reviewed by the Remuneration Committee periodically and any changes to the Remuneration Policy require its approval. The Remuneration Committee is comprised of Managing Partners, Human Resources, Head of Finance and the COO. The Remuneration Committee are responsible for the implementation of the policy and internal review at least annually. In accordance with MIFIDPRU 7.1.4 the requirement to establish a Risk, Remuneration and Nomination Committee does not apply to MASECO, however the Firm has concluded that it is good corporate governance to have Risk and Remuneration Committees.

6.1 Remuneration Policy

The Remuneration Policy is aligned to MASECO's business strategy and is designed to support the long-term interests of the Firm. The objective of MASECO's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with and

promotes, sound and effective risk management and does not encourage risk-taking, which is consistent with the risk profile of the Firm and the services it provides to its clients.

MASECO understands that remuneration should be sufficient to attract, retain, reward and motivate employees to consistently perform at a high level, be productive and deliver results. The Remuneration Policy is designed to ensure pay is equitable for all employees.

The Remuneration Policy seeks to align the interests of employees by rewarding them for success whilst ensuring it does not encourage the taking of unnecessary risks and impacting the interests of clients. MASECO's remuneration is comprised of fixed and variable remuneration, reinforced by the Firm's long term interests, Department / POD and individual performance.

6.2 Remuneration Committee

As noted above, there is no requirement for MASECO to have a Remuneration Committee. However, it has concluded that it is good corporate governance to have such a committee.

6.3 Remuneration and Performance

MASECO's variable remuneration policy is designed to reward employees for their performance and their contribution to the success of their Department / POD and the Firm. Variable remuneration is awarded in line with MASECO's performance, its business strategy, conduct and the long-term goals of MASECO.

Firm Performance – the profitability of MASECO with the variable bonus pool determined by its compensation ratio targets.

Department / POD Performance – the performance of the Department / POD within the context of the performance of MASECO and dependent on the function of the Department / POD e.g. for Wealth Managers revenue and non-financial measures (e.g. client feedback, building long-term client relationships and individual revenue generators).

Individual Performance – the assessment of an individual's performance includes financial and non-financial criteria, including compliance with the Firm's policies, procedures and FCA / SEC regulations. These measures are dependent on the individual's role within the Firm and is determined through the annual appraisal process.

This assessment will include a view on their individual contribution, which may include revenue generated by the individual, client interaction/services and collaboration with colleagues across MASECO.

For employees in non-revenue generating roles, their contribution will be assessed on quality of service and/or execution of work with internal or external parties.

6.4 Fixed and Variable Remuneration

Remuneration within the Firm is comprised of fixed remuneration and variable remuneration.

Fixed Remuneration

Fixed remuneration consists of base salary and any other non-performance related amounts the Firm is committed to pay as a result of contractual obligations, market practice or applicable law and will include benefits and pension contributions.

Base salaries are determined by an employee's professional experience and organisational responsibilities with due consideration to the external market.

MASECO will set salaries at a level which allows it to operate a fully flexible bonus policy, including the option to award zero bonuses in appropriate circumstances.

Variable Remuneration

Variable remuneration includes discretionary bonuses, guaranteed bonuses, retention awards and buy-out awards.

All eligible employees may be considered for an award of variable remuneration but have no entitlement to such awards which are discretionary in nature. Eligibility is determined by the terms of an individual's employment contract.

The overall variable bonus pool is determined by the overall profitability of MASECO, with individual awards determined by several performance (financial and non-financial) criteria, primarily including, the performance of the individual, the Department / POD and the Firm.

MASECO has the option to award zero bonuses in appropriate circumstances.

Variable remuneration may be awarded in the form of cash.

Risk and Performance Adjustments

Material Risk Takers ("MRTs") (see below for further details) are subject to risk adjustment including, but not limited to, malus (for the existing remuneration year), clawback (on variable remuneration already paid or vested) and freezing (delaying the payment) restrictions in respect to all forms of variable remuneration, in the event of significant losses to MASECO, employee misbehaviour, failure to meet appropriate standards of fitness or propriety, material error, material downturn in Department / POD performance or a material failure of risk management. In determining whether and to what extent to apply malus and/or clawback, a variety of factors (including the proximity of the relevant individual to the failure of risk management in question and the level of responsibility and the impact on the risk profile of the Firm or the relevant Department / POD) may be taken into account. Malus and clawback may be applied for three years from the award date, or longer in cases, for example, where an award is subject to longer deferral and retention periods. All MRTs confirm their agreement to be subject to MASECO's malus and clawback policy (the "Malus and Clawback Policy").

Guaranteed Variable Remuneration (MRTs only)

In certain exceptional cases guaranteed awards may be made, where there is a business critical need to attract/retain individuals. All such awards are subject to strict criteria (including that they are exceptional; they align with the long-term interest of MASECO, they occur in the context of hiring new MRTs, the Firm has a sound and strong capital base; and they are subject to the Malus and Clawback Policy) and must be approved by the Remuneration Committee following approval of the Head Of Compliance.

Payments Related to Early Termination

MASECO will ensure that payments relating to the early termination of an employment contract reflect contribution commensurate with the role and are designed in a way that does not reward poor risk management.

Termination payments made to MRTs are subject to the Malus and Clawback Policy and are paid consistent with the MIFIDPRU Remuneration Code's general requirements.

6.5 Remuneration of Material Risk Takers - MRTs

MRTs are employees whose professional activities have a material impact on the risk profile of MASECO or the assets that the Firm advises on and manages.

Included below is a table (as 31 March 2025) outlining the amounts paid to the MRTs and all other employees with data for both groups shown as aggregate amounts.

	Non-MRTs	Senior Management	Other MRTs	Total
Number of Employees	90	8	20	118
Total fixed remuneration	£4,945,170	£2,473,135	£3,340,000	£10,758,305
Total variable remuneration	£590,571	£902,365	£1,569,318	£3,062,255
Of which awarded in cash	£590,571	£902,365	£1,569,318	£3,062,255
Of which awarded in non-cash	£0	£0	£0	£0
Proportion of total variable remuneration deferred	0%	0%	6.69%	6.69%

None of the MRTs received guarantees or were entitled to early termination payments during the financial year.

7. Investment Policy

The disclosure obligations relating to Investment Policy set out in MIFIDPRU 8.7. do not apply to MASECO as it meets the condition in MIFIDPRU 7.1.4R(1).