

PILLAR 3 DISCLOSURES AT 31 MARCH 2020

This document is intended to meet Goldlake Capital Ltd's disclosure obligations pursuant to the Pillar 3 disclosure rules as laid out by the Financial Conduct Authority (FCA) in section 11 of its Prudential source book for Banks, Building Societies and Investment Firms (BIPRU). The BIPRU Pillar 3 disclosures rules implement the European Union's Capital Requirement Directive, which sets out consistent capital adequacy standards. The regulatory aim of the disclosures is to improve market discipline.

Goldlake Capital is authorised and regulated by the Financial Conduct Authority and is classified by the FCA as a limited licence BIPRU 50k firm.

The prudential framework for investment management firms consists of three "pillars":

- **Pillar 1** specifies the minimum capital requirements for Goldlake Capital Ltd (the firm).
- **Pillar 2** requires the firm to assess whether additional capital is required to cover against risks not covered by Pillar 1 capital.
- **Pillar 3** introduces public disclosure of qualitative and quantitative information and is designed to promote market discipline by providing market participants with key information on a firm's risk exposures and risk management process.

This report is based on the assessment process undertaken to determine the capital adequacy of Goldlake Capital Ltd. The approach of the firm to assessing the adequacy of its internal capital to support current and future activities is contained in the Internal Capital Adequacy Assessment Process ("ICAAP").

As a result of the assessment, the firm is considered to have adequate capital resources given its size and the complexity of its business. No material pillar 2 risks have been identified during this assessment.

A summary of the minimum capital requirement under pillar 1 and the risk based capital requirements under pillar 2 is shown below:

Pillar 1 Requirement Summary:

	Minimum capital in £
Base Capital Requirement	£45,000 (€50,000)
Credit Risk Requirement	Significantly less than the base capital requirement
Market Risk Requirement	Significantly less than the base capital requirement
Fixed Overhead Requirement	£9,500
Pillar 1 Requirement (higher of base capital requirement, total of Credit and Market Risk requirement or Fixed Overhead Requirement)	£45,000

Pillar 2 (ICAAP) Requirement Summary:

	Firm's Pillar 2 Additional Capital Requirement in £
Pillar 2 (ICAAP) total additional capital requirement	£0

Overall Financial Resources Requirement:

	£
Pillar 1 Requirement	£45,000
Pillar 2 Total Requirement	£0
Total:	£45,000
Current capital available	£61,547
Surplus	£16,547

Goldlake Capital is an Investment Management firm which acts solely as agent and does not hold clients' money or assets. The firm's greatest risks have been identified as business and operational risks. The firm does not believe there is any significant exposure to credit risk and market risk is not relevant since the firm does not operate a trading book. As a limited licence firm, we are exempt from the requirement to consider operational risk. The firm considers that it has a robust approach to risk management.

Due to the size and nature of our activities, the assessment has identified no additional risk based capital requirements under pillar 2. Stress testing has shown that unless there is an exceptional market downturn, the firm will continue to be able to meet its pillar 2 financial resources requirement. This assessment process has been considered and approved by the Board.

The firm will be making Pillar 3 disclosures annually as at the Accounting Reference Date (31 March).

Remuneration Code Disclosure

Goldlake Capital falls within the scope of the Remuneration Code as a tier 4 firm. This means that we must disclose certain information about our remuneration policy and details in aggregate of the remuneration of Code Staff.

Goldlake Capital's remuneration policy is designed to ensure that all staff and employees are interested in the long-term development of the firm. In general, staff will be awarded a competitive fixed remuneration and a variable remuneration linked to the net profit generated by the firm and their individual performance. Staff will be rewarded for their contribution to the long-term development of the firm and for their adherence to the firm's values and principles.

The Board is responsible for the remuneration policy and for setting Senior Management and Staff Code remunerations. The Board follows a prudent approach to remuneration and does not encourage risk taking. Variable remuneration is paid out of net profits after deducting sufficient capital to support the medium-term growth plans of the firm.

Goldlake Capital Ltd has one director who falls under the remit of the Remuneration Code. As allowed by FCA rules, quantitative data is withheld because it could lead to identification of specific individuals.