

Pillar III Disclosure

Wealth Club Asset Management Limited
Based on financial data at 30 June 2020



About this document

The regulatory framework for capital adequacy consists of three 'Pillars'. This document covers the third pillar.

The European Capital Requirements Directive (CRD) sets out the amount and nature of capital an investment firm must maintain to be capitally adequate.

- Pillar I sets out the minimum capital amount that meets the firm's credit, market and operational risk.
- Pillar II requires firms to consider whether a firm should hold additional capital against risks not covered in Pillar I.
- Pillar III requires firms to publicly disclose certain details of their capital, risk exposures, risk assessment processes and remuneration arrangements.

An investment firm must disclose the relevant information required under the Pillar III rules unless the information is believed to be immaterial, proprietary or confidential.

Wealth Club has made no omissions on the grounds that it is immaterial, proprietary or confidential.

Frequency and means of disclosure

These Pillar III Disclosures will be issued on an annual basis, made available on Wealth Club's website.

Entities / consolidation group to which this Pillar III disclosure relates

The capital position of Wealth Club Asset Management Ltd is assessed on a consolidated basis for all regulated firms within a "consolidation group". The companies in the Wealth Club consolidation group are set out below.

Wealth Club Asset Management Ltd is authorised and regulated by the FCA. It is categorised as a limited licence IFPRU €125k investment firm by the FCA for capital adequacy purposes.

In this document, "group" refers to the consolidation group.

Company	FCA register number	Company registration number	Within consolidation group?	Principal activity
Wealth Club Limited (parent)	725176	09831162	Yes	arranging investments on a non-advised basis
Wealth Club Asset Management Ltd	400139	04522114	yes	administration and safeguarding of assets and client money
Wealth Club Nominees Ltd	n/a	11969879	no	Provides nominee services only – non trading, non regulated company

Regulatory capital resources and requirements

The regulatory capital requirements of WCAM are shown in the table below. WCAM's capital requirements are the higher of:

- Base capital requirement of €125,000; or
- The sum of the market & credit risk requirements; or
- The Fixed Overheads Requirement.

WCAM's Pillar 1 Capital Requirement is determined by its fixed overhead requirement.

Capital requirement - Pillar 1

<i>Consolidation group, at 30 June 2020</i>	
Base capital requirement (a)	€125,000
Fixed overhead requirement (b)	£302,152
Credit risk requirement (c)	£140,619
Market risk and settlement risk (d)	£0
Own funds Pillar 1 requirement: highest of a or b or (c+d)	£302,152
Actual regulatory funds held (CET1)	£1,273,700
Excess of own funds over Pillar 1 requirement	£971,548

Own funds and capital ratios

Wealth Club's consolidated regulatory capital consists only of Common Equity Tier 1 capital, the most robust category of financial resources.

WCAM is required to meet the following minimum ratios, based on regulatory capital expressed as a percentage of the Total Risk Exposure Amount (TREA):

- a) Common Equity Tier 1 capital ratio of 4.5%
- b) Tier 1 capital ratio of 6%
- c) total capital ratio of 8%

The ratios are shown below.

	At 30 June 2020
Tier 1 regulatory capital	£1,273,700
Total risk exposure amount (TREA)	£5,534,639.45
Common Equity Tier 1 Ratio (CET 1 Regulatory capital / TREA)	23%
Tier 1 capital / TREA	23%
Total capital / TREA	23%

Internal Capital Adequacy Assessment Process (ICAAP)

WCAM has an ICAAP document that is regularly reviewed. The ICAAP assesses the risks to which the company is exposed and the associated capital requirements.

Risk management and governance

The Wealth Club board is accountable for all risks assumed in the business and is responsible for the execution of appropriate risk management.

Wealth Club has no trading book exposures.

The firm has risk management policies and procedures to identify, assess, mitigate, monitor and manage applicable risks.

Directors and senior managers meet on a regular basis. They manage the firm's risks through a framework of internal policies and processes with regard for relevant laws, standards, principles and rules.

Due to the size, nature and simplicity of its business, the firm has determined a separate risk committee is not required.

Wealth Club Limited and its two subsidiaries WCAM and Wealth Club Nominees Ltd are private limited companies incorporated in England and Wales. They are privately owned. WCAM is a non-significant IFPRU firm.

The directors of Wealth Club have 1 current directorship outside of the firm.

Wealth Club is an equal opportunity employer. The firm is committed to ensuring its workplaces are free from unlawful discrimination on the grounds of colour, race, nationality, ethnic or national origin, gender (including gender reassignment), sexual orientation, religion or belief, age, marital status or physical or mental disability.

The firm values diversity and is committed to promoting diversity within the workplace by seeking to ensure that all individuals are treated fairly, with dignity and respect and by recognising and encouraging individual contribution within the organisation.

Remuneration policy

The Company is a proportionality level 3 firm for the purposes of the FCA's Remuneration Code.

Staff receive a fixed salary paid monthly. A discretionary bonus may be awarded which is dependent on the overall profitability of the Company. An individual's share of the bonus pool is dependent on a number of factors including responsibilities, contribution to the Company and length of service. The company also has discretion to grant share options.

Aggregate remuneration for Code Staff

Code Staff are those staff whose activities could have a material impact on the firm's risk profile. The firm has defined Code Staff as the individuals performing FCA significant management functions. The firm is required to disclose the aggregate remuneration of Code Staff. For the year ending June 2020 this was £345,000.