INTRINSIC CAPITAL LLP

UNAUDITED APPENDIX 1

FOR THE YEAR ENDED 30 APRIL 2017

Pillar 3 Disclosure

Pillar 3 Disclosure — Scope and application of the requirements
The LLP is governed by the members who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the LLP's governance arrangements along with designing and implementing a risk management framework that recognises and manages the risks that the business faces. The members meet on a regular basis and discuss profitability, cash flow, regulatory capital management, and business planning and risk management. The members manage the LLP's risks though a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including Financial Conduct Authority ("FCA") principles and rules) with the aim to operate a defined and transparent risk management framework.

The members have identified that reputational, operational, market and credit risks are the areas of risk to which the LLP may be exposed. On an annual basis the members formally review the risks, controls and other risk mitigation arrangements and assess their effectiveness. Where the members identify material risks they consider the financial impact of these risks as part of business planning and capital management and conclude whether the amount of regulatory capital is adequate. The general objective is to develop systems and controls to mitigate risk to a level that does not require the allocation of Pillar 2 capital.

The LLP is authorised and regulated by the FCA and as such it is subject to minimum regulatory capital requirements. The LLP is small with a simple operational infrastructure. The LLP provides investment management services and the risks to which the LLP is exposed are principally reputational and operational in nature and are managed according to the LLP's operational and compliance risk guidelines including its ethical standards. The LLP is a BIPRU €50k limited license firm registered with the FCA (FRN 447020) and lodges its financial statements with Companies House.

Pillar 3 — Disclosure of capital resources and capital requirements
The capital resources of the LLP are made up of eligible partners' capital, which qualifies as Tier 1 capital.

As the LLP is a limited license firm, its capital requirement is the greater of:

- its base capital requirement of €50k;
- the sum of its market and credit risk requirements; or
- its Fixed Overhead Requirement ("FOR").

It is the LLP's experience that the capital requirement of the LLP is the fixed overhead requirement and not the sum of market and credit risk. For the purpose of this calculation disclosures relating to market and credit risk are therefore considered to be immaterial in the assessment of the business.

As at 30 April 2017 the LLP had £69,626 of capital with a fixed overhead requirement of £12,170 and therefore the LLP had excess resources over its regulatory capital requirement. The fixed overhead requirement is less than the base capital requirement of €50k (£42,083) and the LLP also has excess resources over this requirement.

Pillar 3 / Disclosure of compliance with the overall Pillar 2 rule
Under Pillar 2 of the Capital Requirements Directive, the Partnership is required to enact an Internal Capital Adequacy Assessment Process ("ICAAP"); this is an on-going process. The ICAAP document is presented to the members for formal review and approval. The data and assumptions used in the assessment of risk and capital adequacy are continually assessed and updated. This includes stress testing of various scenarios. Should new risks materialise or be identified by the LLP, then these risks will be incorporated into the overall review process.