

MIFIDPRU 8 Public Disclosure

True Potential Investments LLP
Financial Year Ended 31 December 2025

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1. Introduction

1.1. Background

True Potential Investments LLP ("TPI" or "the Firm") (FRN 527444) is authorised and regulated by the Financial Conduct Authority ("FCA") and is subject to the Investment Firms Prudential Regime ("IFPR"), as set out in the FCA's MIFIDPRU Prudential Sourcebook.

The IFPR establishes the prudential framework applicable to FCA investment firms and is intended to promote effective risk management, financial resilience and orderly wind-down planning, while ensuring that firms maintain adequate financial and non-financial resources to mitigate potential harm to clients, firms and the wider financial system.

As a non-small and non-interconnected ("non-SNI") investment firm, TPI is required to publish disclosures in accordance with Chapter 8 of the MIFIDPRU Sourcebook ("MIFIDPRU 8"). These disclosures are intended to support market discipline and transparency by providing stakeholders with information regarding the Firm's governance arrangements, risk management framework, capital and liquidity resources, and remuneration practices.

This document constitutes TPI's MIFIDPRU 8 Disclosure for the financial year ended 31 December 2025 and has been approved by the TPI Board prior to publication.

1.2. Basis of Disclosure

These disclosures have been prepared on an individual (solo entity) basis in accordance with MIFIDPRU 8.1.7R and relate solely to True Potential Investments LLP ("TPI" or "the Firm"), unless otherwise stated. This document does not constitute a consolidated group disclosure.

Consistent with the proportionality principle set out in MIFIDPRU 8.1.8R, the level of detail included reflects the size and internal organisation of the Firm, and the nature, scope and complexity of its activities.

This document provides information regarding the Firm's:

- governance arrangements;
- risk management objectives, policies and processes;
- Own Funds and Own Funds Requirements; and
- remuneration policies, practices and related quantitative disclosures.

TPI does not operate a trading book or derivatives business and remained below the relevant £300 million threshold based on the rolling four-year average value of its on- and off-balance-sheet assets. Accordingly, the Firm satisfied the conditions in MIFIDPRU 7.1.4R(1) for the purposes of the investment policy disclosure requirements and the conditions in SYSC 19G.1.1R(2) for the purposes of proportional application of certain remuneration requirements.

As a result, TPI is exempt from the investment policy disclosure requirements in MIFIDPRU 8.7 and was permitted to disapply the extended remuneration disclosure requirements in MIFIDPRU 8.6 in respect of the financial year ended 31 December 2025.

Unless otherwise stated, the information contained in this document relates to the financial year ended 31 December 2025. This disclosure should be read alongside the Annual Report and Accounts of TPI and, where relevant, the Annual Report and Accounts of the True Potential Group.

1.3. Significant Changes Since Prior Disclosure

No significant changes have occurred since the Firm's previous MIFIDPRU 8 disclosure that materially affect the information presented in this document.

1.4. Timing

In accordance with MIFIDPRU 8.1.10R, this disclosure has been published on the same date that the audited Annual Report and Accounts of TPI for the financial year ended 31 December 2025 were made available on Companies House.

The disclosure is publicly available on the Group's website [here](#), and will be reviewed and updated at least annually, or more frequently where material changes to the Firm's business model, risk profile or financial position make additional disclosure appropriate.

1.5. Firm Structure and Group Overview

True Potential Investments LLP ("TPI", "the Firm") is a UK limited liability partnership (registered number OC356027) and is authorised and regulated by the FCA under Firm Reference Number 527444.

TPI's principal business activities comprise the provision of platform, custody and discretionary investment management services to retail investors and financial advisers. The Firm is authorised to undertake a range of regulated activities, including discretionary investment management, the safeguarding and administration of assets, and activities relating to Individual Savings Accounts ("ISAs"), personal pension schemes and stakeholder pension arrangements.

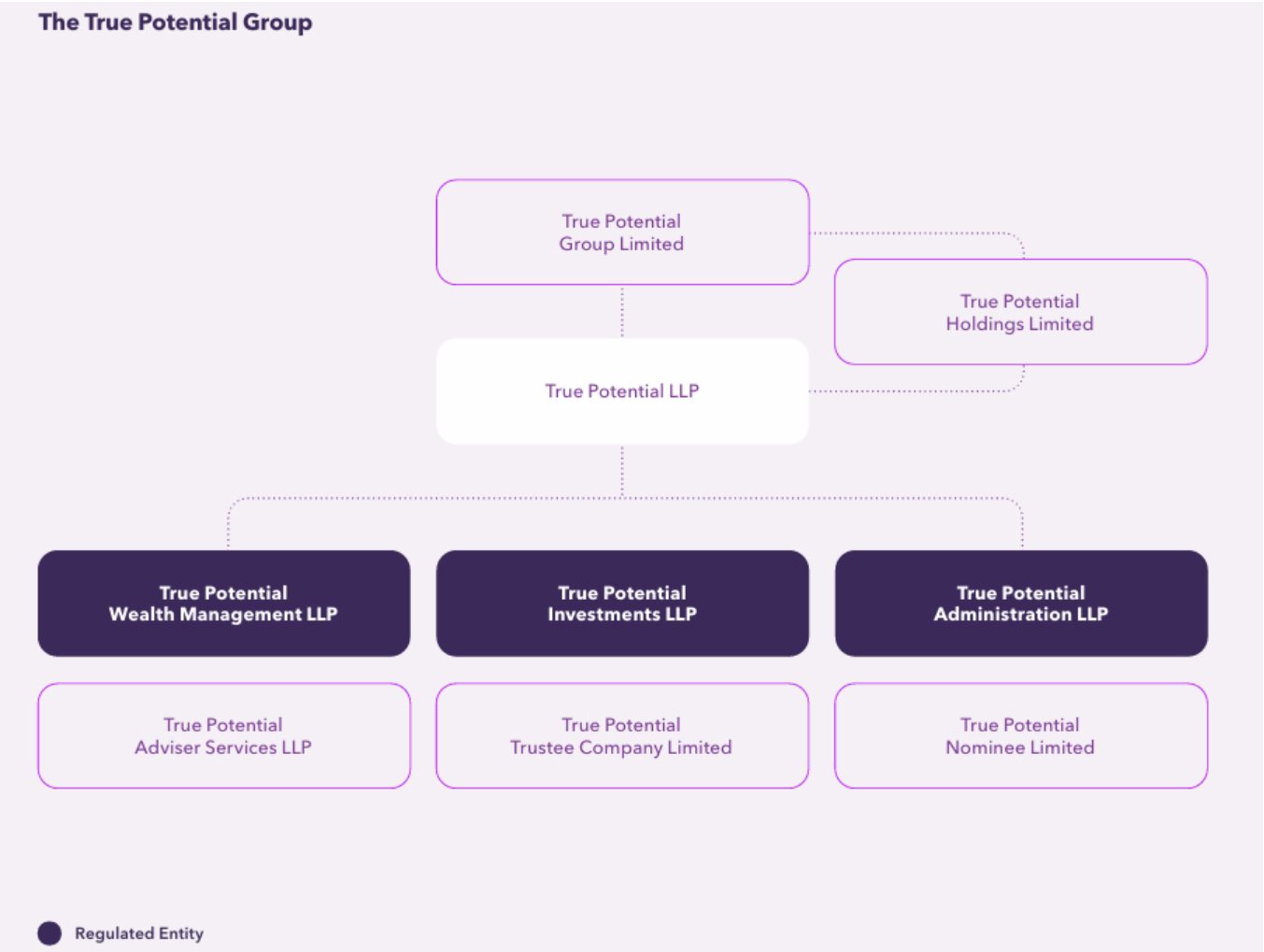
The Firm forms part of the True Potential Group ("the Group"), whose ultimate UK parent undertaking is True Potential Group Limited ("TPGL"). TPI is the Group's sole MIFIDPRU investment firm.

In addition to TPI, the Group's principal operating entities are:

- True Potential Wealth Management LLP ("TPWM"), an FCA-authorised advisory firm operating under the MiFID Article 3 exemption and providing financial advice and intermediary services to retail clients;
- True Potential Administration LLP ("TPA"), an FCA-authorised UCITS management company and Authorised Corporate Director ("ACD") of the True Potential fund range; and
- True Potential Adviser Services LLP ("TPAS"), a non-regulated entity providing technology, operational and adviser support services across the Group.

TPI operates within the Group's broader governance, risk management and operational framework. However, the Firm remains individually responsible for complying with its regulatory and prudential obligations under the FCA Handbook and MIFIDPRU.

Figure 1 – Group Structure



2. Governance Arrangements (MIFIDPRU 8.3)

2.1. Governance Framework

The TPI Board is responsible for the effective and prudent management of the Firm and is accountable for maintaining governance arrangements that are appropriate to the nature, scale and complexity of its business.

TPI operates within the wider governance framework established by True Potential Group Limited ("TPGL"), which provides oversight, challenge and decision-making across the Group and its regulated entities. Whilst TPI participates in Group-wide governance arrangements, the TPI Board retains ultimate responsibility for the governance, oversight and prudent management of the Firm, including compliance with its regulatory and prudential obligations under the FCA Handbook and the MIFIDPRU regime.

The TPI Board is responsible for:

- overseeing the Firm's strategy and business plan;
- approving and overseeing the Firm's risk appetite and risk management framework;
- reviewing and approving the conclusions of the ICARA as they relate to TPI, including the adequacy of the Firm's Own Funds and liquid assets under the OFAR;
- reviewing the adequacy of the Firm's capital and liquidity resources;
- overseeing regulatory compliance and customer outcomes;
- monitoring the effectiveness of governance, risk management and internal control arrangements; and
- overseeing operational resilience and significant business change initiatives.

The Board also oversees arrangements designed to ensure appropriate segregation of duties, the effective management of conflicts of interest, and the promotion of market integrity and client interests through the Firm's governance, risk management and control framework.

To discharge these responsibilities, TPI operates a governance framework comprising the TPI Board, together with a combination of Group and entity-level governance arrangements, including:

- **Board Committees**, which provide oversight of risk, audit, governance and remuneration matters;
- **Executive Committees**, which oversee the day-to-day management of risk, financial resilience and product governance; and
- **Entity-level Committees**, including the TPI CASS Committee, which provide dedicated oversight of matters specific to the Firm.

TPI does not maintain standalone Risk, Remuneration or Nomination Committees. Instead, oversight of these matters is provided through the Group governance framework, including the relevant Group committees which have responsibility for matters affecting TPI and the Group's other regulated entities.

Having regard to the nature, scale and complexity of its activities, the Firm considers these arrangements to be appropriate and proportionate and consistent with the governance expectations applicable to non-SNI MIFIDPRU investment firms.

Figure 2 – TPGL Board and Governance Committee Structure



2.2. Governance Committees

To support all entities across the True Potential Group, including TPI, the TPGL Board has established a number of committees and delegated specific powers, duties and decision-making responsibilities to them through formally approved Terms of Reference.

These committees include appropriate representation from the TPI management body and senior management and comprise individuals with the knowledge, skills, experience and authority necessary to oversee matters relevant to TPI.

The Group committee structure supports the oversight of TPI's activities, risks, governance arrangements, financial resilience and regulatory obligations. Matters relevant to TPI are considered through the committee structure and are reported and escalated to the TPI Board where appropriate. Notwithstanding these arrangements, the TPI Board remains ultimately accountable for the governance and oversight of the Firm.

2.2.1. Board Committees

The Board Committees support the TPGL Board, in overseeing governance, risk management, financial reporting, remuneration and compliance arrangements across the Group and its regulated entities, including TPI.

Group Risk Committee ("GRC")

The Group Risk Committee supports the TPGL Board in overseeing the effectiveness of the Group's risk management and regulatory compliance systems and controls.

The Committee advises the Board on risk appetite, risk strategy and exposure to principal and emerging risks and oversees the processes used by management to identify, assess, monitor and mitigate risk. The Committee reviews the design and effectiveness of the Risk Management Framework and Compliance Management Framework and considers significant regulatory matters, control weaknesses and material interactions with regulators.

In relation to TPI, the Committee oversees matters including operational resilience, financial crime risk, technology and cyber risk, consumer outcomes risk, regulatory compliance, financial resilience and third-party risk. The Committee also reviews and challenges the ICARA process, including the assessment of harms, capital adequacy, liquidity adequacy, recovery planning and wind-down planning relevant to the Firm.

Group Audit Committee ("GAC")

The Group Audit Committee supports the TPGL Board in overseeing the integrity of financial reporting, the effectiveness of internal controls and the adequacy of assurance arrangements across the Group.

The Committee monitors the financial reporting process, reviews key accounting judgements and estimates, oversees the effectiveness and independence of Internal Audit and External Audit, and monitors management's response to audit findings and recommendations.

In relation to TPI, the Committee provides oversight of matters relevant to the Firm's financial reporting, financial controls and assurance framework, supporting the TPI Board in maintaining an effective control environment.

TPGL Nominations and Remuneration Committee ("TPGL REMCO")

The TPGL Nominations and Remuneration Committee supports the TPGL Board in relation to Board composition, succession planning, diversity and remuneration governance.

The Committee oversees the Group Remuneration Policy, remuneration arrangements for senior management and Material Risk Takers, and the design of remuneration structures intended to support sound risk management and effective governance. It is also responsible for reviewing Board composition, succession planning and the balance of skills, knowledge, experience, independence and diversity across the Group's Boards and senior management teams.

In relation to TPI, the Committee supports compliance with the governance and remuneration requirements applicable under the MIFIDPRU regime.

2.2.2. Executive Committees

Executive Committees support senior management in the day-to-day oversight of risks, financial resilience, operations and customer outcomes across the Group and its regulated entities.

Executive Risk Committee ("ERC")

The Executive Risk Committee is the primary management forum responsible for overseeing the Group's risk profile and the operation of the Risk Management Framework.

The Committee reviews risk appetite metrics, emerging risks, operational incidents, regulatory developments and remediation activities and escalates material matters through the governance framework where appropriate.

In relation to TPI, the Committee provides ongoing oversight of operational resilience, regulatory compliance, financial crime, technology and cyber security, customer outcomes and third-party risks.

Financial Risk Committee ("FRC")

The Financial Risk Committee oversees financial and prudential risks across the Group and its regulated entities.

The Committee reviews capital adequacy, liquidity adequacy, treasury risk, financial resilience, stress testing, recovery planning and wind-down planning and provides review and challenge of the financial components of the ICARA process.

In relation to TPI, the Committee supports oversight of compliance with the Overall Financial Adequacy Rule and the Firm's prudential obligations under MIFIDPRU.

Group Product Governance Committee ("GPGC")

The Group Product Governance Committee oversees product governance arrangements across the Group.

The Committee reviews product approvals, target market assessments, fair value assessments, customer outcomes and Consumer Duty considerations and monitors the ongoing suitability and performance of products and services.

In relation to TPI, the Committee supports oversight of products and services distributed, managed or administered by the Firm.

2.2.3. TPI Committee

TPI CASS Committee

TPI maintains a dedicated CASS Committee reflecting the nature of the Firm's client asset obligations.

The Committee supports compliance with the FCA's Client Assets Sourcebook ("CASS") and assists the CASS Oversight Officer and senior management in overseeing the adequacy and effectiveness of arrangements for safeguarding client money and custody assets. The Committee monitors CASS-related risks, incidents and remediation activities and reports material matters to the TPI Board.

2.3. Board Membership

Table 1: TPI Board Members' External Directorships

As at 31 December 2025, the TPI Board had four members:

TPI Board Member	No. of External Directorships Held
Gerry Mallon	3
Jeff Casson	0
Ben Thorpe	1
Iain Wallace	0

In accordance with MIFIDPRU 8.3.2R, Table 1 excludes directorships held within the True Potential Group and in organisations that do not pursue predominantly commercial objectives.

2.4. Diversity and Inclusion

TPI operates within the True Potential Group's approach to diversity and inclusion, which seeks to promote an inclusive culture and support effective governance, constructive challenge and sound decision-making.

When considering appointments to the TPI Board and senior management, regard is given to the balance of skills, knowledge, experience, independence and diversity of thought required to support the effective oversight and prudent management of the Firm. These considerations form part of the Group's succession planning, recruitment and governance processes.

The Group does not currently operate quantitative diversity targets for the TPI Board or management body. Accordingly, no formal diversity targets were applicable during the reporting period.

The TPI Board nevertheless considers diversity as part of succession planning and appointment processes and is

satisfied that the objectives of maintaining an appropriate balance of skills, experience, background and diversity of thought were achieved during the year.

The responsibilities typically performed by a nominations committee are discharged through the Group governance framework, including the TPGL Nominations and Remuneration Committee, which supports Board appointments, succession planning and periodic assessments of Board effectiveness. The TPI Board retains responsibility for ensuring that its composition remains appropriate and effective.

3. Risk Management (MIFIDPRU 8.2)

3.1. Risk Management Framework

TPI operates within the True Potential Group Risk Management Framework ("RMF"), which establishes a consistent approach to the identification, assessment, management, monitoring and reporting of risks across the Group and its regulated entities.

The RMF is designed to support the achievement of strategic objectives, effective decision-making, regulatory compliance, operational resilience and the delivery of good customer outcomes. Whilst TPI operates within the wider Group framework, the Firm remains individually responsible for managing its risks and complying with its regulatory obligations as an FCA-authorised MIFIDPRU investment firm.

The objectives of the RMF are to:

- support the identification, assessment and management of risks and potential harms;
- promote informed, risk-based decision-making;
- support the establishment and monitoring of risk appetite;
- provide effective oversight and challenge of risk-taking activities;
- support regulatory compliance and operational resilience;
- protect clients from foreseeable harm; and
- support the maintenance of adequate financial and non-financial resources.

The TPI Board remains responsible for overseeing the effectiveness of the Firm's risk management arrangements and ensuring that risks are managed in a manner consistent with the Firm's strategy, risk appetite and regulatory obligations.

The Board recognises that TPI's activities have the potential to result in harm to clients, the Firm and the wider financial markets. Accordingly, the RMF is designed to identify, assess, manage and monitor those harms and support the maintenance of adequate financial and non-financial resources.

The RMF is supported by:

- the Risk Appetite Framework;
- the Risk Taxonomy;
- the Risk and Control Self-Assessment ("RCSA") framework;
- operational risk and incident management processes;
- compliance monitoring activities;
- operational resilience arrangements;
- scenario analysis and stress testing;
- governance oversight; and
- the consolidated ICARA process.

Ruleguard, the Group's enterprise risk management system, acts as the central repository for risk assessments, controls, incidents, management actions and governance reporting, supporting the consistent application of risk management practices across the Group.

The outputs of these processes support the identification, assessment and management of risks and potential harms relevant to TPI.

3.2. Risk Assessment and Management

The Group operates a Risk and Control Self-Assessment ("RCSA") framework, which is embedded across business functions and legal entities, including TPI.

Business areas are responsible for identifying risks arising from products, services, operational processes, technology, third-party arrangements and business change initiatives. Risk identification is supported by the consideration of operational incidents, complaints, compliance monitoring, audit findings, emerging risk assessments, regulatory developments and stress testing exercises.

Identified risks are assessed using a consistent methodology that considers both the likelihood and potential impact of a risk event occurring. This assessment includes consideration of the effectiveness of existing controls and the resulting residual risk exposure.

Risks are categorised using the Group Risk Taxonomy, which supports consistent assessment, monitoring and reporting across the Group. The principal Level 1 risk categories are:

- Investment and Performance Risk;
- Operational Risk;
- Financial Risk;
- Strategic Risk;
- Regulatory Risk; and
- Consumer Outcomes Risk.

The outputs of the risk assessment process support the identification of material harms and form a key input into risk appetite monitoring, capital adequacy assessments, liquidity adequacy assessments and the ICARA process.

3.3. Risk Monitoring, Reporting and Remediation

Risks are subject to ongoing monitoring through a combination of:

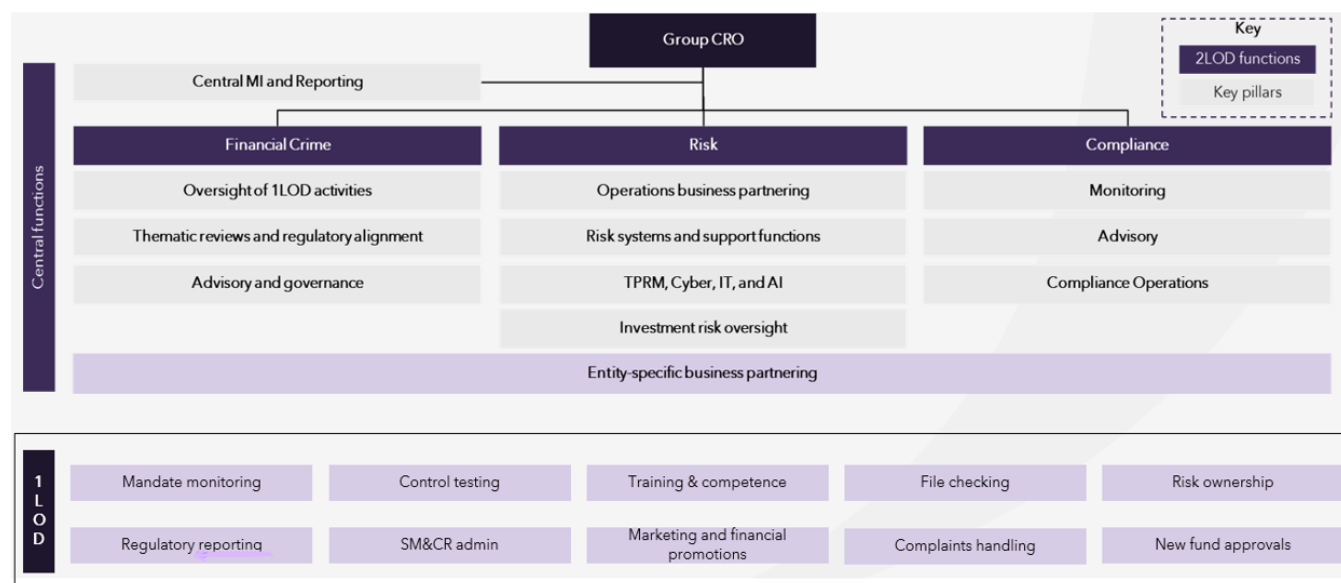
- risk appetite metrics;
- Key Risk Indicators ("KRIs");
- Key Performance Indicators ("KPIs");
- operational risk event reporting;
- compliance monitoring activities;
- customer outcome measures;
- operational resilience monitoring; and
- financial and prudential reporting.

Risk information is reported through the governance framework described in Section 2 and is reviewed by the relevant governance committees and the TPI Board, as appropriate.

Where risk exposures approach or exceed approved risk appetite thresholds, management actions are identified and implemented to strengthen controls, address weaknesses and reduce potential harms.

Progress against remediation plans is monitored through established governance processes until the relevant risk exposure has been reduced to an acceptable level or formally accepted in accordance with approved governance arrangements.

Figure 3 – Risk and Compliance Operating Model



3.4. Three Lines of Defence

TPI operates within the Group's Three Lines of Defence ("3LoD") model, which establishes clear accountability for risk ownership, risk oversight and independent assurance.

The model supports the effective operation of the RMF by ensuring that responsibility for managing, overseeing and assuring risks is appropriately segregated.

3.4.1. First Line of Defence – Risk Ownership and Management

The First Line of Defence ("1LoD") comprises all business functions and operational teams across the Group, including those responsible for TPI's platform, custody, investment management and support activities.

The 1LoD owns and manages risks arising from its day-to-day activities and is responsible for operating within the Group's Risk Management Framework, Risk Appetite Framework and approved policies and procedures.

Key responsibilities include:

- identifying, assessing, managing and reporting risks;
- maintaining RCSAs and associated risk registers;
- implementing controls to operate within approved risk appetite;
- monitoring control effectiveness through KRIs and KPIs;
- reporting and escalating risk events and regulatory breaches;
- undertaking root cause analysis and remediation activity;
- maintaining compliance with Group policies and standards;
- ensuring appropriate risk awareness and training; and
- maintaining a culture of risk ownership and accountability.

The 1LoD also owns and manages conduct risk and customer outcome risks arising from business activities, including product governance, customer interactions, communications and adviser-related activities.

3.4.2. Second Line of Defence - Risk Oversight and Challenge

The Second Line of Defence ("2LoD") comprises the Group Risk and Compliance functions, which provide independent oversight, challenge and support to the 1LoD.

The Risk and Compliance function is led by the Chief Risk Officer ("CRO"), who is responsible for overseeing the operation and effectiveness of the Group Risk Management Framework.

The 2LoD is responsible for:

- maintaining the Risk Management Framework, Risk Appetite Framework and Risk Taxonomy;
- overseeing the RCSA process and risk event management;
- providing independent oversight and challenge of First Line activities;
- undertaking compliance monitoring and regulatory horizon scanning;
- overseeing Consumer Duty and customer outcomes;
- monitoring financial crime risks;
- reviewing risk appetite metrics and emerging risks; and
- reporting risk and compliance matters to governance committees and Boards.

The Group Head of Risk is responsible for enterprise risk management, risk assurance, investment risk oversight and the RCSA framework.

Dedicated Compliance personnel support each regulated entity, including TPI, whilst operating within the wider Group Risk and Compliance function.

3.4.3. Third Line of Defence - Independent Assurance

The Third Line of Defence ("3LoD") comprises Internal Audit, which provides independent assurance over the design and effectiveness of the Group's governance, risk management and internal control framework.

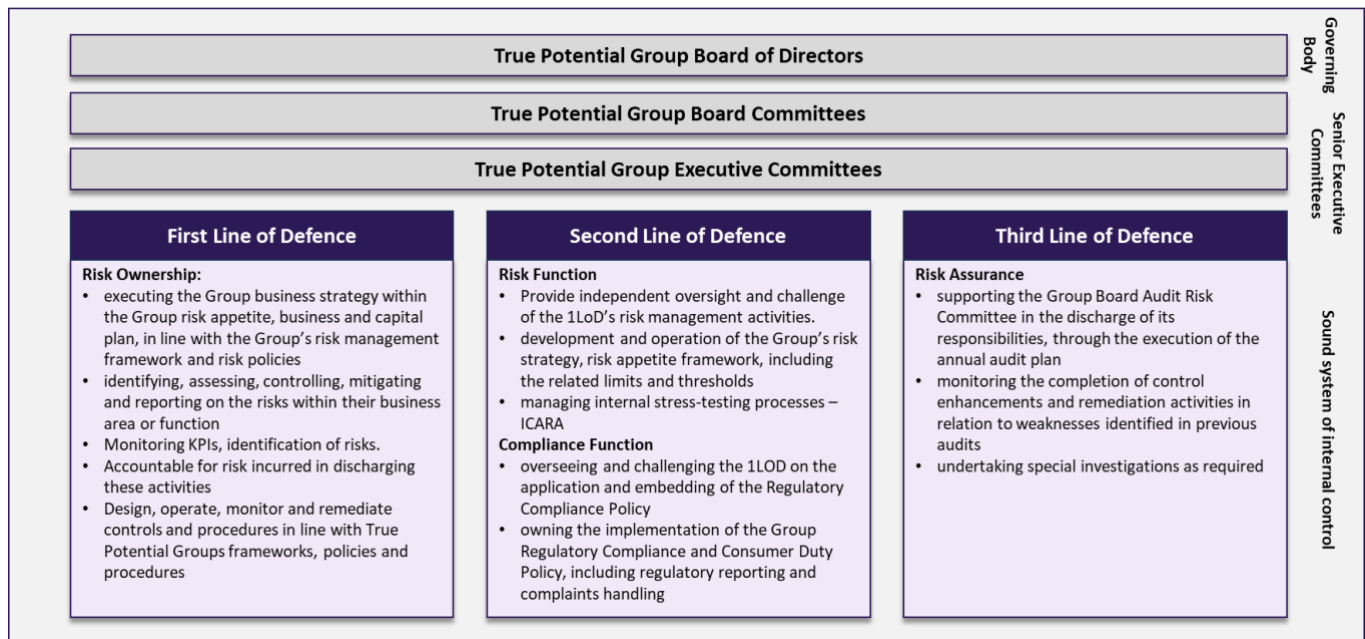
The Internal Audit function is independent of both the First and Second Lines of Defence and reports directly to the Group Audit Committee. Internal Audit is outsourced to an independent third-party provider.

Its responsibilities include:

- executing the annual internal audit plan;
- reviewing governance, risk management and control arrangements;
- assessing compliance with regulatory requirements and internal policies;
- monitoring remediation activities arising from audit findings;
- undertaking special investigations where required; and
- providing assurance over conduct risk management, Consumer Duty arrangements and customer outcome monitoring.

Additional assurance is obtained through external audit activities, regulatory reviews and other independent assessments where appropriate.

Figure 4 – Three Lines of Defence Model



3.5. Risk Appetite Framework

TPI operates within the Group Risk Appetite Framework, which defines the level and types of risk the Group and its regulated entities are willing to accept in pursuit of their strategic objectives.

The framework comprises qualitative Risk Appetite Statements and quantitative Risk Appetite Metrics aligned to the Group Risk Taxonomy. Risk appetite is monitored through a system of Green, Amber and Red thresholds, enabling the timely identification, escalation and management of emerging risks.

Risk appetite metrics are reviewed through the governance framework and support the ongoing assessment of risk exposures, financial resilience and compliance with regulatory obligations.

The Risk Appetite Framework is reviewed at least annually and forms an important component of both the RMF and the consolidated ICARA process.

3.6. Risk Assessment Summary

The assessment of risks and potential harms relevant to TPI is performed as an integral component of the RMF and consolidated ICARA process.

TPI operates an agency business model and does not undertake proprietary trading activities. Consequently, the Firm's most significant risks arise primarily from operational, regulatory and conduct-related activities rather than market or trading risk exposures.

The outputs of the RMF, RCSA framework, risk appetite monitoring, governance oversight, scenario analysis and stress testing processes support the identification and assessment of material risks and harms to clients, the Firm and the wider financial markets.

The principal risks and harms identified through these processes are discussed in Section 4, together with the key controls and mitigation strategies used by the Firm to manage those risks.

3.7. Internal Capital and Risk Assessment ("ICARA") Document

TPI is subject to the Overall Financial Adequacy Rule ("OFAR"), which requires the Firm to maintain Own Funds and liquid assets that are adequate, both in amount and quality, to ensure that the business can be operated in a sound and prudent manner and wound down in an orderly manner if necessary.

The Internal Capital and Risk Assessment ("ICARA") process forms a key component of TPI's risk management and prudential framework. The purpose of the ICARA is to provide a forward-looking assessment of the risks, harms, vulnerabilities and financial resource requirements associated with the Firm's business activities and operating model.

TPI participates in the Group's consolidated ICARA framework, which incorporates the assessment of material risks and harms across the Group's regulated entities. Whilst undertaken within a consolidated framework, the ICARA includes dedicated consideration of TPI's individual business model, risk profile, regulatory obligations and prudential requirements.

The ICARA draws upon the outputs of the Group Risk Management Framework, including risk assessments, risk appetite monitoring, scenario analysis, stress testing, recovery planning and wind-down planning. Together, these processes support the identification and assessment of material harms and vulnerabilities that could affect the Firm, its clients or the wider financial markets.

The ICARA is subject to review, challenge and oversight through the governance arrangements described in Section 2. The TPI Board remains responsible for reviewing and approving the conclusions relevant to the Firm and for ensuring that appropriate actions are taken in response to identified risks, vulnerabilities or resource requirements.

The ICARA is a continuous and forward-looking process embedded within the Firm's governance, risk management and prudential framework. It is informed by ongoing risk assessment, capital and liquidity monitoring, business planning, stress testing and recovery planning activities throughout the year. The TPI Board formally reviews and approves the ICARA at least annually and more frequently where material changes occur to the Firm's business model, risk profile, financial position or operating environment.

4. Key Harms and Risks

MIFIDPRU 8.2.1R requires TPI to disclose its risk management objectives and policies in relation to the principal categories of risk addressed by:

- MIFIDPRU 4 (Own Funds Requirements);
- MIFIDPRU 5 (Concentration Risk); and
- MIFIDPRU 6 (Liquidity Risk).

TPI's assessment of risks and potential harms forms an integral part of its Risk Management Framework and consolidated ICARA process. Whilst risks are assessed within a consolidated framework, TPI remains subject to a dedicated entity-specific assessment reflecting its business model, regulatory obligations and prudential requirements.

TPI operates an agency business model and provides platform, custody and discretionary investment management services to retail clients and financial advisers. The Firm does not undertake proprietary trading activities or maintain a trading book. Consequently, the principal risks faced by the Firm arise primarily from operational, regulatory, conduct and technology-related activities rather than market or trading risk exposures.

Risks are assessed with reference to the potential harm they may cause to:

- clients;
- the Firm; and
- the wider financial markets.

Board Statement on Risks and Harms

The TPI Board recognises that the Firm's activities have the potential to result in harm to clients, the Firm and the wider financial markets if risks are not appropriately identified, assessed and managed. The Risk Management Framework and ICARA process described in Section 3 are designed to identify, assess and mitigate these harms, support compliance with regulatory obligations and ensure that adequate financial and non-financial resources are maintained.

The Board reviews the Firm's principal risks and harms on a regular basis and is satisfied that appropriate risk management arrangements are in place to manage those risks in a manner consistent with the Firm's strategy, risk appetite and regulatory obligations.

4.1. Risks Relevant to Own Funds Adequacy (MIFIDPRU 4)

As part of the ICARA process and its assessment of compliance with the Overall Financial Adequacy Rule ("OFAR"), TPI assesses the principal risks and harms that could adversely affect its financial resilience, capital adequacy, liquidity adequacy or ability to continue operating in an orderly manner.

The risks summarised below form the principal inputs into the Firm's assessment of Own Funds adequacy and are considered when determining the level of financial resources required to support ongoing operations and, where necessary, an orderly wind-down.

Consumer Outcomes Risk

Consumer Outcomes Risk is the risk that customers suffer harm as a result of the design, distribution, operation or servicing of products and services. Potential harms may arise through poor customer outcomes, inadequate product governance, failures to meet Consumer Duty requirements or ineffective customer servicing arrangements.

The Firm manages this risk through its Consumer Duty framework, product governance arrangements, target market assessments, fair value assessments, customer outcome monitoring, complaints management processes and governance oversight.

Financial Crime Risk

Financial Crime Risk is the risk of customer detriment, financial loss, regulatory intervention or reputational damage arising from money laundering, fraud, sanctions breaches or other financial crime events.

The Firm manages this risk through customer due diligence procedures, transaction monitoring, sanctions screening, fraud prevention controls, employee training and ongoing governance oversight.

Technology, Cyber and Third-Party Risk

Technology, Cyber and Third-Party Risk arises from the Firm's reliance on technology infrastructure, data integrity and key service providers. Potential harms may result from cyber-attacks, data breaches, technology failures, service outages or failures affecting critical third-party providers.

The Firm manages these risks through information security controls, cyber resilience programmes, operational resilience arrangements, business continuity planning, supplier oversight and ongoing monitoring of critical services.

Operational Execution and Safeguarding Risk

Operational Execution and Safeguarding Risk relates to failures in operational processes, transaction processing, custody operations and the safeguarding of client money and custody assets.

Given the nature of TPI's platform and custody activities, failures in these areas could result in customer detriment, regulatory intervention, remediation costs and reputational damage.

The Firm manages these risks through documented operational controls, reconciliation processes, operational resilience arrangements, governance oversight and dedicated monitoring of compliance with the FCA Client Assets Sourcebook ("CASS").

Regulatory Risk

Regulatory Risk is the risk of customer harm, supervisory intervention, enforcement action or financial loss arising from non-compliance with applicable laws, regulations or regulatory expectations.

The Firm manages this risk through compliance monitoring activities, regulatory horizon scanning, policy governance, employee training and oversight through the governance arrangements described in Section 2.

Financial Risk

Financial Risk relates to the potential impact of adverse events on the Firm's capital adequacy, liquidity adequacy, profitability and overall financial resilience.

The Firm manages this risk through financial planning, capital and liquidity monitoring, stress testing, recovery planning and wind-down planning undertaken as part of the ICARA process.

Credit Risk

TPI's direct exposure to credit risk is limited. The principal exposure arises from banking counterparties used to hold corporate cash and client money balances.

The Firm manages this risk through treasury oversight arrangements, approved counterparty limits and ongoing monitoring of counterparty exposures.

Market Risk

TPI does not engage in proprietary trading and does not maintain material own-account market risk exposures.

Adverse market conditions may nevertheless affect the Firm indirectly through reductions in assets under administration and management, resulting in lower revenue and profitability. These risks are assessed through business planning, stress testing and scenario analysis.

4.2. Concentration Risk (MIFIDPRU 5)

TPI does not maintain a trading book, undertake proprietary trading activities or operate a lending book. Accordingly, the Firm's exposure to concentration risk is limited.

The principal concentration risks arise from:

- banking counterparties used to hold corporate cash and client money balances;
- critical third-party service providers on which the Firm relies to deliver key services; and
- operational dependencies inherent within the Firm's business model.

These exposures are monitored through treasury management arrangements, supplier oversight processes, operational resilience assessments and ongoing monitoring of concentration indicators. The Firm seeks to avoid excessive reliance on individual counterparties, service providers or operational dependencies and considers concentration risk as part of its broader risk management and operational resilience framework.

The Firm also monitors concentration risks arising within client portfolios through established investment governance arrangements and compliance with applicable investment and regulatory requirements.

4.3. Liquidity Risk (MIFIDPRU 6)

Liquidity Risk is the risk that the Firm is unable to meet its financial obligations as they fall due.

The Firm's objective is to maintain sufficient liquid assets to meet its liabilities as they fall due under both normal and stressed conditions, support ongoing business operations and facilitate an orderly wind-down if required.

TPI manages liquidity risk through the Group Liquidity Risk Management Framework ("LRMF"), which establishes the governance arrangements, systems and controls used to identify, monitor and manage liquidity risk across the Group and its regulated entities.

The Firm's principal cash inflows comprise platform fees, investment management fees and income earned on client cash balances. Principal cash outflows include payments to service providers, operating expenses and profit distributions.

Liquidity management arrangements include:

- daily liquidity monitoring;
- cash flow forecasting;
- liquidity stress testing;
- scenario analysis;
- contingency funding planning; and
- liquidity risk appetite monitoring.

Liquidity adequacy is assessed through the consolidated ICARA process, including consideration of the Basic Liquid Assets Requirement ("BLAR"), the Liquid Assets Threshold Requirement ("LATR"), potential liquidity harms and wind-down requirements.

The Board remains satisfied that the Firm maintains sufficient liquid resources to meet its obligations as they fall due under both normal and stressed conditions and to support an orderly wind-down if required.

5. Own Funds and Own Funds Requirement (MIFIDPRU 8.4, 8.5)

5.1. Own Funds – Resources

At 31 December 2025, and throughout the reporting period, TPI maintained Own Funds in excess of its regulatory Own Funds Requirement and remained compliant with the prudential requirements applicable under MIFIDPRU. The composition of TPI's regulatory Own Funds as at 31 December 2025 is set out in Table 2 below.

A reconciliation of TPI's regulatory Own Funds to the corresponding balances reported in the audited financial statements as at 31 December 2025 is presented in Table 3.

Table 2: Composition of Regulatory Own Funds (Template OF1)

No.	Item	(£'000s)	Source*
1	OWN FUNDS	161,994	
2	TIER 1 CAPITAL	161,994	
3	COMMON EQUITY TIER 1 CAPITAL	161,994	
4	Fully paid-up capital instruments	72,862	Members' capital (Note 16)
5	Share premium		
6	Retained earnings	90,061	Members' other interests - other reserves classified as equity
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(929)	Intangible assets (Note 12)
19	CET1: Other capital elements, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL	-	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	TIER 2 CAPITAL	-	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

*Based on reference numbers of the balance sheet notes or primary statements in the audited financial accounts

Table 3: Reconciliation of Regulatory Own Funds to Audited Financial Statements

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross- reference to template OF1
		(£'000s)	(£'000s)	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible assets (software and development)	929		Item 11 treated as an Own Funds deduction
2	Tangible assets (fixtures, fittings and equipment)	-		
3	Trade and other receivables	26,569		
4	Cash and cash equivalents	152,325		
5	Total Assets	178,893		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Trade payables	12,623		
2	Taxation and social security	1,682		
3	Accruals and deferred income	1,215		
4	Amounts owed to Group undertakings	38		
5	Other payables	1,342		
6	Total Liabilities	16,900		
Members' Equity				
1	Members' capital	72,862		Item 4
2	Other debts due to Members	90,061		Item 6
3	Total Members' Equity	162,923		

5.1.1. Main Features of Own Funds Instruments and Capital Arrangements

TPI is a UK Limited Liability Partnership ("LLP"). In accordance with its LLP Agreement, the Firm's regulatory Own Funds comprise Members' Capital together with accumulated profits allocated to Members but not yet divided or distributed, to the extent that they meet the eligibility criteria set out in MIFIDPRU.

Members' capital

Members' capital represents permanent capital available to absorb losses on a going concern basis. The capital has no contractual maturity and is only repayable in the event of a winding-up, following the settlement of all liabilities. Accordingly, it meets the conditions for inclusion within Common Equity Tier 1 ("CET1") capital.

Undistributed Allocated Profits

Profits and losses are allocated to True Potential LLP (the "Holding Member") in accordance with the LLP Agreement. Accumulated profits that have been allocated but not yet divided or distributed are recognised within Members' Equity in the Firm's Statement of Financial Position.

Whilst allocated to the Holding Member, these balances are not automatically payable. Under the LLP Agreement, any distribution remains subject to approval by the TPI Board, and the Firm is not obliged to make payments in respect of such balances. As a result, undistributed allocated profits remain available to absorb losses on a going-concern basis and contribute to the Firm's financial resilience.

To the extent that these balances meet the relevant eligibility criteria under MIFIDPRU, they are included within the Firm's regulatory Own Funds.

5.2. Own Funds - Requirements: K-Factor and Fixed Overheads Requirement (MIFIDPRU 8.5)

In accordance with MIFIDPRU 8.5.1R, TPI discloses its K-Factor Requirement ("KFR") and Fixed Overheads Requirement ("FOR"). Under MIFIDPRU 4, the Firm's Own Funds Requirement is equal to the highest of its Permanent Minimum Capital Requirement ("PMR"), KFR and FOR.

As at 31 December 2025, TPI's KFR exceeded both its PMR and FOR and therefore represented the Firm's binding Own Funds Requirement. The applicable requirements are set out in Table 4 below.

Table 4: Own Funds Requirement

TPI's Own Funds Requirements		(£'000s)
(1) Permanent Minimum Capital Requirement ("PMR")		150
(2) K-Factor	Sum of K-AUM, K-CMH and K-ASA	20,295
	Sum of K-COH and K-DTF	15
	Sum of K-NPR, K-CMG, K-TCD and K-CON	-
	Total K-Factor Requirement ("KFR")	20,310
(3) Fixed Overheads Requirement ("FOR")		5,403
Own Funds Requirement (being the higher of 1, 2 and 3)		20,310

5.3. Approach to Assessing the Adequacy of Own Funds

As described in Section 3.7, TPI uses the ICARA process as the primary mechanism for assessing compliance with the Overall Financial Adequacy Rule ("OFAR").

The ICARA assesses whether the Firm maintains sufficient financial resources to absorb losses, withstand periods of financial stress, continue operating throughout the economic cycle and, where necessary, support an orderly wind-down that minimises harm to clients and the wider financial markets.

In assessing the adequacy of its financial resources, TPI considers the potential impact of material harms and risks on its capital and liquidity position under both baseline and stressed conditions. This assessment incorporates business planning, financial forecasting, stress testing, reverse stress testing, recovery planning and wind-down planning.

The results of the assessment are used to determine:

- the **Own Funds Threshold Requirement ("OFTR")**, being the level of Own Funds that the TPI Board considers necessary to ensure ongoing compliance with the OFAR; and
- the **Liquid Assets Threshold Requirement ("LATR")**, being the level of liquid assets that the TPI Board considers necessary to ensure that the Firm can meet its obligations as they fall due under normal and stressed conditions.

The OFTR and LATR are assessed in the context of the Firm's specific business model, risk profile, risk appetite, operational resilience requirements and wind-down resource needs, and may exceed the minimum regulatory Own Funds Requirement or Basic Liquid Assets Requirement where the Board considers this necessary.

Based on the 2025 ICARA assessment, the TPI Board concluded that TPI maintained Own Funds in excess of both its regulatory Own Funds Requirement and OFTR, and liquid assets in excess of its LATR. The Board further concluded that the Firm possessed adequate financial resources to comply with the OFAR and to support the continued operation of the business and, if required, an orderly wind-down.

6. Remuneration Policies and Practices (MIFIDPRU 8.6)

6.1. Remuneration Policy

TPI operates within the True Potential Group remuneration framework, which is designed to promote sound and effective risk management, support the delivery of good client outcomes and align remuneration arrangements with the long-term interests of the Firm, its clients and other stakeholders.

The remuneration framework is intended to support the Group's business strategy, values, risk appetite and regulatory obligations whilst ensuring that remuneration arrangements do not encourage excessive risk-taking or behaviour that could result in harm to clients, the Firm or the wider market.

Oversight of the Group's remuneration framework is provided by the TPGL Nominations and Remuneration Committee ("Remuneration Committee"), which is responsible for oversight of the Group Remuneration Policy, remuneration arrangements for senior management and Material Risk Takers ("MRTs"), and ensuring remuneration practices remain aligned with the Group's strategic objectives, culture, governance arrangements, risk appetite and regulatory obligations.

TPI applies the Group Remuneration Policy, which is reviewed at least annually and is designed to support sustainable long-term performance, effective risk management and the delivery of good customer outcomes.

Members of the TPI Board participate in these governance arrangements and remuneration matters relevant to TPI are reported to and considered by the TPI Board as appropriate.

The TPGL Nominations and Remuneration Committee Terms of Reference are designed to provide appropriate Board oversight of the Group's remuneration arrangements, including the identification, oversight and review of the MRT population, in accordance with the requirements of SYSC 19G.

6.2. Fixed Remuneration

Fixed remuneration reflects the professional experience, responsibilities, skills, knowledge and competencies required for an individual's role. It is determined by reference to a range of factors, including role complexity, market conditions, individual capability and the strategic needs of the business.

Fixed remuneration is structured to represent a sufficiently high proportion of total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration where appropriate.

6.2.1. Variable Remuneration

The Group operates a number of discretionary bonus schemes for different employee populations.

Variable remuneration is generally determined by reference to the performance of the Group and its regulated entities, relevant business units and the individual concerned. Both quantitative and qualitative measures are used to determine the level of awards, including both financial and non-financial criteria.

Discretionary annual bonus awards are funded from a proportion of the Group's annual EBITDA, helping to ensure that the overall level of variable remuneration reflects business performance.

Any discretionary annual bonus is to be paid only if it is sustainable according to the Group's financial situation, including consideration of the soundness of the Firm's capital base, and justified on the basis of the performance of the Group, the business unit and the individual concerned.

The Firm retains the ability to reduce, withhold or recover variable remuneration where appropriate, including in circumstances involving misconduct, regulatory breaches, material control failures or behaviour that is inconsistent with the Group's risk appetite and standards of conduct. Risk adjustments may be applied at both pool and individual level. The TPGL Nominations and Remuneration Committee has discretion to determine whether circumstances warrant the application of malus or clawback provisions and the extent of any adjustment or recovery.

6.2.2. Application of the MIFIDPRU Remuneration Code

As a non-SNI MIFIDPRU investment firm, TPI is subject to the FCA's MIFIDPRU Remuneration Code as set out in SYSC 19G.

The Firm applies remuneration policies and practices that are proportionate to its size, internal organisation and the nature, scope and complexity of its activities.

For the financial year ended 31 December 2025, TPI assessed its remuneration obligations under the MIFIDPRU Remuneration Code and concluded that it met the conditions set out in SYSC 19G.1.1R(2). In particular, the Firm had no trading book or derivatives business and the rolling average value of its on- and off-balance sheet assets over the preceding four-year period remained below £300 million.

Accordingly, during the reporting period TPI was permitted to disapply the remuneration pay-out process rules relating to the payment of variable remuneration in instruments, retention periods and the deferral of variable remuneration.

As TPI satisfies the conditions in SYSC 19G.1.1R(2), the Firm is permitted to disapply the extended remuneration disclosure requirements relating to deferral, retention periods, payment in instruments and certain additional quantitative remuneration disclosures.

6.2.3. Pension Arrangements

TPI operates a workplace pension scheme and makes contributions in accordance with applicable pension legislation and auto-enrolment requirements.

Pension contributions form part of an employee's fixed remuneration and are not linked to individual risk-taking activities or performance outcomes. The Group does not provide discretionary pension benefits.

6.2.4. Benefits

TPI provides additional non-cash benefits to employees as part of their overall remuneration package. These benefits include health-related benefits and life assurance.

These arrangements are designed to support employee wellbeing, recruitment and retention and are treated as part of an employee's fixed remuneration package.

6.2.5. Severance Payments

Severance payments are determined on a case-by-case basis and in accordance with contractual obligations, employment legislation and regulatory requirements.

Any severance payment is assessed in a manner that reflects performance over time and does not reward misconduct, regulatory failings, material control weaknesses or inappropriate behaviour.

The Firm seeks to ensure that severance arrangements remain consistent with sound risk management and the objectives of the MIFIDPRU Remuneration Code.

6.3. Quantitative Remuneration Disclosures

In accordance with MIFIDPRU 8.6.8R, TPI is required to disclose certain aggregate quantitative remuneration information for the financial year ended 31 December 2025.

TPI identified nine Material Risk Takers ("MRTs") during the reporting period. All identified MRTs held Senior Management Function ("SMF") responsibilities and, accordingly, are disclosed within the Senior Management category in Table 5. No additional criteria beyond SMF responsibilities were applied in identifying MRTs for the 2025 reporting period.

The remuneration figures disclosed include remuneration awarded to individuals identified as MRTs for the purposes of this disclosure, including certain individuals employed by other Group entities whose professional activities had a material impact on TPI. The figures represent fixed and variable remuneration awarded in respect of the financial year ended 31 December 2025 and have been prepared in accordance with MIFIDPRU 8 and the FCA's MIFIDPRU Remuneration Code. The required quantitative remuneration information is presented in Table 5 below.

Table 5: TPI's Remuneration for 2025

Staff Category	Number of Individuals	Fixed Remuneration (£'000s)	Variable Remuneration (£'000s)	Total Remuneration (£'000s)
Senior Management (all identified MRTs)	9	1,029	931	1,960
Other Staff (non-MRTs)	288	6,748	1,751	8,499
Total	297	7,777	2,682	10,459

During the reporting period, a severance payment was awarded to a Material Risk Taker (MRT). In accordance with MIFIDPRU 8.6.8R(7) and MIFIDPRU 8.6.9R, the Firm has omitted certain quantitative remuneration disclosures where publication could reasonably enable the identification of the individual concerned.