MARATHON

MIFIDPRU 8 DISCLOSURE

2025

1. Overview

This disclosure is in relation to Marathon Asset Management Limited ("Marathon"). Marathon is an investment management firm providing discretionary investment management services to institutional investors authorised and regulated by the Financial Conduct Authority ("FCA") as an Alternative Investment Fund Manager and subject to Collective Portfolio Management Investment (CPMI) provisions.

This document sets out the public disclosures for Marathon as of 31st March 2025, which represents the end of Marathon's financial accounting period.

Basis of disclosure

As a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive ("MIFID"), Marathon is subject to the prudential requirements of the Investment Firms Prudential Regime ("IFPR") contained in the MIFIDPRU Prudential sourcebook for MIFID investment firms of the FCA Handbook.

Marathon is required to disclose on an individual entity basis in line with the requirements described in MIFIDPRU 8, taking account of the FCA's transitional provisions for disclosure requirements contained in MIFIDPRU TP12, which limit requirements to Governance, Own Funds and Own Funds Requirements.

2. Governance arrangements

Marathon's day-to-day business is overseen by the Board of Directors which is the senior governing body of the firm and is responsible for strategic, structural, financial and risk management decisions. Sub-committees of the board include:

- ***Remuneration Committee:*** meeting at least quarterly, provides a forum to propose and agree remuneration arrangements for Marathon personnel. For further details on Marathon's remuneration arrangements, see our website.

- ***Risk Audit and Compliance Committee:*** meeting at least quarterly to consider reporting from Marathon's second line (Compliance and Risk) as well as being the forum to consider and discuss Marathon audits.

Sitting beneath the Board are three executive management bodies:

- ***Management Committee:*** meeting monthly, is authorised to take decisions and make determinations concerning the day-to-day running of Marathon's operational matters. The Management Committee also receives reports and recommendations from a sub-committee (the Product Committee).

- ***Risk Committee:*** meeting on a quarterly basis, oversees Marathon's enterprise wide risk management solution and is charged with monitoring the risk appetite set by the Board of Directors; establishing an appropriate risk management framework; and then implementing a system of internal controls as part of enabling the business to identify, monitor, measure and mitigate the various risks Marathon faces in the course of its day-to-day operations. The Risk Committee also receives reports and oversees the work of two sub-committees (Valuation and Counterparty).

- ***Partners group***: meets at least quarterly to oversee the investment-led philosophy of Marathon while aiding transparency and communication with the Board of Directors.

Other working groups and committees feed into these Committees as needed; drawing in relevant expertise from across the business.

Diversity, Equity & Inclusion

Marathon has adopted a Diversity, Equity and Inclusion (DE&I) strategy to further enhance the firm's inclusive culture and achieve increased diversity in the employee population over time.

The initiatives and actions that make up the DE&I Strategy are grouped around four themes:

- **Introduce**
  Initiatives or actions that support recruitment of more diverse employees into Marathon, or which give candidates insights into the inclusive and diverse culture that exists within the firm.

- **Include**
  Initiatives or actions that promote a culture of individual purpose and belonging amongst all employees, irrespective of individual characteristics, backgrounds, working styles etc. with the aim of promoting the retention of diverse individuals once they have been hired.

- **Grow**
  Initiatives or actions that support the career advancement of diverse employees with the aim of developing a diverse range of individuals into more senior roles within the firm. The desired outcome is that not only is Marathon more diverse overall, but that it will have a more diverse leadership/ senior management team.

- **Community**
  Initiatives or actions that involve Marathon in external opportunities that have a DE&I focus. Some of these will support and benefit Marathon's own DE&I activities, while others may facilitate the firm's contribution to DE&I at an industry level, or in the communities in which we live and work.

The implementation, and future development, of the strategy is overseen by an DE&I Working Group. Membership of the group includes employees from various departments across Marathon. The Chair of the Working Group reports to Marathon's Management Committee at least quarterly, on progress on the implementation of the DE&I Strategy, and outcomes.

Directorships

Members of Marathon's management body are expected to disclose any external executive and non-executive directorships in both commercial and non-commercial endeavours to the Compliance department on a regular basis. Those individuals that hold external executive &/or non-executive directorships in organisations which either pursue predominantly commercial objectives and are not part of the wider Marathon group are detailed below (note that those firms in the same group are amalgamated as one, as per MIFIDPRU guidance), or serve non-commercial aims:

Name	Number of external directorships	Number of commercial-focused directorships
Robert Hingley	6	3
Anna Troup	3	3
Bill Arah	1	0
Neil Ostrer	3	0

3. Own funds

Composition of Regulatory Own Funds

Marathon's own funds (i.e. capital resources) comprise exclusively CET 1 capital as per the below table:

	Item	Amount (GBP thousands)	Source*
1	**OWN FUNDS**	**64,501**	
2	**TIER 1 CAPITAL**	**64,501**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**64,501**	
4	Fully paid-up capital instruments	36,326	Note 9
5	Share premium	1,290	Note 9
6	Retained earnings	26,885	
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		
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, 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		

* Source based on reference numbers/letters of the balance sheet in the audited financial statements

Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below describes the reconciliation with own funds in the balance sheet as at 31 March 2025 (audited), where assets and liabilities have been identified by their respective classes:

		Balance sheet as in published/ audited financial statements
		As at period end
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements (GBP thousands)		
1	Investment in subsidiary	1,490
2	Debtors	44,017
3	Cash	29,240
Total Assets		**74,747**
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements* ***(GBP thousands)***		
1	Creditors	(10,246)
Total Liabilities		**(10,246)**
Shareholders' Equity (GBP thousands)		
1	Called up share capital	36,326
2	Share premium	1,290
3	Retained earnings	26,885
Total Shareholders' equity		**64,501**

4. Own funds requirements

Marathon's 's own fund requirements is the higher of:

- Permanent Minimum Requirement (PMR);
- Total K-Factor requirement (KFR); and
- Fixed Overheads Requirement (FOR).

Own fund requirements as at 31st March 2024	£'000
(A) Permanent minimum requirement (PMR)	£75
(B) K-Factor* (K-AuM)	£4,578
(C) Fixed Overhead Requirement (FOR)	£7,307

**The only applicable K-Factor is K-AuM given Marathon's limited scope of activities.*

5. Meeting the Overall Financial Adequacy rule ("OFAR")

Marathon is further required to disclose its approach to assessing the adequacy of its own funds in accordance with OFAR. This is achieved by completing an annual Internal Capital Adequacy and Risk Management (ICARA) process.

The 2025 ICARA preparatory work has been carried out primarily by the ICARA Working Group (IWG).

The purpose of the IWG is to oversee the production of the Marathon ICARA on behalf of the Board of Directors which remains responsible for the ICARA overall. The IWG and has the following scope:

- Planning and organisation of the ICARA;
- Assigning roles and responsibilities for the members of the IWG;
- Coordination and running of the ICARA workshops with key stakeholders from the 1st and 2nd line as well as subject matter experts; and
- Performing any additional analysis, information, or revision required as a result of the Risk Audit and Compliance Committee and / or Board of Directors challenge in relation to the ICARA.

Marathon's ICARA process has shown that the firm meets such rule and holds sufficient own funds and liquid assets even under stressed economic cycles. In particular, Marathon's ICARA evidences:

- The ICARA has been subject to management and senior management review and challenge.
- That Marathon meets the OFAR stipulated by requirements in the FCA's IFPR.
    - Marathon holds sufficient capital and liquidity to cover the own funds and liquid assets requirements.
    - Marathon holds funds in excess of the firm's own funds Threshold Requirement.
    - Marathon also has liquid assets in excess of the firm's Liquid Assets Threshold Requirement (LATR).
    - Marathon has adequate own funds and liquid assets to wind down the business in an orderly manner.