Life Cycle
INVESTMENT PARTNERS

Life Cycle Investment Partners Limited

("**LCIP**" or the "**Firm**")

IFPR MIFIDPRU 8 DISCLOSURE

Financial Year End: 30 June 2025

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4 Fredrick's Place, London, EC2R 8AB, United Kingdom

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Introduction

The United Kingdom's Financial Conduct Authority (the "**FCA**") sets its prudential expectations for firms in the specialist sourcebook within the FCA Handbook known as "**MIFIDPRU**". As a non-small and non-interconnected MIFIDPRU investment firm ("**Non-SNI MIFIDPRU Investment Firm**"), LCIP is required to disclose information on the following areas:

- Risk management objectives and policies;
- Governance arrangements;
- Own funds;
- Own funds requirements; and
- Remuneration policy and practices.

The purpose of this disclosure is to give stakeholders and market participants an insight into the Firm's culture and data on the Firm's own funds and own funds requirements, allowing potential investors to assess the Firm's financial strength. This document has been prepared by LCIP in accordance with the requirements of MIFIDPRU 8 and is verified by its board of directors (the "Governing Body").

LCIP was established in 2024 and is authorised and regulated by the FCA (since 7 May 2025) to provide regulate, investment management services to its client base. LCIP is also a Registered Investment Advisor under the US Securities and Exchange Commission (since December 2025).

LCIP is a global long-only equity investment manager. LCIP is appointed to act as investment manager for various pooled vehicles (the "**Funds**") and managed account clients (the "**Managed Accounts**") (together, the "**Clients**").

Underlying investors in the Funds are primarily institutional investors, such as pension funds, insurance companies, and other professional investors.

LCIP charges its Clients a fee for its investment management services based on assets under management. LCIP grows revenues by increasing the underlying asset base on which it charges a management fee. This is achieved through growth of the Firm's client's assets through capital inflows and value creation. In addition to management fees, LCIP may receive performance-based compensation in the form of a performance fee equal to a percentage of the appreciation in the value of the shares above an agreed performance hurdle.

Risk Management Objectives and Policies

This section describes LCIP's risk management objectives and policies for the categories of risk addressed by the requirements of the Firm in the following areas:

- Own funds
- Concentration risk
- Liquidity

Own Funds Requirement

LCIP is required to maintain own funds that are at least equal to its own funds requirement. The own funds requirement is the higher of the Firm's:

- Permanent minimum capital requirement ("**PMR**"): The level of own funds required to operate at all times. Based on the MiFID investment services and activities that the LCIP currently has permission to undertake, this is set at £75,000;
- Fixed overhead requirement ("**FOR**"): This is equal to one quarter of the Firm's relevant expenditure, based on the prior year audited financial statements (or projected figures if an investment firm expects a 30% increase or more in expenditure for the current year); and
- K-factor requirement ("**KFR**"): The KFR is intended to calculate a minimum amount of capital that LCIP would need for the ongoing operation of its business. The K-factors that apply to the Firm's business is K-AUM (calculated on the basis of the Firm's assets under management ("**AUM**")) and K-COH (calculated on the basis of client orders handled but excluding any orders placed with another entity for execution, or orders that are transmitted to another entity for execution.

LCIP's own funds threshold requirement is currently set by its fixed overhead requirement as this is the highest of the relevant metrics. The potential for harm associated with LCIP business strategy and its ability to meet this requirement is deemed to be low. This is due to the current and projected growth in LCIP's revenues and asset base and stability in terms of cost base and assets going forward.

LCIP maintains an appropriate own funds surplus above the own funds requirement to mitigate the risk that it falls below that threshold. In the event that the LCIP's own funds fall within 110% of its own funds threshold requirement, (known as the 'early warning indicator'), the firm will undertake mitigating actions and the FCA will be notified by the LCIP Compliance function as soon as is practicable.

Concentration Risk

Concentration risk arises from the strength or extent of a firm's relationships with, or direct exposure to, a single client or group of connected clients. Where relevant, firms should also consider concentration risk related to, inter alia, the location of client assets and money, cash deposits, on and off-balance sheet exposures, and sources of earnings. LCIP considers that it has a reliable revenue stream, not reliant on performance fee nor dealing on its own account (for which it does not have permission), which is derived from a material level of AuM across a diversified portfolio of assets. The Firm believes this statement to hold true even during stressed market conditions.

Investors into the Funds are institutional, professional investors whom invest for the long term. LCIP, therefore, considers that its balance sheet is not prone to substantial fluctuations, including during stressed market conditions. The potential for harm associated with concentration risk is considered to be low.

Liquidity

LCIP is required to maintain sufficient liquidity to ensure that there is no significant risk that its liabilities cannot be met as they fall due and, further, to ensure that it has appropriate, liquid resources in the event of a stressed scenario (as tested during LCIP's ICARA process). The potential for harm associated with LCIP's business strategy, based on its basic liquid assets requirement ("**BLAR**"), is low. LCIP did not have an additional liquid asset requirement above BLAR. LCIP retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under various conditions. LCIP's finance function at Pinnacle monitors LCIP's cash balances and ensures they meet the definition of core liquid assets.

Governance Arrangements

Overview

LCIP believes that effective governance arrangements, systems and controls, help it to achieve its strategic objectives whilst also ensuring that the risks to the Firm, its stakeholders, and the wider market are identified, managed, and mitigated. The Governing Body has overall responsibility for the business activities of LCIP and is therefore responsible for defining and overseeing the governance arrangements. In order to fulfil its responsibilities, the Governing Body meets on a quarterly basis, where that quarter's board pack is discussed and minutes are taken. Amongst other things, the Governing Body approves and oversees the implementation of LCIP's strategic objectives and risk appetite and provides oversight of the Firm and its business affairs generally. The below table provides the number of directorships (excluding of LCIP) held by each member of the Governing Body:

Governing Body Member (as at year ending 30 June 2025)	Position within LCIP	Number of external Executive Directorships Held	Number of Non-Executive Directorships Held
Peter Rutter	CEO and Director	1	0
James Clarke	Senior PM and Director	1	0
Will Kenney	Senior PM and Director	1	1
Christopher Parr	PM and Director	1	0
Ian Macoun	Non-Executive Director	7	25
Andrew Chambers	Non-Executive Director	7	14

Risk Management Structure

Due to the nature, size and complexity of the Firm, LCIP does not have an independent risk management function in accordance with MIFIDPRU 7.3 as LCIP does not meet the qualifying criteria in MIFIDPRU 7.1.4R. The Compliance, Risk and Legal Officer at LCIP is responsible for non-investment risk management.

In order to support the delivery of effective risk management within LCIP, the Firm adopts a 'three lines of defence' model. In addition, LCIP has clearly documented policies and procedures (such as the Firm's Compliance Manual, Risk Management Framework and Risk Register), which are designed to minimise risks to the Firm and all staff are required to confirm that they have read and understood them. LCIP also has in place adequate insurance protection to cover the risks posed to its business which is reviewed each year.

Policy on Diversity and Inclusion

Policies on diversity and inclusion are in place at LCIP. LCIP believes it is critical for the health of the

Company that people are recruited from a diverse range of cultures, backgrounds, and experiences. It is LCIP's priority to ensure recruitment plays an active role in supporting diversity and inclusion as a Company. LCIP is therefore committed to actively assess diversity and inclusion considerations in the recruitment processes. LCIP recognises that inherent structures in the industry, recruitment and language can negatively impact the inclusivity of recruitment and LCIP aims to take active steps in its recruitment approach to address inherent imbalances and potential biases.

LCIP will ensure that the benefits of diversity for the business and clients are actively considered as part of the recruitment assessments and decision making alongside other appropriate factors.

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Own Funds

The below disclosure uses the template set out in Annex 1R of MIFIDPRU 8 and provides a breakdown of the Firm's own funds held as at 30 June 2025:

Composition of regulatory own funds

	ITEM	AMOUNT (GBP THOUSANDS)	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS
1	OWN FUNDS	3,826	
2	TIER 1 CAPITAL		
3	COMMON EQUITY TIER 1 CAPITAL	3,826	
4	Fully paid-up capital instruments	3,000	Balance sheet
5	Share premium		
6	Retained earnings	826	
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 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

LCIP meets 100% of its own funds requirement with CET1 Capital.

Own Funds Requirements

LCIP is required to at all times maintain own funds that are at least equal to the Firm's own funds requirement. The own funds requirement is the minimum requirement of capital the Firm is required to hold, taken as the higher of the PMR and FOR and the K-factor requirements. The below illustrates the core components of LCIP's own funds requirements:

Requirement	**£'000**
(A) Permanent Minimum Capital Requirement ("PMR")	75
(B) Fixed Overhead Requirement ("FOR")	2894
(C) K-Factor Requirements ("KFR") (solely K-AUM)	1268
(D) Own Funds Requirement (Max. A, B, C)	2894
(E) Additional own funds requirement	0
Own funds threshold requirement (D plus E)	2894
Own funds	3826
Own funds surplus	932

LCIP is also required to comply with overall financial adequacy rule ("**OFAR**"). This is an obligation on LCIP to hold own funds and liquid assets which are adequate, both as to their amount and quality, to ensure that:

- it is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- its business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

LCIP determines that the OFR is sufficient to mitigate the risk of a disorderly wind-down and has therefore identified that it is not required to hold 'additional own funds required for winding down', above the OFR.

LCIP's own funds threshold requirement is the sum of its OFR and its additional own funds required for winding down (as calculated in its ICARA as '0'). This is the amount of own funds that LCIP is required to maintain at any given time to comply with the OFAR. This process is documented in the ICARA and presented to, and ratified by, the Governing Body at least annually.

Remuneration Policy and Practices

The overall purpose of the policy is to encourage responsible business conduct and fair treatment of Clients, as well as avoiding conflicts of interest through sound remuneration practices.

Remuneration of members of staff is based on the following structure:

- Fixed remuneration (base salary), determined by market benchmarks to attract and retain the highest calibre investment professionals;
- Variable remuneration, potentially available to all team members based on certain factors; and
- Equity incentives, which are available to senior and/or qualifying employees.

LCIP seeks to ensure the fixed component (base salary), and variable component (variable salary) are balanced and the fixed component is a sufficiently high proportion of an individual's total remuneration to enable the operation of a fully flexible variable remuneration policy (including the possibility of paying no variable remuneration in any given year).

LCIP's senior management is directly responsible for the Firm's remuneration policy and performance appraisal process. Remuneration is governed by this process and it is typically reviewed annually. Future compensation levels and annual bonus levels are set based on the Firm's performance and financial position, the individual's performance during the relevant period with reference to overall corporate performance and any specific or exceptional circumstances or actions to note.

LCIP is required to identify its material risk takers: those whose professional activities can have a material impact on the risk profile of the Firm and of the assets the Firm manages. For the purposes of SYSC 19G.5.1R, a staff member's professional activities are deemed to have a material impact on a firm's risk profile or the assets the firm manages if one or more of the following criteria are met:

(1) the staff member is a member of the management body in its management function;

(2) the staff member is a member of the management body in respect of the management body in its supervisory function;

(3) the staff member is a member of the senior management;

(4) the staff member has managerial responsibility for business units that are carrying on at least one of the following regulated activities:

(a) arranging (bringing about) deals in investments;

(b) dealing in investments as agent;

(c) dealing in investments as principal;

(d) managing investments;

(e) making investments with a view to transactions in investments;

(f) advising on investments (except P2P agreements); and/or

(g) operating an organised trading facility;

(5) the staff member has managerial responsibilities for the activities of a control function;

(6) the staff member has managerial responsibilities for the prevention of money laundering and terrorist financing;

(7) the staff member is responsible for managing a material risk within the firm;

(8) in a firm that has permission for carrying on at least one of the regulated activities in (4)(a) to (g), the staff member is responsible for managing one of the following activities:

(a) information technology;

(b) information security; and/or

(c) outsourcing arrangements of critical or important functions as referred to in SYSC 8.1.4AR; and

(9) the staff member has authority to take decisions approving or vetoing the introduction of new products.

LCIP has identified 5 material risk takers, 4 of which are senior management by virtue of being board members.

Quantitative Remuneration Disclosure

The total amount of remuneration (fixed and variable) paid to all staff in financial year to 30 June 2025 was £1,638,814, which consists of £1,492,814 fixed and £146,000 variable.

MIFIDPRU investment firms are typically required to split the quantitative data, where relevant, into categories for senior management and other material risk takers and into fixed and variable remuneration categories. However, if the Firm was to disaggregate such information in the disclosure it would lead to the disclosure of sensitive information about only one individual as there is only one "other material risk taker" within the Firm, and four members of senior management.

In order to prevent the individual identification of one material risk taker, the Firm will group together all material risk takers for disclosure purposes, so the total amount of remuneration (fixed and variable) paid to all material risk takers (including senior management) at LCIP in financial year to 30 June 2025 was £818,478, which consisted of £728,478 fixed and £90,000 variable.

Investment Policy

LCIP meets the criteria detailed in MIFIDPRU 7.1.4R and therefore does not make Investment Policy disclosures as part of this MIFIDPRU 8 publication.