Pillar 3 Risk Disclosure

Introduction

Orion Global Advisors Ltd ("Orion" or the "Firm") is required by the FCA to disclose information relating to the capital it holds and each material category of risk it faces in order to assist users of its accounts and to encourage market discipline.

The Capital Requirements Directive ("CRD") and the Alternative Investment Fund Management Directive ("AIFMD"] of the European Union establish a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain.

In the United Kingdom, the CRD and AIFMD have been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ("GENPRU"), the Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), the Interim Prudential Sourcebook for Investment Business ("IPRU (INV)").

The CRD consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets the Firm's credit, market and operational risk capital requirement;
- Pillar 2 requires the Firm to assess whether its capital reserves, processes, strategies and systems are adequate to meet pillar 1 requirements and further determine whether it should apply additional capital , processes, strategies or systems to cover any other risks that it may be exposed to; and
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position to encourage market discipline.

The AIFMD adds further capital requirements based on the Alternative Investment Fund ("AIF") assets under management and professional liability risks.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This document is designed to meet our Pillar 3 obligations.

The Pillar 3 disclosure document has been prepared by Orion in accordance with the requirements of BIPRU 11 and is verified by the board . Unless otherwise stated, all figures are as of 31.03.21 (the financial year-end).

Pillar 3 disclosures will be issued on an annual basis after the year end and published as soon as practical when the audited annual accounts are finalised.

Orion is permitted to omit required disclosures if it believes that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions about the Firm.

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In addition, Orion may omit required disclosures where it believes that the information is regarded as proprietary or confidential. In its view, proprietary information is that which, if it were shared, would undermine its competitive position. Information is considered to be confidential where there are obligations binding the Firm to confidentiality with its customers, suppliers and counterparties.

Firm Overview

Orion is incorporated in the UK and is authorised and regulated by the FCA as a Full Scope Alternative Investment Fund Manager ("AIFM") and is categorised by the FCA for prudential regulatory purposes both as a Collective Portfolio Management Firm ("CPMI") and a BIPRU firm.

The Governing Body of Orion has the daily management and oversight responsibility. It generally meets quarterly and is composed of:

- Rafael Berber
- Douglas Edward Weirens

The Governing Body is responsible for the entire process of risk management, as well as forming its own opinion on the effectiveness of the process. In addition, the Board decides Orion's risk appetite or tolerance for risk and ensures that Orion has implemented an effective, ongoing process to identify risks, to measure its potential impact and then to ensure that such risks are actively managed. Senior Management is accountable to the Governing Body for designing, implementing and monitoring the process of risk management and implementing it into the day-to-day business activities of Orion.

Capital Resources and Requirements

Capital Resources

Pillar 1

Orion was authorised by the FCA on 03 February 2005 as an Exempt-Cad Firm, before varying its permissions, gaining authorization as a Full Scope AIFM as of October 2016 and, as at 31 March 2021, held regulatory capital resources of £748,675, comprised solely of core Tier 1 capital of share capital contributions.

The Firm has calculated its BIPRU capital resources in accordance with GENPRU 2.2:

As a limited company its capital arrangements are as follows:

Share Capital	£748,675
Audited reserves	£
Hybrid Capital	£
Tier 2 Capital	£
Total	£748,675

The Firm's capital requirements in accordance with BIPRU are the greater of:

- Its base capital requirement of €50,000;

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- The sum of its market and credit risk requirements; or
- Its fixed overhead requirement (FOR).

As a CPMI firm, the Firm is required to maintain at all times 'own funds' which equal or exceed the higher of:

- Its funds under management requirement of €125,000 plus 0.02% of the AIF AUM exceeding €250,000,000;
- The sum of its market and credit risk requirements; and
- Its fixed overhead requirement (which is essentially 25% of the firm's operating expenses less certain variable costs).

PLUS

- PII Capital requirement based on having an appropriate PII policy in place as well as own funds covering the excess for professional liability risk;

As at 31 March 2021, the Firm's Pillar 1 capital requirement was £200,000.

As at 31 March 2021, the Firm's Pillar 2 capital requirement was £212,000

0.02% is taken on the absolute value of all assets of all funds managed by Orion (for which it is the appointed AIFM and / or UCITS operator) in excess of €250m, including assets acquired through the use of leverage, whereby derivative instruments shall be valued at their market value, including funds where the Firm has delegated the management function but excluding funds that it is managing as a delegate. The FOR is calculated, in accordance with FCA rules, based on the Firm's previous years audited expenditure. Orion has adopted the standardised approach to credit and market risk and the above figures have been produced on that basis. The Firm is not subject to an operational risk requirement.

Satisfaction of Capital Requirements

Pillar 2

The Firm has adopted the "Structured" approach to the calculation of its Pillar 2 Minimum Capital Requirement as outlined in the Committee of European Banking Supervisors Paper, 27 March 2006 which takes the higher of Pillar 1 and 2 as the ICAAP capital requirement. It has assessed Business Risks by modeling the effect on its capital planning forecasts and assessed Operational Risk by considering if Pillar 2 capital is required considering the adequacy of its mitigation.

The Firm's Internal Capital Adequacy Assessment Process (ICAAP or Pillar 2) process has identified capital to be held over and above the Pillar 1 requirement. The capital resources detailed above are considered adequate to continue to finance the Firm over the next year. No additional capital injections are considered necessary, and the Firm expects to continue to be profitable

Risk Management

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management process is overseen by the Firm's directors.

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As risks are identified within the business, appropriate controls are put in place to mitigate these and compliance with them is monitored on a regular basis. The frequency of monitoring in respect of each risk area is determined by the significance of the risk. The Firm does not intend to take any risks with its own capital and ensures that risk taken within the portfolios that it provides advice to is closely monitored. The results of the compliance monitoring performed is reported to the partners by the Compliance Officer.

Operational Risk

The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Firm has identified several key operational risks. These relate to disruption of the office facilities, system failures, trade failures, the risk of bribery/money laundering/fraud/insider trading and failure of third-party service providers. Appropriate policies are in place to mitigate against risks, including appropriate insurance policies and business continuity plans.

Credit Risk

The main credit risk to which the Firm is exposed is in respect to the failure of its debtors to meet their contractual obligations. The majority of the Firm's receivable is related to investment management activities. The Firm believes its credit risk exposure is limited since the Firm's revenue is ultimately related to advisory fees received from the Cayman funds Investment Manager Orion Global Advisors Limited. These advisory fees are drawn throughout the year from Orion Global Advisors Limited. Other credit exposures include bank deposits and office rental deposits.

The Firm neither holds client money nor assets. The Firm's exposure to Credit Risk is the risk that advisory fees are not paid and exposure to banks where cash is deposited. The Firm's Credit Risk Appetite is low, so it holds all of its cash with banks assigned high credit ratings. Credit Risk is assumed to be that calculated at Pillar 1.

The Firm undertakes periodic impairment reviews of its receivables. All amounts due to the Firm are current and none have been overdue during the year. As such, due to the low risk of non-payment from its counterparties, management is of the opinion that no provision is necessary. A financial asset is overdue when the counterparty has failed to make a payment when contractually due. Impairment is defined as a reduction in the recoverable amount of a fixed asset or goodwill below its carrying amount.

The Firm has adopted the standardised approach to credit risk, and therefore follows the provision within BIPRU 3.5.5 standardised credit risk of the FCA handbook. The Firm applies a credit risk capital component of 8% to its non-trading book risk weighted exposure. As the Firm does not make use of an external credit rating agency, it is obligated to use a risk weight of 100% to all non-trading book credit exposures, except cash and cash equivalents which are held by investment grade firms and currently attract a risk weighting of 20%.

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The table below sets forth the Firm's credit exposures and corresponding capital resource requirements as at the date of its ICAAP assessment:

Capital	£748,675
Funds under management requirement (a)	£0
Fixed overheads requirement(b)	£200,000
Credit risk + Market Risk (c)	12,695
PII defined excess (d)	£12,000 (£212,000 minus £200,000,)
Total Capital requirement (i.e. higher of (a), (b) and (c) PLUS (d)	£212,000
Surplus	£548,330

Solo Basis	**Credit Exposure**	**Risk weighted Exposure**
National Governments	£	£
Tangible fixed assets	£2,952	£2,952
Rent Deposit	£21,000	£21,000
Due from affiliates – within 3 months		
Due from affiliates – after 3 months	£	£
Cash at bank	£512,765,0	£102,553,
Prepayments	£6,367	£6,367
VAT	£10,185	£0,
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Total	£553,267	£132,871
	=========	=======
Credit Risk Capital Component (8% of risk weighted exposure)		**£10,630**

Market Risk

Since the Firm holds no trading book positions on its own account, and all bank accounts are in GBP and all fee income is in GBP, the Firm's exposure to foreign currency risk is not significant. Since the settlement of debtor balances take place without undue delay, the timing of the amount becoming payable and subsequently being paid is such that it is not considered to present a material risk to the Firm. The Firm has excluded Market risk on the basis that it is not a material risk to the Firm

Liquidity risk

Orion is required to maintain sufficient liquidity to ensure that there is no significant risk that its liabilities cannot be met as they fall due or to ensure that it can secure additional financial resources in the event of a stress scenario.

The Firm retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under normal business conditions. Orion has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this given the cash deposits its holds. Additionally, it has historically been the case that all management fee debtors are settled promptly, thus ensuring further liquidity resources are available to the Firm on a timely basis. The cash position of the Firm

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is monitored by the CEO/CFO on a regular monthly basis, and the Firm would be able to call on the parent for further capital as required.

Orion maintains a Liquidity risk policy which formalises this approach

Remuneration Code

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19B of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook (SYSC), and in accordance with ESMA's Guidelines on sound remuneration policies. The Firm have considered all the proportionality elements in line with the FCA Guidance.

As a UK AIFM the Firm has assessed the proportionality elements and disapplies the Pay Out Rules. Furthermore, the Firm has concluded, on the basis of its size and the nature, scale and complexity of its legal structure and business that it does not need to appoint a remuneration committee. Instead, the Governing Body sets, and oversees compliance with, the Firm's remuneration policy including reviewing the terms of the policy at least annually.

Orion will make the Pillar 3 quantitative disclosure following its first full performance period following its authorisation as an AIFM.

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