Risk Management Policy

Objective and Purpose

The Risk Management Policy of Makia Partners LLP (herein referred to as "Makia Capital) has been developed to serve as a framework for identifying, assessing, mitigating, and monitoring risks that may impact the achievement of the Fund's business objectives. This policy seeks to provide a structured and disciplined approach to risk management, thereby safeguarding the interests of stakeholders, ensuring regulatory compliance, and enhancing operational resilience.

Policy Framework

Makia Capital's risk management approach is built on three core pillars:

1. **Risk Governance**
2. **Risk Identification**
3. **Risk Assessment and Control**

1. Risk Governance

a. Oversight and Accountability

i. The **Risk Management Committee** (RMC) holds primary responsibility for overseeing the implementation and periodic review of the risk management framework.

ii. Functional heads of the Fund and its Investment Manager are tasked with operationalizing risk management strategies within their respective domains.

b. Roles and Responsibilities

i. **Board of Directors**: Ensure overall governance, approve risk management policies, and monitor significant risks.

ii. **Risk Management Committee**: Evaluate, amend, and oversee the policy and ensure that adequate resources are allocated for its implementation.

iii. **Operational Managers**: Identify and mitigate risks within their areas of responsibility and report key developments to the Committee.

2. Risk Identification

a. Approach to Identification

Risk identification is a proactive and continuous process, undertaken to pinpoint internal and external factors that could adversely impact the Fund's ability to achieve its objectives. These risks are identified in alignment with:

i. Strategic objectives

ii. Operational performance

iii. Compliance requirements

b. Risk Categories

The Fund recognizes the following as key risk categories:

i. **Strategic Risks**: Broad market trends, failure in strategy execution, and reputational challenges.

ii. **Operational Risks**: Insufficient system capacity, technology obsolescence, and cyber security vulnerabilities**.**

iii. **Market and Financial Risks**: Interest rate volatility, trading fluctuations, and external economic factors.

iv. **Regulatory Risks**: Changes in governmental and regulatory policies impacting Fund operations.

3. Risk Assessment and Control

a. Risk Assessment Process

Makia Capital adopts a systematic approach to evaluate and prioritize risks based on:

i. **Likelihood**: The probability of occurrence.

ii. **Impact**: The potential effect on the Fund's objectives.

b. Reporting and Documentation

Periodic risk reviews are conducted, and findings are documented to ensure timely escalation of critical issues to the RMC. Mechanisms such as operations reviews, investment committee meetings, and external audits are leveraged to enhance reporting efficiency.

c. Risk Mitigation Strategies

The Fund implements internal control measures to address identified risks, which include but are not limited to:

i. Developing contingency plans for high-priority risks.

ii. Ensuring adherence to regulatory standards.

iii. Strengthening technological infrastructure and cybersecurity defenses.

d. Capability Development

To ensure ongoing risk management effectiveness, the Fund invests in:

i. Training employees on risk identification and mitigation.

ii. Regularly updating technology systems to meet evolving requirements.

iii. Engaging external advisors for specialized risk analysis when needed.

Illustrative Risk Factors

While the Fund adopts a comprehensive risk management approach, the following illustrative risks may impact operations:

i. Changes in macroeconomic conditions leading to reduced demand for the Fund's services.

ii. Ineffectiveness of insurance policies or risk management techniques.

iii. Security vulnerabilities or cyber-attacks compromising systems.

iv. Regulatory changes affecting Fund operations or investments.

v. Failure to adapt to technological advancements or manage system failures.

Policy Review and Updates

This Risk Management Policy is subject to periodic review by the Risk Management Committee to reflect changes in regulatory requirements, market conditions, or operational needs. Amendments, if any, will be approved by the Board of Directors and communicated to all relevant stakeholders.