

The Fund uses a 5-point scoring system to assess likelihood and impact of the risks it identifies.

Likelihood	Definition	Scale	Value
Very high	Extremely likely to occur	71-99% chance	5
High	Fairly likely to occur	51-70% chance	4
Medium	Possible it may occur	31-50% chance	3
Low	Low but not impossible	11-30% chance	2
Very low	Very low but not impossible	Up to 10% chance	1

Impact Score	Impact Rating	General Description	Financial Impact	Regulatory Impact	Reputational Impact	Customer Impact
1	Very Low	Potential that one or a combination of risk exposures have no or very little impact on the Fund's objectives. Could impact day to day operational objective accomplishment / operating processes, but are very unlikely to affect overall achievement of the Fund's business objectives.	Less than £10m	<ul style="list-style-type: none"> No known regulatory impact 	<ul style="list-style-type: none"> No known reputational impact 	<ul style="list-style-type: none"> No known customer impact
2	Low	Potential that one or a combination of risk exposures could have a minor impact on the achievement of tactical/programme level objectives, could impact day to day operational level objective accomplishment/operating processes, but are less likely to affect overall achievement of the Fund's business objectives in the medium or long term.	£10m - £25m	<ul style="list-style-type: none"> Issue is isolated and no formal enquiry by regulator 	<ul style="list-style-type: none"> Informal rumours Issue kept internal Litigation unlikely 	<ul style="list-style-type: none"> Remediation action required for individual members Stakeholder disgruntlement
3	Medium	Potential that one or a combination of risk exposures could have a major impact on the achievement of tactical/programme level objectives, could impact day to day operational level objective accomplishment/operating processes, but are less likely to affect overall achievement of the Fund's business objectives in the medium or long term.	£25m - £100m	<ul style="list-style-type: none"> Isolated breaches of a Regulatory Compliance obligation, but no systemic issues identified. Formal notification given to the regulator which may trigger fines. 	<ul style="list-style-type: none"> Unlikely external media coverage Issue kept largely internal Litigation unlikely 	<ul style="list-style-type: none"> Remediation and compensation required on a group of members affected but issue can be resolved in short term.
4	High	Potential that one or a combination of risk exposures could have a fundamental impact on the Fund's achievement of tactical/programme, project level or operational business objectives, performance plans, and execution of operating processes. If left uncorrected, risk exposure (s) may have the potential to affect strategic achievement of business objectives in the short, medium or long term.	£100m - £500m	<ul style="list-style-type: none"> Isolated breaches of a Regulatory Compliance obligation, but no systemic issues identified. Invokes a formal enquiry by a regulator. 	<ul style="list-style-type: none"> Localised media coverage. Likely to affect turnover by less than 10%. Limited potential for litigation 	<ul style="list-style-type: none"> Spike of incoming complaints.
5	Very High	Potential that one or a combination of risk exposures could have an extreme impact on the Fund's achievement of strategic business objectives, performance plans and/or external reputation with key stakeholders and the business environment in the short medium term.	Over £500m	<ul style="list-style-type: none"> Systemic breaches of a Regulatory Compliance obligation. Invokes formal regulatory investigation or enquiry. Investigation leading to fines and review of licence retention. 	<ul style="list-style-type: none"> Widespread trade press media coverage that questions financial/ethical health of the Fund Potential for litigation if not adequately addressed. 	<ul style="list-style-type: none"> Majority of clients affected with long term implications Large scale customer loss Record level of incoming complaints