



Redwheel UK Investment Firm Group

MIFIDPRU 8 Disclosure

2025

Introduction

The Financial Conduct Authority ("FCA" or "regulator") in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook ("MIFIDPRU") sets out the detailed prudential requirements that apply to the Redwheel UK Investment Firm Group of companies ("Redwheel UK" or "UK Investment Group").

In June 2024 RWC Partners Limited ("RWC LTD") submitted a Cancellation Application to the FCA in order to remove its Part 4A regulatory permissions on the basis that it was no longer utilising its permissions and did not have an intention of utilising them in the next 12 months. This decision was made in line with the FCA's requirement for firms to regularly review their permissions and remove those that they no longer use. The Cancellation Application was approved in February 2025. RWC Ltd continues to act as a service company to the rest of the Redwheel Group and global distributor of Redwheel Funds, the Luxembourg domiciled UCITS umbrella structure.

A new entity, Redwheel Management Limited ("RML"), was created within our global group structure during the period under review. RML is a UK limited company and is a wholly owned subsidiary of RWC Partners Midco Limited ("RWC Midco"). Effective from 1 April 2025, RML became the immediate parent and Managing Member of RWC Asset Management LLP ("RWC LLP"). These changes were made as a result of Redwheel considering its wider group structure and where it may be able to make certain efficiencies. RML has its own independent Board, separate to the wider Redwheel Group.

Redwheel UK provides investment management and advisory services to its clients. In providing those services and to support the day-to-day operations of the UK Investment Group, Redwheel UK utilises the resources of the wider Redwheel Group at arm's length in accordance with the inter-group service agreement.

The Redwheel UK Investment Firm Group consists of RML and RWC LLP. RWC LLP and the UK Investment Group are regulated and are non-small and non-interconnected investment firms ("non-SNI"). As such, Redwheel UK is required by MIFIDPRU 8 to disclose information on the following areas:

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

Redwheel UK Investment Firm Group - MIFIDPRU 8 Disclosure - 2025

The purpose of these disclosures 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 which allows potential investors to assess the Firm's financial strength.

This document has been prepared by Redwheel UK in accordance with the requirements of MIFIDPRU 8 and is reviewed and accepted by the RML Board. Since Redwheel UK was formed as a regulated group on 1st April 2025, figures are provided both for 31st December 2024 (the Redwheel Group's financial year end) for the previous regulatory group and 1st April 2025 for the Redwheel UK regulatory group.

Overview of Redwheel and the UK Investment Group

We are a specialist, independent, investment organisation focused on long-only active equities and convertible bonds. Our management independence, investment team autonomy and majority employee-owned structure give us the freedom to focus solely on achieving our clients' long-term goals. This freedom means we can be flexible to meet our clients' needs and build truly long-term partnerships.

Our activities are focused towards enabling experienced, accomplished, and well-supported fund managers to operate with a high degree of investment autonomy, free from unnecessary restrictions and with a focus on achieving value-added long-term investment outcomes. All of our investment teams have acknowledged experience in their specific fields and are led by fund managers that demonstrate a total commitment to the responsibilities they have to their clients.

Our culture is founded on the values of collaboration, openness & inclusivity, and empowerment. We believe by working well together, by being open with each other and to new ideas, and by empowering our people to do their jobs, we can deliver this ambition.

Our investment teams share our belief that experience, well-defined investment philosophies and a conducive environment are essential for producing exceptional investment returns. We have no centralised investment committee; each of our teams has responsible autonomy for their investment philosophy, process, people and capacity. This approach allows our teams to take full accountability for their investment decisions.

Redwheel UK forms part of the wider Redwheel Group which employs around 175 people globally with offices in London, Miami, Copenhagen and Singapore and individuals also based across the US and Australia.

RWC Asset Management LLP is authorised and regulated by the Financial Conduct Authority. Registered in England (No. OC332015). Registered Office: Verde 4th Floor, 10 Bressenden Place, London SW1E 5DH.

Redwheel UK is formed of two of the UK entities within the wider group, being Redwheel Management Limited and RWC Asset Management LLP. It relates to the UK regulated part of the wider group.

Organisational Structure

Redwheel UK Investment Firm Group Structure

The Redwheel UK Investment Firm Group is comprised of the following corporate entities:



Redwheel Management Limited

Redwheel Management Limited ("RML") is a UK limited company and is a wholly owned subsidiary of RWC Midco. It is the managing member of RWC Asset Management LLP. It is a UK Parent Investment Holding Company under MIFIDPRU 2.

RWC Asset Management LLP

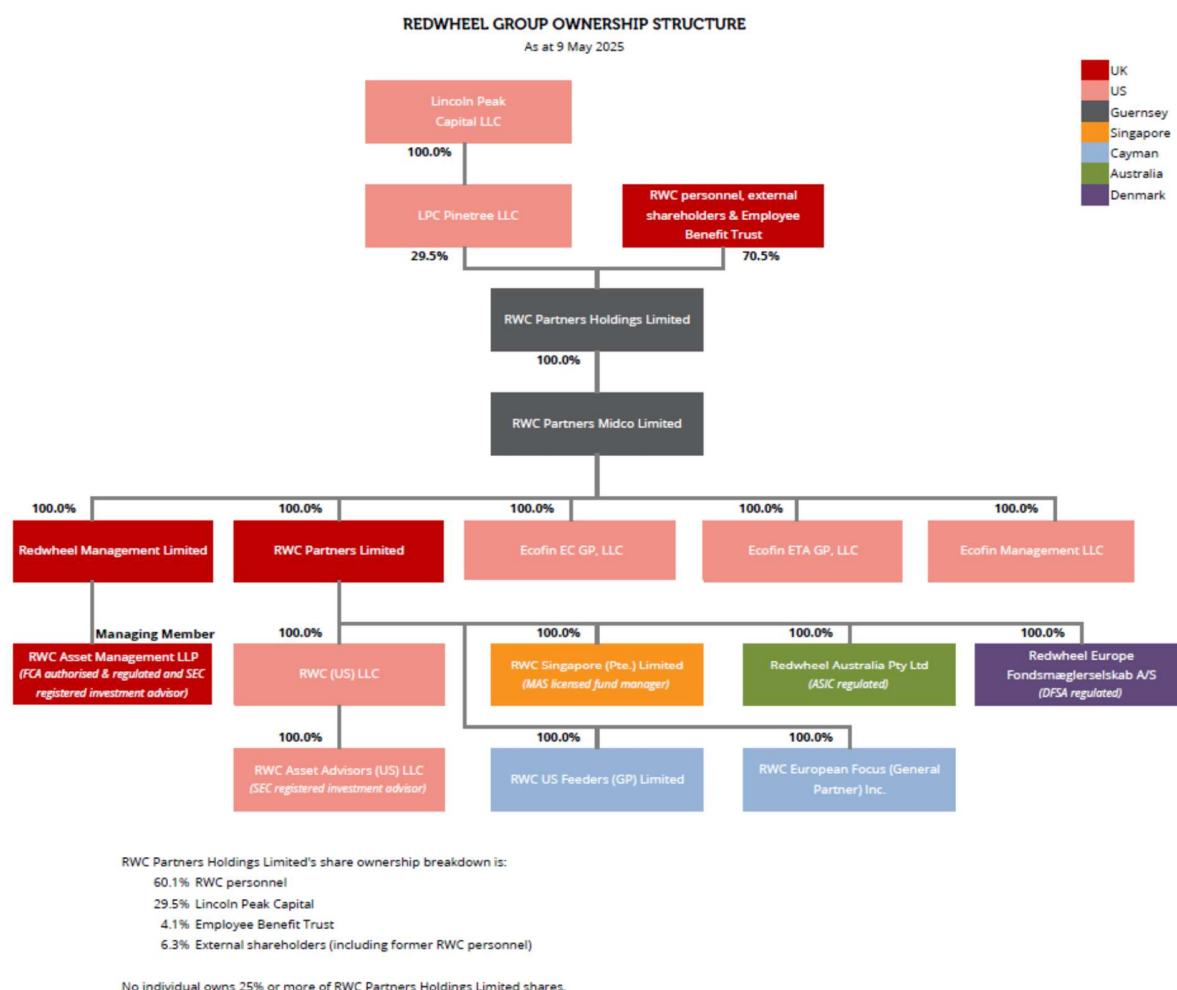
RWC Asset Management LLP ("RWC LLP") is a UK Limited Liability Partnership. The Managing Member (as defined in the articles of association of RWC LLP) is RML. The majority of UK senior portfolio managers are members. The Managing Member is responsible for administering the day to day activities of RWC LLP.

RWC LLP is the appointed Investment Manager of various funds and portfolios where management is executed from the UK. Through a service agreement, the wider group provides non-investment services to RWC LLP including finance, compliance, marketing, legal, infrastructure, IT, operational activities, and such other additional services as may be required.

RWC LLP is a full-scope UK AIFM with MiFID "top-up" permissions and is authorised and regulated by the FCA. Under IFPR it is classified as a MiFIDPRU investment firm due to its "top-up" permissions. RWC LLP is also a Registered Investment Adviser with the SEC.

Redwheel Group Structure

The wider Redwheel Group is comprised of the following corporate entities:



RWC Partners Holdings Limited

RWC Partners Holdings Limited ("RWC Holdings") is a privately owned Guernsey limited company. It is the parent company of the Redwheel Group.

RWC Partners Midco Limited

RWC Partners Midco Limited ("RWC Midco") is a privately owned Guernsey limited company, it acts as the parent of Redwheel Management Limited and RWC Partners Limited.

RWC Partners Limited

RWC Partners Limited ("RWC LTD") is a privately owned UK Limited Company and controls a number of subsidiary companies (see above). RWC LTD is a 100% owned subsidiary of RWC Midco, which is a 100% owned subsidiary of RWC Holdings. RWC LTD is the employer of all staff in the UK except the members of RWC LLP.

RWC LTD main is the service company of the Redwheel UK Investment Group.

RWC (US) LLC

RWC (US) LLC is a Delaware domiciled limited liability company, which is conceptually similar to an English limited liability partnership. RWC LTD is the sole member of RWC (US) LLC and is also the manager, meaning that it is managed by the board of directors of RWC LTD.

RWC Asset Advisors (US) LLC

RWC Asset Advisors (US) LLC ("RWC LLC") is a Delaware domiciled limited liability company. RWC (US) LLC is the sole member of RWC LLC and is also its manager, meaning that RWC LLC is also managed by the board of directors of RWC LTD on a "look through" basis.

It is the employer of all RWC staff located in the US and is the appointed investment manager of various funds and portfolios where management is executed from the US.

RWC Singapore Pte Limited

RWC Singapore (Pte) Limited ("RWC PTE") is the Singapore based service company. RWC PTE holds a Capital Markets Services Licence with the Monetary Authority of Singapore ("MAS"). The entity employs all Singapore based personnel and undertakes Asia Pacific distribution and trading activities in addition to investment analysis and advice. It also undertakes discretionary management as the sub-investment manager of the Redwheel China Equity Fund.

RWC European Focus (General Partner) Inc

RWC European Focus (General Partner) Inc is a Cayman Islands domiciled exempted company and serves as the general partner of the Redwheel European Focus Fund LP. The Redwheel European Focus Fund LP is a US domiciled feeder fund.

RWC US Feeders (GP) Limited

RWC US Feeders (GP) Limited is also a Cayman Islands exempted company and serves as the general partner of the Redwheel Emerging Markets Equity Fund LP, Redwheel Frontier Markets Equity Fund LP and Redwheel EAFE Intrinsic Value Fund LP. RWC US Feeders (GP) Limited has delegated responsibility for the management of each fund's investment and responsibilities to either RWC LLP or RWC LLC.

Redwheel Australia PTY Ltd

Redwheel Australia PTY Ltd is an Australian Financial Services Licensee with the Australian Securities and Investments Commission ("ASIC"). The entity supports the distribution and marketing of our products within the region.

Redwheel Europe Fondsmæglerselskab A/S

Redwheel Europe Fondsmæglerselskab A/S is a newly registered entity that received regulatory approval from the Danish Financial Services Authority on 1st February 2024. The entity has been created to support the distribution and marketing of our products within Europe.

Governance and Risk Management

Redwheel UK retains control and ultimate authority in regards to the risk framework of the UK Investment Group. In order to achieve this, it has adopted the broader Redwheel Group risk framework, having considered its own entity level specific risk requirements. To support the day-to-day operations of the UK Investment Group, Redwheel UK utilises the resources of the wider Redwheel Group in accordance with the inter-group service agreement.

RML has its own independent Board, separate to the wider Redwheel Group. The Board of Directors of RML take ultimate responsibility for the governance of the UK Investment Group. This includes adoption of the wider Redwheel Group risk governance framework where appropriate for the UK Investment Group. As at the date of this document, the board of RML comprises: Arthur Grigoryants, Huan Ke and Ciara McGreevy. Key responsibilities of the Board include ensuring the adoption of UK Investment Group policies, the capital position of the UK Investment Group and capital adequacy.

Risk Management Objectives and Policies

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

- Own funds
- Liquidity
- Concentration risk

Business Strategy

We are a specialist, independent, investment organisation focused on long-only active equities and convertible bonds. Our management independence, investment team autonomy and majority employee-owned structure give us the freedom to focus solely on achieving our clients' long-term goals. This freedom means we can be flexible to meet our clients' needs and build truly long-term partnerships.

Neither RML or RWC LLP have the regulatory permissions to hold client money or assets.

RWC LLP is responsible for providing discretionary and advisory management services to the below types of investment vehicles:

1. Luxembourg domiciled UCITS fund structure ("UCITS");
2. Cayman Islands domiciled funds ("AIFs");
3. 1940 Act registered US domiciled mutual funds ("40 Act");
4. UK domiciled open-ended investment companies ("OEIC");
5. Institutional segregated mandates;
6. Listed Investment Companies; and
7. Delaware domiciled Private Fund.

The UCITS, 40 Act and OEIC funds enable institutional investors, intermediaries and distributors from a wide range of jurisdictions to access long only and absolute return investment strategies in a highly regulated fund framework. The Cayman Funds are available to certain institutional investors and provide a structure that offers greater flexibility than that allowed under the UCITS Directive. This flexibility may include less frequent dealing periods; investments in less liquid securities; or access to investment instruments not permitted under UCITS regulations. Institutional segregated accounts are managed across several strategies according to clients' investment guidelines and include 40 Act funds, UCITS and client separate accounts.

The potential for harm associated with Redwheel UK's business strategy is low.

Own Funds Requirement

Redwheel UK is required to maintain own funds that are at least equal to the Firm's 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;
- **Fixed overhead requirement ("FOR"):** The minimum amount of capital that Redwheel UK would need to have to absorb losses if the Firm has cause to wind down and exit the market. This is equal to one quarter of the Firm's relevant expenditure; and
- **K-factor requirement ("KFR"):** The KFR is intended to calculate a minimum amount of capital that Redwheel UK would need for the ongoing operation of its business. The K-factors that apply to the Firm's business are K-AUM (calculated on the basis of the Firm's assets under management ("AUM")) and K-DTF which captures where Redwheel UK executes a trade in its own name with the intention of allocating the instruments among its client portfolios.

Redwheel UK's own funds requirement is currently set by its FOR, as this is the highest of the three metrics. The potential for harm associated with Redwheel UK's business strategy, based on the Firm's own funds requirement is low. This is due to the relatively consistent and stable revenues and asset base.

A method adopted by Redwheel UK to manage the risk of breach of the Firm's own funds requirement is the maintenance of a healthy own funds surplus above the own funds requirement. In the event that the Firm's own funds drop to an amount equal to 110% of the Firm's own funds threshold requirement, the Firm will immediately notify its Board, as well as the regulator. The Board will consider the necessary steps required in order to increase the own funds buffer; this may include injecting more own funds into the Firm.

Liquidity

The Firm 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 to ensure that it has appropriate (liquid) resources in the event of a stress scenario.

The potential for harm associated with Redwheel UK's business strategy, based on the Organisation's basic liquid assets requirement, is low. As with regard to its own funds requirement, Redwheel UK's governing body has adopted a conservative risk appetite, being to maintain a strong capital position and balance sheet throughout all market cycles with strong liquidity and a robust capital structure. Redwheel Group performs forecasting on a quarterly basis to ensure it can meet

its ongoing obligations and remain profitable. This forecasting takes place at the Redwheel Group level whilst standalone entity balances are monitored and projected to ensure all regulatory and liquidity requirements are met. Redwheel UK is well positioned for further growth and its capital resources are sufficient to operate its business and to comply with its regulatory capital requirement. The Organisation is projected to continue to generate positive cashflows to meet its liquid asset requirements.

Redwheel UK actively maintains strong regulatory capital balances on its group and entity balance sheets. Both the UK Investment Group and RWC LLP are subject to the regulatory requirements set out in this document. The UK Investment Group's management also seeks to maintain additional capital buffers internally.

Redwheel UK has developed systems and controls to manage the risk that the UK Investment Group cannot meet its liabilities as they fall due. The RML Board has allocated responsibilities to certain individuals to ensure the effective on-going monitoring and management of liquidity risk. The Chief Financial Officer ("CFO") of the Redwheel Group has overall responsibility for the management of the risk and reports to the ExCo and the Group Board on a frequent basis. The Finance team monitor liquidity on a daily basis and with quarterly cash flow forecasting. They also monitor capital as part of the quarterly forecasting process. Any exception to the minimum requirements is escalated to the CFO who is a member of the ExCo, the Board and various committees that may require this notification.

The Board formally review, challenge and sign off the liquidity assessment at least annually as part of the ICARA process. The liquidity risk outlined in the ICARA document is examined throughout the year to ensure that the group and individual entities maintain liquidity resources which are adequate, both as to the amount and quality, to ensure that there is no significant risk that its liabilities cannot be met as they fall due. The Board understands that changes in the business might trigger the liquidity assessment to be revised and updated.

Concentration Risk

Redwheel UK has multiple clients, which provides for a diverse stream of revenue across the UK Investment Group. Our clients are typically institutional professional investors that invest for the long term. As the business grows, the quality and diversification of our client base becomes increasingly more important across products and teams. Further potential to diversify and distribute products in increasing jurisdictions will add strength to the client base and lessen such risks. We accept a low to medium level of client concentration risk in relation to the larger 'key' clients that form part of our client base, however we anticipate this risk to reduce over time as our efforts to diversify our client base continue.

Redwheel UK manages its cash concentration risk by utilising relationships with a number of well-established multinational institutions. It also maintains relationships with a number of additional established institutions for both short and longer fixed/variable term deposits and short-term money market fund investments. This helps ensure cash concentration is spread across a number of different institutions.

Redwheel Group maintains a treasury function to manage exposure to foreign currency as well as cash concentration. This function is tasked with minimising the Firm's exposure where a natural hedge doesn't exist whilst monitoring concentration and liquidity of cash balances across the UK Group.

The overall potential for harm associated with Redwheel UK's business strategy, based on the Firm's concentration risk is low.

Risk Management Structure

Redwheel UK retains control and ultimate authority in regards to the risk framework of the UK Group. In order to achieve this, it has adopted the broader Redwheel Group risk framework, having considered its own entity level specific risk requirements. To support the day-to-day operations of the UK Investment Group, Redwheel UK utilises the resources of the wider Redwheel Group in accordance with the inter-group service agreement.

This section relates to the adopted risk governance framework of the wider Redwheel Group unless stated otherwise.

RML has its own independent Board, separate to the wider Redwheel Group. The Board of Directors of RML take ultimate responsibility for the governance of the UK Group. This includes adoption of the wider Redwheel Group risk governance framework where appropriate for the UK Group. Key responsibilities of the Board include ensuring the adoption of UK Group policies, the capital position of the UK Investment Group and capital adequacy.

Where the UK Group adopts some of the wider Redwheel Group policies, it has also established its own set of policies and procedures including but not limited to, risk management, remuneration, outsourcing and conflicts of interest.

Although not required by MIFIDPRU, the Redwheel Group has established an independent Enterprise Risk Committee and Portfolio Risk Committee. The purpose of the Committees is to advise the RML Board on Redwheel UK's overall current and future risk appetite and strategy and assist the RML Board in overseeing the implementation of that strategy by senior management. Members of the Committees have the appropriate knowledge, skills, and expertise to fully understand, manage and monitor the risk strategy and risk appetite of the Firm.

Redwheel Group promotes a culture where individuals have clear ownership and accountability. They are also responsible for delegation of activities and the oversight there-of.

The individual Heads of the Investment Teams and members of the ExCo are the owners of risk that is created by, or resides within, the activities of their teams. They are accountable for identifying and managing the investment and operating risks within the Organisation, and for mitigating and managing those risks.

Members of the ExCo are comprised of Redwheel Group's senior management team and are registered with the FCA as Senior Managers under the Senior Managers and Certification Regime.

The ExCo is comprised of the following members:

- Tord Stallvik (CEO)
- Cressida Williams (Chief Financial Officer)
- Nigel Hill (Chief Technology Officer)
- Huan Ke (General Counsel & Chief Compliance Officer)
- Arthur Grigoryants (Head of Investment)
- Frances Selby (Head of Global Sales)
- Sunita Patel (Head of Marketing)
- James Aylett (Head of Client Management)

The members of the ExCo, together with the committees described below, provide support to each risk owner to help identify risks, mitigation and controls. Lines of defence are also in place to support risk owners:

- Line 1. The Senior Management and the Heads of Investment Teams (in respect of their teams) are responsible for the risks the Organisation takes and those it takes on behalf of its clients. They are responsible for understanding their obligations to identify and manage risks appropriately and to ensure full transparency of their activities and those that sit within their teams. Senior Managers are expected to foster a culture of compliance with Redwheel Group's controls framework and provide avenues of escalation for their team members of any risk or compliance issues without recrimination.
- Line 2. Control functions are in place to ensure risks are identified, monitored, controlled and managed within appropriate boundaries. The control functions within Redwheel Group are middle office functions including Compliance, Enterprise Risk and Investment Risk.
- Line 3. Redwheel Group does not operate a dedicated internal audit team. It has an Enterprise Risk framework and resources to identify, analyse, quantify, prioritise, and mitigate risks originating from the Organisation's activities. The Redwheel Group and 3rd party funds managed are subject to audit and Redwheel Group itself is subject to corporate audit. Since 2017 RWC LLP is also subject to an annual independent controls report. The

requirement for a dedicated internal audit team is reviewed on an annual basis, and a summary of the review is provided to the Redwheel Group Board.

Risks and exceptions are reported to the risk owners, heads of control teams and the committees which support the CEO. The resolution of exceptions is managed by risk owners and independently overseen by the heads of the control teams.

The CEO is supported by members of ExCo. A number of further committees have been formed which report into ExCo and are outlined below. The committees are forums for analysis, discussion, reporting of management information, exceptions and for independently overseeing specific business functions and areas of risk.

- **The Corporate Investment Committee** is responsible for making corporate investment decisions on behalf of the Redwheel Group, and providing general stewardship and oversight on the investment activity undertaken. Specific responsibilities include ensuring that sufficient cash reserves are maintained, setting credit limits on a small range of banks so that cash balances can be deposited for better rates of interest, making investments in existing Redwheel funds if an attractive opportunity presents itself, and maintaining
- **The Remuneration Committee** provides guidance and challenge on compensation across the Redwheel Group. The committee helps to ensure that outcomes for individuals' compensation and the Redwheel Group are fair, that they incentivise the right behaviours, and that they are aligned with the interests of stakeholders. The committee also ensures that compensation arrangements accommodate regulatory considerations and adhere to the Articles, employment agreements and other principal documentation of the Redwheel Group, including equal pay policies. The committee is chaired by a Non-Executive Director.
- **The Portfolio Risk Committee** is responsible for the monitoring and review of investment performance, investment and liquidity risks, as well as risks of integrity and consistency of investment strategies. The latter is applicable where multiple client accounts are run alongside the core strategy. The Committee will also scrutinise the delivery of performance versus objectives and client expectations. The Committee meets monthly (or as required), is attended by 3 members of the ExCo, including Huan Ke, Executive Director of Redwheel UK and an Executive Director of the Redwheel Group, and is chaired by the Head of Investment.
- **The Valuation Committee** oversees investment pricing and valuation, including the review and approval of the swing pricing policy where applicable. The Committee reviews all hard to price instruments, stale priced instruments and conducts a periodic review of the overall pricing methodology, as well as reviewing and determining the process for instruments that are deemed hard to value. The Committee is chaired by the Head of Client Management. Other members include the Head of Operations, Head of Investment, Head of Central Dealing and members of Redwheel's independent Risk & Quantitative Analysis team.

The Counterparty Committee is responsible for the oversight and monitoring of the risks associated with material counterparty relationships. As an investment manager, RWC LLP and its clients are exposed to counterparty risk from various financial transaction types with various financial institutions party to those transactions. The Committee is responsible for the management of counterparties, approving any additions and removals from the approved list. The Committee also monitors approved counterparties for any adverse developments. The Committee meets on a quarterly basis (or as required) and is chaired by the CTO.

- **The Enterprise Risk Committee** has been established to provide governance and monitoring of the risks affecting the business and identifying additional risks and establishing the mitigation required for those risks. Investment Risk is specifically excluded from the scope of responsibilities. The Committee oversees the grading of the level of each risk and the performance of the mitigating controls. The Committee meets quarterly (or as required), is attended by 3 members of the ExCo, including Huan Ke, Executive Director of Redwheel UK and an Executive Director of the Redwheel Group, and is chaired by a Non-Executive Director and Chair of the Redwheel Group. This provides an effective escalation route to the Redwheel Group Board, for any key risks or concerns identified by the Committee.
- **The Product Committee** is supported by our Product Team which centralises the management of both product development and product governance. The team is responsible for the 'lifecycle' of the products we manage and also performs an important risk management function to help ensure that changes to our funds and separate accounts are subject to appropriate oversight. The Committee meets quarterly to discuss and review a range of product management and governance related issues. The Committee is chaired by the Head of Client Management.
- **The Sustainability Committee** provides governance and oversight of ESG, including each investment team's approach to the integration of sustainability considerations. The committee is chaired by the CEO, and also includes the Head of Investment, Head of Sustainability, and a senior sustainability specialist. A number of other senior members of the business attend regularly as observers, helping to ensure comprehensive and frequent discussion on sustainability issues and to review the breadth and depth of integration applied in practice by each investment team.

To assist with Compliance oversight, the CCO as SMF 16 and SMF 17 (or their delegate), attends a number of the above committees. These committees are a key part of helping the CCO meet their obligations. Members of the Compliance team may also request to attend any committee meeting to assist with monitoring and oversight.

There is a specific monthly meeting for the Heads of Investment Teams which is also attended by the members of the ExCo. The primary function of this meeting is to engage the Heads of

Investment Teams in the key business issues and decisions and to understand any needs or issues that are arising. Formal reports on the Organisation and affairs of the Redwheel Group are made at this meeting.

Enterprise Risk Management

The Enterprise Risk team is responsible for the monitoring and recording of non-investment risks across the Redwheel Group.

Known risks are captured in the Enterprise Risk Register. The register is maintained by the Enterprise Risk Manager. The Enterprise Risk Manager is responsible for ensuring the register remains current by confirming the frequency of each risk owner's review and amendments.

Each risk on the register has an owner assigned, being a member of the ExCo. Each owner is responsible for ensuring the rating of likelihood and impact of each risk is appropriately scored and that the mitigation assigned to each risk is fairly scored. All risk owners are responsible for keeping the register updated, with review, oversight and agreement from the Enterprise Risk Manager.

The Enterprise Risk team conducts independent reviews of the risks identified by risk owners. Our aim is to review all of the key risks that have been identified by risk owners. We have identified our key risks by referencing the scoring applied by risk owners. Each of the key risks identified for review are reviewed no less than once every 3 years. The reviews are conducted to see whether a risk can be mitigated further, or if deemed not possible or not cost effective to do so, then to seek agreement from the Committee and Board to accept the level of risk for the time being whilst monitoring the risk closely.

In addition to this, the Enterprise Risk Manager assesses all of the incidents reported into the risk framework and potential risks highlighted by the business lines. All forms of incident are to be reported into the Enterprise Risk database.

A suite of Management Information is produced from the Enterprise Risk Framework on a regular basis, for the purposes of risk assessment, and this is presented to the ExCo on a bi-annual basis, and to the Enterprise Risk Committee on a quarterly basis.

The Enterprise Risk Committee meets at least quarterly to review the Enterprise Risk Register. The Committee operates in accordance with its terms of reference which sets out its obligations with respect to the management and responsibilities of the Committee members. The Committee has been established to provide governance and monitoring of the risks affecting the business and identifying additional risks and establishing the mitigation required for those risks. The Committee provides oversight of the enterprise risk framework, the grading of the level of each risk and the performance of the mitigating controls. Portfolio risk is specifically managed through a separate

governance structure, with the key risks also recorded within the enterprise risk framework for completeness.

Enterprise Risk is a second line function and is independent from all other departments.

Portfolio Risk Management

Day-to-day portfolio risk management rests with the investment managers. The oversight of risk within the portfolios is undertaken by the Risk, Performance and Analytics team. The team is independent of the investment decision-making process and the investment teams and has an exclusive focus on understanding and reviewing the investment risks and performance drivers within the Redwheel managed portfolios.

Portfolio risk exposures and the consequent level and composition of portfolio risks are reviewed for consistency with the relevant fund's investment style, process and objectives. The team maintains on-going dialogue with the portfolio managers to ensure all investment risks are fully considered, understood and commensurate with the respective manager's conviction and investment approach, including all "softer" elements of risk taking (e.g. consistency of views; style attributes versus portfolio manager philosophy).

The Portfolio Risk Committee is the forum in which Redwheel senior management is kept abreast of investment risk across the portfolios, any material issues and any resolutions, where necessary. Any significant risks, if they arise, are raised with the Committee and CEO intra-month. The Committee members are updated daily of all meaningful portfolio risk exposures and market dynamics that are pertinent to the funds. Any anomalous or atypical exposure is discussed at this point.

Governance Arrangements

The Board of Directors of RML take responsibility for the governance of Redwheel UK. In providing the investment management and advisory services to its clients, and to support its day-to-day operations, it utilises the resources of the wider Redwheel Group. These services are provided by the Redwheel Group and paid for by RWC LLP on an arms-length basis. The Directors of RML have taken in to account the broader Redwheel Group structure as part of this review, where applicable.

Where the UK Group adopts some of the wider Redwheel Group policies, it has also established its own set of policies and procedures including but not limited to, risk management, remuneration, outsourcing and conflicts of interest.

In order to fulfil its responsibilities, the Board meets on a quarterly basis. Amongst other things, the Board approves and oversees the implementation of Redwheel UK's strategic objectives and risk appetite, ensures the integrity of the Firm's accounting and financial reporting systems, including financial and operational controls, ensures compliance with the requirements of the regulatory system, assesses the adequacy of policies relating to the provision of services to clients, and provides oversight of Redwheel UK's senior management.

A key document that is reviewed, discussed, and ratified by the Board at least annually is the Senior Management Systems and Controls Document ("SYSC Document"), as this demonstrates how the Firm has met its obligations with regard to its governance arrangements. The SYSC Document provides the Board with information on the functioning and performance of all aspects of the Firm, including the following areas:

- General organisational requirements, including steps taken to ensure continuity and regularity in the performance of regulated activities, and the Firm's accounting policies;
- Employees, including steps taken to ensure that employees have the necessary skills, knowledge, and expertise for the discharge of the responsibilities allocated to them, and to ensure that they are fit and proper persons;
- Policies, procedures, and controls for meeting its compliance and financial crime requirements;
- Internal capital adequacy and risk assessment process;
- Outsourcing of critical or material operating functions or activities;
- Record-keeping controls and arrangements;
- Conflicts of interest management;
- Remuneration policies and practices; and
- Whistleblowing controls.

The Management Body

Redwheel UK's management body is composed of:

- Arthur Grigoryants - Head of Investment
- Huan Ke – General Counsel and Chief Compliance Officer
- Ciara McGreevy – Head of Finance

Redwheel Group's management body is a combination of the Board and the Executive Committee ("ExCo"). Please find a list of the members below.

- Tord Stallvik – Chief Executive Officer, Executive Director & ExCo Member
- Huan Ke – General Counsel and Chief Compliance Officer, Executive Director & ExCo Member
- Cressida Williams – Chief Financial Officer, Executive Director & ExCo Member
- Nigel Hill – Chief Operations Officer, ExCo Member
- Arthur Grigoryants – Head of Investment, ExCo Member
- Frances Selby – Head of Global Sales, ExCo Member
- Sunita Patel – Head of Marketing, ExCo Member
- James Aylett – Head of Client Management, ExCo Member
- John Innes – Executive Director
- Peter Clarke – Non-Executive Director & Chair of the Board
- Seth Brennan - Non-Executive Director
- Tony Leness - Non-Executive Director

The below table provides the number of directorships held by each member of the management body. In accordance with MIFIDPRU the directorships disclosed have excluded those roles which do not pursue predominantly commercial objectives or those held within the Redwheel Group:

| Management Body Member | Position at Redwheel | Number of Directorships Held | |
|------------------------|--|------------------------------|---------------|
| | | Executive | Non-Executive |
| Tord Stallvik | Chief Executive Officer, Executive Director & ExCo Member | 0 | 0 |
| Huan Ke | General Counsel and Chief Compliance Officer, Executive Director & ExCo Member | 0 | 0 |
| Cressida Williams | Chief Financial Officer, Executive Director & ExCo Member | 0 | 0 |
| Nigel Hill | Chief Operations Officer, ExCo Member | 0 | 1 |
| Arthur Grigoryants | Head of Investment, ExCo Member | 1 | 0 |
| Frances Selby | Head of Global Sales, ExCo | 0 | 0 |
| Sunita Patel | Head of Marketing, ExCo | 0 | 0 |
| James Aylett | Head of Client Management | 0 | 0 |
| John Innes | Executive Director | 4 | 0 |
| Peter Clarke | Non – Executive Director & Chair | 0 | 2 |
| Seth Brennan | Non – Executive Director | 1 | 0 |
| Tony Leness | Non – Executive Director | 1 | 0 |

Risk Committee

We are not required under FCA rules to establish a separate risk committee to manage and monitor the Firm's risk appetite and strategy; however, Redwheel Group has established an independent Enterprise Risk Committee and Portfolio Risk Committee, details of which are set out under 'Risk Management Structure' (above).

Diversity of the Redwheel Group Management Body

Currently our management body is 23% female and 77% male. 15% of the management body are from an ethnic minority background and 54% are parents or caretakers of children.

We are committed to fostering a culture in which different experiences and identities are valued; where people feel they can be their true selves and are encouraged to speak up and express opinions freely. We want to attract a highly competent, diverse range of people to help drive innovation and better decision making as we believe this is critical to being a long-term and sustainable organisation. We are also thoughtful when it comes to our global responsibility to support the communities in which we live, work and invest.

At this moment in time, we are not driven by quantitative diversity, equity and inclusion (“DEI”) targets and quotas across the Organisation or within the management body; we are focused on prioritising our actions and behaviours to our commitments and culture. We do however want to attract and retain a highly competent, diverse range of people to help drive innovation and better decision making; we believe this is critical to being a long-term and sustainable organisation.

Own Funds

In June 2024 RWC Partners Limited ("RWC LTD") submitted a Cancellation Application to the FCA which was approved in February 2025. For completeness, we include the Composition of Regulatory Own Funds at the 31st December 2024 (per audited financial statements) for the old regulatory group.

| Composition of Regulatory Own Funds (Redwheel Group) at 31 December 2024 | | | |
|--|---|-----------------|--|
| | Item | Amount (£ '000) | Source |
| 1 | OWN FUNDS | 28,241 | |
| 2 | TIER 1 CAPITAL | 28,241 | |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 28,241 | |
| 4 | Fully paid up capital instruments | 151 | Called up share capital |
| 5 | Share premium | 65,097 | Share premium account |
| 6 | Retained earnings | 48,076 | Retained earnings |
| 7 | Accumulated other comprehensive income | - | |
| 8 | Other reserves | (66,465) | Reverse acquisition reserve |
| 9 | Adjustments to CET1 due to prudential filters | - | |
| 10 | Other funds | - | |
| 11 | (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | (18,216) | Intangibles, EBT & loans in relation to equity |
| 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 | - | |

Redwheel UK Investment Firm Group - MIFIDPRU 8 Disclosure - 2025

As at 1 April 2025 (the formation of the Redwheel UK investment Firm Group), the UK Investment Group maintained own funds of £8,734k. The below regulator-prescribed tables provide a breakdown of the Firm's own funds:

| Composition of Regulatory Own Funds (Redwheel UK) at 1 April 2025 | | | |
|---|---|-----------------|-------------------------|
| | Item | Amount (£ '000) | Source |
| 1 | OWN FUNDS | 8,734 | |
| 2 | TIER 1 CAPITAL | 8,734 | |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 8,734 | |
| 4 | Fully paid up capital instruments | 9,071 | Called up share capital |
| 5 | Share premium | - | Share premium account |
| 6 | Retained earnings | - | Retained earnings |
| 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 | (337) | Intangibles |
| 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 | - | |

Per MIFID 8.4.1(2), audited financial statements are not yet available for the Redwheel UK Investment Firm Group and so a reconciliation to audited financial statements is not provided.

| Own Funds: Main Features of Own Instruments Issued by the Firm | |
|--|--|
| | Redwheel Management Ltd Ordinary Shares |
| Public or private placement | Private |
| Instrument type | Ordinary shares |
| Amount recognised in regulatory capital (GBP '000, as of most recent reporting date) | 9,071 |
| Issue price (GBP whole number) | £1.00 |
| Accounting classification | Called up shared capital |
| Original date of issuance | 17-Sep-24 |
| Perpetual or dated | Perpetual |

Own Funds Requirements

Redwheel UK 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.

The below illustrates the core components of Redwheel UK's own funds requirements:

| Requirement | £'000 |
|---|--------------|
| (A) Permanent Minimum Capital Requirement ("PMR") | 75 |
| (B) Fixed Overhead Requirement ("FOR") | 6,895 |
| (C) K-Factor Requirements ("KFR") | 1,100 |
| - K-AUM – <i>Risk arising from managing and advising on investments</i> | 1,067 |
| - K-DTF – <i>Risk arising from executing orders on behalf of a client</i> | 33 |
| (D) Own Funds Requirement (Max. [A, B, C]) | 6,895 |

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

- The Firm 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
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

Where Redwheel UK determines that the FOR is insufficient to mitigate the risk of a disorderly wind-down it must maintain 'additional own funds required for winding down', above the FOR, that are deemed necessary to mitigate the risks of a disorderly wind-down. Similarly, where Redwheel UK determines that the KFR is insufficient to mitigate the risk of harm from ongoing operations, the Firm must maintain an amount of 'own funds required for ongoing operations', above the KFR, that is deemed sufficient to ensure its viability throughout economic cycles.

Redwheel UK's own funds threshold requirement is the higher of:

- The Firm's PMR;
- The sum of the Firm's FOR and its additional own funds required for winding down; and
- The sum of the Firm's KFR and its additional own funds required for ongoing operations.

This is the amount of own funds that Redwheel UK is required to maintain at any given time to comply with the OFAR.

To determine the Firm's own funds threshold requirement, Redwheel UK identifies and measures the risk of harm faced by the Firm and considers these risks in light of its ongoing operations and also from a wind-down planning perspective. The Firm then determines the degree to which systems and controls alone mitigate the risk of harm and the risk of a disorderly wind-down, and thereby deduces the appropriate amount of additional own funds required to cover the residual risk.

This process is documented and presented to, and ratified by, the Board on at least an annual basis.

Remuneration Policy and Practices

Overview

RWC LLP is a Non-SNI MIFIDPRU Investment Firm, and subject to the basic and standard requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior Management Arrangements, Systems and Controls sourcebook in the FCA Handbook ("SYSC")). RWC LLP, is an alternative investment fund manager ("AIFM"), is also classified as a collective portfolio management investment firm, and as such, is also subject to the AIFM Remuneration Code (SYSC 19B). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of Redwheel UK and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of the Redwheel Group's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with its risk profile and the services that it provides to its clients.

In addition, Redwheel Group recognises that remuneration is a key component in how it attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, Redwheel Group's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

Redwheel Group is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

Characteristics of Redwheel Group's Remuneration Policy and Practices

Remuneration for the Redwheel Group is made up of fixed and variable components. Both the fixed and variable components are benchmarked in line with market competitiveness at a level to attract, retain, and motivate skilled staff. This is carried out on an annual basis.

Redwheel Group ensures that the fixed and variable components of total remuneration are appropriately balanced; and the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying low or no variable remuneration component if necessary.

The remuneration structure within Redwheel Group differs for investment and non-investment teams. Within the investment teams, remuneration differs between the head of each team and the other team members.

In remunerating our staff, the following principles are adhered to:

- Financial rewards will be based on staff performance and contribution to the performance of their investment team or the company as a whole if they are working in a non-investment team;
- Performance will be assessed on a number of criteria including compliance with the regulatory rules and applicable internal policies and procedures;
- Sustainability risks are integrated by all investment teams within their investment processes. To the extent applicable, remuneration decisions for investment team members will therefore take into account each team's approach to the integration of sustainability risks;
- Unjustified and unwarranted risk taking and/or material non-compliance with Redwheel Group policies may be penalised;
- Staff will need to have complied with Redwheel Group's Compliance policies;
- Remuneration may be aligned with longer term incentives to deliver a strong compliance and customer focused culture;
- Staff will not be remunerated based purely on sales or investment performance criteria. Adjustments may be made for poor behaviour, control failings or other similar matters subject to the level of severity and consideration of all the circumstances; and
- Non-investment team bonus principles are approved by the Remuneration Committee. Investment team bonus principles are at the discretion of the Head of Team, subject to the above, with escalation to the Remuneration Committee if deemed suitable.

Risk Adjustment

Redwheel Group's policy includes a framework for assessing the level of remuneration to be paid to staff members. The framework applies both ex-ante and ex-post risk adjustment criteria to the level of variable remuneration paid. Factors considered include:

- Adjustments for all types of current and future risks and the cost of the capital and liquidity required. Variable remuneration awarded to Material Risk Taskers ("MRTs") is subject to in-year adjustments prior to award;
- All types of current and future risks including both financial and non-financial;

- When deciding at what level the adjustments should be applied (such as business unit, trading desk and/or individual level, as appropriate), Redwheel Group determines which risks are relevant, and which risk adjustment techniques and measures are most appropriate; and
- Total variable remuneration is generally considerably contracted where the financial performance of the Firm is subdued or negative.

Malus and Clawback

Redwheel Group has determined not to apply malus to variable remuneration on the basis that it does not operate a designated standard deferred remuneration plan across all MIFIDPRU MRTs and is not required to do so on a mandatory basis because it is not subject to the “extended” remuneration requirements.

In the event of material misconduct, MIFIDPRU MRTs may be subject to clawback of compensation. Redwheel Group applies clawback provisions to MIFIDPRU MRTs’ variable remuneration in accordance with the MIFIDPRU Remuneration Code requirements.

Guaranteed Variable Remuneration

Redwheel Group does not award, pay or provide guaranteed variable remuneration (a sign-on bonus, “golden handshake” or lost opportunity award) to an MRT unless:

- It occurs in the context of hiring a new MRT;
- It is limited to the first year of service; and
- The relevant firm has a strong capital base.

Severance Pay

Severance pay (other than for contractually mandated notice periods and statutory requirements) will only be made at Redwheel Group’s absolute discretion.

Any payments related to early termination of an MRT’s employment contract will reflect performance achieved over time and will be designed in a way which does not reward failure or misconduct.

Governance and Oversight

The Remuneration Committee provides guidance and challenge on compensation across the Redwheel Group. The committee helps to ensure that outcomes for individuals' compensation and the Redwheel Group are fair, that they incentivise the right behaviours, and that they are aligned with the interests of Redwheel Group's stakeholders. The committee also ensures that compensation arrangements accommodate regulatory considerations and adhere to the Articles, employment agreements and other principal documentation of the Redwheel Group. The committee is chaired by a Non-Executive Director.

Redwheel Group's remuneration policy and practices are reviewed annually by the Remuneration Committee and the Board.

Material Risk Takers

Redwheel Group is required to identify its material risk takers - those members of staff whose professional activities have a material impact on Redwheel Group's risk profile and of the assets that it manages. The types of staff that have been identified as material risk takers are:

- Members of the management body in its management function;
- Members of the senior management team;
- Those with managerial responsibility for a client-facing or client-dealing business unit of Redwheel Group;
- Those with managerial responsibilities for the activities of a control function¹;
- Those with managerial responsibilities for the prevention of money laundering and terrorist financing;
- Those that are responsible for managing a material risk;
- Those that are responsible for managing information technology, information security, and/or outsourcing arrangements of critical or important functions; and
- Those with authority to take decisions approving or vetoing the introduction of new products.

¹ A control function is defined as a function (including, but not limited to, a risk management function, compliance function and internal audit function) that is independent from the business units it controls and that is responsible for providing an objective assessment of the Firm's risks, and for reviewing and reporting on those risks.

Quantitative Remuneration Disclosure

The below table quantifies the remuneration paid to staff in the financial year 1 January 2024 to 31 December 2024.

| Period: 1 st January 2024 to 31 st December 2024 | | | | |
|--|------------------|-------------------|----------------------------|-------------|
| | | Senior Management | Other Material Risk Takers | Other Staff |
| Total Number of Material Risk Takers | | 24 | | |
| Remuneration Awarded | Fixed (£'000) | 2,350 | 2,123 | 12,742 |
| | Variable (£'000) | 2,749 | 7,577 | 5,205 |
| | Total (£'000) | 5,099 | 9,700 | 17,947 |
| Guaranteed Variable Remuneration | Amount (£'000) | n/a | n/a | |
| | # Staff Awarded | n/a | n/a | |
| Severance Payments | Amount (£'000) | 208 | n/a | |
| | # Staff Awarded | 1 | 0 | |
| Highest Severance Payment Awarded to an Individual (£) | | | 208,846 | |