BNY MELLON INVESTMENT MANAGEMENT EMEA LIMITED

MIFIDPRU 8 DISCLOSURE

May 2025

BNY | INVESTMENTS

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Introduction and scope

Purpose of MIFIDPRU disclosure

The Financial Conduct Authority ("FCA" or "Regulator") in its Prudential sourcebook for MiFID Investment Firms ("MIFIDPRU") sets out the prudential requirements that apply to BNY Mellon Investment Management EMEA Limited ('IM EMEA' or 'the Firm').

Chapter 8 of MIFIDPRU sets out public disclosure obligations with which the Firm must comply, further to the prudential obligations.

This document relates specifically to IM EMEA, classified under MIFIDPRU as a non-small and non-interconnected investment firm. As such, MIFIDPRU 8 requires IM EMEA to disclose information on the following areas:

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

The purpose of these disclosures is to give stakeholders and market participants an insight into IM EMEA's culture and data on its own funds and to allow them to assess the financial strength of the Firm.

This document has been prepared by IM EMEA in accordance with the requirements of MIFIDPRU 8. Unless otherwise stated, all figures are as at the 31 December 2023 financial year-end.

Business overview

Established in 1784, BNY is the United States of America's oldest bank, and the first company listed on the New York Stock Exchange (NYSE: BK). Today, BNY powers capital markets around the world through comprehensive solutions that help clients throughout the investment life cycle.

BNY is the corporate brand of The Bank of New York Mellon Corporation and has three business segments: Securities Services, Market and Wealth Services, and Investment and Wealth Management. Each business segment offers a comprehensive set of investment capabilities and deep expertise, enabling BNY to provide solutions to buy-side and sell-side market participants, as well as leading institutional and wealth management clients globally. As of 31 December 2024, BNY had $52.1 trillion in assets under custody and/or administration and $2.0 trillion under management.

As part of BNY Investments, the principal activity of IM EMEA is marketing and distribution within UK, Europe, the Middle East and Africa ("EMEA"), and Latin America regions, of the products and services manufactured by the BNY Investments' subsidiaries located in various investment centres around the world. These products and services primarily comprise collective investment schemes, both Undertakings for Collective Investment in Transferable Securities ("UCITS") and Alternative Investment Funds ("AIFs"), and discretionary investment management services.

IM EMEA predominantly targets institutional investors including:

- Corporate investors
- Financial institutions
- Corporate and public sector pension schemes
- Government agencies
- Sovereign wealth funds
- Central banks

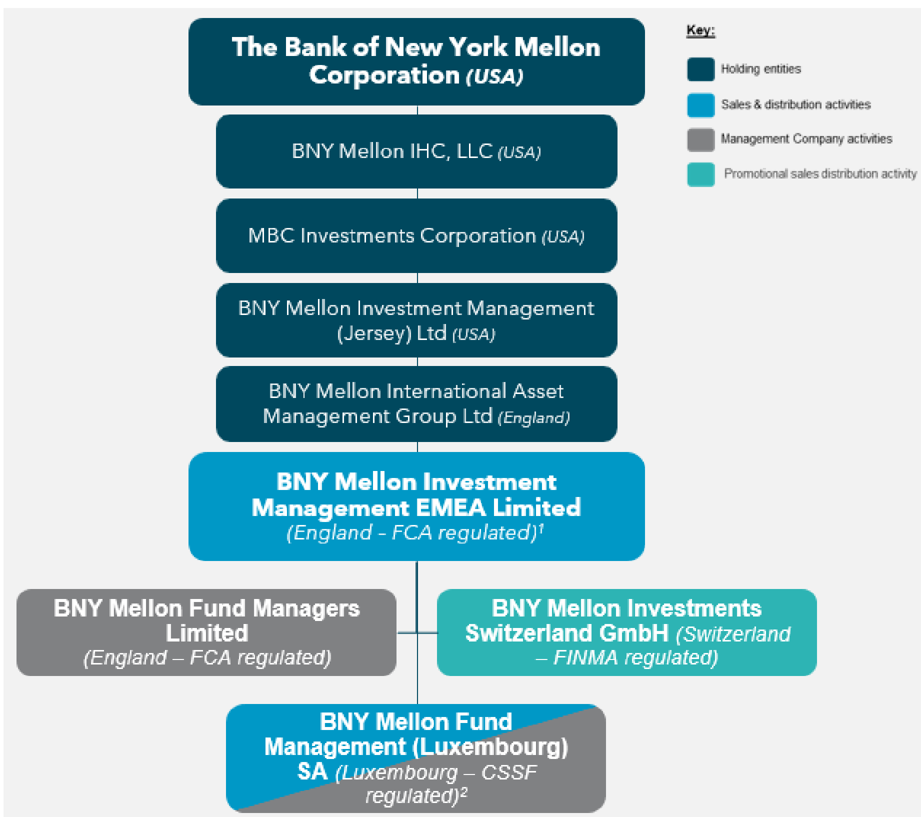
- Financial intermediaries acting on behalf of underlying ("indirect") customers – including:
  - Financial advisers
  - Retail and private banks
  - Wealth and asset managers
  - Insurance companies
  - Platform service providers

In this context, IM EMEA appoints third-party financial intermediaries to act as sub-distributors of the UCITS (and to a limited extent the AIFs) to distribute BNY Investments' products and strategies to their underlying customers.

Distribution activities are performed from the head office in the United Kingdom and through a fully owned subsidiary in Switzerland and representatives based in Dubai, UAE who are employed by another BNY subsidiary.

IM EMEA is committed to ensuring that all activities are conducted with a clear understanding of risk. As such, IM EMEA maintains a robust risk management framework, delivering excellence, ensuring transparent disclosure and fair treatment of customers. This is alongside meeting the expectations of investors, other stakeholders, and regulatory authorities.

Figure 1: BNY and IM EMEA material operating subsidiaries



Note: [1]Promotional sales distribution activities introducing business to IM EMEA provided via BNY Dubai branch representatives in the Middle East and Africa and Head of Sales for Latin America, based in Madrid. Representative office in Chile is in the process of being liquidated and is set as dormant.

[2]BNYMFM Luxembourg S.A. has 6 branches providing promotional sales distribution activities in the European Union from Amsterdam, Frankfurt, Madrid, Milan, Paris and Stockholm. The Swedish branch was liquidated in Q4 2024.

Risk management objectives and policies

Risk management framework and policy

Risk identification and assessment is a key component of BNY's risk management framework. As a core principle in the holistic risk management process, risk identification is the first step in the framework.

Risk identification identifies and assesses financial and non-financial risks arising from business activities, and associated exposures. This process enables IM EMEA (the "Firm") to identify risk and monitor changes in the risk profile.

The risk identification framework includes a comprehensive assessment of risks across the Firm under both normal and stressed conditions. The process is dynamic, inclusive, comprehensive and is an input into the Firm's capital planning process, including the development of stress scenarios. The framework is applied consistently across each of the Firm's core businesses using the enterprise risk taxonomy.

The enterprise risk taxonomy is the comprehensive list of risk categories that establishes a common, centralised terminology which articulates the primary risk categories and, where applicable, the underlying risk sub-categories Level I and Level II.

The four key elements of the risk management framework are as follows:

- Holistic risk management principles; promoting a strong risk culture, oversight and governance and accountability
- Risk management framework: driving effective management of risks corresponding to the execution of the business strategy and the Firm's day-to-day operations
- Risk reporting standards: delivering a consistent and aggregated measurement and monitoring of risk that support decision making
- Continuous improvement; for monitoring the effectiveness of the risk management framework

One of the main primary risk categories is operational risk which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputational risk for the purpose of operational loss reporting and quantification.

BNY has a responsibility to manage operational risk to prevent or minimise errors and service delivery failures that may result in financial losses or reputational damage causing harm to clients, the market, the Firm and its employees. The risk is managed through BNY's operational risk management framework (ORMF) which establishes high level obligations, which all employees are expected to abide by, to operate in line with the approved risk appetite and applicable regulatory requirements.

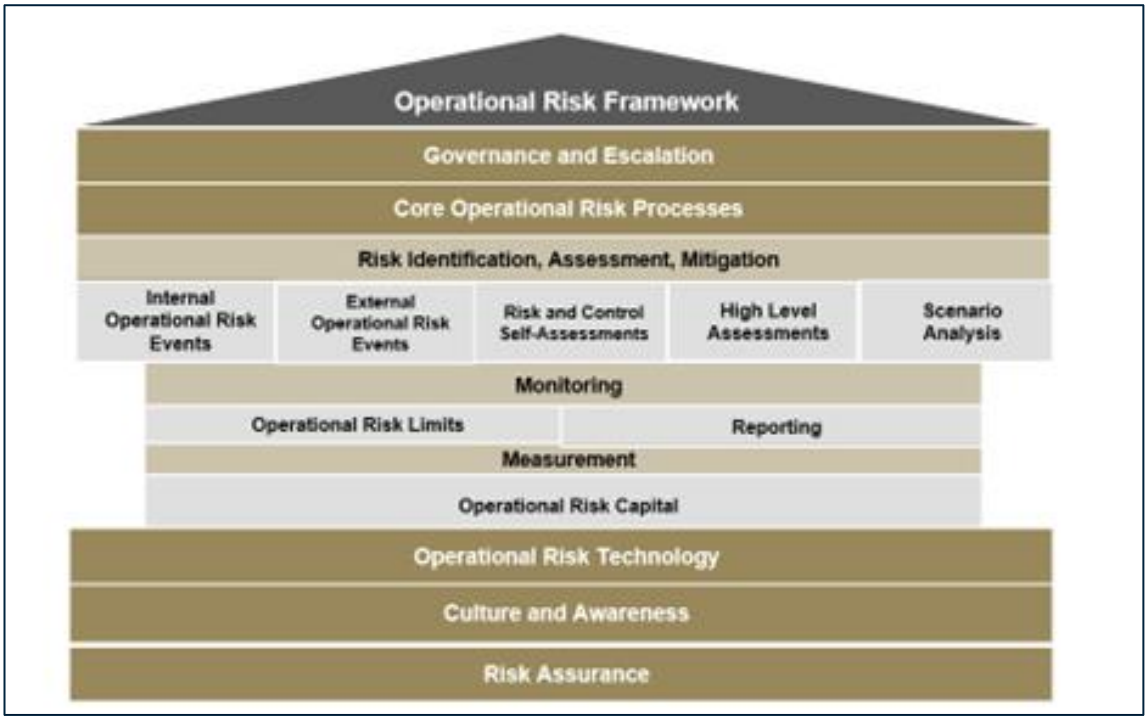
The ORMF policy establishes the governance and oversight framework for the execution of that responsibility and sets out that the management of operational risk must be:

- Consistent with the overarching approach to the enterprise risk management framework
- An integral part of the planning process, decision making and management at all levels
- Incorporated when new activities and significant business process changes are pursued to evaluate associated risks and the impact on the control environment
- Everyone's responsibility and based on a risk management culture of transparency, escalation and supported by clearly articulated roles and responsibilities

Operational risk management is a continuous process and is managed through a cycle of activities designed to identify, assess, mitigate, monitor and re-assess risks and controls to continuously reduce the likelihood of, and negative results from, operational failures that could lead to harm to clients, the market, the Firm and its employees.

The ORMF consists of the core components and processes depicted and explained in figure 2.

Figure 2: BNY's Operational Risk Management Framework (ORMF)



Risk management structure and operations

IM EMEA (the "Firm") operates with significant autonomy and therefore primary responsibility for the oversight of individual businesses is with the senior management of the legal entity and those managers performing "governing" functions under the FCA's Senior Managers and Certification Regime (SMCR) or equivalent. Oversight of risk management is delivered through a set of governance committees. We define three of these below.

IM EMEA Board

The Board is responsible for directing the affairs of the Firm and development of the business strategy, ensuring that the Firm conducts its activities in accordance with regulatory obligations and with due regard to the interests of shareholders, and consumers of the products and services provided.

The Board is at the foundation of the overall governance structure, meets on at least a quarterly basis and has primary responsibility for:

- Strategy and long-term objectives
- Financial performance
- Maintaining a sound system of internal controls, and risk management

IM EMEA Executive Committee ("EXCO")

Under delegation from the IM EMEA Board, the Executive Committee is responsible for executing the Firm's strategy, managing day-to-day operations, and maintaining sufficient infrastructure and resources to manage risks in accordance with the enterprise risk management framework, strategy and risk appetite.

This delegation drives risk management accountability in the firm through the *Three Lines of Defense* – defined below:

- **The First Line of Defense** - Lines of business that provide products or services to meet the Firm's business needs and those of its customers. It also includes the associated corporate functions (excluding Audit, Risk & Compliance and Legal) that provide support. The First Line of Defense owns the risk.
- **The Second Line of Defense** - The Risk & Compliance function, responsible for establishing policies, expectations, and guidance for managing risk at BNY while also independently monitoring, reviewing, and challenging the First Line of Defense.
- **The Third Line of Defense** - The Internal Audit function, an independent, objective assurance function that reports directly to the Audit Committee of the BNY Board.

The Executive Committee is the senior management team within the Firm with the primary responsibilities to drive, maintain and support the strategic focus and direction of the business and to evaluate business performance against objectives. The EXCO is comprised of IM EMEA senior management and representatives directly accountable to the executive directors.

Risk & Compliance Committee

Under delegation from the IM EMEA Board and Executive Committee, the Risk & Compliance Committee functions as the primary governance forum for risk and compliance issues, including oversight of the risk and compliance programme.

The committee is chaired by the Head of EMEA Distribution and meets on at least a monthly basis. It is attended by representatives from the Risk and Compliance functions, members of the BNYM IM EMEA Executive Committee and other business representatives. The committee is assigned responsibility for oversight of the BNYM IM EMEA capital planning process.

Risk appetite

IM EMEA's risk appetite statement is aligned to the appetite of the global BNY Investments organisation; where growth and financial stability depend upon investment performance, sound operations, strategic positioning, and strong reputation.

This Risk Appetite Statement ("RAS") for IM EMEA establishes the risk appetite of the Firm and sets limits on the level and nature of the risks that IM EMEA is willing to accept in pursuit of achieving its strategic objectives.

IM EMEA's RAS serves as a guide to support decision making processes, including how the Firm pursues its business strategy and the method by which the Firm manages risk. Further, the RAS both informs and embodies the Firm's risk culture, characterised by intelligent risk taking and values around risk awareness, ownership, and accountability. This is reinforced through BNY corporate policies, including the Code of Conduct, human resource standards and our senior leaders, who set an appropriate "tone from the top".

IM EMEA monitors adherence to its stated risk appetite using the RAS risk metrics. This highlights areas currently operating outside established risk tolerances which require management actions.

Risk management processes

Under the operational risk management framework, the Firm manages operational risk through a continuous cycle of activities. Each are designed to identify, assess, mitigate, monitor and re-assess risks and controls to continuously reduce the likelihood of operational failures, reducing the risks of harm to clients, the market, the Firm and its employees.

ORMF Component	Description
Risk Appetite Statement (RAS)	• The RAS articulates the level and nature of the risk the Firm is willing to assume, within risk capacity and regulatory parameters, to meet its strategic objectives. • The qualitative RAS takes into consideration all primary risk categories outlined in the BNY risk taxonomy; this includes all primary risk categories that are most significant in the business model, and which could impede the successful realisation of strategic objectives and priorities. • The RAS also articulates the business model and strategy in alignment with the latest Firm's business forecast, strategy and capital plans. • The risk appetite level qualitatively articulates the Firm's tolerance level within each risk type with consideration of the associated strategic objectives and control frameworks. • The RAS is maintained by a dedicated team in the first line of defence and reviewed and signed-off annually by the Firm's business risk committee and legal entity board. The RAS can be updated off-cycle following significant changes in the Firm's strategy, business model and risk profile.
External & Internal Operational Risk Events (ORE)	• External ORE data is used to explore possible weaknesses in the Firm's control environment and/or to consider previously unidentified risk exposures. • External ORE data consists of gross operational loss amounts, dates, recoveries, and relevant causal information for operational loss events that occur in organisations outside of the Firm. The BNY corporate operational risk team provides subsidiaries of the BNY Group with external ORE data to facilitate analysis of external loss events and feed into the scenario analysis process. • An internal ORE is the materialisation of an operational risk. ORE data is the collection of internal losses, gains and near misses that provides meaningful information for assessing the Firm's exposure to operational risk and the effectiveness of internal controls. • ORE data is centralised and analysed by the operational risk team. Indicators are provided to the Firm's Business Risk Committee monthly to identify ORE trends, root causes and lessons learnt. By improving the Firm's control environment, risks of reoccurrence are proactively avoided.
Risk & Control Self-Assessment (RCSA)	• The RCSA is a proactive process that facilitates the uniform assessment of risks and controls in the key business functions across the Firm and identifies risks to be addressed. • The RCSA risks are aligned to BNY's risk taxonomy and library of standardised controls, where available. • RCSAs help senior management to gain an understanding of the level of risk that each business line exposes the firm to by conducting their activities. • RCSAs are maintained continuously to reflect the Firm's business model and processes, and account for any issues and action plans documented as part of ORE and control testing processes. • The RCSA is reviewed and signed-off by risk owners at least annually and whenever a significant change is made to the inventory of risks and controls.

ORMF Component	Description

High-level Assessment (HLA)	• The HLA is a qualitative assessment undertaken at the BNY and BNY Investments group level i.e. including all subsidiaries of the BNY Investments line of business.
	• The HLA is a consolidated review of detailed risk & control self-assessment data, for the group of firms, that analyses:
	  o The quality of controls in place to mitigate the risks inherent to BNY Investments' business model
	  o The internal and external factors impacting the business and its risk profile
	• The HLA also enables current and emerging risks to be identified, discussed, addressed and escalated as appropriate to the BNY Investments Business Risk Committee and the BNY Investments subsidiaries Business Risk Committees.

Scenario Analysis	• Scenario analysis is a qualitative approach to identify and quantify the impact of low frequency and high severity, i.e. rare but plausible events. • Scenario analysis is a key component of the Firm's Operational Risk Management Framework (ORMF), and a core element of the stress testing and capital planning process undertaken by the Firm as part of the Internal Capital & Risk Assessment process.

Operational Risk Limits (ORL)	• ORL are leveraged to assist management with monitoring operational risks and controls on an ongoing basis to identify any changes in the environment that can lead to operational risk losses.
	• ORL are important because they:
	  o Identify current risk exposure and trends
	  o May highlight potential control weaknesses
	  o Enable ORL owners and managers to identify potential losses before they happen
	  o Facilitate reporting of operational risk management activities and enable strategic decision making
	Operational Risk Limits and Key Risk Indicators may be used interchangeably within applicable documents and in the risk management system.

Reporting	• An appropriate reporting mechanism is in place to regularly monitor the Firm's operational risk profile and material exposures to losses. • Reporting includes, but is not limited to, Risk Appetite performance, control breakdowns, OREs and the actions taken to resolve these issues. • Reporting may encompass other situations that could give rise to higher levels of risk, such as process changes, changes in regulatory requirements, etc.

Risks of harm assessment, monitoring and mitigation

This section articulates the key risks of harm, considering IM EMEA's (the "Firm") strategy, business model and market environment, should the primary risk categories crystalise.

The risks of harm or impacts have been assessed through a client, market and firm lens in alignment with the MIFIDPRU requirements.

Monitoring and mitigating processes and mechanisms have been highlighted for each primary risk category to demonstrate how the Firm oversees, manages and aims to minimise the potential risks of harm.

Finally, a conclusion has been drawn out to explain how each primary risk category and risks of harm have been considered as part of the Firm's financial adequacy assessment.

Operational Risk

<table>
<tr><th>Risk Definition</th><th>Risk Applicability</th><th>Impact Assessment</th></tr>
<tr>
<td>Operational Risk is the risk of loss resulting from people, systems, inadequate or failed internal processes or from external events (including legal risk but excluding strategic and reputational risk)</td>
<td>Based on the current business model, strategy and market environment, the Firm is exposed to Operational Risk from:

Complexity and divergence of applicable regulatory frameworks and requirements across multiple jurisdictions, leading to heightened risks of regulatory breaches, misrepresentation and reputational damage
Failures to appropriately oversee fiduciary and operational processes outsourced/delegated to BNY affiliates and external third parties
Reliance on technology services from BNY Group and third-party providers
Failures of manual and legacy operational processes, as well as transaction processing errors linked to historical data
Increased and more sophisticated cyber, and state-sponsored and external threats
Internal fraud
Execution and delivery risks due to a combination of cost pressures and increased volumes of required changes
</td>
<td>The following risks of harm were identified should Operational Risk crystalise:

Financial loss including remediation costs, compensation and legal fees
Regulatory breach and scrutiny, financial penalties, censure and revocation of licenses
Client dissatisfaction and complaints, impacting the ability to retain and grow revenue
Reputational damage, including negative media coverage
Disruption to product/service delivery and critical system outage.
</td>
</tr>
</table>

Risks of Harm	Clients	√	Market	N/A	Firm	√

Risk Monitoring & Mitigation

The following governance processes and mechanisms were identified to mitigate the risks of harm:
- The Operational Risk Management Framework (ORMF) described in BNY Risk Management Framework, provides a set of robust, industry-benchmarked, processes to identify, manage, monitor and mitigate Operational Risk which are leveraged by the Firms on an ongoing basis.
- The compensation approach across BNY is such that clients do not suffer from any losses or negative financial impacts due to any operational error and associated disadvantage attributable to the Firm.
- The three lines of defence in place within the Firm guarantee an independent assessment and monitoring of the internal control environment.
- A first line Evidenced Based Control Assessment (EBCA)/testing which enables to proactively identify control weaknesses prior to risks of harm materialising.
- The IM EMEA's business committee structure supports the embedding of risk management and mitigation through key aspects of the Firms' business model with a set of committees specifically targeting the risk categories and sub-categories relevant to the firms, including the business risk committee which monitors operational risk key indicators monthly.

Conclusion

The risks of harm resulting from Operational Risk materialising have been assessed as material for the Firm.
- The existing governance processes and mechanisms are deemed to be sufficient to monitor the risks of harm and escalate any adverse trends per the Firms' risk appetite limits and governance framework.
- The exposures to Operational Risk may evolve based on changes to the Firms' business model, strategy, product and service offerings, regulatory footprint etc. and therefore impact their profitability and viability.
- The risks of harm resulting from Operational Risk crystalising have therefore been considered as part of the Firm's financial adequacy assessment, specifically in the Own Funds Threshold Requirements (OFTR) assessment A from ongoing operations, supported by operational risk scenario workshops held with business Senior Matter Experts (SMEs) modelled through the Deloitte Capital Clarity model.

Credit Risk

Risk Definition	Risk Applicability	Impact Assessment
Credit risk is the risk of default from counterparties or clients for deposits, loans, commitments, securities and other assets where the realisation of the value of the asset is dependent on their ability to perform	Based on the current business model, strategy and market environment, the Firm is exposed to Credit Risk from: • Collapse of, or severe adverse market impact on, the Insight Money Market fund in which external liquid assets (LATR) are held • Default of external Banks or BNY banking subsidiaries which hold cash deposits supporting a minimal amount of funds required to support the Firm's ongoing operations • Default of clients, leading to fees not being received by the Firm	The following risks of harm were identified should Credit Risk crystalise: • Breach of regulatory liquidity thresholds, increased regulatory scrutiny and potential financial penalty • Financial stress and potential disruption to product/service delivery of the Firm due to delays in paying providers • Financial stress on BNY Investments firms which receive a share of the IM EMEA's revenue

Risks of Harms	Clients	√	Market	√	Firm	√

Risk Monitoring & Mitigation

The following governance processes and mechanisms were identified to mitigate the risks of harm:

- There is active management and monitoring by the first (Finance) and second lines of defence of industry, country and counterparty limits, exposure and risk profiling using daily reporting that facilitates effective and timely escalation, as well as comprehensive quarterly portfolio reviews.
- Credit limits are managed in accordance with BNY policies, in particular the Credit Risk Limits Policy, and are consistent with the BNY's overall strategic objectives, risk capacity, and risk appetite.
- Monitoring collection of receivables, debtor positions and aged receivables conducted between the Finance and Client Services teams to ensure timely payments.
- Monitoring of the Insight Money Market fund is part of the ongoing monitoring of investment strategies undertaken by the first line of defence investment risk function.
- Credit Risk is assessed by Finance using applicable regulatory requirements and market practices.

Conclusion

The risks of harm resulting from Credit Risk materialising have been assessed as significant but not material for the Firm.

- The existing governance processes and mechanisms are deemed to be sufficient to monitor the risks of harm and escalate any adverse trends per the Firms' risk appetite limits and governance framework.
- The exposures to Credit Risk may evolve throughout the course of an economic cycle. Macro-economic and global capital markets performance can severely impact the Firms' credit counterparties, therefore impacting the available level of liquid assets required by the Firms to meet their ongoing operations and potential wind-down.
- The risks of harm resulting from Credit Risk crystalising have therefore been considered as part of the Firm's financial adequacy assessment, specifically in the Own Funds Threshold Requirements (OFTR) assessment A from ongoing operations and the liquidity stress testing.

Market Risk

<table>
<tr><th>Risk Definition</th><th colspan="2">Risk Applicability</th><th colspan="4">Impact Assessment</th></tr>
<tr><td>Market risk is the risk to a firm's financial condition arising from adverse movements in the markets, such as foreign currency exchange rates, interest rates, security and commodity prices</td><td colspan="2">Based on the current business model, strategy and market environment, the Firm is exposed to Market Risk from:
• Adverse currency/FX moves impacting cash assets held in foreign currencies linked to foreign operations
• Adverse interest rate moves impacting liquid assets investments held in the Insight Money Market fund</td><td colspan="4">The following risks of harm were identified should Market Risk crystalise:
• Balance sheet impacts, through cash deposits and revenue decrease, linked to unfavourable FX or interest rates movements
Note: The Firm is not authorised to trade on its own account, underwrite issues of financial instruments on a firm commitment basis, and run proprietary trading positions therefore minimising direct exposures of proprietary capital to market risk.</td></tr>
<tr><td colspan="2">Risks of Harms</td><td>Clients</td><td>N/A</td><td>Market</td><td>N/A</td><td>Firm √</td></tr>
</table>

Risk Monitoring & Mitigation

The following governance processes and mechanisms were identified to mitigate the risks of harm:

- Market risk is monitored on an ongoing basis by the Finance and Treasury functions in accordance with BNY's Market Risk Policy which provides an overall market risk management framework and set of limits for the Firm.
- Market Risk is assessed by Finance using applicable regulatory requirements and market practices.

Conclusion

The risks of harm resulting from Market Risk materialising have been assessed as important but not significant or material for the Firm.

- The existing governance processes and mechanisms are deemed to be sufficient to monitor the risks of harm and escalate any adverse trends per the Firms' risk appetite limits and governance framework.
- The exposures to Market Risk may evolve throughout the course of an economic cycle. Macro-economic and global capital markets performance can impact the Firms' capital exposure to Market Risk, therefore impacting the available level of liquid assets required by the Firms to meet their ongoing operations and potential wind-down.
- The risks of harm resulting from Market Risk crystalising have therefore been considered as part of the Firm's financial adequacy assessment, specifically in the Own Funds Threshold Requirements (OFTR) assessment A from ongoing operations and stress testing.

Concentration Risk

Concentration risk is defined as the risks arising from the strength or extent of a firm's relationships with, or direct exposure to, a single client or group of connected clients, which could result in a loss of revenue. The Firm monitors concentration risk as a component of its strategic risk management framework which has been defined below.

Risk Definition	Risk Applicability	Impact Assessment
Strategic Risk arises from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes	Based on the current business model, strategy and market environment, the Firm is exposed to Strategic Risk from: • Flawed design or implementation of their business strategy • Ill-informed and untimely decisions made by senior management • Failure to either anticipate or participate in transformational change within a given market/channel/product range • External factors, such as global capital markets performance, impacting fees/revenues	The following risks of harm were identified should Strategic Risk crystalise: • Loss of market share leading to P&L deterioration • Product underperformance/non-attractivity, leading to negative revenue flows • Sub-scale offering, leading to uncompetitive costs/poor value for money • Negative financial impact due to strategic change delays or flawed implementation

Risks of Harms	Client	√	Market	√	Firm	√

Risk Monitoring & Mitigation

The following governance processes and mechanisms were identified to mitigate the risks of harm:

- Business strategy is articulated and approved on an annual basis by the respective legal entity boards.
- Business performance is measured against the execution of strategic objectives via the executive committee and the legal entity boards.
- Sales performance and revenue metrics are monitored monthly at the executive committee to track the performance of the Firm against the agreed financial plan.
- Key indicators, including metrics focussing on the adequacy of non-financial resources, such as people and technology, are monitored monthly at the executive committee and business risk committee. These governance bodies would escalate any adverse trends to senior management and, ultimately, the appropriate legal entity board for action.
- The business risk committee reviews strategic and emerging risks quarterly and identifies actions and owners to monitor and mitigate these risks based on their proximity and potential impact to the Firm.
- Market shares and benchmark analysis are sourced from reliable third-party vendors and built in the Firms' business intelligence tools and dashboards to track changes in market dynamics.

Conclusion

The risks of harm resulting from Strategic Risk materialising have been assessed as significant for the Firm.

- The existing governance processes and mechanisms are deemed to be sufficient to monitor the risks of harm and escalate any adverse trends per the Firms' risk appetite limits and governance framework.
- The exposures to Strategic Risk may evolve throughout the course of an economic cycle and global capital markets performance can severely impact the Firms' revenue, profitability and viability.
- The risks of harm resulting from strategic risk crystalising have therefore been considered as part of the Firm's financial adequacy assessment, specifically in the Liquid Assets Threshold Requirements (LATR) assessment B for wind-down and the liquidity stress testing.

Liquidity Risk

Risk Definition	Risk Applicability	Impact Assessment
Liquidity risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to **meet** its obligations as they fall due or can secure such resources only at excessive cost	Based on the current business model, strategy and market environment, the Firm is exposed to Liquidity Risk from: • Inaccurate assessment of cashflow and liquid assets requirements i.e. inflows and outflows comparison • Shortfalls in available cash and liquid assets due to volatility of funding sources	The following risks of harms were identified should Market Risk crystalise: • Inability to meet business as usual as well as stressed liquidity requirements on an intraday basis and over the long term. Note: The Firm does not hold client cash on its balance sheets, manage retail deposits or loans to clients, and does not have any material exposures to derivatives via its own accounts or through collaterals.

Risks of Harms	Clients	N/A	Market	N/A	Firm	√

Risk Monitoring & Mitigation

The following governance processes and mechanisms were identified to mitigate the risks of harm:

- Corporate Treasury is responsible for the identification of liquidity risks, as well as the liquidity impacts of adjacent processes including new products, business process changes and changes in legal structures.
- The Firm has developed liquidity risk measures to assess its ability to meet contractual obligations in business-as-usual and potential stressed conditions. The Firms' liquidity risk measures consider a forward-looking perspective to identify potential future cash flow needs and mismatches, in addition to measuring the Firm's current liquidity position.
- The liquidity risk profile of the Firm is evaluated through measures that consider the impact of regulatory-defined and internally defined stress scenarios which cover a range of market and/or idiosyncratic stresses, including scenarios considering the possibility of a wind-down.

Conclusion

The risks of harm resulting from Liquidity Risk materialising have been assessed as significant but not material for the Firm.

- The existing governance processes and mechanisms are deemed to be sufficient to monitor the risks of harm and escalate any adverse trends per the Firms' risk appetite limits and governance framework.
- The exposures to Liquidity Risk may evolve throughout the course of an economic cycle. Macro-economic or business strategy and operational model changes that can impact the level of available liquid assets, in a day-to-day or stressed context, to meet the Firms' requirements.
- The risks of harm resulting from Liquidity Risk crystalising have been considered as part of the Firm's financial adequacy assessment, specifically in the Liquid Assets Threshold Requirements (OFTR) assessments A from ongoing operations and B from wind-down, as well as in the stress testing.

Governance arrangements

Management body

The Board has overall responsibility for the implementation of governance arrangements that ensure effective and prudent management of the firm. This includes the segregation of duties in the Firm and the prevention of conflicts of interest and must be done in a manner that promotes the integrity of the market and the interests of clients. In particular, the Board is responsible for the following matters:

- Approving and overseeing implementation of the Firm's business strategy and objectives
- Determining the Firm's risk appetite and monitoring adherence there to
- Providing effective oversight of senior management and monitoring the effectiveness of the Firm's internal governance
- Ensuring the adequacy of policies and processes relating to the provision of services to clients, information disclosure and communications
- Maintenance of a sound system of internal controls (financial and operational) and corresponding risk management framework
- Overseeing the Firm's financial performance and adequacy of prudential capital and liquidity requirements
- Overseeing the Firm's compliance with its regulatory obligations

In accordance with the FCA's Senior Management and Certification Regime (SMCR), certain prescribed responsibilities are assigned to members of the senior management team, primarily to the Chief Executive Officer.

The Board has appointed a senior manager with overall responsibility for the operation of the risk management framework. A formal internal governance structure has been implemented, through which an oversight of risks relevant to the Firm is exercised.

The Board has established a Risk & Compliance Committee which functions as the primary governance forum for risk and compliance issues, including oversight of the risk and compliance programmes.[1]

Directorships

The Board includes two Independent Non-Executive Directors, one of whom is the Chair. The Board members and the number of external directorships they hold are shown in the following table:

Name	Role	Number of External Directorships[1]
Marc Saluzzi	Independent Non-Executive Director, Chair	3
Carole Judd	Independent Non-Executive Director	2
Gerald Rehn	Executive Director, Chief Executive Officer	0
Jemma Gosling	Group Non-Executive Director	0
John Miller	Group Non-Executive Director	0
Matt Oomen	Group Non-Executive Director	0

[1] For-profit organisations only in 2024 (excluding executive and non-executive directorships held within the same group or within an undertaking in which the Firm holds a qualifying holding).

[1] On 12 February 2025, IM EMEA became an Enhanced SM&CR ("Senior Manager & Certification Regime") firm, due to the size of the firm's assets under management over the last three years meeting the threshold set by the FCA. This development has resulted in the requirement for IM EMEA to review and uplift its governance and oversight frameworks to meet Enhanced firm standards with changes implemented (including creation of Board Risk Committee) in the first quarter of 2025.

Diversity

The Board has an unwavering commitment to diversity and inclusion in all its forms, including diversity of thought, experience, and background. This commitment to the IM EMEA's culture and to each Director as individuals is also critical to the IM EMEA's ability to serve its clients and grow its business.

Diversity allows the Board and business the range of perspectives, insights and challenge needed to support good decision making. This diversity includes a combination of:

- Demographics
- Skills and experience
- Race
- Religion or belief
- Age
- Gender
- Sexual orientation
- Disability
- Marital or civil partnership status
- Pregnancy or maternity status
- Educational and/or professional background
- Any other relevant personal attributes

Board appointments are based on an individual's skill, ability, experience, training, performance, and other valid role-related requirements. Each Board or Nomination Committee is responsible for reviewing the structure, size, and composition (including its skills, knowledge, experience, and diversity) of the Board. In identifying suitable candidates for a particular appointment, all Boards or Nomination Committees should consider candidates on merit and against objective criteria and with due regard for the benefits of diversity.

Aligned with BNY's HM Treasury Women in Finance Charter goal, the Board should aim for at least 33% in women represented. There is also a further aspirational goal to reach 40% gender diversity as new board appointments are made and an aim to include candidates from underrepresented racial groups. The Board should keep these targets under regular review.

Each Board member is responsible for ensuring the goal of diversity is considered throughout the firm, in line with this statement's values. As of 31 December 2024, there are six members of the IM EMEA Board, of which 33% are female.

Own funds

The following tables set out information on the IM EMEA's own funds in accordance with MIFIDPRU 8.4. The information is as of 31 December 2024.

OF1: 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**	113,479	
2	**TIER 1 CAPITAL**	113,479	
3	**COMMON EQUITY TIER 1 CAPITAL**	113,479	
4	Fully paid-up capital instruments	116,629	Note 18
5	Share premium	-	
6	Retained earnings	40,045	
7	Accumulated other comprehensive income	-	
8	Other reserves	36,986	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(80,181)	
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	-	

OF2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross- reference to template OF1**
As at period end		31 December 2024 (GBP thousands)	31 December 2024 (GBP thousands)	
Assets - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Intangible assets	-	-	-
2	Tangible assets	-	-	-
3	Other Investments (Fixed asset investments)	43,195	-	Box 11
4	Debtors	20,594	-	-
5	Current asset investments	37,227	-	-
6	Cash at bank and in hand	118,285	-	-
	Total Assets	**219,301**	-	-
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Creditors: amount falling due within one year	26,361	-	-
	Total Liabilities	**26,361**	-	-
Shareholders' Equity				
1	Called up share capital	116,629	-	Box 4
2	Other reserves	36,986	-	Box 8 / Box 11
3	Profit and loss account	40,045	-	Box 6
	Total Shareholders' Equity	**193,660**	-	-

OF3 Own funds: main features of own instruments issued by the Firm

Allotted, called up and fully paid ordinary shares of £1 each are the main features of the common equity tier 1 capital instruments. There are no additional tier 1 and tier 2 instruments issued by IM EMEA.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Firm.

Own funds requirements

The following table sets out information on the IM EMEA's own funds requirement (OFR) in accordance with MIFIDPRU 8.5. The information is as of 31 December 2024.

Requirement	Amount (GBP Thousands)
K-AUM[2]	10,563
Total K-factor Requirements (KFR)	**10,563**
Fixed Overhead Requirement (FOR); Based on audited financial results for financial year ended 31 December 2024.	15,672
Permanent Minimum Requirement (PMR)	75
Own Funds Requirement (Higher of KFR, FOR and PMR)	**15,672**

Adequacy of own funds assessment

MIFIDPRU 7 requires firms to comply with the Overall Financial Adequacy Rule ("OFAR"). The OFAR requires that IM EMEA holds own funds and liquid assets which are adequate, both in amount and quality to ensure that:

- IM EMEA remains financially viable through the economic cycle, with the ability to address any material potential harms that may result from its ongoing activities.
- IM EMEA's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

The Internal Capital Adequacy and Risk Assessment ("ICARA") is an end-to-end assessment to make sure that IM EMEA holds appropriate financial resources in accordance with the threshold conditions and to meet the requirements under Principle 4 of the Principles for Business.

The ICARA process, which has been delivered, is proportionate to the nature, scale and complexity of the business carried out by the Firm. The overall purpose being to ensure that the Firm has appropriate systems and controls in place to identify, monitor, and where proportionate, reduce all potential material harms that may result from the ongoing operation or the winding down of the business.

The Firm's Own Funds Assessment has been derived from completion of the ICARA process which considered all relevant material harm and has concluded that it holds own funds and liquid assets of adequate amount and quality to comply with the OFAR.

[2] As a non-SNI firm, the only K-Factor applicable to IM EMEA K-AUM.

Remuneration

IM EMEA (the "Firm") offers a total rewards program that is externally competitive, internally equitable, and tied both to employee contributions and company success. We are committed to paying our employees fairly, and we offer pay and benefits that allow us to hire, reward and retain the best talent available. In each of our operational locations we reward:

- performance (of the Firm, team and individual against established goals)
- the creation and maintenance of an inclusive and positive culture focused on doing what is right
- supporting sustainable long-term value
- supporting the company values and aligning the interests of employees with clients, and our shareholders

This disclosure is made on the basis that the Firm is a non-SNI firm subject to the Basic and Standard requirements of the FCA SYSC 19 G Remuneration Code.

IM EMEA's Remuneration Policy has been designed to be appropriately applicable to all staff. It ensures that pay practices are appropriate and proportionate to the nature, scale and complexity of the current and future risks that are inherent in the business model and activities conducted.

In addition to being regulatory compliant and gender neutral, as well as supporting equal pay and diversity in the jurisdictions within which we operate, the Remuneration Policy also promotes sound and effective risk management, aligns with the Firm's business strategy and rewards long-term sustainable investing outcomes for our clients.

The approach to remuneration is governed by the IM EMEA Remuneration Committee which meets at least four times per year. Compensation proposals are made to the Remuneration Committee on an annual basis including a review of proposals for the Executive Committee, Material Risk Takers, and other high earners. This review includes formal input from the Risk and Compliance and People Team functions.

Although none has been used to date, the Remuneration Committee may consider additional input from external consultants where appropriate.

Voting members are comprised of two Independent Non-Executive Directors, and the Head of Investment Management EMEA. Non-voting members comprise of a HR Business Partner, who will attend except where there is a personal conflict. A member of the Compensation Team will be invited to attend as required.

To manage any potential conflicts of interest, remuneration decisions for employees in control functions are determined by the BNY corporate function, independently of IM EMEA with the pools for fixed and variable compensation based on BNY's overall annual financial performance. Variable compensation deferrals for these employees are aligned to the BNY corporate deferral rates, subject to any additional regulatory requirements which may apply.

The Remuneration Committee is accountable for ensuring remuneration practices are implemented appropriately in line with the Firm's business strategy, all relevant legal and regulatory requirements, and the overall philosophy of the Firm.

As required in the MIFIDPRU Remuneration Code, relevant investment firms must identify employees whose professional activities have a material impact on their risk profile, or the assets managed. The Remuneration Code includes published criteria to assist in identifying those employees.

The IM EMEA Remuneration Committee is presented with the interpretation of the Remuneration Code identification criteria for formal approval on an annual basis. Using this identification criteria, a list of Material Risk Takers ("MRTs") is also presented for approval. This intentionally captures those with responsibility to control and manage risk.

Employees identified as MRTs include, but are not limited to:

- Employee who is a member of the management body or a member of senior management. In respect of IM EMEA, this includes the Board and the Executive Committee
- Employee that has managerial responsibility for a regulated activity
- Employee that has managerial responsibility for a control function, including Compliance, Risk and Anti-Money Laundering
- Employee that has managerial responsibility regarding the introduction of new products
- Employee that has professional activities determined to have an impact on the risk profile of the firm or the assets managed.

All identified MRTs are informed of their status as MRTs and the implication of what this means for them through a notification letter. The list of MRTs is maintained throughout the year and updated, as necessary. For the 2024 performance year, nineteen employees were identified as MRTs.

The level of individual compensation is based on multiple factors, including:

- Job function – type of work being done, financial responsibility, decision-making authority and number of employees supervised
- Knowledge requirements – skill, education and training required to successfully perform the job
- Experience – breadth and depth and competence of prior work experience
- Local labour market – local pay rate for similar jobs at other companies in the same global location
- Talent availability – number of qualified workers who fulfil the job requirements
- Individual performance – level of performance of the person doing the job

IM EMEA's employee compensation structure is comprised of an appropriate mix of fixed and variable compensation (incentives) that is paid over time.

Fixed component

The fixed component of an employee's compensation is determined by considering local market practice. This ensures it is sufficient to provide security and a financial foundation for the relevant location, reflective of the size and scope and value of the role within the Firm. This accounts for professional experience and responsibility in addition to the capability and competence of the incumbent, as well as being commercially viable. The composition of fixed compensation can vary by location, but typically includes base salary, benefits, and retirement provisions.

Fixed compensation will be at a level high enough in its own right to be a sufficiently high proportion of total compensation for each employee. This is to ensure that there is no requirement or obligation to pay variable compensation when the performance of the individual, team or Firm does not justify it.

Variable component

All IM EMEA employees are eligible to be awarded variable compensation but have no entitlement to such awards, as they are discretionary. Variable compensation is an important element of total compensation and our approach to paying for performance. The proportion of total compensation which is made up of variable compensation typically increases with the seniority of the role and the overall level of total compensation.

Guaranteed variable compensation is only awarded in exceptional circumstances. In line with the regulatory requirements, this is limited to the first year of service, in the context of hiring new staff and providing the Firm has a strong capital base. Buyout awards, which compensate a new joiner for forfeited deferred remuneration from a previous employer, will take into consideration the value and terms including any deferral period, nature of award (e.g., cash, shares) and retention period of the variable compensation to be forfeited. Buyout awards are reviewed by a specialist team and offers considered to be high value may require the approval of the Remuneration Committee.

In addition, any retention or severance payments are at the discretion of IM EMEA and are made in line with the regulatory requirements of the Remuneration Code and any other applicable local statutory requirements.

Termination payments

Termination Payments may be made where the employment contract is terminated early at the initiative of the employer. The payments will be subject to factors that can include:

- the seniority of the individual
- their length of service
- the circumstances surrounding the termination
- any applicable legal requirements

Termination payments do not reward failure (personal or corporate) or misconduct and will be considered variable remuneration, for the purposes of this Remuneration Framework, where required by the European Banking Authority. Termination payments are made in line with applicable legal requirements.

Performance criteria

Variable compensation is designed to be determined based on individual, team, and business performance. This is measured against varied criteria (financial and non-financial) and is intended to reward leadership performance equitably with technical performance and delivery.

Performance is measured against criteria including:

- regulatory standards and requirements
- adherence to policy and procedures
- achievement of goals
- modeling of the firm's strategic pillars and principles
- revenue generation and /or prudent cost control

This balance of criteria ensures that variable remuneration does not encourage excessive risk taking nor affect the sound capital base of the Firm. It also reflects the long-term performance of employees.

Long term incentive plans ("LTIP")

The Firm's long-term incentive arrangements are a strong tool for employee retention and encourage the alignment of stakeholders' goals as well as providing employees with an opportunity to share financially in the success of the performance of the business. All employees are eligible to receive LTIP awards, awarded under the same principles.

Under ordinary circumstances, and for more senior-level employees, a portion of variable compensation will be deferred for at least three years through a long-term incentive arrangement. This will be subject to the performance of either (or both) the Firm or the respective business and to malus and/or claw back under appropriate circumstances.

Performance adjustment

The IM EMEA Remuneration Committee is responsible for ensuring that any variable remuneration, including any amounts deferred, is paid or vests only if it is sustainable according to the financial position of the Firm. It must also be justified based on the performance of the individual, the individual's team, and the Firm.

All employees have an additional specific risk objective assigned as appropriate to the nature of the role. Incentive allocation is adjusted based on impact of business results and supporting a culture of leadership and Thriving Together. Variable compensation and performance rating is adjusted, where appropriate, for risk and compliance/conduct and is structured not to encourage excessive risk taking.

The IM EMEA Remuneration Committee may take into consideration input from the People Team and Risk and Compliance functions when determining remuneration outcomes and may, in its sole discretion, cancel or reduce all or any portion of an unvested award of variable remuneration ("Malus") based on criteria included in the Remuneration Policy. This includes, but is not limited to, employee misbehavior, material error, material downturn in business unit performance, material failure in risk management and failure to meet fitness and proprietary standards. In addition, claw back may be applied for up to seven years from the date the variable remuneration was awarded.

Quantitative disclosures

IM EMEA is required to disclose information on the aggregated remuneration for its employee and MRTs for the 2024 performance year.

The remuneration amounts below are presented on a gross basis, regardless of the time spent by staff in respect of IM EMEA.

	Senior Management	Other MRT	Other Staff
Total	5	19	
Total Remuneration	1,483,865	6,969,862	-
Fixed Remuneration	722,862	2,551,670	-
Variable Remuneration	761,003	4,418,192	-
Guaranteed Remuneration			
Total Guarantees	-	-	-
Number of MRTs	-	-	-
Severance Payments			
Total Severance	-	-	-
Number of MRTs	-	-	-
Highest Severance payment	-	-	-

Figures in GBP using applicable year end FX rates. Headcount as of 31 December 2024.

Investment policy

As noted in the business overview, the principal activity of IM EMEA (the "Firm") is the marketing and distribution, within the UK, Europe, the Middle East and Africa ("EMEA"), and Latin America regions, of the investment products and services manufactured by the BNY Investments' subsidiaries located in various investment centres around the world.

Whilst the Firm also enters into discretionary investment management agreements with institutional clients, it sub-delegates portfolio management activities to Investment Managers which are separate subsidiaries of BNY Investments. The delegation of these activities includes exercise of voting rights on behalf of clients of the Firm, where it is appointed by the client to do so.

The Firm does not therefore hold shares directly or indirectly, nor does it exercise voting rights on such shares. As a result, the Firm meets the conditions of MIFIDPRU 7.1.4.R, therefore it is not required to disclose its Investment Policy within its MIFIDPRU 8 Disclosure.

Periodic review

This MIFIDPRU 8 disclosure document has a mandatory minimum periodic review of 12 months, and all information included in this document is as of 31 December 2024 (unless stated otherwise).

This document will be maintained on an ongoing basis, and timely updated public disclosure will be made where circumstances demand it, for example, in the event of a major change to our business model.