RATHBONES
ASSET MANAGEMENT

MIFIDPRU 8 disclosures 31 December 2025

Rathbones Asset Management Limited

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Definitions	
Rathbones	The trading name for the group of companies owned by Rathbones Group Plc
RAM	Rathbones Asset Management Limited
RAM Board	The board of directors of Rathbones Asset Management Limited
The Group	Rathbones Group Plc and all its subsidiaries
Group Board	The Board Of Directors Of Rathbones Group Plc
Group Executive Directors	Directors On The Group Executive Committee
GRC	Group Risk Committee
ERC	Group Executive Risk Committee
GEC	Group Executive Committee
FUMA	Funds Under Management And Administration
Regulators	Financial Conduct Authority ('FCA')
SMCR	Senior Managers and Certification Regime

Executive summary

Overview of the document

The Financial Conduct Authority '(FCA') in its Prudential sourcebook for MiFID Investment Firms '(MIFIDPRU'), sets out the detailed prudential requirements that apply to Rathbones Asset Management Limited ('RAM'). Chapter 8 of MIFIDPRU ('MIFIDPRU 8') sets out public disclosure rules and guidance with which RAM must comply, further to those prudential requirements.

Rathbones Asset Management Limited is classified under MIFIDPRU as a non-significant non-SNI (small and non-interconnected) firm.

This document has been prepared in accordance with the requirements of MIFIDPRU 8 and is verified by the RAM board of directors. Our MIFIDPRU 8 disclosure document includes details regarding governance arrangements, risk management, own funds and own funds requirements, remuneration policy and practices as well as quantitative disclosures.

Throughout this report, references are made to the group annual report and accounts and group Pillar 3 disclosures, which are available in the investor relations section of the Rathbones website:

https://www.rathbones.com/investor-relations/results-and-presentations.

Firm overview

RAM's principal activities are acting as the manager of Authorised Unit Trusts and Sociétés d'Investissement a Capital Variable ("SICAVs") and as the Authorised Corporate Director of Open Ended Investment Companies ("OEICs"). It is regulated by the Financial Conduct Authority ("FCA"). There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company provides a range of actively managed specialist and multi-asset funds in the UK and a small range of SICAV funds in Europe that are designed to meet core investment needs in the retail client market. Its funds are distributed primarily through professional financial advisers in the UK and in Europe. The product range consists of actively managed specialist funds, which typically form a component part of solutions to client portfolios managed by a financial adviser, and a range of risk targeted multi asset funds that are designed to act either as core investments or as a solution for financial advisers who wish to outsource their investment activities.

Following Brexit, the Company's UK funds lost their UCITS status in Europe, where they are now classified as "non EEA AIFs". EU-based investors may continue to hold units in the Company's UK based funds, subject to any local regulations that may apply. The Company does not accept subscriptions from EU-based investors into the UK funds. Such investors can invest with the Company via the Luxembourg-based SICAV range.

The primary drivers of the Company's results are the value of funds under management and investment performance. Annual management charges are calculated daily based on the value of the funds under management. Growth in funds under management arises principally from the sale of units through platforms and independent financial advisors ("IFAs"), who have a strong focus on investment performance. Investors in single strategy unit trusts have a higher propensity to switch funds if comparative investment performance falls.

Scope and application

The reference date of these disclosures is 31 December 2025 in line with the Firm's financial year end and all figures are in £000's unless otherwise stated.

None of the disclosures are subject to audit and are therefore produced to satisfy the requirements under MIFIDPRU 8. As per MIFIDPRU 8.1.7R, the Firm makes these disclosures on an individual basis.

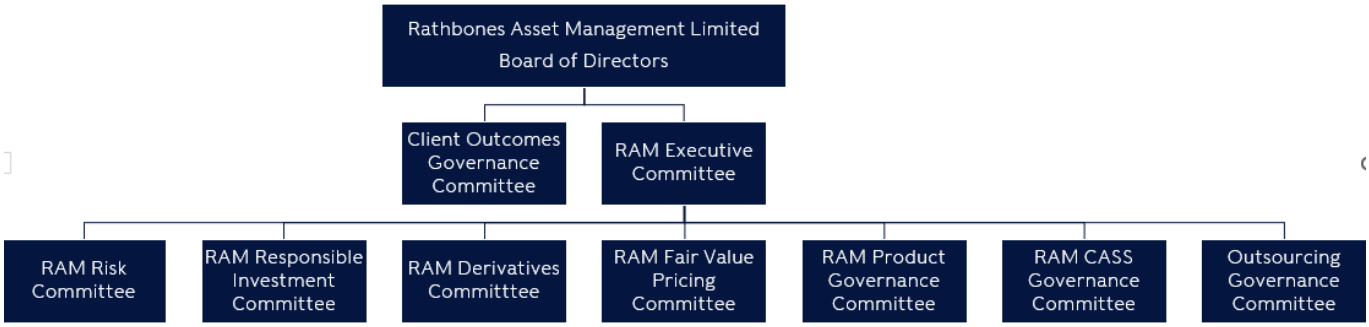
The disclosures made in this document are commensurate to RAM's size, internal organisation and to the nature, scope and complexity of its activities. These disclosures are made annually on the date that RAM's financial statements are made public.

Governance arrangements

Governance structure

RAM is a wholly owned subsidiary of Rathbones Group Plc regulated by the FCA. RAM is not a member of an investment firm group for MIFIDPRU purposes.

RAM has established a governance structure to review, challenge and provide oversight of its risk management as seen below:



The RAM Board has overall responsibility for governance arrangements that ensure the effective and prudent management of the firm, including the segregation of duties and the prevention of conflicts of interest, in a manner that promotes market integrity and protects clients' interests. RAM maintains a conflicts of interest policy that applies to all employees and is designed to identify, prevent and manage conflicts of interest, while also setting out the arrangements for documenting potential conflicts. The policy is intended to ensure that employees act with integrity and with due skill, care and diligence, in accordance with their regulatory obligations and the group's approach to conduct risk. A register of all external directorships held by staff is also maintained.

RAM Board

The members of the RAM board are:

Name	Position	SMF	External directorships
Jayne Rogers	Group chief distribution officer Executive chair	SMF 3 SMF 9	None
Tom Carroll	RAM chief executive officer	SMF 1 SMF 3	None
Julian Ide	Non-executive director	-	None
Jacqueline Lowe	Non-executive director	-	4 external non-executive directorships

The RAM board meets at least four times a year and otherwise as required.

The RAM board has responsibility for the company's overall performance, strategic direction, and accountability for risk management, including risks inherent within the business and longer-term risks to sustainability. It is responsible for the embedding of an appropriate governance framework, including approval of the entity's risk appetite and embedding both a culture and commitment to managing risk.

Matters reserved for the RAM board include (but are not limited to):

- approval of the strategy to be adopted to meet the firm's aims and objectives;
- consideration of reports on Consumer Duty and in particular that the firm is delivering good outcomes to retail customers;
- approval of the launch of new products or services;

- review of the compliance monitoring programme, conflicts of interest report and money laundering report;
- review of the six-monthly report on outsourced service providers;
- approve distribution to shareholders by way of dividend or otherwise;
- review the annual auditor's letters to the FCA regarding client assets;
- review of changes to the remuneration policy; and
- approval of annual value for money statements for each fund as required by regulation.

Standing agenda items include (but are not limited to):

- chief executive officer update on the business;
- diversity, inclusion & equality update by the people function;
- investment & performance risk and fund performance report;
- sales & distribution report;
- product governance & special projects update;
- finance report, including actual and forecast results, regulatory capital & liquidity;
- compliance report, including regulatory updates, complaints and compliance monitoring;
- risk report, including risk appetites, risk register, risk event summary and control issues;
- operations update, including CASS summary, breaches, outsourcing governance and project updates;
- annual internal audit report; and
- annual MLRO report.

RAM Executive Committee

The RAM executive committee meets monthly and otherwise as required.

The RAM board constituted the RAM executive committee to consider operational issues relating to RAM as follows:

- personnel and recruitment;
- systems and procedures;
- investment management operations;
- IT-related issues;
- investment process;
- remuneration policy;
- finance;
- capital expenditure;
- controlled revenue expenditure;
- regulation and compliance;
- marketing and business development;
- relationship with fund trustee and administrator;
- risk management; and
- ensuring customers are receiving good outcomes through the lens of Consumer Duty.

RAM's chief executive officer shall report formally to the RAM board and Group's Executive Committee (GEC) on its proceedings after each meeting. The report shall include the significant issues that it considered.

The RAM executive committee actively communicates with the following committees in regard to (but not restricted to) the following matters:

RAM Responsible Investment Committee ('RIC')

Obtain better understanding of investments and their changes.

Outsourcing Governance Committee

Discuss any areas arising as a result of employing third party supplier of services.

RAM CASS Governance Committee ('RCC')

To discuss CASS related events and submissions.

RAM Derivatives Committee ('RDC')

To ensure adequate control and risk levels are maintained.

RAM Fair Value Pricing Committee ('RFVP')

Meets quarterly, and also when markets are considered to be disorderly, where specific international markets are closed due to bank holidays, or in instances when systemic failures occur, such as at the London Stock Exchange, which result in reliable pricing becoming unavailable.

RAM Product Governance Committee ('RPGC')

Responsible for ensuring RAM's funds are designed, established and managed with underlying investors' interests at their core and in accordance with relevant regulations.

Client Outcomes Committee

The RAM Client Outcomes Governance Committee meets at least four time a year and otherwise as required.

The RAM board constituted the Client Outcomes Governance Committee to execute strategy, set policy and oversee implementation and risk management for RAM's activities affecting client outcomes. This includes, but is not limited to:

- Oversight of the annual assessment of value (AoV) and consumer duty activities
- Oversight of the effectiveness of product governance and associated risk management relevant to consumer outcomes
- Horizon scanning for risks that could impact client outcomes.

RAM Risk Committee

RAM is not classified as a significant non-SNI firm and therefore, in accordance with the rules in MIFIDPRU 7.1.4, it is not required to establish an independent risk committee with non-executive members drawn from the management body.

Notwithstanding this, the RAM board has constituted an executive risk committee with responsibility for ensuring the effective management of investment, operational, regulatory and conduct risk throughout RAM, in support of its stated business strategy and in line with the risk appetite approved by the RAM board.

Duties of the committee include (but are not limited to):

- supporting RAM senior management in ensuring investment, operational, regulatory and conduct risk management, including appropriate culture, is embedded across the Rathbones group;

- reviewing, and recommending to the RAM board, the RAM risk management policy and other policies for investment, regulation, conduct and operational risk, monitoring outcomes against the policies and determining action where necessary;
- advising the RAM board on the firm's risk appetite for the four areas of risk above, monitoring the business' activities in this regard;
- assessing the conduct and operational risks that may arise to clients and the firm from future strategic and business change initiatives and ensure appropriate management action is in place; and
- reviewing the RAM risk register, watch list and business risk assessments, evaluate for appropriateness and make recommendations on the risk profile assessments where appropriate.

The committee meets at least quarterly and has the responsibility for ensuring the effective management of investment, operational, regulatory and conduct risk and otherwise as required.

The committee reports up to the RAM executive committee, and onwards to the RAM board as required, on any matters arising.

Other group committees interacting with RAM's governance bodies include:

Rathbones Group PLC Board

The Plc board's primary role is to provide effective leadership and direction for the group as a whole and to ensure that the group is appropriately managed, delivers long-term shareholder value and contributes to wider society. It establishes the group's purpose and strategic objectives, and on an ongoing basis monitors management's performance against those objectives.

The Plc board also supervises the group's operations, with the aim of ensuring that it maintains a framework of prudent and effective controls which enables risks to be properly assessed and appropriately managed.

Further information on these considerations can be found in the strategic report of the group's annual report which can be found on Companies House.

Group Risk Committee ('GRC')

The Group Risk Committee is chaired by a non-executive director of Rathbones Group Plc and assists the Plc board to discharge its responsibilities for risk management across the group. Specific activities include oversight and challenge of risk management activities by the executive and senior management and overall effectiveness of the risk management framework ('RMF') including the risk appetite framework.

Membership of the committee comprises three other independent non-executive directors, with other parties attending by invitation when required. The GRC meets at least four times a year.

Group Executive Committee ('GEC')

The Group Executive Committee is chaired by the chief executive officer of Rathbones Group Plc, who is supported by the senior management team. The key role of the GEC is day-to-day management of the Rathbones group. The committee actively reviews and assesses business performance supported by a range of committees that operate across the group. Whilst not a member of the GEC, the CEO of RAM attends meetings and reports into the committee on RAM activities.

Group Executive Risk Committee ('ERC')

The Group Executive Risk Committee supports the risk management responsibilities of the GEC and risk oversight responsibilities of the GRC to ensure that non-financial risks, including operational and conduct risk management are fully embedded across the group.

The ERC oversees the group's risk culture, adherence to risk appetite, identifying emerging risks and ensuring appropriate risk management activities, as well as monitoring implementation.

The ERC meets at least ten times a year and otherwise as required. The full remit of the committee is detailed within its current terms of reference which are subject to annual review and approval by the GEC.

The CEO of RAM is a member of the ERC and reports into the committee on RAM activities.

Group Audit Committee

The Audit Committee's key role is to ensure there is confidence in the integrity of the group's processes and procedures as they relate to internal financial controls and corporate reporting. The Plc board relies on the committee to review financial reporting and to appoint and oversee the work of the internal and external auditors. Group's Audit Committee, which is comprised of, and chaired by independent non-executive directors.

Group Remuneration Committee

RAM is not classified as a significant non-SNI firm and therefore, in accordance with the rules in MIFIDPRU 7.1.4, it is not required to establish an independent remuneration committee. Responsibilities of a remuneration committee are borne by the Group's Remuneration Committee, which is comprised of, and chaired by independent non-executive directors.

The Group Remuneration Committee's responsibilities are to determine and set the remuneration philosophy, ensuring that it is aligned with the business plans and risk appetite, approve the remuneration policy for executive directors for final approval by shareholders and make remuneration decisions within the policy, approve total annual remuneration for executive directors based on achievement against objectives set by the committee and review total remuneration for executive committee members, material risk takers and other senior control function colleagues.

Group Nomination Committee

RAM is not classified as a significant non-SNI firm and therefore, in accordance with the rules in MIFIDPRU 7.1.4, it is not required to establish an independent nomination committee. Responsibilities of a nomination committee are borne by the Group's Nomination Committee, which is comprised of, and chaired by independent non-executive directors.

Inclusion and Diversity

The Group's diversity and inclusion strategy outlines the priority areas of focus, which are currently:

- To build a culture of inclusion where colleagues feel safe, respected and where they belong–
- To increase ethnic minority representation, recognising the need to accelerate progress in this area –
- To maintain our commitment to increase female representation and close the gender pay gap.

The Rathbones group are signatories to the Women in Finance Charter and as of September 2025 reached 36.2% female representation in senior management at group level compared to 30.8% female representation in 2024. We have exceeded our target early and are in the process of resetting our target in September 2026.

At group board level, as at the end of 2025, we had four female directors out of nine, meeting the commitment of female board representation for FTSE350 companies set by the FTSE Women Leaders initiative.

At RAM board level, as at the end of 2025, RAM had 50% female representation on the board, and 36% female representation on the executive committee.

The Group also meet the requirements of the Parker review with one director from a minority ethnic background.

Details of inclusion and diversity at Group's Board and Executive committees can be found on page 89 of the 2025 Annual report and accounts.

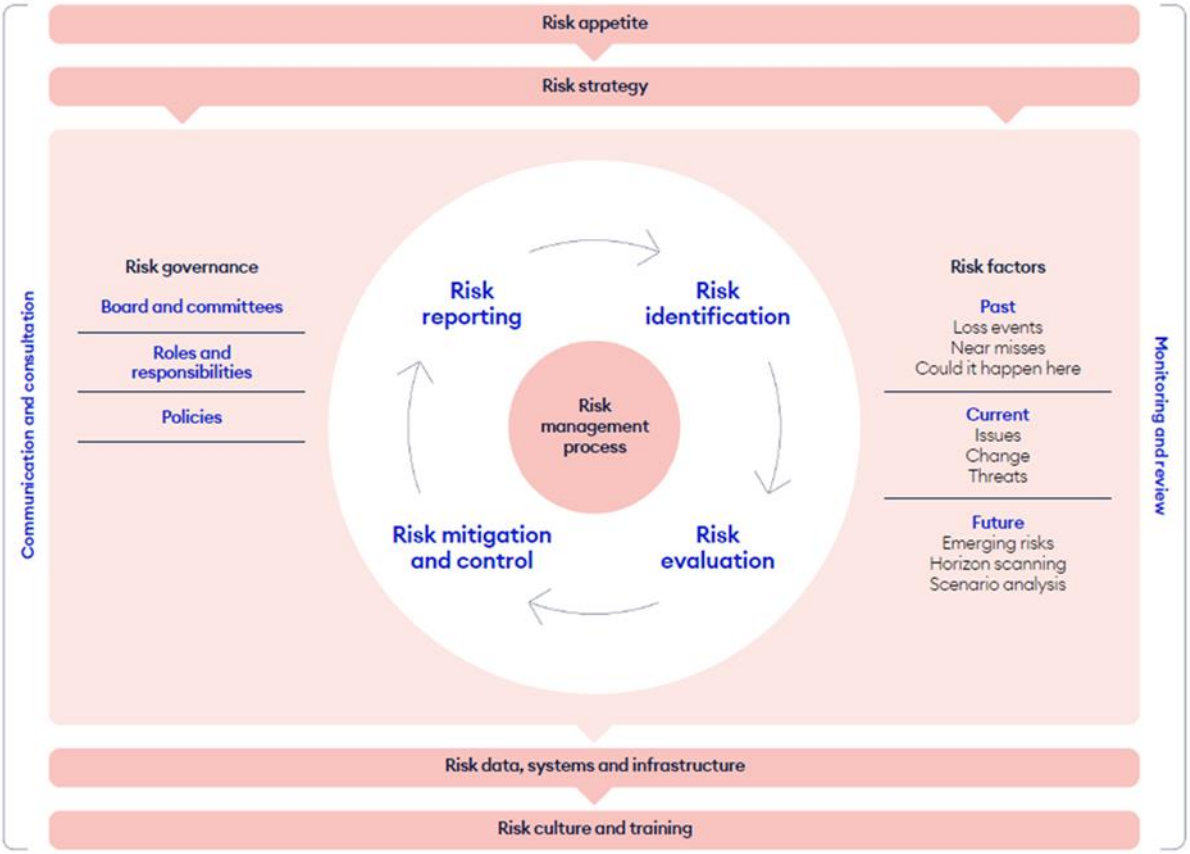
Risk Management

The Rathbones group has an established risk management and control framework. As a subsidiary within the group, RAM adopts and aligns to this framework. For further information on the risk management and control framework please refer to the Rathbones Group Plc 2025 annual report and accounts, from page 57. These are not repeated here but relevant extracts have been included. The group risk management framework is underpinned by the group Risk Management Policy, which illustrates the key components of the framework as well as the high-level roles and responsibilities for the management of risk, control and assurance. RAM has its own Risk Management policy which is subordinate to the group policy and does not conflict with its requirements. The RAM Risk Management policy illustrates the key types of risk for RAM and captures how those are managed as well as key roles and responsibilities. The policy also reflects the RAM Risk governance structure.

Managing risk

The group board has overall responsibility for risk management across the group, regularly assessing the most significant risks and emerging threats to the group's strategy. The board delegates oversight of risk management activities to the group risk and audit committees.

Our risk governance and risk management framework support the group chief executive and group executive committee members with their day-to-day responsibility for managing risk.



Risk culture

The risk culture embedded across the group enhances the effectiveness of risk management and decision-making. The group board promotes a strong risk culture, reinforced by our executive and senior management team, which encourages appropriate behaviours and collaboration on managing risk across the group.

Risk management is an integral part of everyone's day-to-day responsibilities and activities; it is linked to performance and development, as well as to the group's remuneration and reward schemes. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

Risk governance and three lines of defence

We operate a three lines of defence model to support risk governance and risk management across the group.



Risk appetite

The RAM board approves the firm's risk appetite statement and framework at least annually, based on recommendations from the RAM risk committee, to ensure it remains consistent with our strategic objectives and prudential responsibilities.

Specific risk appetite statements are set, and measures established for, each principal risk. The risk appetite framework supports strategic decision-making, as well as providing a mechanism to monitor our risk exposures.

The position against our risk appetite statements and measures is assessed and reported on a regular basis to the executive risk committee, group risk committee and the group board.

The Group's risk appetite is purposefully differentiated across business, financial and non-financial risk categories, reflecting a willingness to accept proportionate levels of business and financial risk where this supports strategic growth objectives, while maintaining a very low to no appetite for conduct, regulatory and operational risks that could undermine client outcomes, resilience or the delivery of the group's strategy. In light of current economic conditions and the evolving regulatory landscape within the sector, the Board maintains a low overall risk appetite in line with our strategy. The risk appetite framework determines the following escalation requirements.

- **Key risk indicator trigger:** A breach will require management action with progress monitored by the GEC.
- **Risk appetite:** A breach will trigger management action to revert within appetite in an agreed reasonable timeframe, with progress monitored by the RAM board and reported to group board.
- **Risk tolerance:** A breach would require immediate intervention, overseen by the RAM and group board and reported to the , to rapid conclusion.
- **Risk capacity:** A matter of corporate survival, a breach will trigger invocation of the group's recovery plan.

Outside of the escalation requirements above, if the matter has a material impact on reputation of the group, then it will be escalated to the group chief executive officer and group board through the group risk committee.

Risk management process

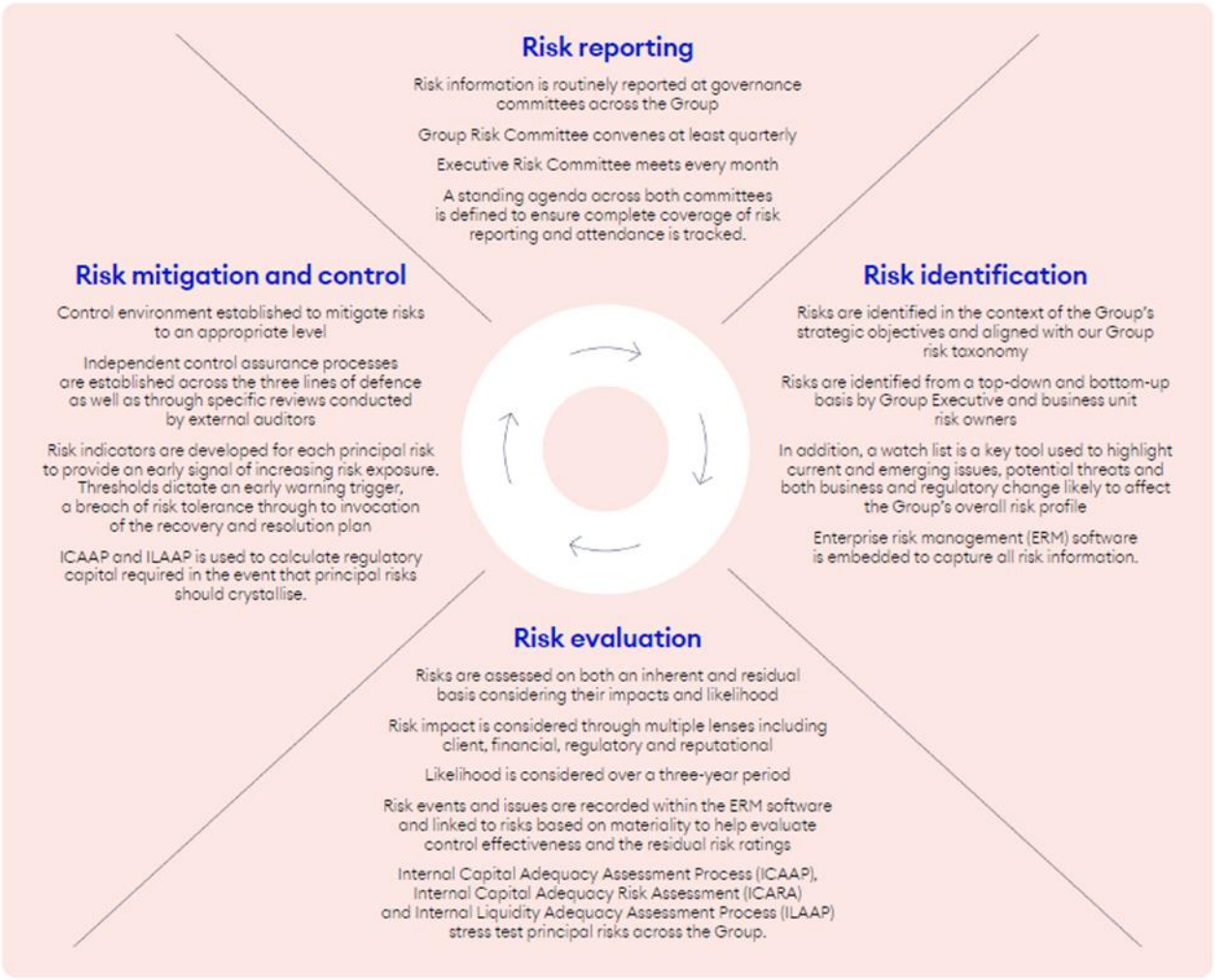
Our risk management process is a defined approach to identify, assess and respond to risks that could affect delivery of strategic objectives and annual business plans. The board, executive and senior management are actively involved in this process.

Risks are identified within a three-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria, which include consideration of the internal control environment and/or insurance mitigation.

We maintain a watch list to identify and evaluate current issues and emerging risks as a result of business development or changes in the regulatory landscape, as well as threats and issues in the wider external environment. This helps inform the view of the firm's current and longer-term risk profile and influences management's decisions and actions.

Stress tests are undertaken to include consideration of the impact of a number of severe but plausible events that could impact the business. This work takes account of the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or likelihood of the underlying risks materialising.

The group's risk profile, risk register, watch list and stress tests are regularly reviewed and challenged by the group executive, senior management, group risk committee and the group board.



Principal risks and uncertainties

Strategic risk

The firm's governing body has reviewed and approved the firm's business strategy in conjunction with the outcomes of its Internal Capital Adequacy and Risk Assessment (ICARA) process. In doing so, it has considered the potential for harm that could arise to clients, markets and the firm from the execution of the strategy, including under both ongoing and stressed conditions. The ICARA process identifies material sources of harm inherent in the firm's business model, including risks arising from the nature and concentration of its activities, dependency on key revenue streams, counterparties and service providers, and the potential for operational disruption or disorderly wind down. These harms have been assessed with reference to their likelihood and potential impact, including where they could result in client detriment, market disruption, or financial loss to the firm.

The governing body uses the outputs of the ICARA to ensure that the firm's strategy is aligned with its risk appetite, and that adequate financial resources (own funds and liquid assets) and non-financial resources are maintained to mitigate identified harms. This includes ensuring that the firm can operate within its defined risk tolerance and, where necessary, execute an orderly wind down without causing undue harm to clients or markets. The governing body keeps the strategy and associated harms under ongoing review, taking into account changes in the firm's operating environment, and ensures that the firm's risk management framework, controls and governance arrangements remain appropriate to support the delivery of the strategy in a manner consistent with consumer protection and market integrity.

Own Funds risk

Own funds are a measure of the firm's financial resources, after allowing for its liabilities. The level of own funds is important as they must meet certain threshold levels set out in the regulations and the FCA's rules. These threshold levels reflect, amongst other factors, the potential harm that might be incurred by a firm's

clients, the firm itself and the markets in which they operate, for example significant market downturns or defaults by key counterparties.

Credit risk

The firm takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, through its trading activities. The principal sources of credit risk arise from depositing funds with banks and through settlement of trades in securities.

In line with the group's credit risk management policy, the firm only places funds with high quality financial institutions. Balances placed with an authorised deposit taking fellow subsidiary are also subject to the group's credit risk management policy. Investments are spread, to the extent judged appropriate, to avoid excess exposure to any individual counterparty.

For the purposes of financial reporting, the firm categorises its exposures based on the long-term ratings awarded to counterparties by Fitch Ratings Ltd ("Fitch") or Moody's Corporation ("Moody's").

The firm is also exposed to credit risk on trade and other receivables. Trade and other receivables primarily relate to settlement balances; amounts placed with fellow group undertakings and accrued income balances that relate to management fees receivable. No impairment losses on financial assets were recognised in profit or loss in the year.

Concentration risk

RAM does not have a trading book and does not hold permissions to hold client assets nor client money in the course of MIFID business. Concentration risk therefore only applies in relation to firm cash and income.

Extract from the Rathbones Asset Management Limited 31 December 2025 annual report & accounts

The firm has counterparty concentration risk within its balances at banks and investments in that exposure is to a number of similar credit institutions. The board of directors monitors the selection of banking institutions that the firm deals with and the total amount placed with each counterparty.

Liquidity risk

Liquidity risk is the risk that the firm will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquid investment balances are monitored on a daily basis against the liquidity limits set by the RAM board. Liquidity risk is primarily managed by holding cash and marketable instruments which are realisable at short notice. The firm follows the group policy which imposes a strict set of criteria for counterparties to ensure that investments are liquid and are with high quality counterparties, defined as those who have been awarded a long-term rating of A' or above by Fitch or equivalent by Moody's.

The firm does not rely on external funding for its activities.

Extract from the Rathbones Asset Management Limited 31 December 2025 annual report & accounts identifying the following principal risks:

Market risk

Income is dependent on market levels and conditions. Operating income is generally a fixed proportion of the value of funds under management, calculated on a daily basis, and is consequently highly correlated with the value of the underlying investments held by the funds. Funds' investments are actively managed, in accordance with their investment mandates, in response to actual and anticipated changes in asset valuations. The Company manages the cost base to maximise the proportion of expenditure that is variable and correlated with income.

Competition risk

The Company operates in a competitive market and therefore there is a risk of loss of existing investors or failure to attract investment of additional funds due to poor performance or service, failure to respond to changes in the marketplace, inadequate investment in marketing or distribution or loss of investment professionals.

To mitigate this risk, the Company continuously monitors developments in the marketplace in which it operates and invests in enhancing or broadening the services offered where it believes it will contribute to

growth in earnings. It also continues to invest in its people and resources required to ensure that the investment process remains robust, flexible and capable of meeting a variety of needs and to maintain and develop distribution channels.

The Company seeks to attract and retain high quality staff and ensure that remuneration packages remain appropriate and support their training and development needs as well as review regularly, and update, if necessary, contracts of employment for fee earning staff.

Reputational risk

The Company has a reputation as a high-quality provider of unit trust management services. There is a risk that significant damage to reputation could lead to loss of existing clients and failure to gain new clients which would lead to financial loss. Reputational risk could arise for a wide variety of reasons including poor performance or service and regulatory censure, which would be likely to lead to negative publicity.

This risk is mitigated by our continuing emphasis on compliance with all relevant regulation and statutes, in particular the Training and Competence regime of the FCA and preserving and building on our established culture of seeking the highest possible professional and ethical standards.

Regulatory risk

The financial services sector in which the Company operates is heavily regulated. Failure to comply with regulatory requirements could lead to fines or other disciplinary action. There is also a risk that changes in, or additional regulation could adversely affect profitability.

The Company monitors changes in regulation to assess the impact any changes may have on the business and plan to ensure it has sufficient resource to implement those changes.

Outsourcing risk

The Company outsources transfer agency and fund accounting services to third-party providers and, therefore, there is a risk of the providers failing to provide or perform outsourced services to the standards expected by the Company. This could impact the Company's ability to deliver its core services.

To mitigate this risk, the Company regularly monitors the third-party providers to assess the likelihood that they might fail to provide the required level of service. This is achieved through active relationship management, including regular service review meetings, service level agreements, monitoring of key performance indicators and compliance monitoring.

People risk

Fund performance is dependent on highly specialised teams to provide investment management expertise in managing our funds. There is a risk that the departure of key members of the fund management team could result in a deterioration in investment performance.

This risk is mitigated by careful succession planning for senior investment staff and the use of long-term incentives in the profit share scheme, which provide for appropriate levels of deferred remuneration.

Own funds, capital adequacy and total funds requirement

Composition of regulatory own funds (MIFIDPRU 8.4)

RAM's Own Funds comprise exclusively of Common Equity Tier 1 capital ("CET1") the highest-ranking form of capital comprising fully issued ordinary shares, share premium and audited retained earnings in accordance with the criteria for Tier 1 capital instruments laid out in MIFIDPRU 3.3.6 R.

Deductions from CET1 are in the form of deferred tax assets.

Template OF1 - Composition of regulatory own funds (£000s).

	Item	Amount	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**Own Funds**	**28,601**	
2	**Tier 1 Capital**	**28,601**	
3	**Common Equity Tier 1 Capital**	**28,601**	
4	Fully paid-up capital instruments	202	Note 17
5	Share premium	-	
6	Retained earnings*	33,358	Balance sheet page 15
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	(4,960)	Note 11
19	CET1: Other capital elements, deductions and adjustments	-	
20	**Additional Tier 1 Capital**	**-**	
25	**Tier 2 Capital**	**-**	

Note: The rows omitted in this table have nil values and therefore have been removed.

*The difference in retained earnings per the balance sheet of the audited financial statements and those included within own funds are the retained profits for the financial year ended 31 December 2025. The current year retained profits are not eligible to form part of own funds until audited which occurs within 3 months of year-end.

A description of the main features of CET1 instruments is included in table OF3.

Composition of regulatory own funds (MIFIDPRU 8.4)

The table below describes the reconciliation with Own Funds in the balance sheet as at 31 December 2025, where assets and liabilities have been identified by their respective classes. The information in the table reflects the balance sheet in the audited financial statements.

OF2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (£000s)

		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	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
Non-current assets				
1	Investment in subsidiary	4		
2	Deferred tax asset	4,960		11
Current assets				
3	Trade and other receivables	54,273		
4	Cash at bank and in hand	62,759		
	Total Assets	**121,996**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Trade and other payables	85,187		
	Total Liabilities	**85,187**		
	Net assets	**36,809**		
Shareholders' Equity				
1	Ordinary shares	202		4
2	Retained earnings	36,607		6
	Total Shareholders' equity	**36,809**		

Key features of own instruments issued by RAM

The table below provides information on the CET1 instruments issued by the Firm. There were no changes during the financial year.

OF3 – Main features of Own Instruments issued by RAM

Issuer	Rathbones Asset Management Limited
Unique identifier (Companies' House number)	02376568
Public or private placement	Private
Governing law(s) of the instrument	England & Wales
Contractual recognition of write down and conversion powers of resolution authorities	Yes
Regulatory Classification	Common Equity Tier 1
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo
Instrument type (types to be specified by each jurisdiction)	Ordinary shares (UK)
Amount recognised in regulatory capital or eligible liabilities (Currency in thousands, as of most recent reporting date)	£202
Nominal amount of instrument	202 thousand shares
Issue price	£1
Redemption price	n/a
Accounting classification	Shareholders' equity
Original date of issuance	26 April 1989
Perpetual or dated	Perpetual
Fixed or floating dividend/coupon	Floating
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
Existence of step up or other incentive to redeem	N/A
Noncumulative or cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible
Write-down features	N/A
Type of subordination (only for eligible liabilities)	Contractual
Ranking of the instrument in normal insolvency proceedings	Ranks behind all other forms of capital
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior Unsecured
Non-compliant transitioned features	N/A
If yes, specify non-compliant features	N/A

Own funds requirements (MIFIDPRU 8.5)

K-Factor Requirement and Fixed Overheads Requirement

The table below shows the K-Factor Requirement ("KFR"), broken down into three groupings and the amount of Fixed Overheads Requirement ("FOR") that are applicable to the Firm.

OF4 – KFR and FOR

Item		Amount (GBP thousands)
K-Factors	K-AUM, K-CMH, and K-ASA [1]	155
	K-DTF and K-COH	n/a
	K-NPR, K-CMG, K-TCD and K-CON	n/a
Fixed Overheads Requirement (''FOR'')		9,684

(1) As per the FCA requirements, RAM is only required to calculate its K-AUM factor.

In accordance with MIFIDPRU, RAM undertakes an internal capital adequacy and risk assessment process ('ICARA') to evidence compliance with the overall financial adequacy rule as defined in MIFIDPRU 7.4.7R.

The ICARA process is linked to our overall risk management, business planning and capital management, with each of these components informing the others. Formal capital planning takes place annually, together with the firm's financial forecasting process. The ICARA process allows us to determine our own funds threshold requirement and liquid assets threshold requirement and therefore determine how we meet our threshold conditions.

Our ICARA document includes the key conclusions and principles of our process:

- we consider and account for the risk of harm posed to consumers, the firm and markets and the safety and soundness of the firm's own current financial position and its ability to withstand plausible stressed conditions;
- the findings of our analysis include the amount of capital and liquidity we consider should be held and confirmation that RAM has adequate financial resources for its size and the complexity of its business;
- we provide an overview of our risk management framework and governance structures;
- we identify our material risks and determine whether these risks are within our risk appetite;
- we assess the adequacy of our risk management process and governance process;
- we review our capital planning and stress testing process;
- we describe our business model, strategic planning and earnings forecasts;
- we produce a credible recovery and cost wind down plan;
- we provide a description of the review, challenge and approval process of the ICARA.

The rules in MIFIDPRU 7.6.10A require an assessment of the own funds requirements under the different FCA Handbooks which apply to the firm. RAM is regulated under the MIFIDPRU, IPRU-INV Chapter 11 and FUND Handbooks. For the purposes of minimum own funds assessment, we therefore apply the most stringent of these tests.

The ICARA is reviewed, challenged and approved by the Board of RAM at least annually or more frequently should there be a material change in business structure, strategy, risk profile or activities carried on by RAM.

Remuneration

Remuneration policy

The remuneration section from page 30 of the Rathbones Group plc 2025 annual Pillar 3 disclosures provides an overview of the 2025 remuneration system and link between pay and performance.

The remuneration committee report on pages 98 of the 2025 Rathbones group annual report and accounts includes details of the group directors' remuneration policy. The committee, which comprises the independent non-executive directors, met on four occasions during 2025. The remuneration committee was advised by PricewaterhouseCoopers ('PWC'), who provided external market data and advice on current best practice on remuneration policies and arrangements.

Characteristics of the Firm's Remuneration Policy and Practices

Our remuneration policy is agreed by the group board's remuneration committee. The policy provides a framework to attract, retain and reward employees to achieve the strategic and business objectives of the group within its risk appetite and risk management framework and to achieve good client outcomes.

Employee total reward typically comprised a salary and benefits including pension scheme, life assurance, private medical cover, and income protection insurance together with a number of bonus or profit-sharing arrangements. Salaries were set in the context of affordability, external market considerations as well as internal relativities and equal pay factors.

Fund managers and support staff within RAM participated in a profit-sharing scheme based on the profit earned by RAM. The individual profit share for each fund manager is also dependent on the level of investment performance (measured over one and three years) of the funds managed by the individual. Awards are allocated on a discretionary basis, taking individual performance and non-financial factors into consideration, with such awards being subject to a deferral mechanism, where appropriate.

Other employees within Rathbones were eligible for discretionary bonus awards which were based on both financial and non-financial criteria and individual performance.

Remuneration for senior staff in control functions is reviewed by the group remuneration committee.

The balance between fixed and variable remuneration was focused on ensuring that there remains an appropriate link between overall remuneration and performance. All awards are subject to Rathbones risk adjustment to variable remuneration policy.

As a non-significant non-SNI firm, RAM is not required to impose mandatory deferral to its variable remuneration. Deferral periods for variable remuneration for relevant staff are applied in accordance with SYSC 19B.

Company performance and profitability are key considerations in setting discretionary pools as well as risk and affordability considerations.

The firm recognises that remuneration arrangements could incentivise behaviours inconsistent with its obligations under Consumer Duty seeking to drive employee behaviours that balance good financial performance for the Firm and appropriate risk management of assets with good client outcomes. To mitigate this risk, RAM takes account of non-financial factors, including conduct, risk management and compliance with regulatory obligations, when determining variable remuneration, supported by the ex-ante and ex-post risk adjustment and performance adjustment mechanisms described in sections 5.5 and 5.6.

	Financial performance criteria	Non-Financial performance criteria
Firm	Overall variable bonus pool is determined by reference to adjusted earnings of the company. Pool for RAM portfolio management team is based on net management fee income.	
Individual	Individual share of variable bonus pool and LTI.	Personal performance, role and experience.

Material risk takers

The procedure used to identify material risk takers ('MRTs') complies with the SYSC 19.G part of the FCA handbook. MRTs fall within categories of SYSC 19G.5.3 R and 19G.5.5 G. Moreover, additional criteria have been applied where an individual is responsible for more than 5% of firm revenue.

During the year, the company recorded 20 MRTs.

It should be noted that some of these colleagues were also identified as MRTs of the Rathbones group and as such their details will have also been disclosed under the annual Pillar 3 remuneration disclosure.

Quantitative remuneration disclosure

For these purposes, 'staff' is defined broadly and includes directors and employees of the company.

	Fixed component of remuneration (£m)	Variable component of remuneration (£m)	Total remuneration (£m)
Senior Management	1.4	2.5	3.9
Other material risk takers	3.0	5.4	8.4
Other staff	6.0	6.2	12.2
Total remuneration (All staff)	10.4	14.1	24.5

Ex-ante and ex-post risk adjustments

Ex-ante risk adjustment amends remuneration for intrinsic risks that are inherent in our business activities. We may adjust overall bonus pools across all schemes to adjust for all types of current and future risks, both financial and non-financial such as:

- Reputation
- strategy and values
- effectiveness and operation of the risk and control environment

We reserve the right to adjust variable awards based on crystalised risk or adverse performance outcomes, including those relating to misconduct.

Ex post-risk adjustment can apply at the firm level, for example, if there has been a material misstatement (including any omission in the firm's financial statements), or if the firm is subject to a material adverse event (such as regulatory censure).

Performance adjustment

We will consider performance adjustment to variable compensation awards to reflect the risk and performance of the firm, business area or individual.

Awards can be adjusted (including, if appropriate, reducing to zero) on an individual basis in the following three ways:

- decrease current year award not yet granted
- malus – adjust unvested deferred award (either in the form of cash or shares)
- clawback – adjusted vested awards

Where conduct for any employee falls below the standard expected, an appropriate adjustment to variable remuneration at the individual level will be made.

Any adjustments on an individual basis will be advised to the individual as part of the performance review and annual review process, or at any other time when variable compensation is awarded and this has been subject to an adjustment.

Severance payments

Severance payments on the early termination of a contract are awarded at the absolute discretion of executive management and must reflect performance achieved over time, without rewarding failure. Any severance award is determined by reference to statutory requirements and company practice, taking into account length of service and the reason for termination. Awards are subject to caps and are applied consistently across the business.

Exceptional payments

There is no guaranteed variable remuneration.

The highest severance payment awarded to an MRT in the period was £195,741.

RATHBONES
ASSET MANAGEMENT