MIFIDPRU PUBLIC DISCLOSURE

SANTANDER ASSET MANAGEMENT UK LIMITED

Period Ending 31 December 2024

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1. Purpose and Background

Santander Asset Management UK Ltd ("SAM UK" or "Firm") is authorised and regulated by the Financial Conduct Authority ("FCA") and is classified as a Collective Portfolio Management Investment Firm ("CPMI"). SAM UK is an authorised fund manager under both the Alternative Investment Fund Management Directive ("AIFMD") and the UK Undertakings for Collective Investment in Transferable Securities Directive ("UK UCITS"). SAM UK also has permissions to conduct Markets in Financial Instruments Directive ("MiFID") activities and services. It provides investment management services and investment advice to professional clients.

As an authorised fund manager with MiFID permissions, SAM UK must maintain regulatory capital and liquidity in compliance with the Investment Firm Prudential Regulation ("IFPR") and the FCA's Prudential Sourcebook for MiFID Investment Firms ("MIFIDPRU").

Under these regulations, SAM UK is classified as a Non-Small Non-Interconnected ('non-SNI') MIFIDPRU firm, with a £75,000 minimum regulatory capital requirement.

2. Scope of Application

SAM UK is required to publish disclosures in accordance with provisions outlined in MIFIDPRU 8.

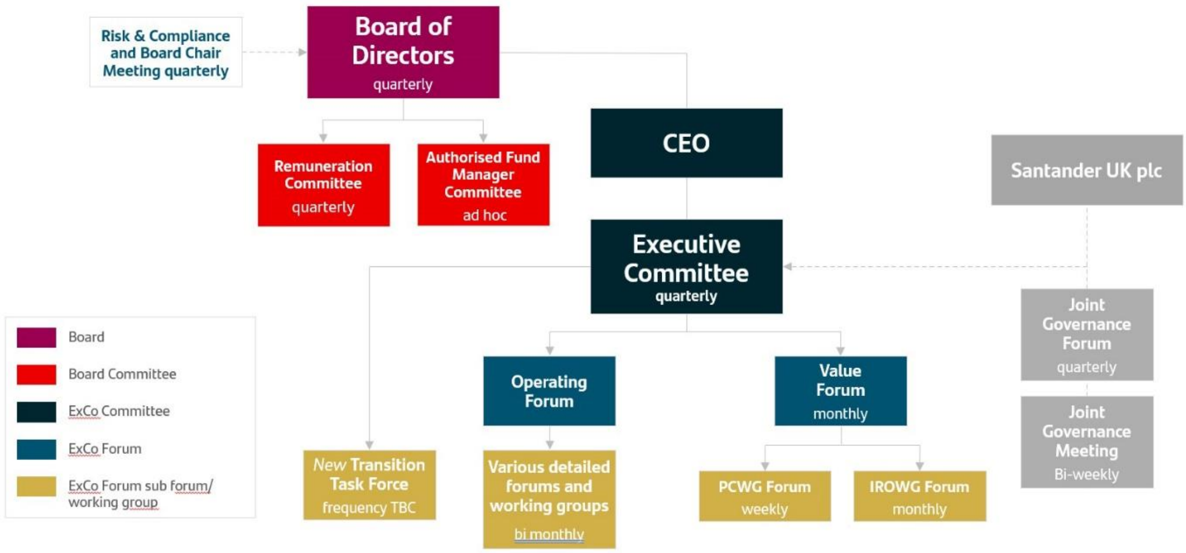
SAM UK publishes its MIFIDPRU public disclosure at least annually on its website. SAM UK will publish information more frequently if deemed necessary due to changes in the characteristics of the business including material changes in its overall financial adequacy or risk exposures.

This MIFIDPRU public disclosure is prepared on a solo entity basis and is proportionate to SAM UK's size and organisation, and to the nature, scope and complexity of its activities. This disclosure does not constitute audited financial statements and the information provided is unaudited.

SAM UK is permitted to omit certain information if it believes that it is immaterial such that the omission(s) would be unlikely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions about the Firm. In addition, SAM UK may omit information where it believes that it is proprietary or confidential.

3. Governance

SAM UK recognises the importance of strong governance and has established committees, forums and working groups to provide a clear framework for robust and transparent decision making and risk management. The governance structure at the time of publication is set out below.



3.1 Board of Directors

SAM UK's board of directors (the "Board") is collectively and ultimately responsible for the affairs and management of the Firm. The Board define the business model and strategy for the Firm, as well as the Firm's risk appetite. The Board is ultimately accountable for risk management and control, and the harms that can be caused to clients, the market and the Firm itself. Key responsibilities include approving the Firm's risk appetite, Enterprise Risk Management Framework ("ERMF"), internal capital and risk assessment ("ICARA") process and report and promoting a strong risk culture that effectively identifies, monitors and mitigates the risks the Firm faces.

SAM UK has a Board with a balanced composition that includes 2 independent non-executive directors ("INED"s).

Board members hold a limited number of directorships which is intended (among other things) to help avoid conflicts of interest. Board members are required to disclose any external executive and non-executive directorships. Board members who held external executive and or non-executive directorships in organisations which pursue predominantly non-commercial objectives (for example charitable organisations) or are part of the Santander Group are excluded from the below disclosure:

Name	Number of External Directorships as at 31 December 2024
Jocelyn Dehnert	2
Richard Royds	0

Lazaro de Lazaro	0
Miguel Angel Sanchez Lozano	0
Cassie Waller	0
Brian Odendaal	0

3.2 Executive Committee

The CEO is responsible for the day-to-day management of the Firm in accordance with the authority delegated by the Board. The CEO has established an executive committee under her delegated authority to help discharge key responsibilities including:

- Recommending strategic initiatives for the Firm in the development of its business, for approval by the Board.
- Recommendation of the annual budget and three-year strategic plan to the Board and, following approval, monitoring achievement of such plans.
- Optimising the allocation and adequacy of the Firm's resources.
- Formulation of the ERMF and risk appetite proposals for Board approval, following a recommendation from the Risk & Compliance function.
- Consider, recommend and oversee actions in respect of risk issues escalated by the Risk & Compliance function.

Although SAM UK is a non-SNI MIFIDPRU firm, the Firm qualifies for an exclusion that means it is not required to establish a risk committee.

3.3 Conflicts of Interest

Information on how SAM UK deals with conflicts of interest is set out in its Conflicts of Interest Policy (which can be found on the Firm's website) which is approved by the Board. The policy sets out both how SAM UK seeks to prevent conflicts and deal with them if they arise.

4. Diversity

SAM UK is committed to equality and diversity in accordance with the requirements of the Equality Act 2010. The Firm follows these practices for all recruitment processes:

- SAM UK seeks to recruit employees based on their ability and the requirements of the post.
- SAM UK commits to ensure that no applicant receives less favourable treatment than another on the grounds of gender, disability, race, sexual orientation, religion or belief (or the absence of religion or belief), age, pregnancy & maternity, gender identity or marital and civil partnership status.

SAM UK maintains an inclusive environment and promotes diversity across its employees and governance structure. Whilst the Firm reviews and assesses the composition and effectiveness of people, considering the benefits of all aspects of diversity, no formal targets are set.

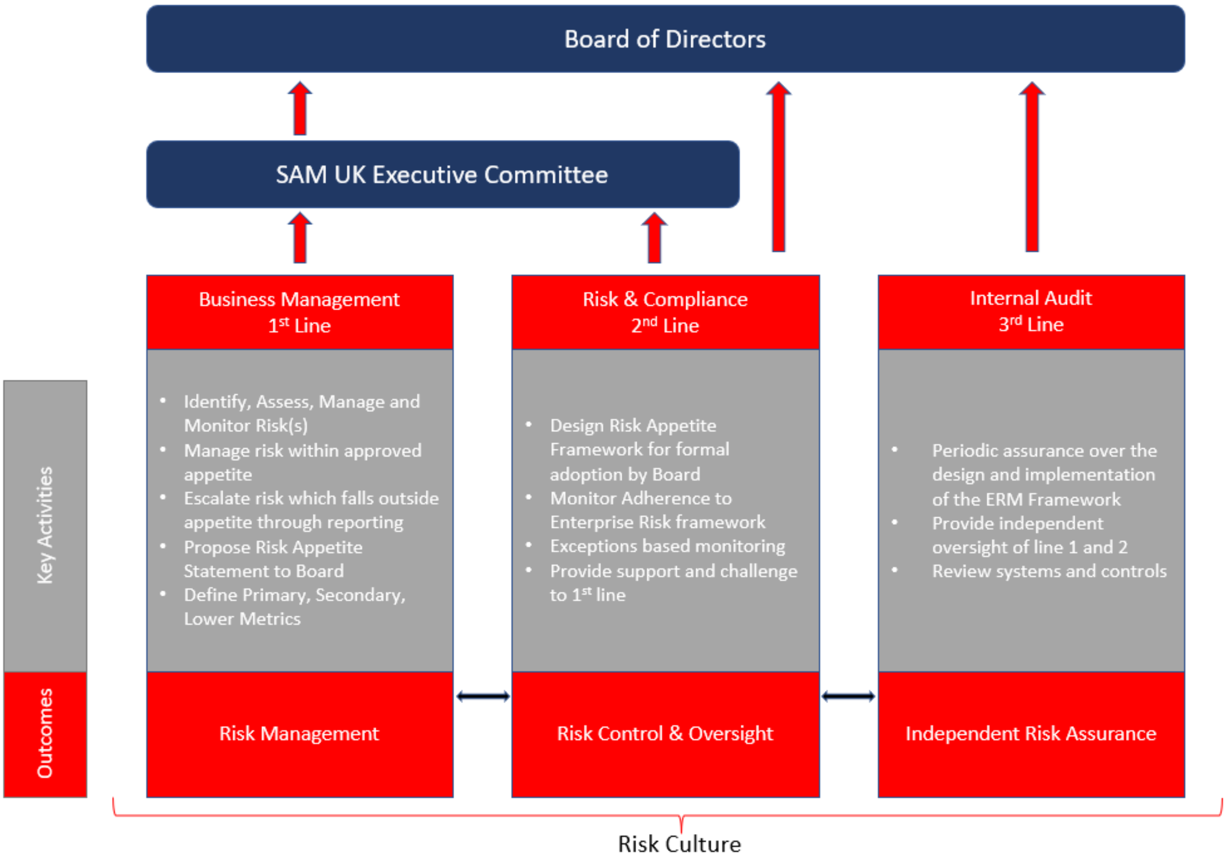
The Firm seeks to achieve higher standards than the minimum set out in legislation, and pro-actively encourages a culture that supports diversity and equal opportunity.

As part of that philosophy, the Firm believes that every employee has the right to be treated with respect and dignity throughout their employment with SAM UK and not to be discriminated against. The Firm has a zero-tolerance attitude to bullying, harassment or victimisation of any kind and takes reasonable steps to prevent this in the workplace.

5. Risk Management

5.1 Overview

SAM UK has a risk management framework structured in accordance with the three lines of defence with clearly defined and segregated duties responsibilities:



5.2 Risk Appetite

Risk appetite defines the types and level of risk that SAM UK is prepared to accept in pursuit of its strategic objectives. It is represented by statements and metrics that express SAM UK's exposure to its key risks under current and potential stressed conditions. This allows the Board and the senior management to:

- understand the risks embedded in the business strategy and SAM UK's resilience to withstand plausible stress scenarios; and
- adapt strategic and business plans to keep SAM UK's risk profile within agreed risk appetite levels.

For each relevant and applicable risk category, the risk appetite statement includes a description of the risk, the main sources of the risk within the SAM UK business, and the level of risk the Firm is prepared to accept in pursuit of its strategic objectives. The supporting Risk Appetite Framework details how the risk appetite statements are monitored and reported against approved thresholds.

At least annually, the Board review the Risk Appetite Statements and Framework, and the adequacy of the risk management arrangements of the Firm following the Risk and Control Self-Assessment(s) ("RCSA") performed by each business function.

5.3 Principal Risks and Mitigations

SAM UK takes a proactive approach to risk management, recognising the importance of understanding risks to the business, setting and monitoring risk appetite and implementing the systems and controls required to mitigate them. SAM UK has implemented a risk management approach and systems which are adequate and proportionate with regards to its profile and strategy and allow qualitative and quantitative measurements against key risk types.

SAM UK must operate an ICARA process on an ongoing basis to identify, monitor and, where proportionate, reduce all material potential harms from ongoing business, and consider whether the risk of material potential harms can be reduced through additional systems and controls or through holding additional capital resources. The Firm follows a bottom-up approach, reviewing the critical risks identified in the latest RCSAs, with senior management review and challenge of the resulting material harms identified from this assessment.

SAM UK does not engage in proprietary trading, underwriting, placing, clearing or settlement activities, hold significant on balance sheet exposures, have tied agents or provide safeguarding services or MiFID services to retail clients. SAM UK has a low-risk appetite towards conduct risk; prudential risk; reputational risk; legal, compliance and regulatory risk; financial crime risk; data and cyber security risk.

The Firm's assessment of harms is dynamic and forward-looking and seeks to consider the potential for harms to evolve through the course of an economic cycle. In carrying out this process the Firm has referred specifically to the FCA guidance on identifying and assessing the risk of harm. MIFIDPRU 8.2.1 R requires SAM UK to disclose its risk management objectives and policies for the categories of risk, including potential for harm associated with its business strategy and strategies and processes to manage the risk, addressed by: (1) MIFIDPRU 4 (Own funds requirements); (2) MIFIDPRU 5 (Concentration) and (3) MIFIDPRU 6 (Liquidity).

MIFIDPRU 4 Own Funds Requirement Risk

The level of own funds required to be held by the Firm reflects, amongst other factors, the potential harm that might be incurred by SAM UK, its clients, and the markets it operates in.

The likelihood of a risk crystallising, the financial impact if it materialises, and the systems and controls in place to mitigate these are reflected in the assessment of SAM UK's own funds and liquid assets. This assessment determines the minimum amount of own funds and liquid assets SAM UK must always hold. The analysis is refreshed as and when risks change, or new risks emerge from its business activities, and at least annually.

The assessment of capital requirement to mitigate the impact of ongoing harms is performed using a blended approach of quantitative modelling and scenario-based assessments. For each risk type SAM UK uses what it determines to be the most appropriate method from its blended approach to quantify any capital it needs to hold for ongoing harms.

MiFIDPRU 5 Concentration Risk

The Firm is required to monitor and control all sources of concentration risk. In accordance with the FCA guidance, the Firm has a concentration risk in relation to cash deposits. This is the risk that the Firm's cash deposits are held with a narrow range of credit institutions, leaving it exposed if one or more of them becomes insolvent. The Firm maintains instant-access cash accounts with two UK credit institutions with whom it has strong and well-established relationships, and which typically have a minimum Moody's or S&P rating of investment grade. The ratings of these financial institutions are monitored on an ongoing basis. The Firm considers this to reduce its cash deposit risk to an acceptable level.

MiFIDPRU 6 Liquidity Risk

This is the risk that SAM UK, although meeting the required level of own funds and liquid assets, either does not have sufficient resources available to meet its obligations when they fall due or can only secure them at an excessive cost. The majority of cash held by the Firm is in GBP in one or more UK bank accounts in the name of the Firm and is not encumbered (i.e., as a result of being subject to a security interest or some other legal restriction which affects the Firm's ability to liquidate, sell or transfer the assets).

The Firm therefore does not consider that it is materially exposed to any of the following material harms:

- currency conversion risk;
- restrictions on the Firm's ability to access the cash in a timely manner;
- mismatches between due and payable dates of its assets and its liabilities; or
- any requirements arising from off-balance sheet arrangements.

SAM UK does have intra-day obligations which could affect its ability to meet its payment and settlement obligations in a timely manner. This has been assessed in the Firm's ICARA and included in the Firm's ongoing harms assessment.

6. Overall Financial Adequacy

The Board regularly assesses the capital adequacy of the Firm with the aim of maintaining a level of capital that would meet both regulatory capital requirements and the working capital needs of the business. Under IFPR, SAM UK is required to hold sufficient capital at least equal to the 'Own Funds Requirement' and the 'Additional Own Funds Requirement'.

6.1 Own Funds

As at 31December 2024 SAM UK's own funds (capital resources) comprise exclusively Common Equity Tier 1 (CET 1) Capital

	Item	Amount (£k)	Source*
1	**OWN FUNDS**	**32,487**	
2	**TIER 1 CAPITAL**	**32,487**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**32,487**	
4	Fully paid up capital instruments	15,000	"Share Capital" Balance Sheet and Note 16
5	Share premium	-	
6	Retained earnings	17,982	Balance Sheet
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**	**(495)**	**Note 9 and Note 11**
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		

* Source based on reference numbers/letters of the balance sheet in the audited financial statements

Note above figures are rounded

A description of the main features and terms and conditions of Tier 1 capital is contained in the audited financial statements.

The common equity tier 1 instruments issued by the Firm consist of 15,000,000 ordinary shares with a nominal value of £1 each. There is a single class of ordinary shares. SAM UK is a wholly owned subsidiary which makes dividend payments to its parent, SAM Investment Holdings S.L. However, in the event of an anticipated shortage of capital at SAM UK, there are no impediments to prevent re-capitalisation from the parent entity.

There is no current or foreseen material, practical or legal impediment to the prompt transfer of capital resources or repayment of liabilities between SAM UK and its parent, subject to local regulatory and tax requirements being met.

6.2 Reconciliation of Regulatory Own Funds to Balance Sheet in Audited Financial Statements

The table below describes the reconciliation with own funds in the balance sheet as at 31 December 2024 (audited), where assets and liabilities have been identified by their respective classes:

	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to table in 6.1
	As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
Intangible Assets	86		Item 11
Property Plant and Equipment	51		
Deferred Tax Asset	409		Item 11
Financial Assets at Fair Value through the P&L	145		
Trade and other Receivables	8,311		
Cash and Cash Equivalents	45,177		
Total Assets	**54,179**		
Liabilities - Breakdown by liability classes according to balance sheet in audited financial statements			
Trade and Other Payables	20,430		
Corporation Tax	766		
Total Liabilities	**21,197**		
Shareholders' Equity			
Share Capital	15,000		Item 4
Retained Earnings	17,982		Item 6
Total Shareholders' equity	**32,982**		

Note above figures are rounded

6.3 Own Funds Requirement

As a non-SNI firm, SAM UK has to comply with the provisions contained within MIFIDPRU 4.3.2R by holding the highest of:

1) Its permanent minimum capital requirement (per MIFIDPRU 4.4);

2) Its fixed overhead requirement (FOR) (per MIFIDPRU 4.5); or

3) Its K-factor requirement (per MIFIDPRU 4.6).

The only K-factor relevant to SAM UK's activities is K-AUM. SAM UK does not expect the other K-Factors to be relevant to its calculations given the Firm's permissions and activities.

As at 31 December 2024 own funds requirements were:

Higher of	£'000
a. Permanent minimum capital requirement	75
b. Fixed Overhead Requirement	5,024
c. K Factor Requirement	430
Basic Own Funds Requirement (MiFIDPRU)	**5,024**

Note above figures are rounded
This disclosure is limited to MiFIDPRU requirements and excludes its CPMI requirements.

6.4 ICARA and assessing overall financial adequacy of own funds

The Firm is further required to disclose its approach to assessing the adequacy of its own funds in accordance with Overall Financial Adequacy rule ("OFAR").

Additionally, the rules to determine the level of the Own Funds Threshold Requirement ("OFTR") and the Liquid Assets Threshold Requirement ("LATR") mandate that additional amounts may have to be held in the event they are needed to support an orderly wind down, and to reflect the assessment of harms that relate to SAM UK.

This is achieved via the ICARA process, which is the core risk management process for FCA investment firms. The ICARA process is a continuous assessment of the harm a firm may pose to clients and markets as part of its ongoing business and during wind-down.

SAM UK reviews the adequacy of the ICARA process at least once every 12 months and following any material change in the Firm's business or operating model. The ICARA process document and associated external disclosures have been reviewed and approved by Board and has had senior management input. The foundation for the ICARA process is built upon SAM UK's existing ERM and budgeting processes and therefore is integrated into the Firm's procedures.

The risk of some material harms can be reduced through proportionate measures other than holding additional financial resources, for example enhancing processes, systems and controls and governance and oversight processes. However, for other harms identified, it may be that the only realistic option to manage a specific material harm and to evidence compliance with the OFAR is for the Firm to hold additional own funds and/or additional liquid assets above its Basic Own Funds Requirement and Basic Liquid Assets Requirement ("BLAR").

SAM UK's ICARA process has therefore made an assessment about what is appropriate and proportionate informed by its risk appetite. OFTR is the higher figure required under the two assessments, namely risk of harm from ongoing operations and risk of harm from wind-down. The latest ICARA process concluded that requirement from ongoing harms assessment was higher than wind-down assessment.

SAM UK's LATR is BLAR and the higher figure required under the two assessments, namely the risk of harm from ongoing operations and risk of harm from wind-down. The ICARA process concluded that the requirement from wind-down was higher than the ongoing harms assessment.

As a result, the Board has reviewed and concluded for its OFAR compliance as follows:

- SAM UK holds sufficient and appropriate (amount and quality) of capital and liquidity to cover the own funds and liquid assets requirements. It is able to remain financially viable throughout the economic cycle, with the ability to address material potential harm(s) that may result from its ongoing activities.
- SAM UK holds funds in excess of the Firm's OFTR.
- SAM UK has liquid assets in excess of the firm's LATR.
- SAM UK has adequate own funds and liquid assets to wind down the business in an orderly manner minimising harm to consumers or to other market participants.

7. Remuneration

Santander Asset Management UK Limited ("SAM UK") has a Remuneration Policy in place which is designed to support prudential soundness and risk management and ensure appropriate outcomes for customers and markets to reduce the likelihood of harm. The Remuneration Policy is aligned to Remuneration Codes under MIFIDPRU, AIFMD and UK UCITS as set out in Chapters 19G, 19B and 19E respectively of the FCA's Senior Management Arrangements, Systems and Controls (SYSC) Handbook (together "the Remuneration Codes"). The Remuneration Policy is subject to review on an at least annual basis.

The Board is responsible for approving SAM UK's Remuneration Policy and overseeing its application. The Remuneration Policy adopts a five-pillar approach to its Remuneration strategy:

- Pillar 1: Sound and Effective Risk Management
- Pillar 2: Long Term Sustainability
- Pillar 3: Competitiveness and Fairness
- Pillar 4: Adequate Ratio between Fixed and Variable Pay
- Pillar 5: Transparency

Salary and Benefits Structure

Salaries are designed based on the roles and responsibilities of the job and the knowledge and expertise required to carry them out. Salaries are periodically reviewed taking into account employee performance, external market data, internal relativity, equity & fairness and budget. Benefits and remuneration in kind are assigned based on responsibilities and accountabilities and includes regular and non-discretionary pension contributions. SAM UK may also provide additional remuneration elements to complement an employee's package.

Variable Remuneration

Performance assessment and risk adjustment in relation to variable pay are assessed in relation to each performance period. All employees are eligible for an annual bonus and for non-investment employees is expressed as target bonus based on a percentage of salary and is subject to a fixed to variable ratio of 1:2 for employees (in relation to annual bonus pool), except employees performing a control function (where the salary to bonus ratio is 1:1). For investment professional employees, the annual target bonus is achieved based on a balanced scorecard taking into account individual and team investment performance, role specific objectives and individual KPIs, including risk, regulator and conduct and compliance with SAM UK behaviours and subject to the 1:2 salary to bonus ratio. Target bonuses are adjusted according to SAM UK and Group financial performance and to ensure it is affordable and does not create short- or long-term risks. This includes risk adjustment in respect of current and future risks, consistent with the potential risks identified in SAM UK's ICARA process.

SAM UK may from time to time provide non-standard variable remuneration on a case-by-case basis, including guaranteed variable remuneration such as retention, termination or severance payments. Such remuneration will be at all times aligned with the five-pillar approach and subject to governance approvals.

Consistent with the five pillars approach, SAM UK promotes effective risk management in the long-term interests of SAM UK and its customers, ensures alignment between risk and individual reward, supports positive behaviours in accordance with its values and designs its remuneration policy in such a way to discourage behaviours that can lead to misconduct and/or poor customer outcomes. Where misconduct, failings or poor performance are identified, collective and/or individual adjustments on variable remuneration are are considered and applied as appropriate.

SAM UK is required to identify individuals whose professional activities have a material impact on the risk profiles of the Firm or the portfolios it manages (defined as "Material Risk Taker") and MIFIDPRU 8 requires SAM UK to disclose specific information about those individuals. SAM UK is a non SNI firm that is not regarded as a larger non SNI firm and as such Payout Rules are not a regulatory requirement. However the SAM UK Remuneration Policy provides that the Company will apply the same Payout Rules to MIFIDPRU MRTs as are applied to Remuneration Code Staff identified under AIFMD and/or UCITS.

The Remuneration Policy has mechanisms in place to make risk adjustments for known future losses which are not accounted for at the time bonus levels are set, and also at an individual level, where a member of the bonus scheme is found to have acted inappropriately, or taken excessive risk, in order to achieve greater levels of reward.

Further information with respect to the Remuneration Policy is available at www.santanderassetmanagement.co.uk.

Quantitative Disclosure under MIFIDPRU 8

This quantitative remuneration disclosure has been provided based on the reporting period ended 31 December 2024 and excludes remuneration paid to Remuneration Codes Staff, which are separately disclosed in section 5.1 above. The remuneration information has been calculated based on the application of SAM UK's Remuneration Policy during the year ended 31 December 2024 (performance period).

No adjustments were made collectively or individually due to misconduct, failings or other irregularities. There was no guaranteed variable remuneration awarded to MIFIDPRU material risk takers during the reporting period.

The highest severance payment awarded to a MIFIDPRU material risk taker in respect of the 2024 performance period was £665,205.

MIFIDPRU 8.6.8R requires a firm to disclose the certain information split into categories of senior management, other MRTs and other staff. However, disclosure under these requirements would lead to the identification of one or two MRTs and therefore, the Firm is relying on the exemption in relation to these obligations provided by MIFIDPRU 8.6.8R (7)(a).

For the year ending 31 December 2024 *	Fixed Remuneration	Variable Remuneration	Total Remuneration	No. of Beneficiaries
Other staff	£6,295k	£2,607k	£8,902k	52
Remuneration awarded to MiFIDPRU material risk takers **	£2,235k	£2,616k	£4,851k	9

* The remuneration disclosed above is the remuneration awarded by SAM UK in respect of the financial year 1 January 2024 to 31 December 2024 and includes MiFIDPRU Material Risk Takers identified under MiFIDPRU Remuneration Code.

** Employees who have a material impact on the risk profile of the Fund or Portfolios it manages are Directors, certain Key Senior Management Roles and Investment Desk Heads, and are identified collectively as MiFIDPRU Material Risk Takers. These figures are based on pro-rata calculations for MRTs who were identified part-way through the year following a change to their role.

Asset Management