Disclosure Report

According to Part 6 IFR (Regulation (EU) 2019/2033)
as of 31. December 2024 of the

Wellington Management Europe GmbH

Content

1. Scope

Wellington Management Europe GmbH ("WME") is classified as a medium-sized securities institution pursuant to Section 2 (17) of the German Investment Firm Act ("WpIG") and is therefore obliged pursuant to Article 46 of the Investment Firm Regulation (IFR) to publish information on the following aspects:

- Risk management objectives and policy
- Governance
- Own funds
- Own Funds requirements
- Remuneration policy and practice
- Investment strategy
- Environmental, social and governance risks

WME fulfils this obligation with this disclosure report as 31 December 2024 for the 2024 financial year. It is updated annually and published on the WME website at the same time as the annual financial statement is published.

The business purpose of WME is asset management, in particular financial portfolio management and non-discretionary portfolio management for institutional clients (professional clients) throughout the EMEA region. The aim of financial portfolio management and non-discretionary portfolio management, i.e. the management and investment of the assets of institutional clients, is to generate income and preserve capital while considering the risk appetite and investment experience of the respective client.

As of 31 December 2024, WME has two regulated branches in other European countries, WME Italian Branch in Milan (since January 2021), WME Spanish Branch in Madrid (since May 2022).

The financial services provided by the company are supervised by the German Federal Financial Supervisory Authority ("BaFin"), in the areas of brokerage, investment advice and portfolio management in accordance with Section 2 (2), No.3, No. 4 and No. 9 WpIG. These regulatory provisions enable the Wellington Management Group to access various European markets within the framework of EU passporting regime.

2. Risk Management Objectives and Policy

2.1 DECLARATION OF COMMITMENT

WME has established a risk management function in accordance with the applicable legal and regulatory requirements. WME is committed to applying best practice in the identification, assessment, mitigation, monitoring and reporting of risks to ensure that risks are reduced or eliminated to an acceptable level to achieve our business objectives.

All WME employees must understand the different types of risk and take responsibility for the risks associated with their area of work. However, overall responsibility for risk management remains with the management. WME's risk management objectives are a long-term commitment and an integral part of good management and governance practices.

Risk management considers all significant risk categories for WME in accordance with the Minimum Requirements for Risk Management (MaRisk) and the risk types pursuant to Section 45 WpIG.

2.2 ROLES, RESPONSIBILITIES AND MANDATE

Enterprise Risk Management ("ERM") is a global team based in London. It is part of Enterprise Risk under the leadership of the Chief Risk Officer, who in turn reports to the General Counsel.

ERM supports the company's mission by enabling the company to make risk-aware decisions, improve the customer experience, protect the company's reputation and minimise losses due to errors. ERM is the owner of the risk management framework and is responsible for its implementation with the aid of specific guidelines, standards and tools. The risk management framework is reviewed by ERM at least annually, or whenever significant changes occur, to ensure it remains up to date.

ERM advises and challenges first line of defence management on risk identification and monitoring techniques, risk-aware decision making, the design of controls and the development of risk prioritisation and mitigation strategies through the annual Risk Control Self-Assessment ("RCSA") and other activities. ERM's stakeholders include business units, monitoring committees, and the Executive Board. ERM can access all relevant information if this is necessary to fulfil its activities.

2.3 OBJECTIVES OF RISK MANAGEMENT

WME adheres to risk management objectives and policies that aim to manage business risks through an integrated approach in order to maintain the confidence of our investors and thereby ensure the achievement of our business objectives and sustainable economic success.

In detail, our risk management objectives are as follows:

- **Protecting clients, markets and companies:** Managing all relevant risks relating to our customers, markets and our company.
- **Sound decision making:** Supporting the company in strategic and operational decisions by identifying risks and their likely impact.
- **Adaptation to changing circumstances:** Anticipate and respond to changing social, environmental, technological, market and legal requirements.
- **Supervision:** Continuous monitoring of all material risks.
- **Risk reporting:** Preparation of risk management reports and reporting of any deficiencies identified. Establishment of reporting channels for regular and ad-hoc reports across hierarchies.
- **Risk management culture:** Ensure that risk management is clearly and consistently integrated and demonstrated in the organisation's processes and culture.
- **Risk awareness:** Raise awareness of the need for risk management and how it can create added value for the company among all those involved in the provision of business services.
- **Best practice approach:** Manage risks in accordance with evolving best practices and maintain processes and procedures that enable the company to identify, assess, minimise, monitor and report risks. This includes the continuous development of methods for measuring and managing risks.
- **Compliance with regulations:** Compliance with relevant regulatory requirements in connection with risk management such as KWG, MaRisk, WpIG, DORA, etc.

These goals are achieved through, among other things:

- Maintenance of a risk strategy, risk framework, and related policies and procedures;
- Implementation of a three lines of defence model;
- Clear definition of roles, responsibilities and reporting lines within the company for risk management;
- Inclusion of key risk management aspects in the preparation of reports and in decision-making;
- Reinforcing the importance of effective risk management as part of the daily work of employees and management;
- Maintaining and tracking a register of risks and incidents;
- Managing documented processes for training and guidance on assessing risks and controls;
- Performance of regular risk control self-assessments ("RCSAs").

2.4 RISK CATEGORIES

The risk management process considers all risk categories prescribed in the regulations (MaRisk AT 2.2) as well as risks in accordance with Section 45 WpIG and Article 15 IFR (see Chapter 5. capital requirements).

- Counterparty risk: WME does not have exposure to typical counterparty risks arising from traditional credit lending business or proprietary trading. For WME counterparty risk arises from three sources:
    - Derivative trading on behalf of clients as part of portfolio management activities.
    - Client receivables, where fees or contractual obligations remain unpaid.
    - Cash balances held with banks, exposing WME to potential bank default risk.

  WME mitigates these risks through strict counterparty selection, ongoing creditworthiness monitoring, and limiting exposures by using collateralization, margin calls, and active oversight of derivative counterparties. Operational risks such as unpaid fees are managed through robust onboarding and collection processes. These measures ensure compliance with IFR and WpIG requirements while minimizing exposure.
- Liquidity risk: Liquidity risk refers to the possibility that WME may be unable to meet its obligations when they fall due, even if the company remains solvent, or that it can only obtain the necessary funds at excessive cost. WME does not accept such risks. To mitigate this, WME requires strict adherence to its liquidity risk management strategy. The strategy includes an emergency financing plan designed to help ensure that sufficient liquid funds are available in times of stress. The Managing Director reviews the strategy annually. As a wholly owned subsidiary of Wellington Management Company, WME is privately managed, self-financed, and can access liquidity within the Group if needed. Liabilities to creditors are low relative to total assets.
- Market risk: WME does not engage in proprietary trading or maintain positions for its own account. Market risk therefore arises solely from the management of client portfolios in line with agreed investment strategies and guidelines. These risks are managed within the defined risk appetite and mitigated through broad portfolio diversification.
- Operational risks: Operational risks include a variety of risks, including compliance risks, third party risks, IT & information security risks, process risks, human capital risks and other risks. The management of operational risks and reputational risks is of particular importance at WME. A global enterprise risk management team and risk management framework is established to continuously manage and monitor all risks along the three lines of defense. In addition, a dedicated local Risk Officer ensures implementation and oversight of the framework at the entity level.

2.5 SUMMARY OF RISK MANAGEMENT STRATEGIES AND PROCESSES

Risk appetite "Risk appetite"

The risk appetite statement is a core element of the company's risk governance and risk strategy. It provides a flexible yet comprehensive benchmark for monitoring and managing WME's risks and business activities. Management endeavours to manage risk appetite in line with business objectives within a broad risk framework. To support management in this endeavour, the EMEA Risk Committee regularly monitors a variety of risk management reports (e.g. Failure Analysis Report, Key Risk Indicators and Risk and Control Self-Assessment), which aim to highlight WME's exposure to certain key risks and ensure that the company understands and acts upon the risk appetite expressed.

Risk management framework

Risk governance

- Defining the company's risk strategy and risk appetite together with senior management and considering the applicable regulatory requirements.
- Determining the company's regulatory capital requirements and monitoring its capital position, particularly the company's risk-bearing capacity.
- Creation of guidelines and procedures and management of the risk culture.
- Definition of roles and responsibilities.

Risk identification and assessment:

- Identification of risks using various risk identification tools such as the annual Risk and Control Self-Assessment ("RCSA"), Key Risk Indicators, Top 10 Risks Assessment and Gap Analysis.
- Annual preparation of a risk inventory as a basis for determining risk-bearing capacity.

Risk management

- Treatment of identified risks in accordance with the agreed risk appetite. Risk mitigation strategies include avoiding the risk completely, reducing the probability of occurrence or the potential impact of the risk, transferring the risk to another party or, as a last resort, accepting a risk for good reason.

Risk monitoring and reporting

- Ongoing review of risks and the effectiveness of response plans.
- ERC process for reporting potential errors and events.
- Monitoring of trends and risks using key risk indicators.
- Work with business units to establish appropriate reports, discussion forums and monitoring intervals to support informed decision making and mitigation of observed risks.
- Regular and ad-hoc reporting to the Executive Board and the Board of Directors.

2.6 THREE LINES OF DEFENCE MODEL

The management of risks at WME is based on the "Three Lines of Defence", a widely recognised framework that clarifies key roles and responsibilities. Each WME employee is responsible for certain aspects of risk, while operational risks are inherent in all activities carried out.

Management "First line of defence" bears the main responsibility for managing risks as part of its day-to-day business decisions and activities. This also includes promoting a strong risk management culture. In particular, the first line is responsible for (1) defining the risk appetite and its parameters, (2) assessing key activities and the associated risks, (3) implementing and executing controls (with appropriate evidence), (4) reducing risks to an acceptable level and (5) monitoring and reporting risks and activities via the Risk Control Self Assessments (RCSAs) for continuous improvement.

The "second line of defence" oversight functions (Enterprise Risk Management ["ERM"] and other business risk support functions such as third-party risk management) are responsible for developing an effective risk management approach that can be implemented across the organisation and for advising and challenging the first line of defence on the effectiveness of its risk management. This includes advising and supporting the first line of defence in the development of its risk control environment and a healthy level of informed questioning of the effectiveness of the first line of defence's approach. The second line of defence also aims to take a company-level view of risk by identifying and focusing on the most important risks throughout the company.

The "third line of defence" audit department (Internal Audit) is responsible for independent and objective risk assessment throughout the company. This includes independently assessing risks within the organisation under the auspices of the firm's risk committees, preparing an audit test plan, and conducting detailed assurance-based testing of the operation and effectiveness of risk controls. Like the second line of defence, it also aims to provide a view of risks and the effectiveness of controls throughout the company at company level.

2.7 RISK COMMITTEE STRUCTURE

The EMEA Risk Committee was established by the management of WME and its affiliates in the region to oversee risk management in the region.

The Risk Committee oversees the regional framework for managing key controls, operational, regulatory, business and other non-investment risks, drawing on the work of the key control functions.

While the primary responsibility for risk management lies with each of the local functional business units and legal entities, the Risk Committee is responsible for ensuring that appropriate controls are implemented for identified risks and reporting to the relevant bodies.

The EMEA Risk Committee liaises with the company-wide and other regional risk committees as required. It may utilise other resources within the Company (including other internal groups and committees) to address specific issues or provide updates as the Risk Committee deems such meetings necessary. The Risk Committee forwards all concerns to WME management.

2.8 TASKS OF THE RISK COMMITTEE:

- Provide relevant recommendations to regional business managers on the region's risk management framework;

- Provide recommendations to WME management on internal capital and risk assessment (ICAAP), risk appetite statement and risk tolerances and other risk related matters;
- Overseeing the identification and prioritisation of risks in the region;
- Overseeing the company's implementation of risk mitigation measures in identified high-risk areas;
- Support the organisation and management in enforcing compliance with the region's risk management policies and procedures.
- Overseeing the governance of affiliates, business continuity plans and processes, the region's information security programme and data protection programme.
- Assessing the incremental risk of new complex business opportunities or changes in existing business (in collaboration with other established groups and committees, such as the Regional Business Assessment Monitoring process) and making recommendations to the Executive Board or the relevant approval committees (e.g. the Complex Mandate Panel and the Product Innovation Committee).

3. Governance

3.1 MANAGEMENT

The Management Board consists of two individuals as of 31 December 2024. The Management Board has set up a WME Management Committee to support the Management Board in monitoring the business activities of WME.

One of the Managing Director also holds the following additional Supervisory Board mandates:

- Non-Executive Director (Member of the Supervisory Board) of WMF Public Limited Company Ireland.
- Non-Executive Director (Member of the Supervisory Board) of Wellington Management International Limited
- Non-Executive Director (Member of the Supervisory Board) of Wellington Management Hong Kong
- Limited.

The other managing Director holds the following additional managing director role

Chair of the management board of Wellington Management Switzerland GmbH

3.2 PROMOTING DIVERSITY ON THE MANAGEMENT BOARD

Great people are critical to our organisation's mission to deliver excellence for our clients and positively impact the lives of millions of beneficiaries. This approach applies to WME and its Management Board. We believe that a diverse workforce, equal opportunities for all colleagues to realise their full potential and an inclusive culture are key to achieving this goal. Diverse and inclusive teams help us gain differentiated insights, deliver strong long-term investment results and find solutions to complex client problems. They support our efforts to attract and develop the next generation of talented employees worldwide and are in line with our values and commitment to the communities in which we live and work.

We have developed a 5-year global strategy and action plan for diversity, equal opportunities and inclusion ("GDEI"). Our global approach is driven by our company's leaders, implemented by managers, enabled by HR processes, supported by employees and steered by the GDEI team. We have set ourselves ambitious targets in terms of people, culture, community and investments that are tailored to the different functional areas and local offices to ensure global consistency and local relevance. Examples of areas where we aim to improve diversity include the representation of female, black, indigenous and coloured employees across the business, in management and in our investment areas to achieve our ambitious targets. In the EMEA region (Europe, Middle East and Africa), we have set ourselves the goal of improving the gender ratio in our company by December 2025 as follows:

- *40-45% women in decision-making bodies in the EMEA region*
- *28-33% Women in management positions*

We are actively working to achieve these goals. As of September 2024, we had achieved a 37% share of women in decision-making bodies and 25% in management positions.

4. Capital

Reporting template EU IF CC1.01 - Composition of regulatory own funds (investment firms other than small and non-interconnected).

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	**OWN FUNDS**	15,476,819	
2	**TIER 1 CAPITAL**	15,476,819	
3	**COMMON EQUITY TIER 1 CAPITAL**	14,476,819	
4	Fully paid up capital instruments	50,000	1a)
5	Share premium		
6	Retained earnings	13,476,819	1c)
7	Accumulated other comprehensive income		
8	Other reserves	950,000	1b)
9	Minority interest given recognition in CET1 capital		
10	Adjustments to CET1 due to prudential filters		
11	Other funds		
12	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
13	(-) Own CET1 instruments		
14	(-) Direct holdings of CET1 instruments		
15	(-) Indirect holdings of CET1 instruments		
16	(-) Synthetic holdings of CET1 instruments		
17	(-) Losses for the current financial year		
18	(-) Goodwill		
19	(-) Other intangible assets		
20	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities		
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds		
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds		
23	(-) CET1 instruments of financial sector entites where the institution does not have a significant investment		
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment		
25	(-)Defined benefit pension fund assets		
26	(-) Other deductions		
27	CET1: Other capital elements, deductions and adjustments		

28	**ADDITIONAL TIER 1 CAPITAL**	1,000,000	
29	Fully paid up, directly issued capital instruments	1,000	1a)
30	Share premium	999,000	1b)
31	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
32	(-) Own AT1 instruments		
33	(-) Direct holdings of AT1 instruments		
34	(-) Indirect holdings of AT1 instruments		
35	(-) Synthetic holdings of AT1 instruments		
36	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment		
37	(-) AT1 instruments of financial sector entities where the institution has a significant investment		
38	(-) Other deductions		
39	Additional Tier 1: Other capital elements, deductions and adjustments		
40	**TIER 2 CAPITAL**		
41	Fully paid up, directly issued capital instruments		
42	Share premium		
43	(-) TOTAL DEDUCTIONS FROM TIER 2		
44	(-) Own T2 instruments		
45	(-) Direct holdings of T2 instruments		
46	(-) Indirect holdings of T2 instruments		
47	(-) Synthetic holdings of T2 instruments		
48	(-) T2 instruments of financial sector entities where the institution does not have a significant investment		
49	(-) T2 instruments of financial sector entities where the institution has a significant investment		
50	Tier 2: Other capital elements, deductions and adjustments		

Template EU IFCC2: Own funds: 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 EU IF CC1**
		As at period end	**As at period end**	
Assets - *Breakdown by asset classes according to the balance sheet in the published/audited financial statements*				
1	Due from Credit Institutes			
a)	Due Daily	7,551,802		
2	Due from Clients	13,428,188		
3	Fixed Assets	618,590		
4	Other Receivables	629,589		
5	Prepayments	158,554		
	Total Assets	22,386,723		
Liabilities - *Breakdown by liability classes according to the balance sheet in the published/auditied financial statements*				
1	Other Payables	644,782		
2	Provisions			
a)	Tax Provisions	401,539		
b)	Other Provisions	5,863,583		
	Total Liabilities	6,909,904		
Shareholders' Equity				
1	Capital			
a)	Share Capital	51,000		4,29
b)	Capital Reserves	1,949,000		8,30
c)	Profit and Loss Account	13,476,819		6
	Total Shareholders' equity	15,476,819		

Template EU IF CCA: Own funds: main features of own instruments issued by the firm

		a	a
		Ordinary Shares	*Preference Shares*
1	Issuer	Wellington Management Europe GmbH	Wellington Management Europe GmbH
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Public or private placement	Private	Private
4	Governing law(s) of the instrument	German	German
5	Instrument type (types to be specified by each jurisdiction)	*Ordinary Shares*	*Preference Share*
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	EUR 0.05	EUR 1
7	Nominal amount of instrument	EUR 50,000	EUR 1,000
8	Issue price	EUR 50,000	EUR 1,000,000
9	Redemption price	EUR 50,000	EUR 1,000,000
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	01-Oct-18	27-May-19
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	N/A	N/A
14	Issuer call subject to prior supervisory approval	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons / dividends	N/A	N/A
17	Fixed or floating dividend/coupon	N/A	N/A
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	N/A	N/A
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A
22	Existence of step up or other incentive to redeem	N/A	N/A
23	Noncumulative or cumulative	N/A	N/A
24	Convertible or non-convertible	N/A	N/A
25	If convertible, conversion trigger(s)	N/A	N/A
26	If convertible, fully or partially	N/A	N/A
27	If convertible, conversion rate	N/A	N/A
28	If convertible, mandatory or optional conversion	N/A	N/A
29	If convertible, specify instrument type convertible into	N/A	N/A
30	If convertible, specify issuer of instrument it converts into	N/A	N/A
31	Write-down features	N/A	N/A
32	If write-down, write-down trigger(s)	N/A	N/A
33	If write-down, full or partial	N/A	N/A
34	If write-down, permanent or temporary	N/A	N/A

35	If temporary write-down, description of write-up mechanism	N/A	N/A
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A	N/A

5. Capital Requirements

WME is required to maintain a level of capital in excess of its capital requirement. As a medium-sized and non-interconnected investment firm, WME's capital requirement is the highest of the following:

- Permanent minimum capital requirement
- K-factor requirement ("KFR")
- Fixed Overhead Requirement ("FOR")

5.1 PERMANENT MINIMUM CAPITAL REQUIREMENT

WME is authorised to provide the services of investment brokerage, investment advice and financial portfolio management in accordance with the WpiG. The permanent minimum capital requirement is therefore EUR 75,000

5.2 K-FACTOR REQUIREMENT

The K-Factor requirement is calculated as the sum of all K-Factors applicable to the firm's business activities and is divided into the following categories:

- Risk to Client: Covers risks an investment firm bears in its services, activities or responsibilities that could have a negative impact on clients
- Risk to Market: Covers risks an investment firm may have on the markets in which it operates and on the counterparties with which it transacts
- Risk to Firm: Covers risks related to the solvency of an investment firm as a result of its trading activities and participation in the market

WME's K-Factor requirement is summarised below. It is structured according to the risk categories and the underlying K-Factors.

K-Factor Requirement	Factor Amount (€)	Anforderung für K-Faktoren (€)
TOTAL K-FACTOR REQUIREMENT		3,231,731
Risk to client		2,553,411
Assets under management	12,767,054,326	2,553,411
Client money held - Segregated		
Client money held - Non - segregated		
Assets safeguarded and administered		
Client orders handled - Cash trades		
Client orders handled - Derivatives Trades		
Risk to market		678,321
K-Net positions risk requirement		678,321
Clearing margin given		
Risk to firm		
Trading counterparty default		
Daily trading flow - Cash trades		
Daily trading flow - Derivative trades		

5.3 FIXED OVERHEAD REQUIREMENT

The investment firm's fixed overheard requirement is one quarter of the previous year's expenses. This calculation is based on total expenses reported in WME's most recent audited financial statements (FY ended 31 December 2024), less all allowable deductions. This calculation is shown below.

Fixed Overhead Requirement	3,345,426
Annual Fixed Overheads of the previous year after distribution of profits	13,381,703
Total expenses of the previous year after distribution of profits	42,695,019
Of which: Fixed expenses incurred on behalf of the investment firms by third parties	-
(-)Total deductions	(29,313,317)
(-)Staff bonuses and other remuneration	(5,064,101)
(-)Employees', directors' and partners' shares in net profits	-
(-)Other discretionary payments of profits and variable remuneration	-
(-)Shared commission and fees payable	(21,814,756)
(-)Fees, brokerage and other charges paid to CCPs that are charged to customers	-
(-)Fees to tied agents	-
(-)Interest paid to customers on client money where this is at the firm's discretion	-
(-)Non-recurring expenses from non-ordinary activities	-
(-)Expenditures from taxes	(2,434,460)
(-)Losses from trading on own account in financial instruments	-
(-)Contract based profit and loss transfer agreements	-
(-)Expenditure on raw materials	-
(-)Payments into a fund for general banking risk	-
(-)Expenses related to items that have already been deducted from own funds	-

5.4 ASSESSMENT OF THE OWN FUNDS REQUIREMENT

The assessment of own funds shows that the component with the highest amount is the FOR. Accordingly the Company's own funds requirement as of 31 December 2024 was EUR 3,345,426. This requirement was met with capital resource of EUR 15,476,819

5.5 ASSESSMENT OF ADEQUACY OF OWN FUNDS

As set out above the FOR is the determinant of WME's capital requirement. As stipulated in the WpiG, WME must have sufficient capital and liquid assets available at all times to remain financially viable through the economic cycle. In addition the company must be able to mitigate potential harm from ongoing business activities and conduct an orderly wind-down to minimise the impact on clients and other market participants.

WME has an Internal Capital Adequacy Assessment Process (ICAAP) which is reviewed by the Management Board at least annually. The aim of the ICAAP is to ensure that adequate controls are in place to identify and appropriately mitigate potential harm that may arise from ongoing business activities. In addition, it is intended to ensure that sufficient financial resources are available. This is achieved through

- An assessment of business strategy, ongoing activities and expected future activities
- Stress testing of the business model using adverse scenarios of different types and durations. These stress test scenarios assess the impact on the availability of own funds and liquidity, including where appropriate, the application of management actions and contingency plans
- A review of the events that could trigger a potential wind down scenario and an assessment of the appropriate level of own funds and liquidity required to ensure that this occurs in an orderly manner, and that harm to clients, markets and other key stakeholders is minimised

The ICAAP takes into account the company's operational risk, credit risk and market risk, applying the calculation bases set out in the Capital Requirement Regulation (CRR). It concludes that the company is sufficiently capitalised under both normal and stressed scenarios.

The Company holds capital primarily for regulatory and financing purposes. Therefore, the capital management programme focuses on analysing capital projects and potential dividend distributions based on capital forecasts, to ensure that regulatory capital requirements are met at all times. The company's main sources of capital are retained earnings and capital contributions. It is assumed that future capital requirements will be sourced through retained earnings. Capital adequacy is monitored on an ongoing basis to ensure that capital continues to adequately reflect the company's risk profile as set out in the ICAAP.

6. Remuneration Policy and Practice

6.1 INTRODUCTION

This remuneration disclosure relates to Wellington Management Europe GmbH ("WME"), an investment firm registered with the German regulator BaFin. WME's Remuneration Policy and practices are designed to be consistent with the requirements of the EU Investment Firm Regime (IFD/IFR), as transposed into German law including the provisions of the draft Securities Institutions Remuneration Ordinance (WpI-VergV) (together 'remuneration rules").
Under the Investment Firm Regime classifications, WME is considered a medium sized (Class 2) investment firm and is not a 'significant institution'. Due to the size of WME's balance sheet assets, the firm benefits from a derogation as laid down in Article 32(4) letter a of Directive (EU) 2019/2034, Section 11 para. 1 of the draft German remuneration ordinance for investment firms (Wertpapierinstituts-Vergütungsverordnung; "WpI-VergV") in conjunction with Section 44 para. 3 sent. 2 no. 1 of the German Investment Firms Act (Wertpapierinstitutsgesetz – WpIG). This means WME is not required to apply variable remuneration deferral and payment in instruments or have a Remuneration Committee.

6.2 REMUNERATION PHILOSOPHY AND PRACTICES

WME's remuneration practices aim to develop and maintain a compensation environment which attracts, motivates and retains talented employees over the longer term consistent with the requirements of the remuneration rules. Wellington Management believes that its employees should be remunerated in a manner that (i) is fair and rewards achievement over time, (ii) is consistent with and promotes sound and effective risk management (and discourages inappropriate risk taking), (iii) is in line with the firm's risk and business strategy, objectives, values and interests, and (iv) aligns the interests of employees with those of the firm's clients (and avoids conflict of interests).

The firm's approach to remuneration is consistent with remuneration governance practices established by Wellington Management Group LLP (WMG) for its global affiliates (Wellington Management) and reflects Wellington Management's private partnership organizational structure, culture and values. Wellington's approach to remuneration is globally consistent and based on a pay for performance philosophy which includes the following key concepts:

- An approach to compensation that is fair, equitable, and motivational
- An approach to compensation that is merit based
- Compensation that is reflective of individual contribution and shared success
- Compensation and benefit programs that are comprehensive and competitive
- A focus on total compensation when rewarding performance

WME is an equal opportunities employer and is committed to being fair and equitable through all HR and compensation processes. The firm's equal opportunity policy includes compensation along with all other terms and conditions of employment. WME's remuneration policies and practices are gender neutral.

6.3 REMUNERATION GOVERNANCE AND OVERSIGHT

WME maintains governance and oversight arrangements to help ensure sound and effective risk management in its remuneration practices, which incorporate the remuneration governance practices established by Wellington Management.

Governance and oversight responsibilities

WME's Board of Directors has formal responsibility for annually reviewing and approving WME's Remuneration Policy and overseeing its implementation. The WME Board also approves the Material Risk Taker framework and populations. The WME Board (among other EU affiliates) has established the EMEA Compensation and Talent Committee to review the application of remuneration policies and practices across the region.

A number of governance bodies and individuals provide input to and approve variable compensation awards, to ensure transparency and fairness across functions, business areas, regions and roles. Wellington Management's remuneration practices and recommendations are subject to clearly defined approvals and governance processes, supported by the firm's Compensation and Benefits and Human Resource functions.

Annual review

WME's Remuneration Policy and its implementation are reviewed annually by independent control functions. The results and any recommendations are reported to the WME Board. The first annual review occurred in 2023 in respect of the 2022 performance year.

1. Material Risk Takers

WME identifies all staff members whose professional activities can have a material impact on the firm's risk profile or the assets it manages ("Material Risk Takers" or MRTs) in accordance with the criteria set out in the remuneration rules, including Delegated Regulation (EU) 2021/2154, and procedures established by the WME Board from time to time.

2. Remuneration components

All employees receive fixed remuneration (base salary and non-performance related benefits) and are also eligible to be considered for performance related variable remuneration. The fixed and variable components of remuneration are appropriately balanced to ensure the firm can operate a fully flexible approach to variable remuneration, including the possibility of paying zero variable remuneration in any given year if warranted. The provision of variable remuneration components is discretionary and employee participation in a particular component may vary in line with an individual's role and seniority.

3. Remuneration Ratio

Each year, in accordance with Article 30(2) of Directive (EU) 2019/2034, Section 8 para. 1 Draft WpI-VergV, the WME Board establishes a maximum ratio between the fixed and variable components of remuneration, based on a consideration of all potential scenarios and to reflect the highest amount of variable remuneration that could be awarded to a Material Risk Taker in the most positive performance scenario. This ratio applies to Material Risk Takers (MRTs) for the upcoming performance year. For 2024, WME's maximum fixed:variable remuneration ratio was 1:20 (unchanged from 2023).

6.4 CRITERIA FOR AWARDING VARIABLE REMUNERATION

Wellington Management's variable remuneration pools are determined with reference to a variety of financial and non-financial performance metrics and risk management considerations. Pools are approved at a global, group level, on a discretionary basis, considering a number of measures which may include:

- Assets under management
- Revenues
- Net available income
- Profits
- Investment performance
- Employee headcount changes
- Requirement for future investment in the business
- Management judgment on current business, market conditions and future business outlook
- Risk related incidents and outcomes during the period
- Local market practice and actions of competitors
- Global and local country economic conditions

Current and future risk considerations are taken into account when determining pools and where appropriate, adjustments can be made at the funding level. WME's annual variable remuneration expenditure will be subject to sufficient liquidity and the firm's continued ability to ensure a sound capital base.

Performance assessment is a key part of WME's talent development and performance culture. At an individual level, all employees are formally performance assessed at least once per year, in addition to receiving more frequent ongoing feedback. This assessment process considers qualitative and quantitative elements relevant to an individual's role, both short-term (annual) and long-term (multi-year) performance and influences variable remuneration decisions.

Ex-ante adjustments

Variable remuneration awards can be adjusted ex-ante for any WME employee or MRT as part of the award determination process. Any compliance breaches or conduct events can be taken into account when considering whether an in-year compensation award adjustment might be appropriate. Individual performance assessments also include qualitative aspects and bonuses can be adjusted to reflect performance in relation to risk and compliance behaviours.

Clawback

Wellington retains the ability to apply clawback in respect of any payment or award made to a Material Risk Taker. The circumstances in which clawback may be applied include specified trigger events relating to the occurrences of individual misconduct or failure to meet standards of fitness and propriety, material failures of risk management, and financial misstatements for which the individual had responsibility having led to larger award levels than would otherwise have been the case.

Clawback may be applied in respect of any variable remuneration awarded to a MRT from the date of their MRT designation. Clawback may be applied at any time within a period of 36 months from the date on which the payment or award is made and may continue to apply following termination of the individual's employment with WME and/or the individual ceasing to be a Material Risk Taker.

Freezing
Wellington Management also retains the right to delay or suspend the award or payment of remuneration to a Material Risk Taker in appropriate cases. This may include, for example, cases where an ongoing investigation or similar means the suspension of remuneration is appropriate.
Guaranteed variable remuneration
The use of guaranteed bonuses is exceptional and restricted to cases where their provision is required to recruit or retain an individual; they are not routinely awarded. WME will not offer guaranteed bonuses in excess of one year (this also applies to MRTs who are not WME employees, if any). For MRTs, guaranteed variable remuneration is restricted to the individual's first year of employment, may only be guaranteed in the context of their hire into the Wellington Management group and when the firm has a strong capital base.
4. <u>Quantitative remuneration disclosures</u>

For the 2023 performance year, WME identified a total of 16 Material Risk Takers. The following quantitative information reports the data as required under IFR Article 51, in relation to remuneration awarded to Material Risk Takers for the 2023 performance year.
Remuneration disclosure pursuant to Article 51 sentence 1 letter c (i) and (ii) IFR

	Total fixed remuneration*	Total variable remuneration*	Total remuneration	No. of MRTs
Senior Management MRTs	€588,134	€1,616,827	€2,204,962	2
Other MRTs	€2,195,057	€4,064,116	€6,258,173	13

**Fixed remuneration includes base salary, pension contributions, risk insurance premiums, and employee benefits*
**Variable remuneration includes cash bonuses, incentives, discretionary partnership distributions, severance, any buyouts for new hires.*
Since WME benefits from a derogation laid down in Article 32 (4) letter a of Directive (EU) 2019/2034, all variable remuneration is paid in cash, awards are not subject to deferral and there are no shares or share linked instruments. The reporting requirements of Article 51 sentence 1 letter c (iii) and (iv) do not therefore apply.
Remuneration disclosure pursuant to Article 51 sentence 1 letter c (v) IFR

	Total amount of guaranteed variable remuneration	No. of MRTs receiving guaranteed variable remuneration
Senior Management MRTs	0 €	0
Other MRTs	0 €	0

Remuneration disclosure pursuant to Article 51 sentence 1 letter c (vi) and (vii) IFR

	Total amount of severance payments awarded in previous periods and paid out in the 2023 financial year
Senior Management MRTs	€0
Other MRTs	€0

	Total amount of severance payments awarded during the 2023 performance year*	No. of beneficiaries of these severance payments	Highest severance payment awarded to an individual
Senior Management MRTs	0	0	0
Other MRTs	€0	0	

Information on remuneration pursuant to Article 51 sentence 1 letter c (vi) and (vii) IFR

	Total amount of severance payments granted in previous periods and paid out in the 2023 financial year
MRTs in the management	0
Other MRTs	0

	Total amount of severance payments granted in the 2023 performance year*	Number of beneficiaries of these severance payments	Highest compensation paid to an individual
MRTs in the management	€0	0	€0
Other MRTs	€0	0	

7. Investment Strategy

The exemption under Article 32(4)(a) of Directive (EU) 2019/2034 applies to WME. The balance sheet and off-balance sheet assets of WME do not exceed the required thresholds of EUR 100 million (Article 52 IFR in conjunction with Article 52 IFR). m. Article 32 para. 4 lit. a IFD).

Against this background, there is no disclosure of the investment strategy in accordance with Article 52 IFR for WME as of 31 December 2013. December 2023.

8. Environmental, Social and Governance risks

The exemption under Article 32 (4) (a) of Directive (EU) 2019/2034 applies to WME. WME is also not subject to a disclosure obligation under Article 53 IFR.