

PGIM Fund Management Limited

MIFIDPRU 8 DISCLOSURE

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1. MIFIDPRU Disclosure

The Investment Firm Prudential Regime (“**IFPR**”) is the Financial Conduct Authority’s (“**FCA**”) prudential regime for MiFID investment firms. As an FCA-regulated Firm, PGIM Fund Management Limited (“**PFML**” or the “**Firm**”) is subject to IFPR and the corresponding prudential standards set out under the FCA’s Prudential Sourcebook for MiFID Investment Firms (“**MIFIDPRU**”). PFML is classified as a “Non-SNI MIFIDPRU investment firm” and this disclosure is made in accordance with the requirements under MIFIDPRU 8.

The MIFIDPRU 8 disclosure aims to instil market discipline on investment firms that come under IFPR by requiring disclosure of information to key stakeholders and counterparties. The disclosure seeks to describe the Firm’s own funds (financial strength), behaviour (investment policy) and culture (risk management, governance, and remuneration).

This disclosure is required to be made by PFML at least annually, and all information contained is as of 31 December 2025 (unless stated otherwise), which represents the date of PFML’s most recent financial accounting year-end. This disclosure will be published more frequently than annually should any significant change to the relevant characteristics of the business require more frequent disclosure.

This disclosure is published on PGIM’s website (<https://www.pgim.com/terms-use/uk-regulatory-disclosures>), in the section titled ‘UK Regulatory Disclosures’.

The information set out in this disclosure is not subject to audit and should not be relied upon in making financial decisions.

The minimum capital requirements for PFML as at 31 December 2025 have been prepared in accordance with the MIFIDPRU rules within the FCA’s Handbook. PFML has sufficient capital and liquidity resources in relation to its regulatory capital and liquidity requirements.

2. PGIM Fund Management Limited and Scope of Application

2.1. PGIM and Ownership Structure

PGIM (“**PGIM**”) is the global asset management business of Prudential Financial, Inc.*, (“**PFI**”), a publicly listed company (NYSE Ticker: PRU) headquartered in the State of New Jersey, U.S.A. PGIM is headquartered in Newark, New Jersey, U.S.A. and operates in the United States through PGIM, Inc. (“**PGIM, Inc.**”), a registered investment adviser with the United States’ Securities and Exchange Commission (“**SEC**”). PGIM provides investment management and advisory services to institutional investors across public and private markets through its various global affiliates and businesses.

PFML is authorised as an alternative investment fund manager and regulated by the FCA and is authorised by the SEC as an investment adviser.

2.2. PFML’s Business Activities

PFML provides asset management services to clients under mandate, institutional investors (including PGIM, Inc. and other companies within the PFI Group) and alternative investment funds, principally collective investment schemes investing in real estate related equity and debt. The PFML business development team provides services across the PGIM Private Alternatives platform.

** Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.*

3. Changes in Legal Entity and Prudential Structure

3.1. Entity Name Change

Since the previously published MIFIDPRU 8 disclosure, **PGIM Private Alternatives Limited (“PPA”)** formally changed its name to **PGIM Fund Management Limited (“PFML”)**. The name change was undertaken to better reflect the nature of the firm's business activities and its position within the broader PGIM organisation.

The change was administrative in nature and did not affect the firm's legal entity status, ownership structure, regulatory permissions, governance arrangements, business model, risk profile, financial resources, or obligations to clients. All references within this MIFIDPRU 8 disclosure to **PGIM Fund Management Limited (“PFML”)** should be understood as relating to the same legal entity formerly known as **PGIM Private Alternatives Limited (“PPA”)**.

3.2. Prudential Structure Changes

As at 31 December 2025, PFML’s ordinary shares were wholly owned by its then immediate parent, PGIM Financial Limited. On 1 January 2026, ownership transferred to PGIM, Inc. as part of PGIM’s legal entity simplification programme. PGIM Financial Limited subsequently entered liquidation on 31 March 2026.

Area	Previous position	Current disclosure position
Immediate parent	PGIM Financial Limited	PGIM, Inc.
Ultimate parent	Prudential Financial, Inc.	Prudential Financial, Inc.
Prudential group presentation	Former PFL-led UK consolidation framing	Individual PFML basis; no UK prudential consolidation group
ICARA approval	The PFL Board and the respective Boards of each UK regulated entity, including PFML	The Board of each UK regulated entity, including PFML
Supporting forum	ICARA Committee	ICARA Working Group

4. Risk Management – Objectives and Policies

4.1. MIFIDPRU 8.2.1 Disclosure Requirements

In accordance with MIFIDPRU 8.2.1, PGIM Fund Management Limited (“PFML”) is required to disclose its risk management objectives and policies for the categories of risk addressed by:

- (1) MIFIDPRU 4 (Own funds requirements);
- (2) MIFIDPRU 5 (Concentration risk); and
- (3) MIFIDPRU 6 (Liquidity).

4.2. Statement of the PGIM Fund Management Limited Board – The Approach to Risk Management

In accordance with MIFIDPRU 8.2.2 (1), the following statement has been approved by the PGIM Fund Management Limited Board (the “Board”). The Board regularly assesses the Firm’s risk strategy from both commercial and risk of harm perspectives to provide reasonable assurance that the long-term consequences of any strategic decision are understood and considered.

The Board oversees the effective management of risk within the Firm and approves the Firm’s risk strategy, risk appetite, risk management framework and key risk management policies, taking into account both commercial and risk-of-harm perspectives.

PGIM Real Estate operates a Global Investment Committee, headed up by the Global Chief of Investment Risk. The Investment Risk Management team ensures that the firm is complying with internal policies, regulatory requirements and client obligations. It has developed risk management policies and procedures and communicated them across the company to ensure that adequate controls exist to appropriately manage the business and fulfil our fiduciary duties to our clients. The Risk Management team also evaluates the company’s risk profile and balances risks and resources to meet our long-term goals throughout the investment life cycle.

Operational risks are identified by PGIM Real Estate’s Global Operating Risk Council (GORC) and assessed and monitored on a formal and regular basis by the Global Operational Risk Management Group. The operational risk process at PGIM Real Estate entails identification, communication and mitigation of operational risks and monitoring control issues. The operational risk function also provides guidance on certain company-wide initiatives, mainly geared towards compliance with industry best practices and PFI’s guiding principles and policies.

PGIM Real Estate’s Global Operating Risk Council oversees the effective risk management of the firm and comprises the functional heads, the firm’s senior global functional heads and regional Chief Operating Officers, or their designees. Collectively, this Committee provides an interdisciplinary forum for the identification, review and resolution of business risk-related issues across all PGIM Real Estate regions and business groups. Local business risk managers provide regular reporting to the Board of PFML, keeping them apprised of key risk matters.

The investment and operational risk processes are further supported by the ICARA Working Group (“IWG”), which coordinates and challenges the assessment of the capital and liquid assets required to support ongoing operations and an orderly wind-down. Ultimate responsibility rests with the PFML Board.

The Firm has governance and internal control arrangements in place that are designed to identify, assess, manage, monitor and report risks arising from its business activities. The risk management framework is a key component of the Firm's Internal Capital and Risk Assessment ("ICARA") process. The ICARA sets out the Firm's assessment of material harms and risks arising from its business activities and the measures implemented to mitigate those risks. It also assesses the level of capital and liquid assets required to support the ongoing viability of the Firm and to enable an orderly wind-down, taking into account the nature, scale and complexity of the Firm's activities.

The Board is responsible for approving and overseeing the Firm's risk strategy, risk appetite, governance arrangements, systems and controls. The Board considers the potential for harm arising from the Firm's business model, including harm to clients, markets and the Firm itself, and seeks to ensure that adequate financial and non-financial resources are maintained to support ongoing operations and an orderly wind-down.

The Board considers the Firm's risk management arrangements to be appropriate to the nature, scale and complexity of its activities, subject to the ongoing operation, review and enhancement of the control framework. This assessment is supported by the ICARA process, risk appetite monitoring, risk and control assessments, scenario analysis, stress testing, incident management and independent assurance activities.

4.3. Risk management framework

PFML applies a three-lines model with clear ownership, oversight and assurance responsibilities:

- First line: business and functional management own risks and are responsible for the design and operation of controls.
- Second line: Risk and Compliance provide independent oversight, advice, challenge, monitoring and reporting.
- Third line: Internal Audit provides independent assurance over governance, risk management and control. External Audit provides assurance over the financial statements and related matters within its remit.

4.4. Risk appetite and ICARA

The risk appetite framework translates the Firm's strategy into defined tolerances and supports regular monitoring through qualitative statements, key risk indicators and escalation thresholds. The ICARA identifies material risks and harms, assesses the adequacy of controls, evaluates severe but plausible scenarios and determines the financial resources required to satisfy the Overall Financial Adequacy Rule (OFAR).

The ICARA is refreshed at least annually and when a material change in the business model, risk profile, legal structure or external environment could affect the Firm's financial adequacy.

4.5. Material Risks

PFML is principally exposed to credit, operational, business and market risk. To adequately analyse its overall risk profile, risk of harm assessments are made for all principal risks. Harm to client, harm to market and harm to the business are assessed for each risk. Control effectiveness is assessed, and residual assessments are derived representing the residual risk of harm to client, market, and the business.

Summary of key risks assessed through PGIM's ICARA process	
Credit Risk	Credit risk refers to the potential financial losses the firm may face due to the potential default of banks holding our cash deposits and / or clients and affiliates defaulting on their payments.
Operational Risk	Operational risk arises from the failure of people, processes, technology, or external causes. The Risk Framework and risk processes embedded within the business enable the identification, assessment, monitoring and reporting of potential or actual risk exposures. Operational risks are identified through processes and controls established within the business. The approach can be described as "Top-down" with the identification of Key Risk Scenarios and validated "Bottom-up" with the Business Units and their supplementing risk registers.
Business / Strategic Risk	The risk of adverse change in the performance of the business against strategy resulting from external factors e.g. changes to the competitive landscape or a failure to implement strategy. Business / Strategic risks are subject to stress testing whereby factors and variables are applied that will stress the financial revenue, costs and profitability of the business. Generally, these business stresses will be a negative impact / reduction of Assets Under Management ("AUM") that will have direct impact to revenue, e.g. Loss of key client / client concentration risk, or a market downturn. The UK/EU PGIM Group is resilient, diversified and insulated from many short-term market risks. It has a highly regulated SEC listed parent on which it can call for additional cash or capital as well as strong, well-positioned immediate U.S.A. parent, PGIM, Inc. Its Business Units are highly integrated with their parent businesses and can benefit from the increased support and oversight that scale brings. However, business strategy or strains to business fundamentals can drive business risks. The business is predicated on providing investment services with differentiated returns to a broad range of clients. Revenues are driven by the valuation of AUM and sustained positive investment outperformance. Business risks of note include: ▪ Group Risk: Revenue streams for most entities operate through a cost-plus mechanism. A material reduction or removal of these revenue streams from the US parent would have a significant impact on the UK PGIM Group; ▪ Contagion Risk: This would be a significant unforeseen event originating from subsidiaries or group entities that results in a contagion effect to the reputation and operations of the UK PGIM Group; Contagion Risk / Group Risk is considered a potential wind-down scenario. Stress test results inform the internal monitoring thresholds for levels of own funds and liquid assets.
Market Risk	Market risk represents the risk that a significant market downturn will impact PFML's revenue and non-GBP cash balances. PFML has a low appetite for taking market risk on its balance sheet. PFML does not undertake trading on its own account and, as a result, for PFML, market risk is the risk associated with the loss resulting from fluctuations in the market value of net FX positions attributable to changes in FX rates. PFML is exposed to FX risk on all income, expenditure, and transfer pricing (both income and expenditure) that arises in currencies other than the Pound Sterling (GBP). FX hedging processes are in place to reduce FX risk exposure. Market downturn and FX stress scenarios and stress tests are performed to determine their inclusion in the OFTR and LATR and additional internal own funds and liquid assets thresholds to mitigate these risks.

Proprietary Concentration Risk	Concentration risk is the risk arising from the strength or extent of a firm's relationships with, or direct exposure to, a single client or group of connected clients. Stress tests are performed on the loss of 'Assets Under Management' ("AUM") that demonstrate the resilience of PFML to large AUM losses. PFML's largest client is the parent company PGIM, Inc. The withdrawal of support by the parent company is modelled as the trigger scenario for the firm's orderly wind-down scenario. Adequate capital and liquid assets are always held to be able to wind down the firm. Surpluses of capital and liquid assets are determined by the Board that are monitored. Should the level of own funds or liquid assets go below the internal monitoring thresholds, recovery plans are in place to restore a viable position. Should these plans be ineffective, the Board would consider triggering an orderly wind-down of the firm.
Proprietary Liquidity Risk	Liquidity risk for PFML relates to the potential of not having sufficient liquid assets to meet its financial obligations and day-to-day operating expenses or to wind down the firm in an orderly manner. As part of the ICARA process, the Board of PFML determines the liquidity risk appetite for the business. The type of assets that can be held by the business are set out and used to calculate available liquid assets. The levels of suitable liquid assets are monitored against regulatory requirements, the 'Basic Liquid Asset Requirement' ("BLAR") and the 'Liquid Asset Threshold Requirement' ("LATR"). In addition to regulatory requirements, the Board sets additional internal levels of liquid assets that should be held in excess of the regulatory requirement. The additional monitoring thresholds are informed by stress tests that are performed as part of the annual ICARA process. As set out in the Liquidity Policy, liquid resources are monitored against the LATR on an ongoing basis as follows: • Weekly bank reconciliations • Bi-weekly cash flow meetings where cash is forecast forward over a 12-month period and explicitly measured against the internal liquidity threshold • Monthly monitoring of liquid assets against the liquid asset threshold requirement • Quarterly monitoring and reporting of liquid assets against the liquid asset threshold requirement to the Regulator • Quarterly Key Risk Indicator monitoring with reporting to the Board • Annual review of the Liquid Asset Threshold Requirement as part of the ICARA process • Ad hoc monitoring as part of the approval process for significant transactions

5. Governance Arrangements

5.1. Board Accountability

Ultimate responsibility for the preparation, review and approval of PFML's ICARA and this MIFIDPRU 8 disclosure rests with the PFML Board. The Board reviews and challenges the Firm's business model, material risks, risk appetite, own funds, liquid assets, threshold requirements, stress testing, recovery options and wind-down analysis.

5.2. Corporate Governance

MIFIDPRU 8.3.1 (1): an overview of how the firm complies with the requirement in SYSC 4.3A.1R to ensure the management body defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.

PFML is managed by its Board which is responsible for the Firm's long-term success. The Board defines, oversees and is accountable for the implementation of governance arrangements to ensure the effective and prudent management of the Firm. PFML's Board terms of reference provide that the Board:

1. has overall and collective responsibility for the Firm;
2. sets, approves and oversees implementation of the Firm's strategic objectives, risk strategy and internal governance;
3. ensures the integrity of the Firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system;
4. oversees the process of disclosure and communications;
5. has responsibility for providing effective oversight of senior management;
6. monitors and periodically assesses:
 - a. the adequacy and the implementation of the firm's strategic objectives in the provision of investment services and/or activities and ancillary services;
 - b. the effectiveness of the firm's governance arrangements;
 - c. the adequacy of the policies relating to the provision of services to clients;
7. takes appropriate steps to address any deficiencies; and
8. has adequate access to information and documents which are needed to oversee and monitor management decision-making.

The members of the Board are required to have appropriate knowledge, experience and leadership qualities to operate the business effectively and sufficient resources to oversee the activities conducted by the Firm. The directors are required to act in accordance with the best interests of the Firm and the business connected with it. Quarterly board meetings are in place for PFML to oversee significant matters and provide a regular forum for discussion and challenge on the decision-making process.

PFML is able to leverage and benefit from the resources of its affiliated companies. PFML operates in accordance with the same core values as its ultimate parent company, PFI which are: being worthy of trust; being customer focused; having respect for each other and becoming the unrivalled industry leader by achieving superior results for customers, shareholders and communities and adhering to PFI's code of

conduct entitled "Making the Right Choices". The Board is responsible for the implementation and control of both the enterprise-wide principles and policies, as laid out by PFI.

The Firm is assisted by several committees, councils or groups which are established at PGIM such as the ICARA Working Group that assists the Board in setting group objectives in line with the PGIM's strategy.

ICARA Working Group ("IWG") - The ICARA Working Group coordinates the annual ICARA cycle across PGIM's UK regulated entities. It supports consistent methodology, assumptions, scenario design, regulatory interpretation and timetable management, and considers whether changes in risk profile require an out-of-cycle update. The Working Group is a coordinating and challenge forum and does not approve PFML's ICARA or this disclosure.

PFML can leverage and benefit from the resources of its affiliated companies including PGIM, Inc. PFML operates in accordance with the same core values as its ultimate parent company, PFI which are: being worthy of trust; being customer focused; having respect for each other and becoming the unrivalled industry leader by achieving superior results for customers, shareholders and communities and adhering to PFI's code of conduct entitled "Making the Right Choices". The Board is responsible for the implementation and control of both the enterprise-wide principles and policies, as laid out by PFI.

ICARA Process - The Firm's ICARA Process includes the following:

- a detailed review of the Firm's history and current and projected financial position, including the construction of a financial forecast model for the next 5 years in respect of the Firm's business;
- a review of the risks that face the business and the identification of measures which are being or could be put in place to mitigate these risks. Attention is paid to assessing whether increasing the levels of capital or liquid assets held by the Firm would provide substantive additional protection against these risks;
- a review of the medium-term plans and strategy of the business and the impact this may have (if any) on the risk profile and financial projections of the business;
- analysis of several extreme but plausible scenarios that the business could face, and their financial impact modelled to consider how the Firm's business (including its own funds and liquid assets) would be affected; and
- documentation of the above (via the ICARA document).

5.3. Governing Body Membership

Membership of the Board of PFML is detailed in the following table, and in accordance with MIFIDPRU 8.3.1(2), sets out the number of external directorships (executive and non-executive) held by each Board Member:

Name	Title	Number of External Directorships <i>(exec and non-exec)</i>
Zita Bachmann	Vice President, Business Group Risk Management	0
Mathew Crowther	Managing Director, PGIM Real Estate Europe Business	1
Heather Day	Managing Director, PGIM Real Estate Europe Business	0
Jo Brown	European Finance Director	0
Shaun Hose	Managing Director, PGIM Real Estate Europe Business	0
Andrew Macland	Managing Director, PGIM Real Estate Europe Business	1
Ibtissem Sfaxi	Managing Director, PGIM Real Estate Europe Business	0

The Directors do not hold at the same time more than one of the following combinations of directorship in any organisation which does not pursue predominantly commercial objectives and/or within the same group or within an undertaking (including a non-financial sector entity) in which the Firm holds a qualifying holding (as defined by the FCA):

- (a) one executive directorship with two non-executive directorships; and
- (b) four non-executive directorships. (MIFIDPRU 8.3.1R (3)).

5.4. Board Diversity Policy

In accordance with the requirements under MIFIDPRU 8.3.1R (4), the following sets out a summary of the policy promoting diversity on the Board.

PFML appreciates the importance of diversity at Board level and recognises the benefits of a balanced Board which makes good use of differences in social and ethnic backgrounds as well as race, gender and skills. PFML's Board Diversity Policy aims to ensure that the Board is engaged and committed to having a broad set of qualities and competencies with a variety of views and experiences which facilitates independent opinions/perspectives and sound decision-making within the Board. The Board is tasked with ensuring that it considers, amongst other things, diversity when making recommendations of new members to the Board. The Board's Diversity Policy seeks to increase ethnic and gender representation on the Board over time although no specific targets have been set at this stage.

The Board uses a skills matrix to assess the diversity of skills and perspectives represented on the Board. Diversity was considered, among other relevant factors, in Board appointments made during 2026.

5.5. Segregation of Duties and Prevention of Conflicts of Interest

The segregation of duties and prevention of conflicts of interest described below are all designed to ensure, amongst other things, that PFML meets its regulatory obligations and the wider objectives of conducting its business with integrity, due skill, care and diligence. These governance arrangements and other measures implemented by the Firm ensure the promotion of the integrity of the market and the interests of clients.

Segregation of Duties

As described at Section 4.3, the risk management framework is based on a "Three Lines of Defence" model. Business leadership (the First Line of Defence) is responsible for the day-to-day management, operation and execution of risks and controls within their respective area of management. Risk management and compliance teams perform separate but complementary roles within the Second Line to identify, measure, track and escalate areas of risk.

The Compliance Department operates to independently provide guidance and assess, monitor and test the design and operational effectiveness of the PFML's first-line controls required to appropriately support risk-based oversight of business growth that meets the firm's values and regulatory requirements.

The scope of the Compliance Program includes the following risks:

- Market conduct requirements in the design and sale of products and services;
- Privacy requirements in managing consumer and employee data;
- Financial crime requirements regarding money laundering, economic sanctions, and anti-bribery and corruption;
- Institutional and personal conflicts of interest;
- Investment guideline and management regulations;
- Material non-public information and information barriers; and
- Ethical conduct consistent with our values

The Compliance Department primarily reports along functional lines globally through to the Chief Ethics and Compliance Officer (CECO) who oversees the Compliance Program and the adequacy of resources devoted to it across Business Units and firm-wide. Notwithstanding, and consistent with regulatory guidance that a firm's governing body should be knowledgeable about the content and operation of the Compliance Program, regular Compliance reports are provided to the PFML Board.

Prevention of Conflicts of Interest

PFML strives to identify potential risks, including conflicts of interest, that are inherent in its business and conducts annual conflict of interest reviews. PFML seeks to address conflicts through one or more of the following: elimination of the conflict; disclosure of the conflict; or management of the conflict through the adoption of appropriate policies, procedures or other mitigants.

PFML has adopted a Conflicts of Interest Policy which sets out the framework and organisational controls applied by PFML for the identification, recording, monitoring and effective management/prevention of conflicts of interests. The Conflicts of Interest Policy applies to the directors and senior management of PFML and to all other individuals who are employed by or seconded to PFML (whether on a full or part-time basis) or who are otherwise authorised to act on behalf of PFML in the conduct of its business. In accordance with its obligations as an SEC registered investment adviser, PFML has also identified and made further disclosures regarding conflicts of interest as set out in PFML's "Form ADV Part 2A brochure" which can be found at www.adviserinfo.sec.gov.

PFML's Compliance Department provides quarterly reports to the Board which sets out identified conflicts of interests and the proposed controls and management thereof. PFML maintains a conflicts register setting out the actual and potential conflicts and the Board reviews and approves the Conflicts of Interest Policy (including the register) on an annual basis to ensure the Board has appropriate governance and oversight of (a) the actual and potential conflicts; and (b) the effectiveness of the mitigating controls and processes to manage the said conflicts.

6. Own Funds

6.1. MIFIDPRU 8.4.1 R Disclosure Requirements

The Firm is required to disclose the following under MIFIDPRU 8.4.1 R:

- a) a reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the Firm.
- b) a reconciliation of (a) with the capital in the balance sheet in the audited financial statements of the Firm; and
- c) a description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the firm.

The reconciliations and description are shown in the tables below.

The Firm's own funds are calculated in accordance with MIFIDPRU 3 and comprise common equity tier 1 ("CET1") items.

6.2. Common equity tier 1

The Firm's CET1 comprises share capital and retained earnings.

As at 31 December 2025, the Firm's called-up share capital comprised 10,000,000 allotted, called-up and fully paid ordinary shares of £1 each, all of which were held by its then immediate parent, PGIM Financial Limited ("PFL"). On 1 January 2026, ownership transferred to PGIM, Inc. as part of PGIM's legal entity simplification programme. PFL subsequently entered liquidation on 31 March 2026.

Profits included in retained earnings are included in CET1 once verified by an independent auditor. Losses are included as and when incurred.

6.3. Deductions from CET1

There were no CET1 deductions for the Firm.

6.4. Tier 2

There is no Tier 2 capital.

6.5.Composition of Regulatory Own Funds

Item		Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	19,198	
2	TIER 1 CAPITAL	19,198	
3	COMMON EQUITY TIER 1 CAPITAL	19,198	
4	Fully paid up capital instruments	10,000	13
5	Share premium	-	
6	Retained earnings	9,605	
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	(407)	
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	-	

6.6.Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Item		Balance sheet as in published/audited financial statements (GBP thousands)	Cross-reference to template OF1
	Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements		
1	Property, plant and equipment	73	
2	Trade and other receivables	18,561	
3	Deferred tax asset	62	
4	Cash and cash equivalents	45,836	
5	Total Assets	64,532	
	Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements		
1	Trade and other payables	44,858	
2	Income tax liability	69	
3	Total Liabilities	44,927	
	Shareholders' Equity		
1	Called up share capital	10,000	4
2	Profit and loss account	9,605	6
3	Total Shareholders' equity	19,605	

6.7.Main features of own instruments issued by the Firm

Instrument type:	Ordinary shares
Placement type:	Private
Amount recognised in regulatory capital (GBP thousands):	£10,000
Nominal amount of instrument:	£1 each
Issue price:	£1 each
Accounting classification:	Called up share capital
Original date of issuance	08/10/1996
Perpetual or dated	Perpetual

6.8. Overall financial adequacy rule (OFAR) compliance

As a minimum to comply with the OFAR, PFML must meet its own funds requirement ("OFR") and its basic liquid assets requirement ("BLAR").

Under MIFIDPRU 4.3, PFML is required to always maintain own funds that are at least equal to its OFR, which is calculated as the highest of:

- The permanent minimum capital requirement ("PMR") (set out in MIFIDPRU 4.4);
- The fixed overheads requirement ("FOR") (set out in MIFIDPRU 4.5);
- The k-factor requirement ("KFR") (set out in MIFIDPRU 4.5).

Own funds requirement		Amount (GBP thousands)
1	PMR	75
2	FOR	10,544
3	KFR (sum of (a), (b) and (c))	449
	a) sum K-AUM, K-CMH and K-ASA	449
	b) sum K-DFT and K-COH	-
	c) sum K-NPR, K-CMG, K-TCD and K-CON	-
	Own funds requirement (higher of 1, 2 and 3)	10,544

The Firm's PMR is determined by its regulatory permission profile which is based on the activities it undertakes.

The Firm's FOR is calculated as one quarter of the previous year fixed expenses based on the most recent audited financial statements.

If there is a material change to projected relevant expenditure during the year this revised FOR is applied.

Under the IFPR regime investment firms are to use quantitative indicators (K-factors) to reflect the potential harm that it can cause to its clients, the markets in which it operates and to itself.

All K-factors may not necessarily apply to any one firm as they are specific to its business activity.

The KFR relevant to the Firm is K-AUM. The remaining K-Factors are not applicable.

In addition, PFML is required to perform an internal assessment through the ICARA to establish if additional own funds and liquid assets are required to support their ongoing operations and/or an orderly wind-down, as prescribed by MIFIDPRU 7. This assessment determines PFML's own funds threshold requirement ("OFTR") and liquid assets threshold requirement ("LATR"). The assessment of own funds and liquid assets against OFTR and LATR, respectively, ensures the full compliance with the OFAR.

PFML maintains own funds and liquid assets which are adequate, both in amount and quality, to ensure it remains financially viable.

The Firm also states and monitors additional internal thresholds over and above the OFTR and the LATR. These additional internal thresholds are determined using several stress tests performed on a range of key business and market risks. Any triggers or breaches would be immediately escalated in line with the internal escalation framework.

7. Remuneration Policy and Practices

PFML is subject to the FCA's MIFIDPRU Remuneration Code set out in SYSC 19G as a non-SNI MIFIDPRU investment firm subject to the standard remuneration requirements.

7.1. Remuneration Policy

The PGIM UK Remuneration Policy applies to all staff providing services to PFML and has been designed to account for the following guiding principles:

Principle	Commentary
Service	The firm rewards staff for the value they provide and the impact they have on its clients and its businesses, whilst reflecting the accountability the firm has to its clients.
Expertise	The firm's success is dependent on the expertise and skillsets of its employees. The design of compensation programmes is flexible and segmented to respond to the unique talent profiles and expertise of employees.
Integrity	The Remuneration Policy is designed to drive behaviours that focus on both realising the firm's business strategy and the way in which it is achieved.
Aligned with business strategy	The design and delivery of the Remuneration Policy align with the short- and long-term business strategy, objectives, values and interests of the firm, the accounts and funds it manages and the services it provides.
Performance oriented and client centric	The firm's compensation programmes provide distinct recognition and differentiated rewards to its highest performers who consistently achieve superior results. The compensation programmes are results-focused, differentiated, and driven by individual, team and firm-wide performance. To support a pay-for-performance orientation, a portion of total compensation for most staff is variable and performance-based. The firm will generally reduce/contract its total variable remuneration where the financial performance of the firm or PGIM Group is subdued or negative.
Market competitive	The firm's compensation programmes are designed to be market competitive, enabling it to attract and retain talent needed to deliver on the firm's strategy.
Risk balanced	Risk mitigation is an essential part of the firm's culture, and compensation programmes. Processes and governance are designed to discourage imprudent risk-taking and appropriately consider risk factors in reward decisions. The input of the firm's Risk Management, Legal, Compliance and Finance functions were sought in developing the Remuneration Policy. Policies and procedures have been adopted to mitigate any potential conflicts that may arise between staff members and the firm, staff members and the funds or other accounts the Firm manages and between one fund/account and another.
Aligned with regulatory expectation	The Remuneration Policy is designed to comply with applicable regulations governing remuneration and does not facilitate the avoidance of the requirements contained within those regulations.

7.2. Assessing performance

PFML's performance management and annual appraisal process provides a direct link between performance assessment and remuneration outcomes. In assessing performance of the individual, several factors based on both quantitative and qualitative criteria are considered which are specific to the individual's role, including:

- complying with standards of good conduct,
- acting with integrity and in the best interests of clients,
- annual agreed performance objectives set during an appraisal.

In addition, and where relevant, the following factors may also be included: growth of assets under management, Business Unit and fund investment performance, development of business opportunities, meeting of certain environmental, social and governance targets and competency-based factors that are identified in the individual's annual appraisal. Some of these factors will consider adjustments for current and potential risks as well as the cost and quantity of the capital and liquidity required. Serious compliance concerns are also considered when assessing performance.

7.3. Providing reward

PFML pays both fixed and variable remuneration to staff. The fixed remuneration paid principally consists of salary which reflects the individual's relevant professional experience and organisational responsibility, and benefits which are aligned to the local market.

PFML aligns employee interests to those of its clients and shareholders via its variable remuneration structures, principally the annual bonus. PFML ensures that the factors to be used in setting bonuses are risk adjusted and take into consideration the business and fund strategy, objectives, values and long-term interests of the firm.

In addition, eligible staff may be rewarded through long-term incentive plans which align compensation with the performance realised and interests of investors in the funds or accounts they manage, or via share awards to align compensation with that of the broader PRU group and its shareholders.

Certain employees may further participate in carried interest and co-investment arrangements which seek to align their interests with those of external investors. In the case of carried interest arrangements, employees would share in the carried interest earned from a fund/product, which is typically calculated as a share of the investment returns once and to the extent that a performance hurdle has been exceeded.

7.4. Performance and risk adjustment

PFML ensures that any measurement of performance used as a basis to calculate pools of variable remuneration considers all relevant types of current and future risks, as well as the cost of capital and liquidity that is required in accordance with the ICARA process. The allocation of variable remuneration components within the group considers all types of current and future risks.

In certain circumstances, PFML has the right to apply in-year adjustments, malus or clawback from a current (or ex-) employee. Malus or clawback will be applied in at least the following circumstances:

- If an employee failed to act in accordance with appropriate standards of fitness and propriety; or
- If an employee participated in or was responsible for conduct which resulted in significant losses to the PFML.

In addition, malus will be applied when, as a minimum:

- There is reasonable evidence of employee misbehaviour or material error;
- PFML suffers a material downturn in its financial performance; or
- PFML suffers a material failure of risk management.

Clawback will be applied in cases of fraud or other conduct with intent or severe negligence which led to significant losses.

7.5. Guaranteed reward, severance and retention payments

PFML can provide a guaranteed variable remuneration award in order to attract someone it considers to be important to the business and to be able to compete for talent. This will only be granted in the first full year of service and if PFML has sound regulatory capital.

Severance pay is at PFML's absolute discretion. Any payments related to early termination of contracts will reflect performance achieved over time and will be designed in a way which does not reward failure.

Retention awards may be considered in exceptional circumstances, and where it is consistent with the Firm's remuneration policy to promote sound and effective risk management and does not encourage behaviour that may be detrimental to the interests of clients.

7.6. Remuneration Governance

The PFML Board has responsibility for setting the remuneration policies. In doing so, the Board considers the incentives the policies create for managing risk, capital and liquidity. The Board also takes into consideration the long-term interests of shareholders, investors and other stakeholders.

To ensure a strong alignment between risk and reward, PFML has further established a Conduct Panel with a mandate to review any conduct, ethics, risk or compliance breaches of staff providing services to PFML. Where the Conduct Panel considers an issue to be of sufficient importance, the PFML Board would consider the impact such issue would have on an individual's reward. This Conduct Panel consists of directors of the PFML Board, together with senior members of the HR, Risk, Compliance and Legal departments.

7.7. Material risk takers

Under the MIFIDPRU Remuneration Code, PFML must report annually on the remuneration policy and practice for employees identified as Material Risk Takers ("MRTs").

MRTs comprise senior management, those with responsibility for control functions (such as risk and compliance) and risk takers whose professional activities could have a material impact on PFML's risk profile. MRTs are defined with reference to managerial responsibility to influence the firm's overall risk profile and follow the identification principles set out in the FCA's SYSC 19G handbook.

An annual review of PFML's risk profile is conducted to allow the firm to determine the MRT population, and a record is kept by HR and the Board. PFML identified 10 individuals as MRTs for 2025.

7.8. Quantitative Disclosure

PFML is required to publish quantitative remuneration information for its MRTs and other staff providing services to the company for the performance year ending 31 December 2025.

PGIM Fund Management Limited £M	Senior Management	Other MRTs	Other Staff	Total
Total amount of remuneration	5.03	1.38	33.56	39.97
<i>Total Fixed</i>	1.81	0.67	17.05	19.54
<i>Total Variable</i>	3.21	0.70	16.51	20.43

Notes:

Whilst MRTs and other staff may provide services to multiple regulated and non-regulated entities, PFML has not apportioned the remuneration paid to UK staff between these different entities.

In preparing the quantitative disclosure, PFML has relied upon the exemptions set out in MIFIDPRU 8.6.8R(7) to aggregate senior management and other material risk taker information and in relation to severance payments to prevent individual identification of a material risk taker.

All severance payments are made in accordance with the MIFIDPRU Remuneration Code and PFML's Remuneration Policy which includes complying with PFML's fixed to variable compensation ratios.

Severance payments made to material risk takers in the 2025 performance year did not exceed 29% of an individual's prior-year total compensation.