KBI GLOBAL INVESTORS

Investment Firm Regulation - Risk Management Public Disclosures 2024

Principal Activities:

KBI Global Investors Ltd (KBIGI) and KBI Global Investors (North America) Ltd (“KBIGINA”), collectively KBI Global Investors (“KBI”) are both Irish domiciled and incorporated institutional asset managers and are regulated under MiFID II by the Central Bank of Ireland (CBI). KBI is headquartered in Ireland with a representative office located in Boston, US. KBIGI is 100% owned by Amundi Asset Management which in turn is 100% owned by Amundi S.A., which is a publicly traded company (on the French stock exchange) and majority owned by Crédit Agricole S.A.

KBI has a global client base with mandates in the UK, Europe, North America, and Asia. KBI is a specialist provider of niche investment strategies for institutional clients, which include pension schemes, large corporations, charities, foundations & endowments and large family offices. Its key product offerings are its Global Equity and Natural Resources investment strategies.

KBI Global Investors (North America) Ltd. (KBIGINA) is a wholly owned subsidiary of KBIGI and is authorised by the CBI. Collectively, both firms are referred to as “KBI” throughout this document.

Consolidated AuM for KBI as at December 2023: €16.7bn

Background

The Investment Firms Directive (IFD) and the Investment Firms Regulation (IFR) was transposed into law on 26 June 2021. The IFR puts in place a new prudential framework for MiFID authorised Investment firms to provide a more appropriate and proportionate methodology than the previous ‘one size fits all’ banking framework applied under CRR and CRD IV. IFD/IFR introduced a new classification system for investment firms based on their activities, systemic importance, size, and interconnectedness. Each class of firm is subject to a different set of prudential requirements, with some systemically important and larger firms remaining under the current Basel-derived CRR/CRD regime.

Under IFR, the capital requirements are comprised of:

1. Minimum Capital Requirements

This involves calculating a minimum regulatory capital using one of several standard methodologies dependent on activities carried on by the business.

2. Internal Assessment of Capital Needs

Supervisory Review Process (“SRP”) comprising:

The Internal Capital Adequacy Assessment Process (“ICAAP”)

The ICAAP requires firms:
(i) to identify, measure and monitor its risks
(ii) to identify the internal/economic capital requirements in relation to the firm’s risk profile

KBI’s Material Risks
Material risks for KBI from an ICAAP capital perspective are Operational Risk, Business Risk, Strategic Risk, Regulatory Risk and Conduct Risk.

Stress Testing
Stress Testing, in the context of the ICAAP, is a technique used to evaluate the potential effects on an institution’s capital adequacy of a specific event or movement of a set of economic variables and focuses on exceptional but plausible events. A firm’s capital requirement can increase significantly under certain stress scenarios.

As part of KBI’s 2023 ICAAP, stress tests addressing the following risks were considered.

- An orderly wind down of the business
- Significant loss of Revenue (due to market or client exits)
- Significant Operational Risks

The Supervisory Review and Evaluation Process
This is the CBI’s process to review the firm’s ICAAP and the adequacy of the Economic Capital identified.

Material risks are identified and managed by adherence to the SRP.

3. Public Disclosures

Enhanced Market Disclosure
The Public Disclosures requirements of IFR/IFD encourages market discipline whereby a firm develops disclosure requirements which allow market participants to assess key information on a firm's capital, risk exposures and risk assessment processes.

The relevant disclosures are located on KBI's website at: https://www.kbiglobalinvestors.com/ifr-disclosure/

4. Classification

As referred to above IFR/IFD introduced a new classification system for investment firms. Class 1 firms typically deal on their own account or engage in underwriting or placing financial instruments on a firm commitment basis, where the total value of assets of the undertaking, or the group, where the undertaking is part of a group is greater than €30bn and are regarded as systemically important investment firms. Class 3 firms (small and inter-connected investment firms) are those that comply with the criteria set out in Article 12 IFR and which includes AuM of less than €1.2bn and are below the relevant thresholds for Class 1 and Class 2 firms. Class 2 firms are essentially any firms that don't meet the criteria for Class 1 or Class 3 firms, and which are non-systemically important firms above certain thresholds.

Both KBIGI and KBIGINA meet the criteria to be classified as Class 2 firms under IFR/IFD. Class 2 firms are subject to the full scope of the IFR/IFD regime including remuneration requirements and K-factor requirements which facilitates firms to establish capital requirements aligned to the risk profile using the k-factor methodology.

Class 2 Firms are also required to hold liquid assets to the value of one third of the firm's fixed overhead requirement. The fixed overhead requirement is based on 25% of overheads from the previous year's audited financial statements.

Both KBIGI and KBIGINA's capital requirements will be the larger of the fixed overhead overheads requirement, permanent minimum capital or K-factor requirements.

The K-Factor Requirement is an activity-based requirement under IFR. It acts as proxy for the three groups of risks: Risk-to-Client (RtC), Risk-to-Market (RtM), and Risk-to-Firm (RtF). The specific K-Factors which apply to a particular firm are dependent on its regulatory permissions and the activities that it undertakes, which in the case of KBI are:

- K-AuM
- K-NPR

Although KBI doesn't hold the permission to safeguard and administer assets or hold client money, the K-ASA is still calculated under IFR rules for its parent company, Amundi Asset Management.

Risk Management Objectives and Policy

1. Risk Governance

The key components of KBI's risk governance framework as are as follows:

(i) **KBIGI Board:**

KBIGI's Board is responsible for the governance of risk in the firm and for establishing mechanisms and structures to control and manage this risk. The Board is firmly committed to sound and prudent risk management practices, given the importance of such practices to achieving the firm's strategic objectives. Given its own responsibility to satisfy itself that such practices are embedded in the day-to-day management of the firm, the Board has put in place a governance and policy framework designed to control and mange relevant risk. The firm strives to achieve a healthy risk culture which is driven from the top of the business.

The Board delegates responsibility for the governance of risk in the firm to the Board Audit Committee and the Risk Committee.

Board Governance

In accordance with Article 48 IFR, the firm is required to make disclosures with regards to the following:

- the number of directorships held by members of the Board
- the firm policy on Board diversity
- The establishment of a risk committee and the number of annual meetings

The KBIGI Board meets quarterly, and its composition is as follows:

- Non-Executive, Board Chair
- Non-Executive Directors (3)
- Independent, Non-Executive Directors (2)
- Executive Director, CEO
- Executive Director, CIO
- Executive Director, Head of Compliance & Risk
- Executive Director, Deputy CEO & Vice President, Head of Business Development & Client Services
- Executive Director, COO, CFO & CIO (Chief Information Officer)

Directorships held by the members of the KBIGI Board:

- Of which KBI & Amundi group entity directorships: 33
- Number of external directorships 6
- Total number of directorships 39

Similarly the KBIGINA Board meets quarterly and its composition is as follows:

- Executive Directive, CEO & Board Chair
- Executive Director, Deputy CEO & Vice President, Head of Business Development & Client Services
- Independent, Non-Executive Director

Directorships held by the members of the KBIGINA Board:

- Of which KBI & Amundi group entity directorships: 7
- Number of external directorships 4
- Total number of directorships 11

Policy on Board Diversity

The KBIGI Board recognises the value of appointing directors who bring a variety of skills, opinions and backgrounds to its discussions and decision -making processes. Having a board with diverse membership is an important objective for the firm and in selecting candidates the Board considers candidates from a variety of backgrounds.

Board Audit Committee

The KBIGI Board Audit Committee assists the Board of Directors by supervising on behalf of the Board, the integrity, efficiency and effectiveness of risk management and the internal control measures in place, paying special attention to correct financial reporting. The Audit Committee also oversees the firm's processes to ensure compliance with laws and regulations. The Audit Committee meets at least twice a year and is chaired by an independent non-executive director. Neither the Board chair nor the firm's CEO are members of the committee.

ii) Executive Committee ('ExCo')

As delegated by the Board, the ExCo is responsible for the day-to-day management of the business which includes implementing the strategies, policies and decisions of the Board. The ExCo typically meets fortnightly which focuses on the operational agenda for the business. In addition, as required, strategic planning meetings are held which focus on more strategic business matters. The ExCo members are:

- Chief Executive Officer ('CEO'),
- Deputy CEO & Vice President, Head of Business Development & Client Services
- Chief Investment Officer ('CIO'),
- Chief Operations Officer/Chief Financial Officer ('COO/CIO')
- Head of Compliance & Risk

The ExCo may extend an invitation to other line managers to attend all or part of any meeting which it considers appropriate.

ExCo Sub-Committees

The ExCo maintains a Risk Committee which enables it to discharge its responsibilities relating to risk management and monitoring

iii) Risk Committee

The KBI Risk Committee is responsible for overseeing the implementation of the firm's risk management policy in the business as it pertains to the main risks to which the business is exposed. This committee meets quarterly where the focus of these meetings are all non-investment related risks i.e. Operational, Conduct, Regulatory, Financial, Strategic/Business and Environmental.

Semi-annually the Committee meets to review investment risk associated with the mandates and funds managed by the firm.

The members of this Committee include ExCo, the Senior Compliance Manager, the Investment Risk Manager and the permanent attendees include Internal Audit and representatives from the Amundi Risk and Compliance teams in Paris, the firm's parent company.

The objectives and areas of focus of this Committee include:

- Developing and monitoring the adequacy and effectiveness of the firm's Risk Management Policy and Framework and making proposals on relevant enhancements and improvements as required,
- Championing, developing and overseeing the firm's risk culture ensuring it is aligned with the firm's purpose and risk appetite,
- Advise and make appropriate recommendations to the Board on relevant material matters relating to risk
- Developing and implementing appropriate policies and procedures relating to risk governance, risk management practices and risk control processes and procedures,
- Operational risk management and monitoring including reviewing errors/near misses and relevant Key Risk Indicators ('KRIs'), reviewing the business unit risk registers and in particular any significant or material risks identified in same to ensure appropriate mitigants/controls are in place and that they are within the firm's Risk Appetite,
- Consideration of any operational risk implications from the firm's business continuity planning and execution
- Considering the output of Internal Audit activity including audit recommendations and any significant issues or themes arising from such audits,
- Ensuring funds/mandates are managed in line with their regulatory limits and investment guidelines and that breaches of such limits and guidelines are rectified appropriately and alongside this monitoring trends in such breaches that are incongruent with the firm's Risk Appetite,
- Reviewing and challenging the risks associated with new products and business activities which feeds into the firm's New Products Committee,
- Reviewing and approving the firm's Investment Risk Framework (the 'Framework') and assessing compliance with the Framework risk limits and thresholds as applied to the firm's investment strategies,
- Monitoring and analysing portfolio risk including existing and emerging risks that may impact the performance of the firm's strategies and funds, which includes liquidity monitoring, scenario analysis and stress testing,
- Ensuring that KBI maintains a robust and accurate internal capital adequacy assessment process (ICAAP) including the development, review and approval of operational risk stress test,
- Considering and monitoring outsourcing risk in line with KBI's Outsourcing policy,

iv) Three Lines of Defence Model

In line with best practice the KBI governance structure is based on the **three lines of defence** model of risk management. In this model the 1st line of defence resides in the business units, the second line of defence resides with the Compliance & Risk Management team and the Internal Audit function form the 3rd line.

v) Compliance & Risk Team

In KBI the Head of Compliance & Risk has a direct reporting line to KBI's CEO, which ensures independence from the business. In addition, they have a dotted line reporting to the Amundi Group Compliance team and the Amundi Group Risk team which also enhances the independence of the role. Should the need arise they also have access to the Chair of the Audit Committee and the Chair of the Board.

The Compliance and Risk team within KBI has as its primary objective:

i) Management and monitoring of compliance risk within the business and which is achieved through a risk-based Compliance Monitoring Programme, which sets out relevant monitoring to be undertaken, reporting to clients, regulators, committees, the Board and Amundi Group, compliance training to be provided to the business and the maintenance and oversight of relevant Compliance policies and procedures

ii) Acting in an advisory capacity to the business particularly in terms of regulatory conduct rules, managing upstream regulatory developments, new products or business activities and developing appropriate policies

iii) Management and monitoring of Operational, Investment, Strategic/Business and other risk-taking activities through the firm's risk framework, which includes the firm's Risk Appetite Statement, with the provision of quality, timely and pertinent reporting to senior management and the maintenance and oversight of relevant Risk policies and procedures

iv) Promoting a strong compliance and risk culture throughout the business through staff training, involvement in various KBI committees outside of the Risk Committee e.g. Product Governance Committee, Business Continuity Management Committee, Counterparty Review Committee, Responsible Investing Committee, Pricing & Valuation Committee, IT Strategy Committee

In terms of the risk activities of the Compliance & Risk team it assists the firm in achievement of its goals and objectives by providing senior management with risk analyses, reviews, recommendations, advice, opinions, and information concerning the activities from a risk perspective. The primary risk activities performed include:

- **Risk Appetite Statement ('RAS'):** In conjunction with senior management, the Risk Committee and the Board develop and articulate the firm's Risk Appetite Statement across all relevant risks and particularly those risks that have been identified as significant or material from the TDRA and BURA processes. In conjunction with this develop, monitor and report on relevant metrics or KRIs highlighting any material deviations or gaps from the RAS.
- **Risk Governance:** Support senior management and the Board with timely and informative risk management information. Work with senior management and the Risk Committee to identify, control and report on the risks in line with the firm's RAS.
- **Risk Policies:** managing and where necessary developing KBI and Amundi Group risk polices relevant to the types of risks identified
- **Risk Processes:** Ensure appropriate risk management governance, controls, oversight processes, methodology, systems and guidelines are in place.
- **ICAAP:** Co-ordinate and report the results of the ICAAP, which is the collection of defined processes that aligns the firm's Risk Management Policy and Framework with the management of its capital and business planning.

vi) Internal Audit

In KBI the Internal Audit function is performed by Amundi Group Internal Audit and is the firm's 3rd line of defence. It is separate and independent from KBI's business units and functions. Amundi Group Internal Audit are permanent attendees at KBI's Risk Committee and Audit Committee. On an annual basis they meet with KBI's senior management to discuss audit plans and which are then presented to the KBI Audit Committee for approval. As part of this planning they adopt a risk-based approach, consider any material risk items impacting the firm including any relevant emerging risks and relevant audit themes at Group level that maybe relevant to the firm's activities. They report on all internal audits undertaken, the outcome of these and progress on the implementation of agreed recommendations with senior management prior to audit reports being issued.

The Compliance & Risk team manage and monitor the implementation of the recommendations with KBI and report on the status of these to the Risk Committee.

2. Risk Strategy and Appetite

In performing its day-to-day operations, KBI is exposed to many different types of risks, which it must effectively manage to meet its purpose and vision. The risk appetite articulates the type and level of risk KBI is willing to take, accept or tolerate in pursuit of its strategic and business objectives and which is a key component of its overall risk framework and which is set annually by the Board. The overall objective of setting a risk appetite is for KBI's Board and senior management to ensure that it will only take on those risks which it understands and which it has the capability to manage. Therefore, the Risk Appetite Statement (RAS) is important in enabling the alignment of KBI's overall business plan, capital allocation, and risk. The RAS is an articulation of how the firm's appetite for and tolerance of risk will be expressed for each of its material risks and which is specified via qualitative statements and quantitative limits that define and measure the range of acceptable risk. The process behind setting the risk appetite aids KBI's Board and senior management in understanding the firm's risk profile, identifying an optimal balance between risk and return, and nurtures a healthy risk culture within the business. The RAS is implemented through the firm's risk policies and procedures, internal controls and monitoring metrics. The qualitative statements are complemented with a set of key risk indicators (KRIs) and their monitoring thresholds. The purposes of the indicators and thresholds is to support the evaluation of whether the firm operates within its risk appetite. The feasibility of the KRIs and the thresholds are reviewed annually to take into account potential changes in the underlying factors for the RAS.

The RAS is typically reviewed annually or on an ad-hoc basis if there is a material change to the KBI Business Plan or the crystallisation of a material or emerging risk. The RAS is validated and endorsed by the Risk Committee and signed off by the Board typically annually.

i) Risk Policies

The KBI's Risk Management Framework is a means of ensuring the business has appropriate systems, tools, and controls to identify, assess, manage, monitor and control risks that impact the business. The adoption of consistent processes within a comprehensive framework helps to ensure risk is embedded and managed effectively, efficiently, and coherently across the business in its day-to-day operations and activities. The Framework is underpinned by KBI's Risk Management Policy and Framework document, the Risk Appetite Statement and the ICAAP.

The Framework is further supported by additional policies for specific risk types, including but not limited to: Operational, Investment, Business Continuity, Liquidity, Outsourcing, Information Security, Internal and External Fraud risks.

ii) Risk Assessment

One of the key elements of the firm's Risk Management Framework is the identification and assessment of risks within the business. This ensures the business has full sight of all risks it is exposed to and could potentially be exposed to. Implementing and embedding a fit for purpose risk identification and assessment framework allows for appropriate mitigation to be put in place in respect of the risk appetite tolerance levels set by the Board. KBI takes a Top-to-Bottom approach to risk identification. The Top-Down Risk Assessment focuses on material risks identified by the Executive within the business. These risks are drafted at a high level but also material to the business objectives. The Bottom-Up Risk Assessment is completed by the Business Units and focuses on all risks to their business processes, these risks are granular in nature. As part of this process once a risk is identified by the line manager it is assessed as to its impact and probability using a defined scale and which calculates both the inherent risk and the residual risk and which can vary from very low, low, medium, high or very high. Control procedures are also identified for each risk and risk treatments such as action planning and monitoring requirements are identified based on the materiality of the risk. The output from this evaluation is used to identify the potential costs of significant operational risks for the Firm and feeds into the internal assessment of capital needs' assessment.

The significant operational, business and regulatory risks identified by KBI fall under:

- Internal Fraud
- Staff Error
- Cyber Security/Business Continuity
- Business Continuity event
- Outsourcing and Key Service provider issue
- Product concentration that which underperforms
- Key Person Risk
- Large Client leaves
- Sustainability Risk associated with greenwashing
- False/misleading marketing material
- Failure to maintain adequate policies & procedures
- Global Tax Exposure

In 2023 as part of its strategic risk assessments, which included a consideration of potential emerging risks, the following were considered:

- Equity market event resulting in global equity markets falling sharply
- Geopolitical event i.e. energy insecurity/scarcity due to wars

The non-operational risks identified for the business fall under:

- Market Risk
- Credit Risk

iii) Operational Risk

Operational Risk is the risk of financial losses, opportunity losses, reputational damage, or combination of these as a result of inadequate or failed internal processes, people and/or systems. Operational risk also occurs from external events including legal or insurance risk. Furthermore, Operational Risk can also present itself through failures in a delegate/third party which KBI relies on for the performance of certain critical activities. While Operational Risk is accepted by the company due to the nature of its activities, overall, it has allowed an appetite for such risk. KBI ensures that adequate policies, procedures, controls and mitigants are in place to limit or restrict the operational risks to which is exposed and the potential adverse impact on the business.

Initiatives to improve processes and to reduce or avoid unwanted operational risk events include:

- The automation of manual processes where possible;
- Data collection on loss events to enable timely reporting of incidents, impact, and trends;
- Operational procedures in place which adequately sets out the identification and reporting procedures for operational errors including ‘near misses’. KBI promotes a healthy culture of error reporting to ensure appropriate remediation plans are implemented so far as possible to reduce or even eliminate a reoccurrence so far as possible. KBI’s senior management and Risk Committee have full oversight of operational errors ensuring trends are identified and that remediation plans are completed; and
- Annual review and update of the Business Unit risk registers challenges the individual business units to review their risks and controls to ensure they are adequately mitigating their operational risks.

The minimum regulatory capital considers the Credit Risk, Market Risk and Operational Risk of an institution. Since KBI is not authorised to trade on its own account, or underwrite at entity level, there is no requirement for KBI to set aside additional regulatory capital for operational risk under the minimum regulatory requirements. Capital requirements for operational risk are identified under the Internal Assessment of Capital process.

iv) Market Risk

Market Risk is defined as the potential negative impact on earnings or economic value due to fluctuations on markets such as interest rates, foreign currency, equity prices.

KBI is not authorised and does not trade on its own account and therefore does not carry any market risk in respect of its own business. However, it does have limited exposure to market risk in terms of currency risk impacting its fee income.

v) Credit Risk

Credit Risk is defined as “the risk to earnings and capital arising from an obligor’s failure to meet the terms of any contract with the company or its failure to perform as agreed”

KBI has assessed the exposure to Credit Risk as part of its internal Business Unit and ExCo Risk Assessments and determined that it has minimal exposure to such risk as it does not trade for its own account. KBI is primarily exposed to credit risk where it places its capital in cash deposits with external banks and the non-collection of management fees and which are mainly short-term trading items.

vi) Other Risks

Due to its asset management activities KBI also has exposure to Business Model/Strategic Risk and Conduct Risk.

Business Model/Strategic Risk arises from exposure to circumstances that impede the firm from executing its forecast or desired business strategy. This potentially arises from the loss of clients thus resulting in a loss of revenue, the loss of key staff, the inability to execute desired business combinations, declines in market levels, the failure to develop an appropriate business or strategic plan, or the failure to execute such a plan in a commercially successful manner.

KBI’s business is dependent on gaining and maintaining clients, the quality of its investment management decisions and the resultant impact that these have on the levels of assets under management and fees, which ultimately impacts its profits and capital. Any decisions by the firm relating to its business model take into account the potential impact such decisions may have on the firm’s capital adequacy and earning potential.

Conduct Risk is defined as the risk of not delivering a fair outcome for clients. It includes market integrity, suitability of products to client objectives, conflicts of interest, staff remuneration, fair valuations, inducements, clear fair and not misleading marketing materials and fair product governance.

Through the ICAAP process KBI has set aside additional economic capital associated with these risks.

Remuneration Policy and Practices

KBI's Remuneration Policy has been drafted to take into account the IFD, the RTS, Ireland's implementation of the derogations contained in Article 32 of the IFD and the firm's MiFID II authorisation. Updates thereto and which supersedes all previous policies ("Remuneration Rules"). The firm does not avail of the derogation laid down in Article 32(4) of Directive (EU) 2019/2034.

It is designed to ensure the firm appropriately, attracts, retains and compensates qualified and experienced employees who will perform in the best interests of the firm and its stakeholders. It also encourages all employees to achieve goals in line with the KBI Code of Conduct and sound risk management practices

The purpose of the Remuneration Policy is to set out the policies for determining remuneration and to ensure that it is clear, well-documented and internally transparent to all employees of KBI, including Identified Staff and other stakeholders.

KBI is committed to adopting a proportionate approach to its remuneration policies and practices that is appropriate in encouraging the alignment of the interests of the firm with the best interest of its clients. KBI ensures an appropriate ratio between the fixed and variable components of remuneration to motivate and reward staff to act honestly, fairly and professionally in accordance with the best interests of the client.

The Board: It will be the responsibility of the Board to adopt and maintain the Policy in respect of KBIGI and its subsidiary KBIGINA. The Board shall also ensure that the Policy and KBI's remuneration practices are appropriately implemented and aligned with KBI's overall corporate governance framework, corporate risk culture and risk appetite and it is responsible for ensuring the following:

- Approval of the identification process as part of the Remuneration Policy i.e. the identification of staff whose professional activities have a material impact of the firm's risk profile and which is made in accordance with Directive (EU) 2019/2034, the RTS and the EBA Guidelines (and the ESMA Remuneration Guidelines in the case of UCITS/AIF Identified Staff);
- The assessment of the identification of staff is properly made in accordance with the regulation;
- Approval of any material exemptions from or changes to the Policy and monitoring the effect of such;
- Periodic review of the Policy and if required, amendment.

In carrying out this responsibility, the Board is supported by the **Remuneration Committee ("RemCo").**

The RemCo is a sub-committee of the Board. Composition of RemCo is such that the members are not part of the Executive management of KBI and are therefore independent of the day-to-day activities of KBI. Members of the RemCo collectively have appropriate knowledge, expertise and professional experience concerning remuneration policies and practices, risk management and control activities including with regard to aligning the remuneration structure with the firm's capital profile. When considering Remuneration policies and practices, the RemCo considers the long-term interests of shareholders, investors and other stakeholders in KBI and the promotion of effective risk management which is consistent with the risk profile of KBI's clients and funds and does not encourage excessive risk-taking including with respect to sustainability risks. Annually the RemCo, based on data provided, reviews compliance with the Policy.

Remuneration consists of forms of payment and benefits made in exchange for professional services rendered by staff. The firms remuneration packages consist of:

- Fixed remuneration - determined based on role, professional experience, seniority and skills and is not dependent on performance;
- Performance based bonus (annual bonus and Profit Share Scheme);
- Retention bonus;
- Benefits during employment (benefits-in-kind)

In KBI fixed remuneration is regarded as sufficiently high to prevent staff being overly dependent on their bonuses.

Performance based bonus payments fall under variable pay per the firm's Remuneration Policy. Such bonus payments consist of an annual bonus which is discretionary and for which all staff, including Identified Staff (senior management and those staff members whose activities have a material impact on the firm's risk profile or assets managed) are eligible. The other component of the performance-based bonus is the firm's Profit Share Scheme, which is funded from the variable pay pool and payments made under this scheme are delivered through a combination of cash, parent company equity and units in KBI funds. Equity and fund holdings are locked in for a three-year period with claw-back / forfeiture provisions if the individual leaves the firm

Non-Executive Directors do not receive any remuneration from KBI for performing their duties. Independent non-executive directors receive a fixed fee only, in line with market rates, for performing their duties.

Amundi Group Internal Audit reviews the Policy annually with focus on policy design, implementation and effect on risk profile. However, The Board has the ultimate responsibility for the identification process and ensures the following:

Capital Resources and Capital Adequacy

Both KBIGI and KBIGINA are regulated by the Central Bank of Ireland which sets and monitors regulatory capital requirements in respect of each firm's operations. It is KBI's policy to maintain a strong capital base commensurate with its risk appetite and to hold a buffer over and above the minimum regulatory capital requirement.

KBIGI's Minimum Regulatory Capital requirement are set in accordance IFR/IFD and is based on the higher of:

- the Own Funds Requirement or
- the Internal Capital Adequacy Assessment

KBIGI's **Own Funds Capital Requirement** is currently calculated using the larger of:

a) the permanent minimum capital requirement (set at €75k),

b) the "Fixed Overhead Requirement" methodology (this is for investment firms to hold own funds equivalent to 25% of their preceding year's fixed overheads less depreciation) or

c) the K-Factor requirement which measures the risk the firm is exposed to (for KBI it is K-AUM (Assets Under Management) and K-NPR (Net Position Risk)).

Own Funds Requirement	As at 31March 2024
a) Permanent Minimum Capital	€75,000
b) Fixed Overhead Requirement	€9,136,379
c) K-Factor (K-AuM) & K-NPR	€2,691,152

Similarly KBIGINA's **Own Funds Capital Requirement** is currently calculated using the larger of:

a) the permanent minimum capital requirement (set at €75k),

b) the "Fixed Overhead Requirement" methodology (this is for investment firms to hold own funds equivalent to 25% of their preceding year's fixed overheads less depreciation) or

c) the K-Factor requirement which measures the risk the firm is exposed to (for KBI it is K-AUM (Assets Under Management) and K-NPR (Net Position Risk)).

Own Funds Requirement	As at 31 March 2024
d) Permanent Minimum Capital	€75,000
e) Fixed Overhead Requirement	€2,723,959
f) K-Factor (K-AuM) & K-NPR	€860,267

Both KBIGI and KBIGINA's 2023 **Internal Capital Adequacy Assessments ('ICAAP')** considered additional capital needs for Operational, Business, Strategic, Regulatory and Conduct risks. For both firms their Own Funds Requirement i.e. it's Fixed Overhead Requirement as above currently exceeds the economic capital under the ICAAP.

As required under Articles 49 of IFR, Appendix 1 includes the Own Funds Disclosure and Own Funds requirements disclosures. It includes:

- a full reconciliation of the firms Common Equity Tiers and applicable filters and deduction applied to own funds of the firm and the balance sheet in the audited financial statements;
- a description of the main features of the Common Equity Tiers incl. additional instruments issued by the firm;
- Restrictions applied to the calculation of own funds in respect of KBIGI. There are no restrictions applicable to KBIGINA.

Own Funds for Solvency

Following approval of the 2003 Financial Statements, the latest own funds for solvency reported to the Central Bank of Ireland on 22nd April 2024 for the 31st March 2024 is **€42,745,568 for KBIGI and €7,551,818** for **KBIGINA**

Formal procedures are in place to monitor and manage capital resources on an active and timely basis. Responsibility for ongoing monitoring of capital adequacy rests with the Finance Team, and quarterly reports are provided to the Board.

As of the assessment date, Senior Management of the firm was of the opinion that there are adequate resources and contingency in place to support current and foreseeable activity.

Further Information

For further information please contact: compliance@kbigi.com

Investment Firm Regulation - Public Disclosure Appendices

KBI Global Investors Ltd

Appendix 1: Composition of Regulatory Own Funds

	Common Equity Tier 1 (CET1) capital: instruments and reserves	Amounts In EUR	Audit statement source
1.	**Own funds** Article 9(1) IFR The own funds of an investment firm shall consist of the sum of its Common equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital. This row is the sum of rows 2 and 40.	**42,745,568.00**	**CELL 0010**
2.	**Tier 1 capital** (The Tier 1 capital is the sum of Common Equity Tier 1 Capital and Additional Tier 1 capital This row is the sum of rows 3 and 28.)	**42,745,568.00**	**CELL 0020**
3.	**Common Equity Tier 1 capital** (Article 9(1) IFR Article 50 CRR The total sum of rows 4 to 12 and 27 shall be disclosed)	**42,745,568.00**	**CELL 0030**
4.	**Fully paid up capital instruments** (Article 9(1), point (i) of IFR Article 26(1), point (a) and Articles 27 to 31 CRR Capital instruments of mutual, cooperative societies or similar institutions (Articles 27 and 29 CRR) shall be included. The share premium related to the instruments shall not be included. Capital instruments subscribed by public authorities in emergency situations shall be included if all conditions of Article 31 CRR are fulfilled)	**435,426.00**	**CELL 0040**
5.	**Share premium** (Article 9(1), point (i) of IFR Article 26(1), point (b) of CRR Share premium has the same meaning as under the applicable accounting standard. The amount to be disclosed in this item shall be the part related to the "Paid up capital instruments")	**1,267,691.00**	**CELL 0050**
6.	**Retained earnings** (Article 9(1), point (i) of IFR Article 26(1), point (c) of CRR Retained earnings shall include the previous year retained earnings plus the eligible interim or year-end profits)	**35,333,286.00**	**CELL 0060**
7.	**Accumulated other comprehensive income** (Article 9(1), point (i) of IFR. Article 26(1), point (d) of CRR.)		
8.	**Other reserves** (Article 9(1), point (i) of IFR. Article 4(1), point (117) and Article 26(1), point (e) of CRR The amount to be disclosed shall be net of any tax charge foreseeable at the moment of the calculation)	**15,576,040.00**	**CELL 0100**
9.	**Minority interest given recognition in CET1 capital** (Sum of all the amounts of minority interests of subsidiaries included in consolidated CET1.)		
10.	**Adjustments to CET1 due to prudential filters** (Article 9 (1) point (i) IFR Articles 32 to 35 CRR)		
11.	**Other funds** (Article 9(4) IFR)		
12.	**(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1** (The total sum of row 13 and rows 17 to 26 shall be disclosed)	**-9,866,875.00**	**CELL 0140**
13.	**(-) Own CET1 instruments** (Article 9(1), point (i) of IFR Article 36(1), point (f) and Article 42 CRR. Own CET1 held by the reporting institution or group at the reporting date. Subject to exceptions in Article 42 CRR. Holdings on shares included as "Capital instruments not eligible" shall not be disclosed in this row. The amount to be disclosed shall include the share premium related to the own shares.)		
14.	**(-) Direct holdings of CET1 instruments** (Article 9(1), point (i) of IFR Article 36(1), point (f) and Article 42 CRR. Common Equity Tier 1 instruments held by the investment firm.)		
15.	**(-) Indirect holdings of CET1 instruments**		

	(Article 9(1), point (i) of IFR Article 36(1), point (f) and Article 42 CRR. Common Equity Tier 1 instruments held by the investment firm)		
16.	**(-) Synthetic holdings of CET1 instruments** (Article 9(1), point (i) of IFR Article 4(1), Point (114), Article 36(1), point (f) and Article 42 CRR)		
17.	**(-) Losses for the current financial year** (Article 36(1) point (a) of CRR)		
18.	**(-) Goodwill** (Article 9(1), point (i) of IFR Article 4(1), point (113), Article 36(1), point (b) and Article 37 CRR)		
19.	**(-) Other intangible assets** (Article 9(1), point (i) of IFR. Article 4(1), point (115), Article 36(1), point (b), and Article 37 point (a) of CRR Other intangible assets shall include intangibles assets under the applicable accounting standard, minus the goodwill, also according to the applicable accounting standard.)		
20.	**(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities** (Article 9(2), point (a) of IFR. Article 36(1), point (c) of CRR.)		
21.	**(-) Qualifying holding outside the financial sector which exceeds 15% of own funds** (Article 10(1), point (a) of IFR.)		
22.	**(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds** (Article 10(1), point (b) of IFR.)		
23.	**(-) CET1 instruments of financial sector entities where the institution does not have a significant investment** (Article 9(2), point (c) of IFR. Article 36 (1), point (h) of CRR.)		
24.	**(-) CET1 instruments of financial sector entities where the institution has a significant investment** (Article 9(2), point (d) of IFR. Article 36(1), point (i) of CRR)	**-9,866,875.00**	**CELL 0260**
25.	**(-)Defined benefit pension fund assets** (Article 9(2), point (b) of IFR. Article 36(1), point (e) of CRR.)		
26.	**(-) Other deductions** (The sum of any other deductions listed in Article 36(1) of CRR.)		
27.	**CET1: Other capital elements, deductions and adjustments** (This row shall include the sum of the following items, where applicable: - Transitional adjustments due to grandfathered CET1 Capital instruments (Article 483, paragraphs 1, 2 and 3 and Articles 484 to 487 CRR) - Transitional adjustments due to additional minority interests (Articles 479 and 480 CRR) - Other transitional adjustments to CET1 Capital (Articles 469 to 478 and 481 CRR): adjustments to the deductions from CET1 due to transitional provisions - Other CET1 capital elements or deductions from a CET1 element that cannot be assigned to one of the rows 4 to 26. This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.)		
28.	**ADDITIONAL TIER 1 CAPITAL** (Article 9, point (1) IFR. Article 61 of CRR. The total sum of rows 29 to 31 and 39 shall be disclosed.)		
29.	**Fully paid up, directly issued capital instruments** (Article 9(1), point (i) of IFR. Article 51, point (a) of and Articles 52, 53 and 54 CRR. The amount to be disclosed shall not include the share premium related to the instruments.)		
30.	**Share premium** (Article 9(1), point (i) of IFR. Article 51, point (b) of CRR. Share premium has the same meaning as under the applicable accounting standard. The amount to be disclosed in this item shall be the part related to the "Paid up capital instruments".)		
31.	**(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1** (Article 56 of CRR. The total sum of rows 32 and 36 to 38 shall be disclosed.)		
32.	**(-) Own AT1 instruments** (Article 9 (1), point (i) of IFR. Article 52(1), point (b), Article 56, point (a) and Article 57 CRR Own AT1 instruments held by the investment firm at the reporting date. Subject to exceptions in Article 57 CRR. The amount to be disclosed shall include the share premium related to the own shares.)		
33.	**(-) Direct holdings of AT1 instruments** (Article 9(2), point (c) of IFR. Article 56, point (a) of CRR.)		
34.	**(-) Indirect holdings of AT1 instruments** (Article 9(2), point (c) of IFR. Article 56, point (a) of CRR.)		
35.	**(-) Synthetic holdings of AT1 instruments** (Article 9(2), point (c) of IFR. Article 56, point (a) of CRR.)		

36.	**(-) AT1 instruments of financial sector entities where the institution does not have a significant investment** (Article 9(2), point (c) of IFR. 6 Article 56, point (c) of CRR)		
37.	**(-) AT1 instruments of financial sector entities where the institution has a significant investment** (Article 9(2), point (c) of IFR. Article 56, point (d) of CRR.)		
38.	**(-) Other deductions** (The sum of all other deductions in accordance with Article 56 CRR that are not included in any of the rows above.)		
39.	**Additional Tier 1: Other capital elements, deductions and adjustments** (This row shall include the sum of the following items, where applicable: - Transitional adjustments due to grandfathered AT1 Capital instruments (Article 483, paragraphs 4 and 5, Articles 484 to 487, Articles 489 and 491 CRR) - Instruments issued by subsidiaries that are given recognition in AT1 Capital (Articles 83, 85 and 86 CRR): Sum of all the amounts of qualifying T1 capital of subsidiaries that is included in consolidated AT1, also including capital issued by a special purpose entity (Article 83 CRR) - Transitional adjustments due to additional recognition in AT1 Capital of instruments issued by subsidiaries (Article 480 CRR) adjustments to the qualifying T1 capital included in consolidated AT1 capital due to transitional provisions - Other transitional adjustments to AT1 Capital (Articles 472, 473a, 474, 475, 478 and 481 CRR): adjustments to deductions due to transitional provisions - Excess of deduction from AT1 items over AT1 Capital, deducted from CET1 in accordance with Article 36(1), point (j) CRR: Additional Tier 1 cannot be negative, but it is possible that the deductions from AT1 items exceed the amount of available AT1 items. Where this happens, this item represents the amount needed to increase the amount reported in row 28 to zero and equals the inverse of the excess of deductions from AT1 items over AT1 Capital included, among other deductions, in row 38. - Other AT1 capital elements or deductions from AT1 element that cannot be assigned to one of the rows 29 to 38. This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.)		
40.	**TIER 2 CAPITAL** (Article 9(2) IFR. Article 71 CRR. The total sum of rows 41 to 43 and 50 shall be disclosed.)		
41.	**Fully paid up, directly issued capital instruments** (Article 9(1), point (i) of IFR. 7 Article 62, point (a), Articles 63 and 65 CRR. The amount to be disclosed shall not include the share premium related to the instruments.		
42.	**Share premium** (Article 9(1), point (i) of IFR. Article 62, point (b) and Article 65 CRR. Share premium has the same meaning as under the applicable accounting standard. The amount to be disclosed in this item shall be the part related to the "Paid up capital instruments".)		
43.	**(-) TOTAL DEDUCTIONS FROM TIER 2** (Article 66 of CRR.)		
44.	**(-) Own T2 instruments** (Article 9(1), point (i) of IFR. Article 63, point (b)(i), Article 66 point (a), and Article 67 CRR Own T2 instruments held by the reporting institution or group at the reporting date. Subject to exceptions in Article 67 CRR. Holdings on shares included as "Capital instruments not eligible" shall not be disclosed in this row. The amount to be disclosed shall include the share premium related to the own shares.)		
45.	**(-) Direct holdings of T2 instruments** (Article 63, point (b), Article 66 point (a) and Article 67 CRR.)		
46.	**(-) Indirect holdings of T2 instruments** (Article 4(1), point (114), Article 63 of point (b), Article 66, point (a) and Article 67 CRR.)		
47.	**(-) Synthetic holdings of T2 instruments** (Point (126) of Article 4(1), point (b) of Article 63, point (a) of Article 66 and Article 67 CRR.)		
48.	**(-) T2 instruments of financial sector entities where the institution does not have a significant investment** (Point (c) of Article 9(2) IFR. Point (c) of Article 66 CRR.)		
49.	**(-) T2 instruments of financial sector entities where the institution has a significant investment** (Point (27) of Article 4(1), point (d) of Article 66, Articles 68, 69 and Article 79 CRR. Holdings by the institution of T2 instruments of financial sector entities (as defined in point (27) of Article 4(1) CRR) where the investment firm has a significant investment shall be completely deducted.)		

50.	**Tier 2: Other capital elements, deductions and adjustments** (This row shall include the sum of the following items, where applicable: - Transitional adjustments due to grandfathered T2 Capital instruments (Article 483, paragraphs 6 and 7, Articles 484, 486, 488, 490 and 491 CRR) - Instruments issued by subsidiaries that are given recognition in T2 Capital (Articles 83, 87 and 88 CRR): Sum of all the amounts of qualifying own funds of subsidiaries that is included in consolidated T2, also including qualifying Tier 2 capital issued by a special purpose entity (Article 83 CRR) - Transitional adjustments due to additional recognition in T2 Capital of instruments issued by subsidiaries (Article 480 CRR): Adjustments to the qualifying own funds included in consolidated T2 capital due to transitional provisions. - Other transitional adjustments to T2 Capital (Articles 472, 473a, 476, 477, 478 and 481 CRR): Adjustments to the deductions from Tier 2 due to transitional provisions - Excess of deduction from T2 items over T2 Capital, deducted from AT1 in accordance with Article 56 CRR, point (e): Tier 2 cannot be negative, but it is possible that the deductions from T2 items exceed the amount of available T2 items. Where this happens, this item represents the amount needed to increase the amount reported in row 40 to zero - Other T2 capital elements or deductions from a T2 element that cannot be assigned to one of the rows 41 to 49. This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.)		

Appendix 2: Own Funds Reconciliation with audited financial statements

Assets – Breakdown by asset classes according to the balance sheet in the published/audited financial statements		Balance sheet as in published/audited financial statements EUR	Under regulatory scope of consolidation	Cross-reference to EU if CC1
As at December 2023				
1.	Property, plant & equipment	1,764,767	N/A	N/A
2.	Right of use assets	191,921		
3.	Investments in Subsidiaries	9,866,875		
4.	Trade and other receivables	5,824,172		
5.	Prepayments	833,909		
6.	Cash and short-term deposits	54,877,993		
7.	Accrued income	8,252,276		
8.	Income tax receivable	387,486		
Total assets		81,999,399		
Liabilities – Breakdown by liability classes according to the balance sheet in the published/audited financial statements				
1.	Deferred tax liability	113,910		
2.	Trade and other payables	3,133,574		
3.	Accrued charges	25,477,525		
4.	Income tax payable	468,859		
5.	Lease liabilities due within one year	193,088		
Total Liabilities		29,386,955		
Shareholders' Equity				
1.	Issued capital	411,470		
2.	Capital conversion reserve fund	6,415		
3.	Capital redemption reserve	17,541		
4.	Capital contribution	10,500,000		
5.	Share premium	1,267,691		
6.	Retained earnings	35,333,286		
7.	Other reserves	5,076,040		
Totals Shareholders' equity		52,612,443		

Appendix 3: Own Funds Main Features:

N/A

Instructions for completing the own funds instruments issued by the firm main features table	
Row #	**Explanation**
1.	**Issuer** (Identifies issuer legal entity - Free text)
2.	**Unique identifier** (e.g. CUSIP, ISIN or Bloomberg identifier for private placement - Free text)
3.	**Public or private placement** (Specifies if the instrument has been publicly or privately placed - Select from menu: [Public] [Private])
4.	**Governing law(s) of the instrument** (Specifies the governing law(s) of the instrument - Free text)
5.	**Instrument type** (types to be specified by each jurisdiction. Specifies instrument type, varying by jurisdiction. For CET1 instruments, select name of the instrument in the CET1 list published by the EBA. For other instruments - select from: menu options to be provided to investment firms by each jurisdiction – legal references of IFR articles for each type of instrument to be inserted.)
6.	**Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)** (Specifies the amount recognised in regulatory own funds (total amount of the instrument recognised before transitional provisions for the relevant level of the disclosure - currency used for the reporting obligations). Free text – specify in particular if some parts of the instruments are in different tiers of the regulatory own funds and if the amount recognised in regulatory own funds is different from the amount issued.)
7.	**Nominal amount of instrument Nominal amount of instrument** (in currency of issuance and currency used for the reporting obligations - Free text)
8.	**Issue price** (Issue price of instrument - Free text)
9.	**Redemption price** (Redemption price of instrument - Free text)
10.	**Accounting classification** (Specifies accounting classification. Select from menu: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary])
11.	**Original date of issuance** (Specifies date of issuance - Free text)
12.	**Perpetual or dated** (Specifies whether dated or perpetual. Select from menu: [Perpetual] [Dated])
13.	**Original maturity date** (For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument put 'no maturity' - Free text)
14.	**Issuer call subject to prior supervisory approval** (Specifies whether there is an issuer call option (all types of call options). Select from menu: [Yes] [No])
15.	**Optional call date, contingent call dates and redemption amount** (For instrument with issuer call option, specifies first date of call if the instrument has a call option on a specific date (day, month and year) and, in addition, specifies whether the instrument has a tax and/or regulatory event call. Also specifies the redemption price. Helps to assess permanence - Free text)
16.	**Subsequent call dates, if applicable** (Specifies the existence and frequency of subsequent call dates, if applicable. Helps to assess permanence - Free text)
17.	**Fixed or floating dividend/coupon** (Specifies whether the coupon/dividend is: either fixed over the life of the instrument, or floating over the life of the instrument, or currently fixed but will move to a floating rate in the future, or currently floating but will move to a fixed rate in the future - Select from menu: [Fixed], [Floating] [Fixed to floating], [Floating to fixed])
18.	**Coupon rate and any related index** (Specifies the coupon rate of the instrument and any related index that the coupon/dividend rate references - Free text)
19.	**Existence of a dividend stopper** (Specifies whether the non-payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (i.e. whether there is a dividend stopper) - Select from menu: [yes], [no])
20.	**Fully discretionary, partially discretionary or mandatory (in terms of timing)** (Specifies whether the issuer has full discretion, partial discretion or no discretion over whether a coupon/dividend is paid. If the institution has full discretion to cancel coupon/dividend payments under all circumstances it must select 'fully discretionary' (including when there is a dividend stopper that does not have the effect of preventing the institution from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (e.g. own funds below a certain threshold), the institution must select 'partially discretionary'. If the institution is unable to cancel the payment outside of insolvency the institution must select 'mandatory'. - Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory] Free text (specify the reasons for discretion, existence of dividend pushers, dividend stoppers, ACSM - Alternative Coupon Satisfaction Mechanism)
21.	**Fully discretionary, partially discretionary or mandatory (in terms of amount)**

	(Specifies whether the issuer has full discretion, partial discretion or no discretion over the amount of the coupon/dividend - Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory])
22.	**Existence of step up or other incentive to redeem** (Specifies whether there is a step-up or other incentive to redeem - Select from menu: [Yes] [No])
23.	**Non-cumulative or cumulative** (Specifies whether dividends / coupons are cumulative or noncumulative - Select from menu: [Noncumulative] [Cumulative] [ACSM])
24.	**Convertible or non-convertible** (Specifies whether instrument is convertible or not - Select from menu: [Convertible] [Nonconvertible])
25.	**If convertible, conversion trigger(s)** (Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities shall be listed. For each of the authorities it shall be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach) - Free text)
26.	**If convertible, fully or partially** (Specifies whether the instrument will always convert fully, may convert fully or partially, or will always convert partially - Select from menu: [Always Fully] [Fully or Partially] [Always partially])
27.	**If convertible, conversion rate** (Specifies rate of conversion into the more loss absorbing instrument - Free text)
28.	**If convertible, mandatory or optional conversion** (For convertible instruments, specifies whether conversion is mandatory or optional. - Select from menu: [Mandatory] [Optional] [NA] and [at the option of the holders] [at the option of the issuer] [at the option of both the holders and the issuer])
29.	**If convertible, specify instrument type convertible into** (from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other])
30.	**If convertible, specify issuer of instrument it converts into** (Free text)
31.	**Write-down features** (Specifies whether there is a write down feature. Select from menu: [Yes] [No])
32.	**If write-down, write-down trigger(s)** (Specifies the triggers at which write-down occurs, including point of nonviability. Where one or more authorities have the ability to trigger write-down, the authorities shall be listed. For each of the authorities it shall be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach). Free text)
33.	**If write-down, full or partial** (Specifies whether the instrument will always be written down fully, may be written down partially, or will always be written down partially. Helps assess the level of loss absorbency at write-down - Select from menu: [Always Fully] [Fully or Partially] [Always partially])
34.	**If write-down, permanent or temporary** (For write down instrument, specifies whether write down is permanent or temporary. Select from menu: [Permanent] [Temporary] [NA])
35.	**If temporary write-down, description of write-up mechanism** Describes the write-up mechanism - Free text
36.	**Non-compliant transitioned features** (Specification if there are non-compliant features. Select from [yes] or [no].)
37.	**If yes, specify non-compliant features** (If there are non-compliant features, institution shall specify which ones - Free text)
38.	**Link to the full term and conditions of the instrument (signposting)** Investment firms shall include the hyperlink that gives access to the prospectus of the issuance, including all the terms and conditions of the instrument.

Investment Firm Regulation - Public Disclosure Appendices

KBI Global Investors (North America) Ltd

Appendix 1: Composition of Regulatory Own Funds

	Common Equity Tier 1 (CET1) capital: instruments and reserves	Amounts In EUR	Audit statement source
51.	**Own funds** Article 9(1) IFR The own funds of an investment firm shall consist of the sum of its Common equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital. This row is the sum of rows 2 and 40.	**7,551,818.00**	**CELL 0010**
52.	**Tier 1 capital** (The Tier 1 capital is the sum of Common Equity Tier 1 Capital and Additional Tier 1 capital This row is the sum of rows 3 and 28.)	**7,551,818.00**	**CELL 0020**
53.	**Common Equity Tier 1 capital** (Article 9(1) IFR Article 50 CRR The total sum of rows 4 to 12 and 27 shall be disclosed)	**7,551,818.00**	**CELL 0030**
54.	**Fully paid up capital instruments** (Article 9(1), point (i) of IFR Article 26(1), point (a) and Articles 27 to 31 CRR Capital instruments of mutual, cooperative societies or similar institutions (Articles 27 and 29 CRR) shall be included. The share premium related to the instruments shall not be included. Capital instruments subscribed by public authorities in emergency situations shall be included if all conditions of Article 31 CRR are fulfilled)	**125,000.00**	**CELL 0040**
55.	**Share premium** (Article 9(1), point (i) of IFR Article 26(1), point (b) of CRR Share premium has the same meaning as under the applicable accounting standard. The amount to be disclosed in this item shall be the part related to the "Paid up capital instruments")		
56.	**Retained earnings** (Article 9(1), point (i) of IFR Article 26(1), point (c) of CRR Retained earnings shall include the previous year retained earnings plus the eligible interim or year-end profits)	**3,998,792.00**	**CELL 0060**
57.	**Accumulated other comprehensive income** (Article 9(1), point (i) of IFR. Article 26(1), point (d) of CRR.)		
58.	**Other reserves** (Article 9(1), point (i) of IFR. Article 4(1), point (117) and Article 26(1), point (e) of CRR The amount to be disclosed shall be net of any tax charge foreseeable at the moment of the calculation)	**3,500,000.00**	**CELL 0100**
59.	**Minority interest given recognition in CET1 capital** (Sum of all the amounts of minority interests of subsidiaries included in consolidated CET1.)		
60.	**Adjustments to CET1 due to prudential filters** (Article 9 (1) point (i) IFR Articles 32 to 35 CRR)		
61.	**Other funds** (Article 9(4) IFR)		
62.	**(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1** (The total sum of row 13 and rows 17 to 26 shall be disclosed)	**-71,974.00**	**CELL 0140**
63.	**(-) Own CET1 instruments** (Article 9(1), point (i) of IFR Article 36(1), point (f) and Article 42 CRR. Own CET1 held by the reporting institution or group at the reporting date. Subject to exceptions in Article 42 CRR. Holdings on shares included as "Capital instruments not eligible" shall not be disclosed in this row. The amount to be disclosed shall include the share premium related to the own shares.)		
64.	**(-) Direct holdings of CET1 instruments** (Article 9(1), point (i) of IFR Article 36(1), point (f) and Article 42 CRR. Common Equity Tier 1 instruments held by the investment firm.)		
65.	**(-) Indirect holdings of CET1 instruments** (Article 9(1), point (i) of IFR Article 36(1), point (f) and Article 42 CRR. Common Equity Tier 1 instruments held by the investment firm)		

66.	**(-) Synthetic holdings of CET1 instruments** (Article 9(1), point (i) of IFR Article 4(1), Point (114), Article 36(1), point (f) and Article 42 CRR)		
67.	**(-) Losses for the current financial year** (Article 36(1) point (a) of CRR)		
68.	**(-) Goodwill** (Article 9(1), point (i) of IFR Article 4(1), point (113), Article 36(1), point (b) and Article 37 CRR)		
69.	**(-) Other intangible assets** (Article 9(1), point (i) of IFR. Article 4(1), point (115), Article 36(1), point (b), and Article 37 point (a) of CRR Other intangible assets shall include intangibles assets under the applicable accounting standard, minus the goodwill, also according to the applicable accounting standard.)		
70.	**(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities** (Article 9(2), point (a) of IFR. Article 36(1), point (c) of CRR.)	**-71,974.00**	**CELL 0220**
71.	**(-) Qualifying holding outside the financial sector which exceeds 15% of own funds** (Article 10(1), point (a) of IFR.)		
72.	**(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds** (Article 10(1), point (b) of IFR.)		
73.	**(-) CET1 instruments of financial sector entities where the institution does not have a significant investment** (Article 9(2), point (c) of IFR. Article 36 (1), point (h) of CRR.)		
74.	**(-) CET1 instruments of financial sector entities where the institution has a significant investment** (Article 9(2), point (d) of IFR. Article 36(1), point (i) of CRR)		
75.	**(-)Defined benefit pension fund assets** (Article 9(2), point (b) of IFR. Article 36(1), point (e) of CRR.)		
76.	**(-) Other deductions** (The sum of any other deductions listed in Article 36(1) of CRR.)		
77.	**CET1: Other capital elements, deductions and adjustments** (This row shall include the sum of the following items, where applicable: - Transitional adjustments due to grandfathered CET1 Capital instruments (Article 483, paragraphs 1, 2 and 3 and Articles 484 to 487 CRR) - Transitional adjustments due to additional minority interests (Articles 479 and 480 CRR) - Other transitional adjustments to CET1 Capital (Articles 469 to 478 and 481 CRR): adjustments to the deductions from CET1 due to transitional provisions - Other CET1 capital elements or deductions from a CET1 element that cannot be assigned to one of the rows 4 to 26. This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.)		
78.	**ADDITIONAL TIER 1 CAPITAL** (Article 9, point (1) IFR. Article 61 of CRR. The total sum of rows 29 to 31 and 39 shall be disclosed.)		
79.	**Fully paid up, directly issued capital instruments** (Article 9(1), point (i) of IFR. Article 51, point (a) of and Articles 52, 53 and 54 CRR. The amount to be disclosed shall not include the share premium related to the instruments.)		
80.	**Share premium** (Article 9(1), point (i) of IFR. Article 51, point (b) of CRR. Share premium has the same meaning as under the applicable accounting standard. The amount to be disclosed in this item shall be the part related to the "Paid up capital instruments".)		
81.	**(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1** (Article 56 of CRR. The total sum of rows 32 and 36 to 38 shall be disclosed.)		
82.	**(-) Own AT1 instruments** (Article 9 (1), point (i) of IFR. Article 52(1), point (b), Article 56, point (a) and Article 57 CRR Own AT1 instruments held by the investment firm at the reporting date. Subject to exceptions in Article 57 CRR. The amount to be disclosed shall include the share premium related to the own shares.)		
83.	**(-) Direct holdings of AT1 instruments** (Article 9(2), point (c) of IFR. Article 56, point (a) of CRR.)		
84.	**(-) Indirect holdings of AT1 instruments** (Article 9(2), point (c) of IFR. Article 56, point (a) of CRR.)		
85.	**(-) Synthetic holdings of AT1 instruments** (Article 9(2), point (c) of IFR. Article 56, point (a) of CRR.)		
86.	**(-) AT1 instruments of financial sector entities where the institution does not have a significant investment** (Article 9(2), point (c) of IFR. 6 Article 56, point (c) of CRR)		

87.	**(-) AT1 instruments of financial sector entities where the institution has a significant investment** (Article 9(2), point (c) of IFR. Article 56, point (d) of CRR.)		
88.	**(-) Other deductions** (The sum of all other deductions in accordance with Article 56 CRR that are not included in any of the rows above.)		
89.	**Additional Tier 1: Other capital elements, deductions and adjustments** (This row shall include the sum of the following items, where applicable: - Transitional adjustments due to grandfathered AT1 Capital instruments (Article 483, paragraphs 4 and 5, Articles 484 to 487, Articles 489 and 491 CRR) - Instruments issued by subsidiaries that are given recognition in AT1 Capital (Articles 83, 85 and 86 CRR): Sum of all the amounts of qualifying T1 capital of subsidiaries that is included in consolidated AT1, also including capital issued by a special purpose entity (Article 83 CRR) - Transitional adjustments due to additional recognition in AT1 Capital of instruments issued by subsidiaries (Article 480 CRR) adjustments to the qualifying T1 capital included in consolidated AT1 capital due to transitional provisions - Other transitional adjustments to AT1 Capital (Articles 472, 473a, 474, 475, 478 and 481 CRR): adjustments to deductions due to transitional provisions - Excess of deduction from AT1 items over AT1 Capital, deducted from CET1 in accordance with Article 36(1), point (j) CRR: Additional Tier 1 cannot be negative, but it is possible that the deductions from AT1 items exceed the amount of available AT1 items. Where this happens, this item represents the amount needed to increase the amount reported in row 28 to zero and equals the inverse of the excess of deductions from AT1 items over AT1 Capital included, among other deductions, in row 38. - Other AT1 capital elements or deductions from AT1 element that cannot be assigned to one of the rows 29 to 38. This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.)		
90.	**TIER 2 CAPITAL** (Article 9(2) IFR. Article 71 CRR. The total sum of rows 41 to 43 and 50 shall be disclosed.)		
91.	**Fully paid up, directly issued capital instruments** (Article 9(1), point (i) of IFR. 7 Article 62, point (a), Articles 63 and 65 CRR. The amount to be disclosed shall not include the share premium related to the instruments.		
92.	**Share premium** (Article 9(1), point (i) of IFR. Article 62, point (b) and Article 65 CRR. Share premium has the same meaning as under the applicable accounting standard. The amount to be disclosed in this item shall be the part related to the "Paid up capital instruments".)		
93.	**(-) TOTAL DEDUCTIONS FROM TIER 2** (Article 66 of CRR.)		
94.	**(-) Own T2 instruments** (Article 9(1), point (i) of IFR. Article 63, point (b)(i), Article 66 point (a), and Article 67 CRR Own T2 instruments held by the reporting institution or group at the reporting date. Subject to exceptions in Article 67 CRR. Holdings on shares included as "Capital instruments not eligible" shall not be disclosed in this row. The amount to be disclosed shall include the share premium related to the own shares.)		
95.	**(-) Direct holdings of T2 instruments** (Article 63, point (b), Article 66 point (a) and Article 67 CRR.)		
96.	**(-) Indirect holdings of T2 instruments** (Article 4(1), point (114), Article 63 of point (b), Article 66, point (a) and Article 67 CRR.)		
97.	**(-) Synthetic holdings of T2 instruments** (Point (126) of Article 4(1), point (b) of Article 63, point (a) of Article 66 and Article 67 CRR.)		
98.	**(-) T2 instruments of financial sector entities where the institution does not have a significant investment** (Point (c) of Article 9(2) IFR. Point (c) of Article 66 CRR.)		
99.	**(-) T2 instruments of financial sector entities where the institution has a significant investment** (Point (27) of Article 4(1), point (d) of Article 66, Articles 68, 69 and Article 79 CRR. Holdings by the institution of T2 instruments of financial sector entities (as defined in point (27) of Article 4(1) CRR) where the investment firm has a significant investment shall be completely deducted.)		
100.	**Tier 2: Other capital elements, deductions and adjustments** (This row shall include the sum of the following items, where applicable: - Transitional adjustments due to grandfathered T2 Capital instruments (Article 483, paragraphs 6 and 7, Articles 484, 486, 488, 490 and 491 CRR) - Instruments issued by subsidiaries that are given recognition in T2 Capital (Articles 83, 87 and 88 CRR):		

	Sum of all the amounts of qualifying own funds of subsidiaries that is included in consolidated T2, also including qualifying Tier 2 capital issued by a special purpose entity (Article 83 CRR) - Transitional adjustments due to additional recognition in T2 Capital of instruments issued by subsidiaries (Article 480 CRR): Adjustments to the qualifying own funds included in consolidated T2 capital due to transitional provisions. - Other transitional adjustments to T2 Capital (Articles 472, 473a, 476, 477, 478 and 481 CRR): Adjustments to the deductions from Tier 2 due to transitional provisions - Excess of deduction from T2 items over T2 Capital, deducted from AT1 in accordance with Article 56 CRR, point (e): Tier 2 cannot be negative, but it is possible that the deductions from T2 items exceed the amount of available T2 items. Where this happens, this item represents the amount needed to increase the amount reported in row 40 to zero - Other T2 capital elements or deductions from a T2 element that cannot be assigned to one of the rows 41 to 49. This row shall not be used to include capital items or deductions which are not covered by the IFR or CRR into the calculation of the solvency ratios.)		

Appendix 2: Own Funds Reconciliation with audited financial statements

Assets – Breakdown by asset classes according to the balance sheet in the published/audited financial statements		Balance sheet as in published/audited financial statements EUR	Under regulatory scope of consolidation	Cross-reference to EU if CC1
As at December 2023				
1.	Property, plant & equipment	4,892		
2.	Right of use assets	61,728		
3.	Deferred tax asset	74,115		
4.	Trade and other receivables	168,981		
5.	Prepayment	40,432		
6.	Cash and short-term deposits	5,494,630		
7.	Accrued income	2,573,455		
8.	Income tax receivable	165,007		
Total assets		8,583,240		
Liabilities – Breakdown by liability classes according to the balance sheet in the published/audited financial statements				
1.	Trade and other payables	404,802		
2.	Lease liabilities due within one year	69,804		
3.	Accrued charges	484,562		
4.	Income tax payable	280		
Total Liabilities		959,448		
Shareholders' Equity				
1.	Issued capital	125,000		
2.	Capital contribution	3,500,000		
3.	Retained earnings	3,998,792		
Total Shareholders' equity		7,623,792		

<u>Appendix 3: Own Funds Main Features:</u>

N/A

Instructions for completing the own funds instruments issued by the firm main features table	
Row #	**Explanation**
2.	**Issuer** (Identifies issuer legal entity - Free text)
2.	**Unique identifier** (e.g. CUSIP, ISIN or Bloomberg identifier for private placement - Free text)
3.	**Public or private placement** (Specifies if the instrument has been publicly or privately placed - Select from menu: [Public] [Private])
4.	**Governing law(s) of the instrument** (Specifies the governing law(s) of the instrument - Free text)
5.	**Instrument type** (types to be specified by each jurisdiction. Specifies instrument type, varying by jurisdiction. For CET1 instruments, select name of the instrument in the CET1 list published by the EBA. For other instruments - select from: menu options to be provided to investment firms by each jurisdiction – legal references of IFR articles for each type of instrument to be inserted.)
6.	**Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)** (Specifies the amount recognised in regulatory own funds (total amount of the instrument recognised before transitional provisions for the relevant level of the disclosure - currency used for the reporting obligations). Free text – specify in particular if some parts of the instruments are in different tiers of the regulatory own funds and if the amount recognised in regulatory own funds is different from the amount issued.)
7.	**Nominal amount of instrument Nominal amount of instrument** (in currency of issuance and currency used for the reporting obligations - Free text)
8.	**Issue price** (Issue price of instrument - Free text)
9.	**Redemption price** (Redemption price of instrument - Free text)
10.	**Accounting classification** (Specifies accounting classification. Select from menu: [Shareholders' equity] [Liability – amortised cost] [Liability – fair value option] [Non-controlling interest in consolidated subsidiary])
11.	**Original date of issuance** (Specifies date of issuance - Free text)
12.	**Perpetual or dated** (Specifies whether dated or perpetual. Select from menu: [Perpetual] [Dated])
13.	**Original maturity date** (For dated instrument, specifies original maturity date (day, month and year). For perpetual instrument put 'no maturity' - Free text)
14.	**Issuer call subject to prior supervisory approval** (Specifies whether there is an issuer call option (all types of call options). Select from menu: [Yes] [No])
15.	**Optional call date, contingent call dates and redemption amount** (For instrument with issuer call option, specifies first date of call if the instrument has a call option on a specific date (day, month and year) and, in addition, specifies whether the instrument has a tax and/or regulatory event call. Also specifies the redemption price. Helps to assess permanence - Free text)
16.	**Subsequent call dates, if applicable** (Specifies the existence and frequency of subsequent call dates, if applicable. Helps to assess permanence - Free text)
17.	**Fixed or floating dividend/coupon** (Specifies whether the coupon/dividend is: either fixed over the life of the instrument, or floating over the life of the instrument, or currently fixed but will move to a floating rate in the future, or currently floating but will move to a fixed rate in the future - Select from menu: [Fixed], [Floating] [Fixed to floating], [Floating to fixed])
18.	**Coupon rate and any related index** (Specifies the coupon rate of the instrument and any related index that the coupon/dividend rate references - Free text)
19.	**Existence of a dividend stopper** (Specifies whether the non-payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (i.e. whether there is a dividend stopper) - Select from menu: [yes], [no])
20.	**Fully discretionary, partially discretionary or mandatory (in terms of timing)** (Specifies whether the issuer has full discretion, partial discretion or no discretion over whether a coupon/dividend is paid. If the institution has full discretion to cancel coupon/dividend payments under all circumstances it must select 'fully discretionary' (including when there is a dividend stopper that does not have the effect of preventing the institution from cancelling payments on the instrument). If there are conditions that must be met before payment can be cancelled (e.g. own funds below a certain threshold), the institution must select 'partially discretionary'. If the institution is unable to cancel the payment outside of insolvency the institution must select 'mandatory'. - Select

	from menu: [Fully discretionary] [Partially discretionary] [Mandatory] Free text (specify the reasons for discretion, existence of dividend pushers, dividend stoppers, ACSM - Alternative Coupon Satisfaction Mechanism)
21.	**Fully discretionary, partially discretionary or mandatory (in terms of amount)** (Specifies whether the issuer has full discretion, partial discretion or no discretion over the amount of the coupon/dividend - Select from menu: [Fully discretionary] [Partially discretionary] [Mandatory])
22.	**Existence of step up or other incentive to redeem** (Specifies whether there is a step-up or other incentive to redeem - Select from menu: [Yes] [No])
23.	**Non-cumulative or cumulative** (Specifies whether dividends / coupons are cumulative or noncumulative - Select from menu: [Noncumulative] [Cumulative] [ACSM])
24.	**Convertible or non-convertible** (Specifies whether instrument is convertible or not - Select from menu: [Convertible] [Nonconvertible])
25.	**If convertible, conversion trigger(s)** (Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities shall be listed. For each of the authorities it shall be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach) - Free text)
26.	**If convertible, fully or partially** (Specifies whether the instrument will always convert fully, may convert fully or partially, or will always convert partially - Select from menu: [Always Fully] [Fully or Partially] [Always partially])
27.	**If convertible, conversion rate** (Specifies rate of conversion into the more loss absorbing instrument - Free text)
28.	**If convertible, mandatory or optional conversion** (For convertible instruments, specifies whether conversion is mandatory or optional. - Select from menu: [Mandatory] [Optional] [NA] and [at the option of the holders] [at the option of the issuer] [at the option of both the holders and the issuer])
29.	**If convertible, specify instrument type convertible into** (from menu: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Other])
30.	**If convertible, specify issuer of instrument it converts into** (Free text)
31.	**Write-down features** (Specifies whether there is a write down feature. Select from menu: [Yes] [No])
32.	**If write-down, write-down trigger(s)** (Specifies the triggers at which write-down occurs, including point of nonviability. Where one or more authorities have the ability to trigger write-down, the authorities shall be listed. For each of the authorities it shall be stated whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach). Free text)
33.	**If write-down, full or partial** (Specifies whether the instrument will always be written down fully, may be written down partially, or will always be written down partially. Helps assess the level of loss absorbency at write-down - Select from menu: [Always Fully] [Fully or Partially] [Always partially])
34.	**If write-down, permanent or temporary** (For write down instrument, specifies whether write down is permanent or temporary. Select from menu: [Permanent] [Temporary] [NA])
35.	**If temporary write-down, description of write-up mechanism** Describes the write-up mechanism - Free text
36.	**Non-compliant transitioned features** (Specification if there are non-compliant features. Select from [yes] or [no].)
37.	**If yes, specify non-compliant features** (If there are non-compliant features, institution shall specify which ones - Free text)
38.	**Link to the full term and conditions of the instrument (signposting)** Investment firms shall include the hyperlink that gives access to the prospectus of the issuance, including all the terms and conditions of the instrument.