

Columbia Threadneedle Netherlands B.V.

IFR Disclosures

As at 31 December 2023

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1. Summary

1.1 Introduction

Columbia Threadneedle Netherlands B.V. (“**CTNL**” or “**the Company**”) is a subsidiary within the Columbia Threadneedle Investments UK International Limited (“**CTIUKIL**”) Group of Companies and forms part of the EMEA business of Columbia Threadneedle Investments, the global asset management group of Ameriprise Financial, Inc. (“**Ameriprise**”), a leading US-based financial services provider. The combined operations of CTIUKIL and TAM UK International Holdings Limited (“**TAMUKIHL**”) are referred to as “**the Group**”.

1.2 Background

CTNL is authorised as an Alternative Investment Fund Manager (“**AIFM**”) with MiFID top up permissions by the Netherlands Authority for the Financial Markets (“**AFM**”) and is also regulated by De Nederlandsche Bank (“**DNB**”) for prudential supervision purposes.

CTNL is subject to an EU-prescribed Investment Firms Regulation (“**IFR**”) – Regulation (EU) 2019/2033, which is directly binding on firms, and an Investment Firms Directive (“**IFD**”) – Directive (EU) 2019/2034, which is transcribed into national law for Dutch Investment Firms by DNB.

1.3 Purpose

IFR/IFD requires CTNL to disclose information relating to Governance, Risk Management Objectives and Policies, Own Funds, Own Funds Requirements, Remuneration Policy and Practices, Investment Policy and Environmental, Social & Governance Risks (“**ESG**”) as required under Part 6 Disclosures by Investment Firms Article 46-53 of the IFR. These disclosures are made at the reference date 31 December 2023.

1.4 Basis of Disclosures

The disclosures in this document are made in respect of CTNL, which is incorporated in the Netherlands and classified as a non-small and non-interconnected (“**Non-SNI**”) Investment firm based on an assessment of the criteria set out in Article 12 (1) of the IFR.

CTNL is required to disclose on an individual entity basis and these disclosures have been prepared in line with the requirements described in Part 6 of IFR.

CTNL is exempt from disclosing its Investment Policy and ESG disclosures as required under the IFR Article 52 and Article 53 respectively due to meeting the conditions set out in Article 32 4(a) of the IFD. CTNL’s average on and off-balance sheet assets over the preceding four-year period are less than €100 million.

1.5 Frequency of disclosure

These disclosures are published at least on an annual basis in line with the annual publication of CTNL’s audited financial statements. Revised disclosures will be published should significant changes occur to CTNL’s business model.

1.6 Media and location of disclosure

These disclosures are published on the Columbia Threadneedle Investments website: <https://www.columbiathreadneedle.com/en/disclosures/>

The disclosures have been prepared as required under Part 6 of the IFR and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any judgement about CTNL.

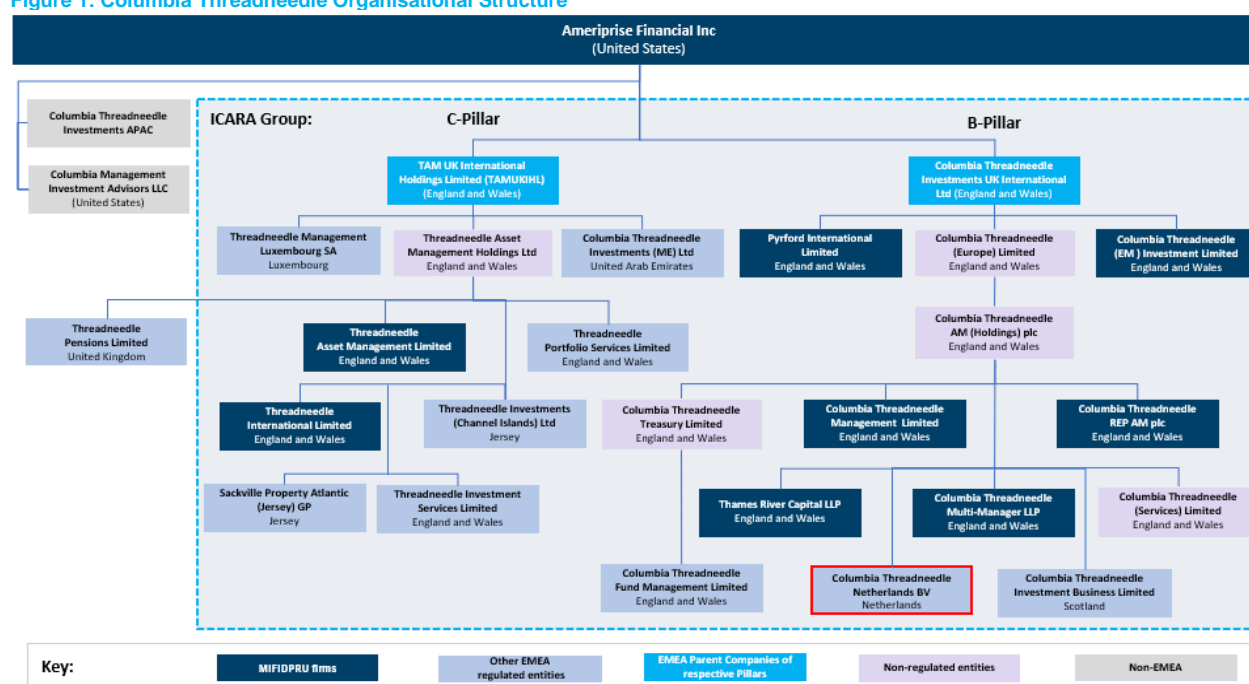
2. Governance arrangements

As a wholly owned subsidiary of the Group and Ameriprise, CTNL’s corporate governance structure is embedded within the Group’s governance framework. Each subsidiary of the Group, including CTNL, have a Board of Directors or equivalent Management Committee.

Given CTNL forms part of Columbia Threadneedle Investments which manages its operations on a group-level basis, all of CTNL’s activities are covered by the Group’s policies and processes.

The below simplified structure diagram demonstrates where CTNL as a legal entity is located within the overall Group:

Figure 1: Columbia Threadneedle Organisational Structure



Notes:
TAMUKIHL is deemed to be the parent company of the Combined ICARA Group of TAM UK International Holdings Limited (C-Pillar) and Columbia Threadneedle Investments UK International Limited (B-Pillar) in line with MIFIDPRU 2.4.8.
Some legal entities including non-regulated subsidiaries and intermediate holding companies are excluded from the diagram above.
The Board, Audit & Risk Committee and FORC now operate on a combined basis for both C-Pillar Group and B-Pillar Group.

2.1 Board of Directors

The Board of managing directors (the “CTNL Board”) is the governing body of the Company. CTNL Board is responsible for supervising the effective and prudent management of the business and affairs of the Company and for ensuring the Company has a robust corporate governance structure with well-defined, transparent and consistent lines of accountability. This includes oversight of the Company’s risk framework and internal controls.

It also includes segregation of duties within the business and the identification and management of conflicts of interest. The CTNL Board is directly accountable to the shareholder but must also consider the interests of its clients, employees and other stakeholders.

2.2 Directorships held by members of the management body

CTNL maintains a record of the number of directorships (executive and non-executive) held by each member of the CTNL Board. The table below sets out the number of directorships in accordance with Article 48 (a) of the IFR, held by members of the CTNL Board as at 31 December 2023.

Table 1: Number of external directorships

Name of Director	Position within the Company	Internal Appointments	External Appointments ³
David Logan	Head of EMEA & Global Operations	15 ¹	0
Marco de Vreede	Executive Director Business Support & Group Infrastructure	1	0
Richard Adrian Watts	Chief Investment Officer	23 ²	0
Rogier van Harten	Managing Director, Head of European Institutional	4	0

¹ Of the 15 directorships held by David Logan as at 31 December 2023, he resigned from 2 such appointments by 30 April 2024.

² Of the 23 directorships held by Richard Watts as at 31 December 2023, he resigned from 15 such appointments by 30 April 2024.

³ Number of external directorships held by the management body which pursue predominantly commercial objectives.

2.3 CTNL Risk Committees

CTNL meets the criteria set out in point (a) of Article 32 (4) of the IFD, therefore it is not required to establish a risk committee. However, management seeks to ensure that the Company's business is conducted in compliance with all legal, regulatory requirements and the Group risk management framework. The Company risk management is overseen by the NL Products Risk Working Group (The "**RWG**") and various EMEA Executive Management Committees. The objectives of RWG and the EMEA Executive Management Committees are:

▪ **RWG**

RWG is responsible for monitoring compliance with regulatory and prospectus guidelines, investment risk and fund performance in respect of the funds set out in the Risk Management Policy ("**RMP**") for NL AIFM. The RWG meets monthly and is responsible for monitoring the segregated / fiduciary mandates. The RWG was created to ensure that all investment and operational risk issues arising in the Company fund management would be adequately highlighted to the Netherlands based Senior Investment Risk Analyst, and Head of Investment Risk EMEA, to enable comprehensive reporting to CTNL Board and other risk Committees as appropriate.

▪ **EMEA Executive Management Committees**

The EMEA region operates a risk governance framework, aligned to Enterprise standards and practices; voting membership and standing attendees provide a good balance between business and second-line functions (e.g. Risk, Finance, Operations, General Counsel Organisation, Human Resources), allowing oversight of business operations and decision making, subject to Enterprise policy standards and local regulatory expectations. The framework consists of two-sub committees, which allow focus upon financial risks (Financial Risk Management Committee ("**FRMC**")) and non-financial risks (Operational Risk Management Committee ("**ORMC**")) respectively, with reporting into the Financial and Operational Risk Committee ("**FORC**").

- The **EMEA FRMC** operates under the delegated authority of the EMEA FORC. It is the day to day working committee for the identification, assessment and management of financial risks including Liquidity, Capital, Market, Investment, Credit, and Product risks, in line with Ameriprise Policy, Local Board and regulatory expectations.
- The **EMEA ORMC**, a sub-committee of the EMEA FORC, has been established as the day to day working committee for the identification, assessment, and management of non-financial risks i.e., Operational, Reputational, Strategic, Legal & Compliance, and Product risks, in line with Ameriprise Policy and the Group Board and regulatory requirements.

2.4 Diversity

CTNL's approach and efforts to achieve diverse representation are based on promoting the Diversity, Equity and Inclusion ("**DEI**") framework in place across the Group.

This aims to foster a culture in which all employees feel safe, included, valued, and respected where we embrace the unique contributions of everyone in our organisation and empower them to deliver value for our diverse clients and communities.

Our business is driven by the capabilities and commitment of our people. Attracting, retaining and developing our people is central to our long-term success. Culture is essential to help guide decision-making and daily interactions. We work to be inclusive, embrace individual differences and develop our people as they advance in their careers.

The primary objective is to change the profile of our employee base over time to better reflect our client base and the broader population by increasing the percentage of women, and all under-represented groups across every level of the organisation.

Actions to achieve this centre upon:

- **Recruitment:** A talent strategy that improves sourcing and recruiting of diverse candidates at all levels of the organisation to better reflect our clients and the markets in which we operate.
- **Development and Leadership:** Training programmes, such as our DEI-specific curriculum and Women's Leadership Academy to continue to foster a culture that is inclusive and supports employees to develop and advance in their careers.
- **Advocacy:** Champion DEI issues, raising awareness internally and externally through our leadership team and corporate partnerships.

- Governance and Accountability: Leadership oversight and goals to drive clear accountability for DEI among senior leaders and all employees.

Columbia Threadneedle Investments' strategic approach is aligned with that of our parent company Ameriprise, sharing an organisation-wide approach and resources to advance diversity and inclusion to deliver strong business results.

Further information can be found on: <https://www.columbiathreadneedle.co.uk/en/inst/about-us/responsible-business/responsible-employer/>

3. Risk Management objectives and policies

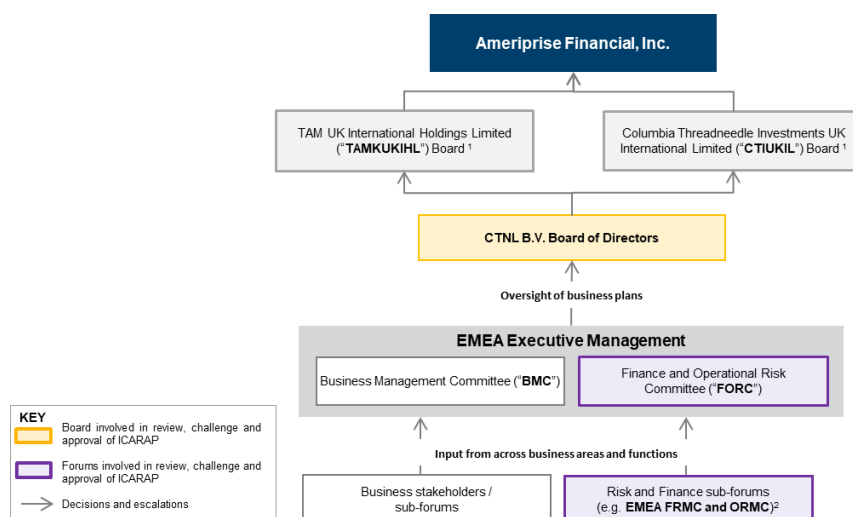
3.1 Enterprise Risk Management Framework

CTNL is part of the Group-wide Enterprise Risk Management Framework (“ERM”). The ERM programme provides a framework for the identification, monitoring and management of risks and harms, including compliance with applicable local regulatory requirements and expectations. The ERM framework is designed to enable the Group and its subsidiaries to protect the interests of its clients by managing all elements of risk and harms on a forward-looking basis.

The Group’s strategy, business model and related processes and controls includes the investment activities and operations conducted by CTNL. Therefore, the Group’s systems of internal controls and risk management apply to CTNL related activities. The management of risk within CTNL forms part of the overall Group risk management framework, which sets out to identify, monitor, report and manage risk throughout the Group. The framework is designed to embed an awareness of risk into all strategic and operational business decisions.

The figure below sets out the formal statutory governance framework within EMEA. The Group and CTNL Board meets quarterly, inter alia, to consider client interests, overall business strategy, set budgets and review forecasts, supervise compliance with regulatory and legal requirements, review capital adequacy and liquidity positions, approve off budget expenditure, including acquisitions, and to approve senior level appointments.

Figure 2: Governance Framework of Columbia Threadneedle Investments EMEA



¹TAMUKIHL is the deemed parent for the combined B Pillar Group (“CTIUKIL”) and C Pillar Group (“TAMUKIHL”), which meets on a combined basis with CTIUKIL from Q4 2023
² Financial Risk Management Committee (“FRMC”) and Operational Risk Management Committee (“ORMC”)

3.2 Policies and procedures

The Group has adopted comprehensive policies and procedures which govern management of risk and harms. These policies and procedures have been adopted by the FORC and BMC for management of risk in all EMEA business units including CTNL. The commitment to maintain adequate capital and liquidity resources at the Group level and its material subsidiaries has been laid out in the Capital Risk Management Policy and Liquidity Risk Management Policy respectively. At the top-down level, the policies establish the corporate parameters for risk appetite and management of all risks and harms to accurately reflect the Group’s risk profile.

The Ameriprise Enterprise Risk Policy Framework links to the Group’s Key Risk categories (strategic risk, operational risk, financial risk, legal and compliance risk) which seeks to ensure that risk management is embedded into the day-to-day business operations of the Group, within agreed tolerances. All policy and procedure documents are recorded in a central repository and must be reviewed by their owners at least annually. The effectiveness of the Group’s risk management process is assessed by Internal Audit which provides independent assurance of the suitability and effectiveness of the Group’s processes, controls and ERM Framework, including management’s execution of its responsibilities to seek to ensure an effective system of internal controls, risk/harm management, and compliance is embedded throughout the Group and its subsidiaries including CTNL.

3.3 Risk Management Structure and Operations

The CTNL Board has primary responsibility for both the management and the oversight of the Company's risks together with the quality and effectiveness of risk management, compliance, and response to regulatory frameworks.

CTNL Board meet at least on a quarterly basis to consider reports and issues escalated by their delegated groups and committees. Further information on the Group's governance structure and key Committees can be found in **Section 2** of this disclosure document.

RWG, EMEA ORMC and EMEA FRMC have been established to create robust and efficient forums to focus on the risks to the successful attainment of the Company's business strategy, including consideration of product risks, operational risks, financial risks, the review of any forward looking emerging and strategic risks. The EMEA ORMC and EMEA FRMC report directly into the FORC and RWG to the CTNL Board, these Committees meet monthly.

The FORC is chaired by the EMEA Chief Risk Officer and is commonly composed of business line management, Finance and with representatives from the Group Risk, Compliance, Audit and Legal teams. It is the FORC's responsibility to ensure that the Group Audit & Risk Committee and ultimately the Group and CTNL Board are cognisant of all material issues, including the Company's risk management objectives around own funds requirement, concentration risk, and liquidity risks as addressed by Part 3 Own Funds Requirements, Part 4 Concentration Risk and Part 5 Liquidity of the IFR respectively.

To enforce these clear lines of responsibility, the Group follows a three lines of defence structured approach, see below for further detail, which aims to improve individual accountability and awareness of conduct issues across those working in financial services by:

- encouraging staff to take personal responsibility for their activities and the risks these give rise to actions;
- improving conduct at all levels; and
- making sure firms and staff clearly understand and can show who is responsible and accountable where issues occur.

3.4 Three lines of defence

The Group Board is responsible for establishing the Columbia Threadneedle Investments' Risk Appetite and Strategy, which includes approving the Group's risk management framework, policies, methodologies, and roles and responsibilities.

The Group Board is also responsible for setting the tone from the top and communicating Columbia Threadneedle Investments' four values i.e., Client Focus, Excellence, Integrity and Respect, which are core to the Group's culture, strategy and processes. All staff share responsibility for delivering these values across the business.

The "three lines of defence" model helps to further embed the Group's four key values and ensures clear ownership of its Risk Management Framework, which can be summarised as follows:

Table 2: Three Lines of Defence Model

Lines of defence	Roles and responsibilities
First Line Business units	Functions that undertake and own day-to-day risk management
	Comply with the ERM Framework, Policies and Procedures
	Apply internal management controls and improvement actions
Second Line Risk and Compliance	Oversee and challenge risk and potential harm management in the First Line of Defence
	Provide guidance and direction to the First Line of Defence
	Develop and communicate the ERM Framework
Third Line Internal audit	Independent perspective and challenge process
	Reviews and provides assurance on both First and Second line of Defence

All lines of defence report to the Board of directors and senior management, either directly through formal reporting or through delegated Committees.

3.5 Risk Appetite Framework

The Group Board established a risk appetite for Columbia Threadneedle which encompasses activities carried out by CTNL. It expresses the Group's tolerance for risks that it faces. It defines the risks that the Group is prepared to accept in order to deliver its strategic objectives. These allow management and the Group Board to monitor Columbia Threadneedle's exposure to risk and ensure that it stays within the Group's tolerance. Should a risk exceed its tolerance thresholds, the Group considers if and/or how it should:

- mitigate the risk where possible;
- explicitly accept the risk and consider increasing the risk appetite; or
- scale down or terminate the activity.

The Group employs a range of approaches to monitor and report risks throughout the organisation in the context of its risk appetite. These include a Risk and Control Self-Assessment process, dashboards to report the status and direction of key risks, a rigorous process to identify, record and resolve risk events, and policies and procedures covering the Group's risks and processes.

Columbia Threadneedle Investments' risk appetite may change as its business evolves. The Group Board therefore reviews and formally approves the risk appetite annually, as well as when the Group's risks, or the markets in which it operates, are materially altered.

The framework is embedded within the Group's core business processes and is used as a tool for decision-making and strategic analysis. All the elements of the risk framework inform one another, leading to a cycle of continuous improvement. This enables the Group's overall solvency needs to be assessed in both a continuous and forward-looking way in relation to its risk profile.

3.6 Risk identification and assessment

The Group and its subsidiaries (including CTNL) are exposed to a number of risks and potential harms in pursuing its business strategy, these have been grouped into the following four categories in the Risk Library:

- **strategic risk** is the risk arising from adverse business decisions, decisions that are not aligned with the organisation's overall strategy or mission, or lack of responsiveness to environmental changes.
- **operational risk** is the risk of loss resulting from internal processes which are inadequate or have failed due to human errors, system failures, or external events.
- **legal and compliance risk** is the risk of loss due to a failure to comply with law, legal agreements or regulations.
- **financial risk** is the risk of loss due to stresses impacting the Group's balance sheet and profit and loss.

The Group has linked potential harms to clients, market and the firm against each risk included in the Risk Library.

The Group has allocated its internal assessment of capital requirements to its subsidiaries including CTNL using an appropriate basis.

3.7 Risk management objectives

CTNL analyses its Own Funds and Liquid Asset needs, as applicable, based on the potential exposure of material harms as identified through risks as documented in its Risk Library and through the stress testing and wind-down assessments embedded in the ICARAP process.

CTNL complies with Article 24 of the IFD which states that the Company shall have in place sound, effective and comprehensive arrangements, strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital and liquid assets that it considers adequate to cover the nature and level of risks which the entity may pose to others and to which the investment firms themselves are or might be exposed to.

The ERM framework facilitates a common approach to the identification, assessment and management of risk across the Group and is also responsible for capturing, analysing and communicating the risk and control profile to the FORC and other governance bodies (ORMC, FRMC, etc).

Own Funds requirement (Part 3 of IFR)

CTNL's Own Funds Requirement is monitored, managed, and reported in accordance with the Group's Capital Risk Management Policy. The objective of this policy is to provide guidelines to ensure effective and efficient management of capital across the Group and its subsidiaries. The Own Funds requirement is calculated in accordance with Section 5.

CTNL is required to hold the minimum amount of Own Funds to address potential material risks arising from MiFID activities through the K-factor requirement in accordance with Article 15 of the IFR, their Permanent Minimum Capital Requirement in accordance with Article 14 of the IFR and their Fixed Overheads Requirement calculated in accordance with Article 13 of the IFR.

CTNL's Own Funds Requirement is driven by the Fixed Overheads Requirement ("**FOR**") as at 31 December 2023.

Concentration risk (Part 4 of IFR)

CTNL does not undertake or deal on its own account and therefore concentration risk exposures as defined in Article 36 to Article 42 of the IFR are not applicable to CTNL. However, CTNL is exposed to non-trading book concentration risk arising from earnings associated to key clients or exposures against counterparties. Appropriate metrics have been set at the Group level to seek to mitigate the harms arising from concentration risks.

CTNL monitors client earnings concentration and counterparty exposures as reported quarterly within Level of concentration risk return. Additionally, CTNL's client concentration risk is considered through the ICARAP process, explicitly as part of the following assessments:

- **Capital planning and stress testing** where assumptions are made on the loss or reduction of key clients' portfolios to assess the impact on profitability and capital position.
- **Liquidity stress testing** is used to determine CTNL liquidity requirements.
- **Wind-Down** where the loss of key clients of CTNL are considered as part of the wind-down plans.

Liquidity risk (Part 5 of IFR)

Liquidity risk may arise as a result of CTNL being unable to meet its obligations as they become due, either because (1) the Company is required to pay its liabilities earlier than expected and / or (2) because of its inability to realise assets in order to meet obligations as they fall due or being able to realise assets but only by suffering unacceptable financial loss. Any potential financial harms to CTNL and any impact to clients including vendors and outsourced providers are mitigated through the Group Corporate Liquidity Risk Policy and Management Framework ("**Liquidity Policy**"). The Liquidity Policy documents the management framework, responsibilities, processes, and contingency arrangements of the Group and its subsidiaries. The Liquidity Policy ensures that all foreseeable financial commitments can be met as they fall due, and that, if necessary, access to funding is available and cost-effective.

Liquidity is managed daily with real-time cash management / monitoring of balances in place and reporting for regulated entities. This is in addition to monthly reviews and forward-looking assessments of liquidity on an entity basis including CTNL.

Liquidity risk is also considered as part of CTNL's risk assessment within the ICARAP process, with liquidity stress-testing undertaken to understand the potential impact of stress events on the entity's liquidity position.

4. Own Funds

4.1 Composition of regulatory Own Funds

CTNL's Own Funds are calculated in accordance with the rules set out in Article 9 Own Funds of the IFR. CTNL Own Funds consists entirely of Common Equity Tier 1 (CET1) capital, the highest-ranking form of Tier 1 capital. CET1 capital includes issued share capital, share premium, being the value of share capital issued in excess of par value, retained profits, accumulated other comprehensive income and other reserves. Profits are only included within retained earnings once they have been verified by an independent auditor. Regulatory deductions to CET1 capital include intangible assets and deferred tax assets that rely on future profitability and arises from temporary differences.

Table 3: EU IF CC1.01 Composition of Regulatory Own Funds

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: instruments and reserves (€'000)		
1 OWN FUNDS	35,935	
2 TIER 1 CAPITAL	35,935	
3 COMMON EQUITY TIER 1 CAPITAL	35,935	
4 Fully paid-up capital instruments	208	Note 6
5 Share premium	112,927	Note 7
6 Retained earnings	1,656	Note 8
7 Accumulated other comprehensive income		
8 Other reserves	(77,771)	Note 8
9 Minority interest given recognition in CET1 capital		
10 Adjustments to CET1 due to prudential filters		
11 Other funds		
12 (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
13 (-) Own CET1 instruments		
14 (-) Direct holdings of CET1 instruments		
15 (-) Indirect holdings of CET1 instruments		
16 (-) Synthetic holdings of CET1 instruments		
17 (-) Losses for the current financial year		
18 (-) Goodwill		
19 (-) Other intangible assets	(113)	Note 1
20 (-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	(972)	Note 4
21 (-) Qualifying holding outside the financial sector which exceeds 15% of own funds		
22 (-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds		
23 (-) CET1 instruments of financial sector entities where the institution does not have a significant investment		
24 (-) CET1 instruments of financial sector entities where the institution has a significant investment		
25 (-) Defined benefit pension fund assets		
26 (-) Other deductions		
27 CET1: Other capital elements, deductions and adjustments		
28 ADDITIONAL TIER 1 CAPITAL		
29 Fully paid up, directly issued capital instruments		
30 Share premium		
31 (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
32 (-) Own AT1 instruments		
33 (-) Direct holdings of AT1 instruments		
34 (-) Indirect holdings of AT1 instruments		
35 (-) Synthetic holdings of AT1 instruments		

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

4.2 Reconciliation of regulatory Own Funds to balance sheet in the audited financial statements

The table below shows a reconciliation between Own Funds and the entity's balance sheet in the audited financial statements as at 31 December 2023, where the assets and liabilities have been identified by their respective classes.

Table 4: Reconciliation of Regulatory Own Funds to Balance Sheet

EU IFCC2: Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the audited Financial Statements, as at 31 December 2023 (€'000)			
Item	A	B	C
	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to template EU IF CC1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
Non- current assets			
1	Intangible assets	113	19 - Other intangible assets
2	Tangible assets	53	
3 Current assets			
4	Trade and other receivables	28,184	
5	Deferred tax assets	972	20 - Deferred tax assets
6	Cash and cash equivalents	27,850	
	Total Assets	57,172	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Pension provision	3,341	
2	Provisions	245	
3	Current Liabilities	16,566	
	Total Liabilities	20,152	
Shareholders' Equity			
1	Issued share capital	208	4 - Fully paid-up capital instruments
2	Share premium account	112,927	5 - Share premium
3	Foreign currency translation reserve	(17)	8 - Other reserves
4	Other reserves	(77,754)	8 - Other reserves
5	Retained earnings	1,656	6 - Retained earnings
	Total Shareholders' Equity	37,020	

4.3 Own Funds: main features of Own Funds instruments issued by CTNL

The following table shows information on the Common Equity Tier 1 instruments issued by CTNL.

Table 5: Own Funds main features

EU IF CCA: Own funds: main features of own instruments issued by CTNL		CTNL
1	Issuer	Columbia Threadneedle Netherlands B.V.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	08068841
3	Public or private placement	Private
4	Governing law(s) of the instrument	Dutch Civil Code
5	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares issued by a private limited company
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	€1.7m
7	Nominal amount of instrument	€453
8	Issue price	€453
9	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	15-02-1996
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary

21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
22	Existence of step up or other incentive to redeem	No
23	Noncumulative or cumulative	Non-cumulative
24	Convertible or non-convertible	Non-convertible
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	No
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A

5. Own Funds Requirement

CTNL is required to disclose its Permanent Minimum Requirement, FOR and K-Factor Requirement information in accordance with the provisions set out in Article 11 of the IFR.

In accordance with Article 11 (1) of the IFR, CTNL is required to hold Own Funds in excess of the greater of:

- a) Permanent Minimum Capital Requirement (“**PMCR**”), which for the Company is €150,000; or
- b) Fixed Overheads Requirement (“**FOR**”) which amounts to 25% of its most recently audited annual expenditure less permissible deductions; and
- c) K-Factor Requirement (“**KFR**”).

Table 6: Own Funds requirement

Own Funds requirement	€'000
A. Permanent Minimum Capital Requirement	150
B. FOR	12,853
Risk-to-Client (“ RtC ”)	5,551
Risk-to-Market (“ RtM ”)	0
Risk-to-Firm (“ RtF ”)	0
C. Total K-Factor requirements	5,551
Own Funds Requirement (higher of A, B and C)	12,853

5.1 Permanent Minimum Capital Requirement (“PMCR”)

PMCR represents the minimum capital requirement, also referred to as the initial capital requirement. This is determined based on permissions for the type of investment activities undertaken. Initial capital is set at €75k (for firms which provide execution, portfolio management, advisory services with no permission to hold client money or securities), €150k (all other firms that do not hold client money or securities), or €750k (who performs dealing on own account, underwriting, placing on a firm commitment basis).

CTNL does not trade on own account nor has permission to hold client assets in the course of MIFID business, therefore subject to €150k minimum capital requirement.

5.2 Fixed Overheads Requirement (“FOR”)

The FOR of an investment firm is an amount equal to one quarter of CTNL’s relevant expenditure during the preceding year from its most recent audited annual financial statements. Under Article 13 (4) of the IFR, amongst other deductions from total expenditure, expenses can further be deducted and deemed variable only if they are both non-recurring in nature and arising from non-ordinary activities. As at 31 December 2023, CTNL’s FOR was €12,853k which serves as its Own Funds requirement being the higher of PMCR, FOR and KFR.

5.3 K-Factor Requirement (“KFR”)

KFR is calculated in accordance with Article 15(1) of the IFR and is based upon investment services provided and activities undertaken by CTNL.

Risk to Client (“**RtC**”) K-Factor requirement is relevant for the CTNL’s business model:

- **K-AUM** (i.e., Asset Management Activity) is calculated based on the average AUM for its MIFID business over the previous 15 months (excluding the most recent three months) multiplied by a regulatory-defined coefficient of 0.02%.

The remaining K-Factors are not applicable to CTNL’s business model as they are considered out of scope (i.e., Risk-to-Market and Risk to Firm as CTNL does not have a trading book.

5.4 Approach to assess the adequacy of CTNL internal capital to support current and future activities

The adequacy of capital to support current and future activities is monitored through the Internal Capital Adequacy and Risk Assessment Process (“**ICARAP**”). The objective of this process is to ensure that the Company has adequate capital and liquidity to cover the nature and level of risks which they may pose to others and to which investment firms themselves are or might be exposed.

This is a forward-looking exercise with the level of capital required by the Company being assessed by reviewing a number of scenarios, as determined by CTNL’s Board, and comparing them with the Base Case scenario of our budgeted business plan. This approach identifies the timescale and extent of possible capital and liquidity deficiencies should an adverse scenario arise. The additional level of capital and liquidity required to cover the Company against such a scenario can then be assessed and / or the mitigating actions identified which are required to ensure a continued capital and liquidity surplus.

The ICARAP is updated and formally reviewed, challenged and approved by the Company’s Board on an annual basis, or more frequently if fundamental changes to the business require it.

CTNL’s capital and liquidity positions are assessed on an on-going basis throughout the year and up-to-date capital and liquidity requirements are reported to the FRMC and FORC on a monthly basis and to the CTNL Board on a quarterly basis. This allows implementation of timely management actions as and when appropriate to ensure continuing compliance, including updated assessments at least annually of threshold requirements to reflect emerging exposures and material changes in the business.

6. Remuneration policy and procedures

The Company (including its branches) is subject to the Regulation Sound Remuneration Policies (Regeling Beheerst Beloningsbeleid, hereinafter "**RBB**") and the Dutch Financial Supervision Act (Wet op het financieel toezicht ("**Wft**") in which the Dutch Act on Remuneration Policies of Financial Undertakings (Wet beloningsbeleid financiële ondernemingen - hereinafter "**Wbfo**") has been implemented.

The key provisions of the Company's remuneration policy and practice are subject to the regulatory requirements on remuneration described in the Dutch Remuneration Regulations and align to the principles and structure of those prevalent across Columbia Threadneedle Investments as described in the Columbia Threadneedle Investments EMEA Remuneration Policy.

These provisions are as follows:

- i. The Company provides a total remuneration package comprising base salary, a competitive benefits suite, and the opportunity to earn an annual discretionary bonus. Certain employees may also be eligible to receive a fixed, permanent, pre-determined, non-discretionary, non-revocable and transparent-to-staff, role-based allowance, structured in accordance with the European Banking Authority's fixed-pay definition criteria.
- ii. Variable remuneration individual award recommendations are developed by line managers in conjunction with the employee performance appraisal process and reflect individual achievements in respect of financial and non-financial goals, based on performances and risk cycles reflecting the underlying business performed, including the achievement of fair customer outcomes and adherence to risk and control policies. Variable remuneration criteria reflect at least 50% qualitative targets in addition to quantitative measures linked to the Group, the Company and the individual. The framework and broad policy of individual awards are approved by the Remuneration Committee in accordance with the character and activities of the Company. The quantum of variable remuneration is reviewed and approved annually via the governance process of the Group.
- iii. Variable remuneration to be awarded or paid out will be reduced or fully claimed back (up to 100%) in cases of serious issues with employee competence, the employee demonstrating inappropriate behaviour, or if the performance of the Company is poor or negative, including but not limited to the strength of the regulatory capital base, a failure of risk management, the discovery of fraudulent or misleading information in respect of the achievement of the underlying performance conditions relating to the bonus or the circumstances under which the bonus was awarded. Specific criteria exist for reduction or clawback in case of inappropriate behaviour of an employee.
- iv. The award of variable remuneration is wholly discretionary and is not pre-determined by any contractual or formulaic entitlement. As such, and in line with the principle that employees are rewarded for their performance rather than for failure, the Company's remuneration policy does not allow guaranteed variable remuneration apart from specific cases related to recruitment of new employees during the first year of employment provided that the Company has sufficient own funds and a solid solvency ratio.
- v. Retention variable remuneration awards may be necessary under exceptional circumstances for selected employees in order to reduce the risk of loss to a competitor and/or to enhance retention. Any such awards will only be made in exceptional circumstances, for example reorganisation, transfer of employment, or the retention of a key staff member whose loss would represent a material commercial risk.
- vi. Variable remuneration may be awarded in a combination of cash and Ameriprise deferred share-based or fund-linked awards. Further details of these awards (Ameriprise Deferred Share Unit Programme) are given in note 19 of CTNL B.V. 2023 Financial Statements. Employees with greater functional, client/commercial and risk accountabilities, including identified staff, may receive a greater proportion of variable incentives in deferred awards to reinforce their alignment to the long-term interests of clients and shareholders.
- vii. Collectively, on an annual basis, the Company's Human Resources, Risk, and Compliance functions identify employees whose roles have a material impact on the risk profile of the Company as per the European Securities and Markets Authority (for AIFMD and UCITS) and European Banking Authority (for CRD) published identification criteria. The listing of identified staff is reviewed and approved by the Remuneration Committee on an annual basis and identified employees are made aware of their identified staff status and obligations and impacts. Remuneration practices are applied to identified staff consistent

with Wbfo criteria, in a way and to the extent that is appropriate to the Company's size, internal organisation and the nature, scale and complexity of the Company's activities.

- viii. No redundancy awards were paid in the performance period to 31 December 2023. The Company ensures that any retention fees and redundancy/severance awards are calculated and delivered in accordance with Wbfo requirements.

Financial remuneration information

No employees received total remuneration above €1 million in the performance period ended 31 December 2023. The total amount of variable remuneration paid to employees in the performance period ended 31 December 2023 was €1,883,708 and is split as follows:

Table 7: Quantitative disclosures

Description	Amount (€)
Discretionary variable remuneration in cash	1,092,006
Pre-2023 deferred share-based awards vesting during the performance period	791,702