BENEFIT STREET PARTNERS LIMITED

MIFIDPRU 8 DISCLOSURES

Annual disclosure of risk management objectives and policies, own funds and requirement and remuneration policies and practices, to meet the regulatory disclosure requirement set out in MIFIDPRU 8. This report covers the financial position as at 30th September 2025, as extracted from the audited financial statements of Benefit Street Partners Limited at that date.

30 SEPTEMBER 2025

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1 INTRODUCTION

1.1 ABOUT BENEFIT STREET PARTNERS LIMITED AND REGULATORY FRAMEWORK

Benefit Street Partners Limited (“BSP Ltd” or “the Company”), formerly known as Alcentra Limited, is a wholly owned subsidiary of BSP Asset Management Limited ("BSPAML" or the "Parent"), formerly known as Alcentra Asset Management Limited, which is an indirect wholly owned subsidiary of Franklin Resources, Inc. ("Franklin").

Effective 26th January 2026, the Company changed its name from Alcentra Limited to Benefit Street Partners Limited, and the Parent’s name was changed to BSP Asset Management Limited as part of a broader global rebrand aligning all of Franklin’s private credit businesses. This report covers the financial position as at 30th September 2025, as extracted from the audited financial statements of Benefit Street Partners Limited at that date, while all other disclosures in relation to governance of the Company are stated as at 22nd May 2026 (“the disclosure date”).

The Company was formed in March 2003 through the acquisition of Barclays Capital Asset Management Limited from Barclays Bank Plc. In January 2006, BSP Ltd became a subsidiary of Bank of New York Mellon (“BNYM”), within its group of investment management boutiques. In November 2022 BNYM sold BSP Ltd to Franklin, with the transaction being completed on the 1st of November 2022.

The Company provides investment management and related services to investors globally, through investment products focused on sub-investment grade debt-capital markets in Europe, as part of the wider Franklin corporate group. The Company adopts, leverages and contributes to Franklin’s wider strategy, values, policies, procedures and approach to community engagement. Franklin's corporate values are reflected throughout the organisation and are made available through its annual report on its website www.franklinresources.com.

BSP Ltd is authorised and regulated by the Financial Conduct Authority ("FCA") and, as a non-SNI MIFIDPRU investment firm, it is subject to MIFIDPRU rules, including the requirement to disclose the below information annually:

1. Risk management objectives and policies – MIFIDPRU 8.2
2. Governance Arrangements - MIFIDPRU 8.3
3. Own funds – MIFIDPRU 8.4
4. Own funds requirement – MIFIDPRU 8.5
5. Remuneration policies – MIFIDPRU 8.6

1.2 COMPANY OVERVIEW

Benefit Street Partners Limited provides investment management and related services to investors globally through investment products that include open-ended funds, closed-ended funds and separately managed accounts. Since inception, the Company has evolved its product mix and offers a broader platform with an all-

encompassing sub-investment grade credit suite of products. BSP Ltd offers solutions for Senior Secured Loans, High Yield Bonds, Direct Lending, Special Situations, Structured Credit and Multi-Strategy Credit.

The Company's core strategy is to deliver risk-adjusted returns to its global institutional and intermediary investors in line with the long-term goals of its investors, while being committed to fostering lasting partnerships through transparency and outstanding service. To achieve this strategy, the Company:

1) partners with institutional investors around the world to help them make the most of market opportunities,

2) invests across the credit spectrum, from senior secured to subordinated debt, in both liquid and illiquid markets,

3) supports investors through a fully integrated global distribution and client service capabilities and operational functions, while the investment teams operate independently,

4) has investment teams which represent one of the largest and most experienced research platforms bringing significant regional and sectoral expertise for high-quality credit underwriting, whose scale and extensive networks allow unique sourcing and an informational edge,

5) employs a disciplined, value-orientated approach to evaluating individual investments and constructing portfolios across all investment strategies,

6) strategically launches new products, fund vintages, and investment structures that seek to align with investor requirements, while ensuring these initiatives integrate seamlessly with its existing capabilities and resources across direct lending, liquid funds, collateralised loan obligations ("CLO"s), high yield, infrastructure debt, special situations and structured credit,

7) leverages the expertise of other alternatives focussed businesses in the Franklin group, delivering private credit expertise and tailored solutions across the US and Europe.

BSP Ltd's clients are the funds themselves, with the underlying investors typically being institutional clients, such as pension funds and insurance companies, or professional investors.

2 Risk Management Objectives and Policies

The Company's Board of Directors (the "Board", detailed in section 3) is focused on ensuring the Company embeds an effective Risk Management Framework, consisting of 1. Corporate Risk Management and 2. Investment Risk Management (see below). To effectively govern the risk of the Company, the Board mandates various governance committees; structures; and processes, including those outlined below, which serve to facilitate oversight and management of the relevant risks.

a) Risk Appetite Statement

b) Risk Control Framework

c) Risk and Control Self-Assessment

d) Risk Monitoring, including Key Risk Indicator reporting and, in relation to Investment Risk, Quarterly Risk and Performance Meetings

e) Operational error identification, investigation, and reporting

f) Monitoring and remediation of control gaps through internal risk assessment, compliance monitoring and internal audit reviews

g) BSP Ltd's ICARA process

2.1 Statement of Risk Appetite

Risk is a fundamental characteristic of the Company's business and is inherent in every transaction undertaken. As such, the Company's approach to risk taking and how it considers risk relative to reward directly impacts its success. Therefore, the Company has established limits on the level and nature of the risk that it is willing and able to assume in achieving its strategic objectives and business plan.

The Company's Risk Appetite Statement, which is set by the Board, serves this purpose and guides its decision-making processes, including how it pursues its business strategy and the method by which it manages risk and determines whether the risk position is within appetite.

BSP Ltd is a source of innovative investment solutions for its clients, where key risks faced are operational, inclusive of the failure to meet fiduciary obligations. Strategic risk may arise from the failure to remain relevant and competitive, and some credit risk and market risk may arise from exposure to foreign exchange or seed capital investments. Additionally, the Board recognises that reputational risk could arise from shortcomings in any of these areas.

BSP Ltd is committed to ensuring all business activities are conducted with a clear understanding of the risks, maintaining a robust risk management framework, delivering excellence, ensuring transparent disclosure, and treating customers fairly, and meeting the expectations of major stakeholders, including clients, shareholders,

employees, and regulators. The Board expects a culture of honesty and openness from all staff with a bias to escalation in case of doubt.

2.2 Risk Management Framework

Through its responsibility to ensure effective internal risk management the Board ensures that a robust Risk Management Framework is embedded within the business and that effective escalation channels exist to ensure any issues are identified and remediated.

There are two key pillars of BSP Ltd's Risk Management Framework:

1. Corporate Risk Management - risk management of the risks inherent in the operational activities of the Company; and
2. Investment Risk Management - risk management of the client funds.

The Company's Board is supported in this objective through the establishment of local independent risk and compliance specialists (the "Risk and Compliance Team"), who support and guide the business in the embedding and maintenance of the risk and regulatory management requirements.

2.2.1 Risk Committee

The Company's Risk Committee meets on a quarterly basis; oversees the risk framework (which is detailed in the Company's Corporate Risk Policy); and makes recommendations to the Board on setting risk appetite and risk mitigation.

Agenda items include Error and Breach Reporting; AML/KYC updates; Compliance Updates; Operational Risk Updates; KRI Monitoring; Open Actions Tracking; Investment Risk and Counterparty Risk Update; and Conflicts Updates. Other topics are also tabled as required. The Risk Committee may escalate matters to the Board.

The voting members of the Risk Committee as at the time of writing this report include:

- General Counsel
- Chief Accounting Officer
- Head of Investment Risk

Other attendees from the Risk and Compliance Team and the rest of the Company may be invited where appropriate.

2.3 Risk management function

A key aspect of the Company's Risk Management Framework is the establishment of the 'Three Lines of Defence' model. The first line of defence ("1LOD") includes Operations, Portfolio Management, Business Development, Finance, IT and other business functions that provide the day-to-day delivery of the business. This includes

ensuring that internal controls and appropriate risk management standards and practices are designed, implemented, maintained and monitored.

The 1LOD owns and is accountable for the identification, assessment and management of risks that arise through the course of its business and service provision.

The second line of defence ("2LOD") consists primarily of the Risk and Compliance Team. A key responsibility of the 2LOD is oversight and challenge of the 1LOD's identification, assessment and management of its risks.

The third line of defence ("3LOD") is Internal Audit, which is organizationally independent from both the first and second lines of defence. A key responsibility of the third line is to opine on the adequacy of the framework and governance processes and undertake periodic reviews.

The independent 2LOD Risk and Compliance Team also has oversight of the adequacy of controls of the investment process. In addition, issues; errors; guideline breaches; and other matters pertinent to the Company's overall risk framework are subject to the oversight of this function and to the Risk Committee.

BSP Ltd's approach to investment risk management and operational risk management is to ensure that all material risks to which the Company is exposed are defined, understood and effectively managed. Fundamental to both risk frameworks is the establishment of the above mentioned three lines of defence model with clear roles and responsibilities. The Risk and Compliance Team is independent from all the investment teams and may escalate matters directly to the Risk Committee and to the Board

2.3.1 Operational Risk

The Operational Risk team serves to challenge and provide independent subject matter expertise to the business in respect of the Company's operational risks and controls, including appropriate resolution of errors in line with BSP Ltd's Errors & Breaches policy.

2.3.2 Investment Risk

The Investment Risk team serves to challenge and provide independent subject matter expertise to the business for Investment Risk, which is defined as the variability over a specified time horizon (e.g. days, months, years) in the market value of a portfolio of assets due to the portfolio's sensitivity to various underlying influences (often referred to as 'exposures' or 'risk factors'), including but not limited to:

- Credit-specific issues.
- Financial market trends and stability.
- Industry / sector dynamics.
- Fundamental factors; and
- Macro-economic factors.

3 Risk Management Process and Controls

3.1 Risk and Control Self-Assessment

The Risk and Control Self-Assessment ("RCSA") is the Company's primary operational risk and control identification and assessment tool, and is used to:

- Identify material operational risks and key controls considering current/future business objectives and overall general business environment. Further, it helps senior management to gain an understanding of the level of operational risk that each business/business partner exposes the Company to by conducting their activities, thereby facilitating risk-sensitive resource allocation.
- Assess the inherent risk rating associated with each of the identified operational risks.
- Assess whether the key controls are designed and operating effectively to mitigate residual risk exposures to the level required by the risk appetite statement.
- Measure residual risk exposures and identify operational risks outside of Board-approved risk appetite.
- Document and track risk mitigation efforts and monitor progress of action plans.
- Provide a repository for documenting and tracking risk mitigation action plans (including risk acceptance) ultimately to help prevent or minimize:
    - Financial losses;
    - Errors or service delivery failures, especially those with visible impact on customers and/or internal users;
    - Compliance breaches (including regulatory compliance breaches); and
    - Reputational Damage.

3.1.1 Key Risk Indicators

Key Risk Indicators are in-place to monitor residual risk levels against risk appetite. These are reported to the Risk Committee quarterly which may refer matters, as required, directly to the Board.

3.1.2 Quarterly Risk and Performance Meetings

Each Portfolio Manager ("PM") has day to day responsibility for portfolio management, in relation to funds under management of the respective strategy and is supported by specialised credit analysts who provide a fundamental approach to credit analysis.

In addition to the above, investment risks are monitored and reported by the Investment Risk team (and for applicable funds, an AIFM), which operates independently of the portfolio management functions. Risk metric reporting is provided to each Quarterly Risk and Performance meeting ("QRPMs") for review and action. This

regular touchpoint allows members to discuss the PM's performance, portfolio weightings and strategy, in keeping with the 2LOD's independent oversight of portfolio risks.

The QRPM consists of the Portfolio Manager; Investment Risk; the Senior Advisor; the Head of Risk and Compliance and at least one other board member. The composition of the QRPM and the consistency of its members allow a more holistic view to be taken, as well as a cross fund and cross strategy perspective.

Investment Risk has full, independent access to the Company's portfolio data. It also conducts its own calculations of risk metrics, which helps maintain Investment Risk's independence and provides checks and balances for the Company and its clients.

3.2 Internal Capital Adequacy and Risk Assessment

The ICARA (internal capital adequacy and risk assessment) process is the collective term for the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure its operations can be wound down in an orderly manner. The regulatory requirement to conduct an ICARA resides with BSP Ltd, and the outcomes of the assessment are subject to approval by the Board. The Board has delegated the day-to-day governance of the ICARA process to the ICARA Working Group ("IWG") which has voting member representation from the Risk and Compliance Team and Finance.

BSP Ltd's ICARA document has been prepared in accordance with MIFIDPRU 7 and appropriately covers all risks relevant to the business. The ICARA content and processes are aligned with risk management documentation, and the relevant harms (risk to firm, risk to client, risk to market) that should be considered when performing risk assessments and management thereof.

The ICARA process is a critical component of the Company's risk management and regulatory compliance framework. The key uses are:

- **Risk Management** - It provides a structured approach to identify and measure key risks within the business
- **Capital and Liquidity Planning** - helps ensure adequate capital and liquidity buffers are in place to withstand adverse economic/business conditions
- **Improve internal Governance** – The ICARA is mandated by the financial regulator and it helps promote a culture of risk awareness within the organisation

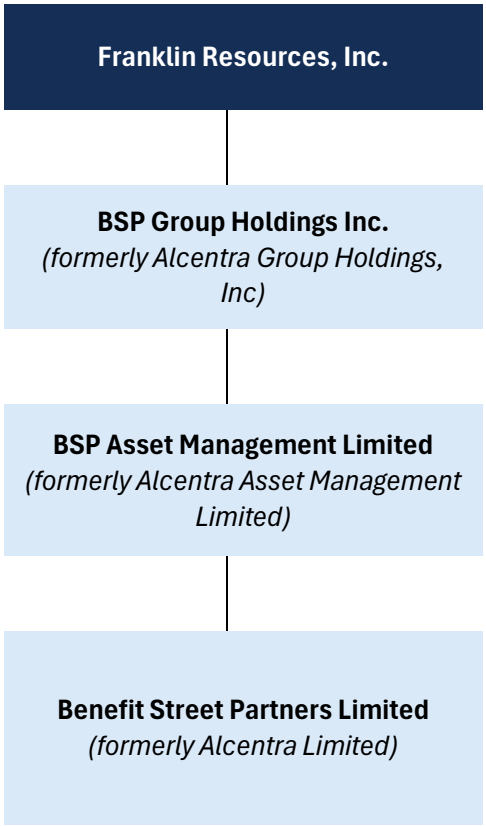
The content of the ICARA document is reviewed and approved at least annually by the Board.

4 GOVERNANCE ARRANGEMENTS

4.1 CORPORATE STRUCTURE

Benefit Street Partners Limited is a wholly owned subsidiary of BSP Asset Management Ltd which is an indirect wholly owned subsidiary of Franklin Resources, Inc.

The following chart illustrates the Company's corporate structure as at 30 September 2025, reflecting the legal entity name changes made (from Alcentra to Benefit Street Partners) on 26th January 2026.



4.2 The Board of Directors

The Board embraces good practice in corporate governance and, as such, is charged with the responsibility for providing oversight of the activities and internal controls within the Company. The Board meets quarterly to review financial performance and strategy and has a formal schedule of matters reserved for its decision, which includes the setting of company goals, objectives, budgets, regulatory update and other plans.

The Directors of Benefit Street Partners Limited and the number of other directorships held that are in scope at the disclosure date are listed below:

The number of other directorships held by the Directors that are in scope at the disclosure date are listed below:

Director	**Position**	**Other Directorships Held**
Catherine Bevan	Co-Head of BSP Ltd and Head of Structured Credit	Two
Daire Wheeler	Co-Head of BSP Ltd and Head of European Liquid Credit	Two
Henry Schoch	Chief Accounting Officer	None

Franklin and its subsidiaries are equal opportunities employers and consider qualified applicants for employment without regard to race, sex, religion, colour, national origin, disability, medical condition, marital status, age, sexual orientation or any other basis protected by local employment legislation. Appointment to the Board follows the above equal opportunity policy and is based on positions held within Franklin, knowledge, skills and expertise.

4.3 Benefit Street Partners Limited Governance Framework

The Board of Directors have implemented a governance structure across the Company to manage its risk profile and provide a clear escalation route for any issues identified. The Board of BSP Ltd is supported by the Firm's Risk Committee, Remuneration Committee, Product Governance Committee, Responsible Investing Committee, Pricing & Valuation Committee, as well as Internal Investment Committees to ensure the effective operational and strategic management of BSP Ltd's business.

5 Own funds

Maintaining sufficient regulatory own funds reserves is monitored and managed by the Board with any major deviation from budget or own funds forecasts investigated and considered when making material decisions. The Finance Team are responsible for ensuring that business change is reflected in the own funds maintained, and that the company continues to have sufficient reserves to satisfy regulatory requirements at all times. In addition, all business functions are responsible for appropriately managing their risks and considering the impact on own funds as part of decision-making.

5.1 Own Funds Composition

BSP Ltd's own funds are exclusively of Common Equity Tier 1 capital (CET1).

OF1 : Composition of regulatory own funds, *in GBP thousands* As at 30 September 2025			
Ref	**Item**	**Amount £'000s**	**Source based on balance sheet in the audited financial statements**
1	**Own funds**	**84,081**	
2	**TIER 1 Capital**	**84,081**	
3	**Common Equity TIER 1 Capital**	**84,081**	
4	Fully paid up capital instruments	25,659	Balance sheet, page 18
5	Share premium		
6	Retained earnings	58,422	Balance sheet, page 18
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustment to CET 1 due to prudential filters		
10	Other funds		
11	(-) Total deductions from common equity TIER 1		
19	CET 1: Other capital elements, deduction and adjustments		
20	**Additional TIER 1 Capital**	**0**	
21	Fully paid up, directly issued capital instruments		
22	Share premium	0	
23	(-) Total deductions from additional TIER 1		
24	Additional TIER 1: Other capital elements, deduction and adjustments		
25	**TIER 2 Capital**	**0**	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) Total deductions from TIER 2		
29	TIER 2: Other capital elements, deduction and adjustments		

5.2 Reconciliation of own Funds to Audited Financial Statements

The following table provides a full reconciliation of the CET1 as at 30th September 2025.

OF2 : Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements, *in GBP thousands*				
		a	b	c
As at 30 September 2025		**Balance sheet as in audited financial statements £'000s**	**Under regulatory scope of consolidation**	**Cross-reference to template OF1**
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
	Tangible fixed assets	103		
	Investment in subsidiaries	32		
	Other investments	155,148		
	Debtors	73,316		
	Cash at bank and in hand	43,715		
	Total Assets	**272,314**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
	Amounts due to Group undertakings	8,464		
	Accruals and deferred income	60,046		
	Other creditors	349		
	Corporation tax liability	265		
	Creditors falling due after more than one year	119,109		
	Total Liabilities	**188,233**		
Shareholders' Equity				
	Allotted, called up and fully paid Common stock, 80,000,000 ordinary shares of £0.3207 each	25,659		Item 4
	Other reserves	0		
	Retained earnings	58,422		Item 6
	Total Shareholders' equity	**84,081**		
	Total Liabilities and Shareholders' equity	**272,314**		

6 Own Funds Requirements

MIFIDPRU 8.5 requires investment firms to disclose an own funds requirement as set out under MIFIDPRU 4.3.1. The own funds requirement of a non-SNI MIFIDPRU investment firm is the higher of:

1) its permanent minimum requirement ("PMR") under (MIFIDPRU 4.4.4);

2) its fixed overheads requirement ("FOR") under (MIFIDPRU 4.5.3):

3) its K-factor requirement under (MIFIDPRU 4.6).

6.1 Permanent Minimum Requirement

Benefit Street Partners Limited is a MIFIDPRU investment firm that is not permitted to hold clients' money or client assets in the course of its MiFID business. The applicable Permanent Minimum Capital Requirement is £75,000.

6.2 Fixed Overhead Requirement

The FOR of a MIFIDPRU firm is an amount equal to one quarter of the firm's relevant expenditure incurred during the previous year. Where there is a material change in projected revenue the company will recalculate FOR based on a projected relevant expenditure during the year. In the case of a projected decrease the Company will seek permission from the FCA before reducing.

The calculated FOR for the year ended 30th September 2025 is £17.99 million.

6.3 K-Factor Requirements

The K-factors relevant to the business and its permissions are as follows:

K-AUM - calculated as 0.02% of the Company's average Assets Under Management ("AUM"). The average is calculated using the AUM on the last business day on each of the previous 15 months, excluding the 3 most recent monthly values, to arrive at the arithmetic mean over 12 months.

K-COH - is calculated as the sum of, 0.01% of average Client Order Handling ("COH") attributable to non-cash trades, using data over the last 6 months, removing data over the most recent 3 months arrive at an average over 3 months.

K- DTF - calculated as 0.1% of the Company's daily average Daily Trading Flows ("DTF") attributable to cash trades. The average is calculated using the DTF throughout each business day in each of the previous 9 months excluding the daily values for the most recent 3 months, to calculate the arithmetic mean for the remaining 6 months.

The Company's Own Funds Requirement ("OFR") based on the ICARA approved by the Board in September 2025, updated for K-Factors at 30 September 2025:

Own funds requirements - *in GBP thousands, as at*	**30 September 2025 £'000**
Permanent minimum requirement	**75**
Fixed overhead requirement – updated based on FY25 audited	**17,990**
K-Factors	**2,385**
(a) Sum of K-AUM, K-CMH and K-ASA	**2,202**
K-AUM	2,202
K-CMH	0
K-ASA	0
(b) Sum of K-COH, K-DTF	**183**
K-COH	59
K-DTF	124
(c) Sum of K-CMG, K-TCD and K-CON	**0**
K-CMG	0
K-TCD	0
K-CON	0
OFR: higher of PMR, FOR and K-Factors	**17,990**

The Company has further assessed risks within its ICARA process under MIFIDPRU 7 and quantified additional own funds in respect of ongoing operations and wind-down where applicable.

6.4 Assessment of Adequacy of Own Funds

Firms are required to assess the additional risks which are not covered wholly or partly by the K-Factors. When assessing potential risks from its ongoing operations, BSP Ltd has considered the following:

1. An assessment of the Company's business and operating model to identify all material harms that could result from the Company's ongoing business;
2. An assessment of the Company's full risk taxonomy;
3. The current economic cycle and ensuring no new risks have emerged;
4. Future operational changes which could alter the risk taxonomy; and
5. The steps and resources that would be required to ensure the orderly wind-down and termination of business within a realistic timescale

BSP Ltd has considered the risks below for its ongoing operations.

6.4.1 Ongoing operations: Credit Risk

Credit Risk is the risk of default from counterparties or clients for deposits, loans, hedging, commitments, securities, and other assets where the realisation of the value of the asset is dependent on their ability to

perform. As at 30th September 2025, the credit risk profile for BSP Ltd is limited to the risk of default from inter-company counterparties, management fees derived from the funds (clients) which the Company manages and the seed capital investments. The Company does not have a trading book.

BSP Ltd holds additional capital to cover credit risk as part of its Own Funds Threshold Requirement.

6.4.2 Ongoing operations: Market Risk

Market risk is the risk to a firm's financial condition arising because of adverse movements in the markets, such as foreign currency exchange rates, interest rates, or mark-to-market adjustments in the investment portfolio.

BSP Ltd could be impacted owing to foreign exchange risk and adverse movements in the markets through risk to the value of its seed capital holdings. In addition, management fees and performance fees could be reduced from falling mark to market valuations and withdrawals from funds. The sources of potential harms to the Company from market risk due to foreign exchange exposure result from the retranslation of non-functional currency balances held on the balance sheet.

The foreign exchange exposure is derived from the predominance of:

- EUR and USD based receivables within BSP Ltd (functional currency GBP).
- Risk retention holdings in the CLOs within BSP Ltd which are EUR denominated offset by EUR liabilities arising from the repurchase agreement on transfer of CLO seed capital; and
- Cash and inter-company balances which revalue each month across the group.

BSP Ltd holds additional capital to cover market risk as part of its Own Funds Threshold Requirement.

6.4.3 Ongoing operations: Operational Risk

Operational Risk is the risk of loss resulting from people, systems, inadequate or failed internal processes or from external events. Operational risk may arise in a variety of ways, including:

- operational errors during trade execution;
- breaches of its fiduciary obligations;
- failures in internal product governance processes;
- internal or external fraud; and
- legal or regulatory actions because of non-compliance with regulatory requirements prudent ethical standards or contractual obligations.

BSP Ltd holds additional capital for operational risk as part of its Own Funds Threshold Requirement.

6.4.4 Ongoing operations: Liquidity Risk

Liquidity risk can arise through the firm either not having available sufficient financial resources to enable it to meet its obligations as they fall due or can secure such resources only at excessive cost. Liquidity risk harms could result in an inability to pay short term liquidity demands (e.g. staff salaries) as well as an inability to access liquid funds within a reasonable timeframe.

Liquidity risk is managed through the business being highly cash generative, as fees are generated quarterly from a broad range of funds; debtors are monitored monthly for aging; and liquidity reporting is produced and reviewed on a monthly basis.

Liquidity risk is not considered to be a material risk to the Company.

6.4.5 Ongoing operations: Concentration Risk

Concentration risk can result in harm both to the firm and its clients. Sources of concentration risk in the Company's business strategy include concentration of banking assets; credit concentration in CLO risk retention holdings; client concentration risk (the failure of significant clients or counterparties upon which the Company relies to generate a significant proportion of its revenue); service provider risk (administrator failure, systems failure) leading to the Company not receiving services or payments; and the reliance on a senior management team.

These harms are managed through the use of banking institutions with strong credit ratings; monthly monitoring through key risk indicators ("KRIs") of the risk of deterioration of the CLO notes held on the Company's statement of financial position; the diverse income streams across a broad platform of products and separately managed accounts or SMAs; the monitoring of the Company's clients; the presence of alternative service providers who could be engaged should a key service provider fail; and the presence of suitable successors for the Company's senior management team.

Concentration risk is not considered to be a material risk to the Company.

6.5 Wind-down requirement

The Own Funds necessary for orderly wind-down is assessed as part of the ICARA process through review of the Company's wind-down plan. The wind-down plan has been prepared in line with FCA guidance. Identifying the steps and resources that would be required to ensure the orderly wind-down and termination of business within a realistic timescale. The Company evaluates the potential harms arising from the winding down of its business and identifies how to mitigate them.

The wind-down plan aims to enable the Company to cease its regulated activities and achieve cancellation of its permission with minimal adverse impact on its clients, counterparties or the wider markets. This includes scenarios where the firm undertakes a strategic exit as well as unexpected crisis or insolvency which makes the Company unviable.

7 REMUNERATION POLICY AND PRACTICES IN PLACE FOR 2025

7.1 DECISION MAKING PROCESS FOR REMUNERATION POLICY

BSP Ltd has formally adopted a remuneration policy, (the "Remuneration Policy") aligned to the FCA's Remuneration Code. The Remuneration Committee approves and, no less than annually, reviews the Company's Remuneration Policy to ensure compliance with the MIFIDPRU Code;

- takes into consideration the Company's remuneration practices and policies;
- that any proposed or existing remuneration structures are consistent with the Company's risk appetite; and
- that any proposed or existing remuneration packages do not reward poor conduct or performance, or conflict with the principles and spirit of the Remuneration Policy

In the performance of its duty as outlined above, the Remuneration Committee will seek the input of the heads of the risk, compliance, finance and human resources functions, as well as relevant business units, particularly where there is concern about behaviour of staff or the levels of risk taken by staff.

7.2 CONFLICTS OF INTEREST AND CONTROL FUNCTIONS

The Company ensures that its Remuneration Policy:

- contains measures to avoid conflicts of interest;
- encourages responsible business conduct; and
- promotes risk awareness and prudent risk tasking.

The Company does not pay variable remuneration to members of the Board who do not perform any executive functions in the Company.

The Company ensures that staff engaged in control functions:

- are independent from the business lines they oversee;
- have appropriate authority; and
- are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The remuneration of the senior officers in the Company's risk management and compliance functions is directly overseen by the Remuneration Committee.

7.3 MATERIAL RISK TAKERS

The Company annually assesses which of its staff are Material Risk Takers ("MRTs"), meaning staff members:

- whose professional activities have a material impact on the risk profile of the Company or the assets managed; and
- who meet any of the MIFIDPRU Remuneration Code identification criteria included the FCA Handbook SYSC 19G.5.3

A list of the Company's MRTs is maintained by Human Resources.

7.4 Fixed and Variable Remuneration

The Company's remuneration arrangements seek to ensure effective risk alignment between staff, the Company, the Funds managed and the Company's clients.

The Company awards both fixed remuneration (i.e. annual base salary, pension contributions and fixed allowances) and performance related variable remuneration (a discretionary annual bonus, and the award of long-term incentives, including carried interest grants). Eligibility for certain types of variable remuneration is linked to positions held within the firm.

Fixed remuneration is determined primarily by the market rate for the role performed, having regard to the skills, expertise and experience demonstrated by a particular individual.

Variable remuneration is determined by reference to a number of factors, including an assessment of an individual's performance based on the Company's performance assessment criteria, operational performance for the department they operate in and their impact on the Company's overall operating performance and potential to contribute to long-term shareholder and fund value. Variable remuneration is subject to deferral based on total earnings above thresholds set by the Company.

The Company ensures that:

- the fixed and variable components of total remuneration are appropriately balanced; and
- the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration component.

7.5 Aggregate remuneration cost for Material Risk Takers

For the year ending 30 September 2025 there were 12 employees categorised as MRTs.

Aggregate remuneration expenditure in the year ending 30 September 2025 in respect of MRTs was £17.87 million of which the fixed element comprised £3.37 million (19%) and the variable element £14.50 million (81%).