Russell Investments Implementation Services Limited

31 December 2025

Own Funds

Composition of regulatory Own Funds

Russell Investments Implementation Services Limited ("RIISL") Own Funds comprise share capital, retained earnings, and other reserves. Own Funds have been calculated in line with the MIFIDPRU 3 requirements. Profits are included in retained earnings only after verification by an independent auditor. RIISL does not possess any hybrid capital instruments (such as AT1), Tier 2 capital, or any capital that incentivizes redemption.

The following tables are based on RIISL's Financial Statements as of December 31, 2025

	Item	Amount (£'000)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	**8,997**	
2	**TIER 1 CAPITAL**	**8,997**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**8,997**	
4	Fully paid-up capital instruments	750	Note 16
5	Share premium		
6	Retained earnings	6,906	
7	Accumulated other comprehensive income		
8	Other reserves	1,341	
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments		
20	**ADDITIONAL TIER 1 CAPITAL**	-	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	**TIER 2 CAPITAL**	-	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	**Tier 2: Other capital elements, deductions and adjustments**		

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

The table below provides a reconciliation between Own Funds and RIISL's balance sheet in the audited financial statements as of December 31, 2025, with assets and liabilities categorised by their respective classes

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	b	c
Item		Balance sheet as in audited financial statements	Under regulatory scope of consolidation	Cross- reference to Own Funds
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
Current Assets		-		
1	Debtors: < One Year	7,763		
2	Cash	3,008		
3	**Total Assets**	**10,771**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
Current Liabilities				
1	Creditors > One Year	1,774		
2	**Total Liabilities**	**1,774**		
Shareholders' Equity				
1	Called up share capital	750		Own Funds – 4
2	Contributed surplus	81		Own Funds – 8
3	Other reserves	1,260		Own Funds – 8
4	Retained earnings	6,906		Own Funds – 6
5	**Total Shareholders' equity**	**8,997**		**Own Funds – 1,2,3**

Own Funds: main features of Own Funds instruments issued by RIISL

The table below provides details on the Common Equity Tier 1 instruments issued by RIISL:

Allotted, called up and fully paid share capital: 750,000 Ordinary Shares of £1.00 each. Retained earnings of £6,905,530.

Own Funds Requirement

RIISL is required to disclose its Permanent Minimum Requirement, FOR and K-Factor Requirement information in accordance with MIFIDPRU 4.3.
In accordance with MIFIDPRU 4.3.2, RIISL is required to hold Own Funds exceeding the greater of:

- Permanent Minimum Requirement ("**PMR**"), which for the Company is £75,000; or
- Fixed Overheads Requirement ("**FOR**") which amounts to 25% of its most recently audited annual expenditure less permittable deductions; and
- K-Factor Requirement ("**KFR**").

Own Funds requirement	**£'000**
A. Permanent Minimum Requirement	75
B. FOR	1,374
Sum of K-AUM, K-CMH and K-ASA	544
Sum of K-COH and K-DTF	-
Sum of K-NPR, K-CMG, K-TCD and K-CON	-
C. Total K-Factor requirements	544
Own Funds Requirement (higher of A, B and C)	**1,374**

Adequacy of Own Funds approach

RIISL has considered its Own Funds and Liquid Assets and determined that they are adequate, both in their amount and in their quality to ensure that:

a) RIISL can remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and

b) RIISL's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

Our approach to assessing our adequacy of Own Funds is through the development of our ICARA process, which is prepared annually or more frequently as required.

The ICARA process is linked to RIISL's overall risk management, business planning and capital management, with each of these components informing the others. Capital planning takes place annually together with our financial forecasting process.

The ICARA is developed with a focus on the potential material harms that may arise:

1. from the ongoing operation of our business; and
2. during a wind-down of our business.

Furthermore, we use the ICARA to identify whether we comply with the Overall Financial Adequacy Rule under MIFIDPRU 7.4.7, which in turn allows us to determine our Own Funds Threshold Requirement and Liquid Assets Threshold Requirement under MIFIDPRU 7.6.4 and MIFIDPRU 7.7.5.

The ICARA sets out the key conclusions and principles of RIISL's process, including:

- Our assessment of the risk of harm posed to our consumers and the markets
- The safety and soundness of RIISL's current financial position and ability to withstand plausible stressed conditions
- The amount of capital and liquidity RIISL has determined it must hold and confirmation that RIISL has adequate financial resources given its size and complexity
- An overview of our risk management framework and governance structure and an assessment of the adequacy of these
- RIISL's material risks, and determination of whether these risks fall within our risk appetite
- Our capital planning and stress testing process
- Our business model, strategic planning, and earnings forecasts
- RIISL's costed recovery and wind down plan
- The review, challenge, and approval process of the ICARA