

This disclosure relates to the financial year ended 31 December 2024. The firm was operating under the name Lothberg Asset Management Limited during the reporting period. With effect from 8 August 2025, the firm has changed its registered name to Vasey & Harris Asset Management Limited. The disclosures set out in this report remain valid and applicable.

Lothberg Asset Management Limited Annual MiFIDPRU Disclosure Report

For the year ended 31 December 2024

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1. Overview and basis of preparation

1.1 Business Background

Lothberg Asset Management Limited (hereinafter also referred to as ‘Lothberg’ or ‘the Firm’) is incorporated under the laws of England and Wales, with Company Number 10214397 and with a registered office at Level 8, One Canada Square, Canary Wharf, London, England, E14 5AA.

The Firm is authorized by the Financial Conduct Authority (“FCA”) with reference number 759206. Lothberg is an asset management firm. During the year the Firm’s principal activity was to provide investment advisory and asset management services to its professional and eligible counterparty clients.

The Firm is a wholly owned subsidiary of Lothberg Holding (HK) Limited, a company incorporated in Hong Kong and is wholly owned by Mr. Zhijian Wang.

1.2 Scope of the Report

For the purposes of MiFIDPRU, the Firm is classified as **a small and non-interconnected (“SNI”) firm** as of 31 December 2024.

The Firm has produced this MiFIDPRU Disclosure Report (Report) in line with the rules and requirements of MIFIDPRU 8, as applicable to SNI firms. MIFIDPRU 8.7 (Investment Policy) does not apply to this Report as the Firm falls within the exemption in MIFIDPRU 8.1.1R (4).

This Report has been prepared based on the audited financial statements as of 31 December 2024, covering the financial period 30 November 2023 to 31 December 2024.

Unless otherwise stated all figures in this Report are denominated in GBP.

1.3 Significant changes since last disclosure period

This is the Firm’s first disclosure under the disclosure requirements under MIFIDPRU 8. As such, there have been no significant changes to the information disclosed since the Firm’s last disclosure period.

1.4 Frequency of Publication and Verification

This Report is published annually, concurrently with the Annual Report and Financial Statements, in accordance with the regulatory guidelines and is available on Lothberg’s website.

This Report was validated, reviewed and approved internally by senior management and the Board of Directors. This Report is not required to be subject to independent external audit, except where data is equivalent to that included in the Annual Report and Financial Statements. Such data has been subjected to external audit in line with the verification process of the Annual Report and Financial Statements process.

2. Risk management objectives and policies (MIFIDPRU 8.2)

2.1 Overview

This section describes Lothberg's risk management objectives and policies for the categories of risk addressed by the requirements of the Firm in the following areas:

- Own funds
- Concentration risk
- Liquidity

Lothberg has established an effective risk oversight structure and the necessary internal organisational controls to ensure that the firm undertakes the adequate risk identification and management, the establishment of the necessary risk register and mitigation plan, the monitoring of the relevant risk and compliance with the applicable legislation and regulations.

The Board meets on a regular basis and receives updates on risk. The Board will review regularly (at least annually) the risk indicators, risk management relevant policies and procedures.

2.2 Three Lines of Defence Model

Lothberg adopts a three lines of defence model to support its risk management framework. Under this framework the Firm ensures principal risks are identified through the application of the below.

First line of Defence

All employees are responsible for understanding operational risk, for appreciating how it can manifest itself in their day-to-day duties and for identifying and escalating any potential risk events. A major component of the identification and measurement of operational risk is the timely notification and reporting of risk events.

Second line of Defence

The Compliance function maintain a level of independence from the first line. They are responsible for providing oversight and challenge of the first line's day-to-day management, monitoring and reporting of risks to both senior management and governing bodies.

Third line of Defence

The Internal Audit function is responsible for providing an independent assurance to both senior management and governing bodies as to the effectiveness of the Firm's governance, risk management and internal controls.

2.3 Principal Risks and Uncertainties

Lothberg has identified and performed an assessment of the key risks that may impact its business. The Company is an investment manager and does not undertake proprietary

trading. The material risks to the Company largely fall within the "Business Risk" and "Operational Risk" categories.

Market risk

For the purposes of these disclosures, market risk is the risk value of, or income arising from, the Company's assets and liabilities varying as a result of changes in the market price of financial assets, changes in exchange rates or changes in interest rates.

The Company does not take proprietary trading risk. The Company's risk management activities are on behalf of clients and the Company's own money is not at risk. The only market risks that the Company potentially faces are currency risk due to the mismatch of the currencies in which income is earned and the currencies in which costs are incurred.

For capital adequacy purposes, in accordance with the rules, the Company monitors its current exposure due to amounts held and receivable in currencies other than sterling. The director considers potential future exposures as part of the overall risk monitoring.

Credit risk

Credit risk refers to the potential risk that the Company's bankers or customers fail to meet their obligations as they fall due. The Company has credit risk on its clients for fees earned but not received. The Company has appropriate policies to monitor this exposure on an ongoing basis. The Company also has credit exposure to its bankers and monitors this risk regularly.

Liquidity risk

The Company's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in fees received/receivable. The Company maintains cash balances at its bankers to cover liquidity risk.

Operational risk

Operational risk is the risk of loss arising from failed or inadequate internal processes or systems, human error or other factors. The risk is managed by the director who has responsibility for putting in place appropriate controls for the business. The Company documents the risks that it is exposed to and the compensating controls in its internal capital adequacy assessment process (CAAP).

Business risk

Business risk is the risk that the Company may not be able to carry out its business plan and could therefore suffer losses if its income falls. This is a risk that all businesses face. The director continuously monitors income and expenditure levels and adjusts the company's plans accordingly.

Concentration risk

Concentration risk is the risk that the Company is overly dependent upon any one customer or any one group of connected customers either in terms of income

dependency or in terms of credit risk. Currently the Company has more than one customer.

3. Governance arrangements (MIFIDPRU 8.3)

3.1 Company Governance

The Firm, as a MIFIDPRU Investment Firm, is subject to the organisational requirements in 4.3A.1R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook ("SYSC"). The Firm's ultimate decision making and oversight body, i.e., its management body, is its board of directors (the "Board"). Under SYSC 4.3A.1R, the Firm must ensure that the Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of the Firm's clients.

The Firm has procedures in place to ensure that members of the Board are selected in accordance with company law and based primarily on the following criteria:

- reputation within the market;
- the possession of the necessary knowledge, skills and experience to perform the relevant duties;
- whether their addition will complement the Board's collective knowledge, skills and experience in relation to the Firm's activities, including the main risks it faces; and
- diversity of viewpoints, backgrounds, experiences and other demographics.

The Firm ensures that members of the Board do not hold more directorships than is appropriate taking into account individual circumstances and the nature, scale and complexity of the Firm's activities.

3.2 Diversity

Lothberg is committed to advancing diversity, equity and inclusion ("DEI"), and has adopted a Diversity Policy in relation to its Board. The promotion of a diverse Board makes prudent business sense and is considered to make for better corporate governance. The Firm's policy to promote Board diversity seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. For the purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender and ethnicity, as well as culture and religious beliefs.

The Firm is committed to increasing Board diversity without compromising on the calibre of the directors. Lothberg maintains that appointments to the Board will be made on a merit-based system within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Firm considers candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

3.3 The Management Body

Lothberg's management body is the Board of Directors. The below table provides the number of external directorships held by each member of the management body. It excludes directorships

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held in organisations which do not pursue predominantly commercial objectives and directorships of entities within the Group.

Board Member	Position at Lothberg	Number of Directorships Held	
		Executive	Non-Executive
Chen Xue	Director	2	0

4. Own Funds (MIFIDPRU 8.4)

As of 31 December 2024, Lothberg maintained own funds as follows:

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	532	Balance Sheet
2	TIER 1 CAPITAL	532	Balance Sheet
3	COMMON EQUITY TIER 1 CAPITAL	532	Balance Sheet
4	Fully paid up capital instruments	532	
5	Share premium	-	
6	Retained earnings	(326)	Balance Sheet
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	333	Balance Sheet
19	CET1: Other capital elements, deductions and adjustments	-	
20	ADDITIONAL TIER 1 CAPITAL	0	
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	0	
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	-	

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

5. Own Funds Requirements (MIFIDPRU 8.5)

Lothberg is required to at all times maintain own funds that are at least equal to the Firm's own funds requirement. The own funds requirement is the minimum requirement of capital the Firm is required to hold, taken as the higher of the PMR and FOR.

The below illustrates the core components of Lothberg's own funds requirements:

Basic Own Funds Requirements	FY24 (GBP thousands)
Higher of:	
PMR	60
FOR	36

Lothberg is also required to comply with overall financial adequacy rule ("OFAR"), according to MIFIDPRU 7.4.7R. This is an obligation on Lothberg to hold own funds and liquid assets which are adequate, both as to their amount and quality, to ensure that:

- The Firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

Lothberg determines that the FOR is sufficient to mitigate the risk of a disorderly wind-down and has therefore identified that it is not required to hold 'additional own funds required for winding down', above the FOR.

Lothberg's own funds threshold requirement is the sum of its FOR and its additional own funds required for winding down. This is the amount of own funds that Lothberg is required to maintain at any given time to comply with the OFAR.

This process is documented in the ICARA and presented to, and ratified by, the Board at least annually.

6. Remuneration Policies and Practices (MIFIDPRU 8.6)

6.1 Overview

As a SNI MIFIDPRU Investment Firm, Lothberg is subject to the basic and standard requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook ("SYSC")). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;

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- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of Lothberg's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, Lothberg recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage. Lothberg is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

6.2 Qualitative Disclosures

6.2.1 Governance

The purpose of the Remuneration Code is to ensure firms establish, implement and maintain remuneration policies, procedures and practices that are consistent with, and promote, sound and effective risk management. The Remuneration Code applies to 'Remuneration Code Staff' ('Code Staff'). This includes senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the firm's risk profile.

In order to take a proportionate approach given the size and non-complex nature of both the activities undertaken and the organisation, the Firm has decided that its Board will undertake the role which would otherwise be undertaken by a remuneration committee. The Board will be responsible for setting the Firm's policy on remuneration.

The Firm's Remuneration Policy will be reviewed, at least, annually by the governing body to ensure that it remains consistent with the Remuneration Code Principles and the Firm's objectives. The governing body will use all information available to it in order to carry out its responsibilities under the code, for example, information on risk and financial performance.

6.2.2 Link between pay and performance

Remuneration at Lothberg is made up of fixed ('salary') and variable ('bonus') components. Salary is set in line with the market at a level to retain, and when necessary attract, skilled staff. Bonuses are wholly at the discretion of the Board and any bonus paid is designed to both reflect the performance of a person in contributing to the success of the firm and their success in meeting, or exceeding, targets that have been set by the firm on an individual basis.

Where remuneration is performance-related then in addition to the performance of the individual, the Firm will also take into account the performance of the overall results of the firm. Performance

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assessment will not relate solely to financial criteria but will also include compliance with regulatory obligations and adherence to effective risk management. In keeping with the Firm's long-term objectives, the assessment of performance will take into account longer-term performance and payment of any such performance related bonuses may need to be spread over more than one year to take account of the firm's business cycle.

The measurement of financial performance will be based principally on profits and not on revenue or turnover. Awards will reflect the financial performance of the Firm and as such variable remuneration may be reduced or eliminated where subdued or negative financial performance occurs. The Firm will not ordinarily make any variable remuneration awards should the firm make a loss. In exceptional circumstances such payments may need to be considered.

6.3 Quantitative Disclosures

6.3.1 Aggregate remuneration

The following information relates to the year ended 31 December 2024.

During the year, the total amount of remuneration awarded to all staff were GBP 69,403, split details are as follows:

Type	Amount (GBP)
Fixed Remuneration	69,403
Variable Remuneration	0