Milliman Financial Strategies Ltd.

MIFIDPRU8 PUBLIC REMUNERATION DISCLOSURE
AS OF DECEMBER 31, 2022
1.1 Introduction

The Investment Firm Prudential Regime ('IFPR') is the FCA's prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. The IFPR came into effect on 1 January 2022 and its provisions apply to MFS as an FCA authorised and regulated firm.

Under the IFPR, the Firm is categorised as a small and non-interconnected ('SNI') MiFIDPRU investment firm.

The Firm (FRN number 539399) is a registered investment adviser with the FCA since April 1, 2013, and provides investment advice as well as execution and hedging services to institutional investors. The Firm does not hold custody of client assets or trade money from its own account. MFS Ltd. is a wholly owned subsidiary of Milliman Econtinent, which is a wholly owned subsidiary of Milliman, Inc., a United States based actuarial consulting firm.

The Firm is required to publish disclosures in accordance with the provisions outlined in MiFIDPRU 8 of the FCA Handbook. This disclosure document covers all aspects of the disclosure requirements within the scope of the MiFIDPRU rules applicable to SNIs that have not issued additional tier 1 instruments. Specifically, disclosure relating to the Firm's remuneration policy and practices.

The Firm is a member of a UK Consolidation Group. The disclosure is prepared annually on an individual basis. The Firm will consider making more frequent public disclosure where particular circumstances demand it, for example, in the event of a major change to its business model or where a merger has taken place.

The disclosure is published on a company website.

The Firm believes that its qualitative disclosures are appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

This disclosure has been ratified and approved by the Board of Milliman Financial Strategies Limited.

The annual audited accounts of the Firm set out further information which complements the information in this disclosure. The audited accounts are freely available from UK Companies House.

This document does not constitute any form of financial statement on behalf of MFS. The information contained herein has been subject to internal review but has not been audited by the Firm's external auditors.

1.2 Objectives

This document sets out the public disclosure under MiFIDPRU 8 for the Firm as of December 31st, 2022 which is the Firm's accounting reference date.

As a MiFIDPRU investment firm, we must establish and implement disclosure requirements to provide investors, stakeholders and wider market participants an insight into how the Firm is run. This disclosure sets out the overarching requirements that apply to the Firm.

1.3 Policy and Disclosure Validation

MFS is committed to having robust internal controls to ensure the completeness, accuracy, and compliance with the relevant public disclosure regulatory requirements.
2.1 Qualitative Disclosure Under MIFIDPRU8

As a MIFIDPRU investment firm, we must establish, implement and maintain gender neutral remuneration policy and practices that are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the Firm. Our remuneration policy and practices are gender neutral and do not discriminate employees on the basis of gender or other characteristics.

2.2 Governance

Given the size, internal organisation and the nature, scope and complexity of the activities of the Firm it does not have a separate supervisory function or Remuneration Committee. Therefore, the Remuneration policy’s supervisory function will be undertaken by the Firm’s Board of Directors.

The Board is responsible for reviewing and approving remuneration, and to ensure remuneration policies across the Firm are consistent with the promotion of effective risk management. The Board is responsible for reviewing and approving salary amendments and the Firm’s bonus pool arising from the annual compensation review, with reports made to the Board as required.

The Board meets regularly and is composed of:

- Dermot Corry
- Mary Clare
- Ken Mungan

External consultants, Kroll, have provided a third-party review for the purpose of assisting in the determination of the Remuneration Policy. The external consultant has also provided independent review of any changes to remuneration policies and procedures put in place to meet the requirements of IFPR relating to remuneration arrangements contained in the SYSC 19G Remuneration Code - Components of remuneration.

2.3 Remuneration Approach

The Firm’s remuneration approach is designed to support individual and corporate performance, encourage the sustainable long-term financial health of the business and promote sound risk management for the success of the Firm and to the benefit of its customers, counterparties and the wider market. Our remuneration approach promotes long-term value creation through transparent alignment with the agreed corporate strategy.

The Board believes the Firm’s remuneration structure is appropriate for the business and the industry it operates in and is efficient and cost-effective in delivering its long-term strategy.

Undeserved and excessive remuneration sends a negative message to all stakeholders, including the Firm’s workforce, and causes long term damage to the Firm and its reputation.
2.4 Remuneration Objectives

The objectives of the Firm’s remuneration practices are as follows:

- The Firm undertakes to reward all employees fairly, regardless of job function, race, religion, colour, national origin, sex, sexual orientation, marital status, pregnancy, disability or age;
- It is the policy of the Firm to operate competitive remuneration policies to attract, retain and motivate an appropriate workforce for the Firm;
- The Firm is also committed to ensuring that its remuneration practices encourage high standards of personal and professional conduct, support sound risk management and do not encourage risk taking that exceeds the level of tolerated risk of the Firm, and are aligned with the Firm’s regulatory requirements;
- Rewards for all staff will be aligned to financial and non-financial performance criteria and risk profile, and in all cases will be in line with the business strategy, objectives, values, culture and long-term interests of the Firm;
- The Firm will not allow any unfair or unjust practices that impact on pay;
- The Firm undertakes that it will not award remuneration using vehicles or methods the aim of which is to attempt to avoid application of the relevant FCA’s Remuneration Code.

The Firm uses the following financial incentives:

- bonuses;
- profit shares;
- salary raises;
- team retreats; and
- professional development and education opportunities;

Our financial incentives are designed to:

- raise employee satisfaction;
- recognise individual performance;
- attract and retain talent;
- encourage collaborative teamwork; and
- motivate staff to achieve Firm-wide objectives.

3.1 Quantitative Disclosure Under MIFIDPRU8

Under MIFIDPRU 8.6.8R(2), the Firm must disclose the total amount of remuneration awarded to all staff, split into:

- fixed remuneration; and
- variable remuneration.

The following information reflects remuneration in the last audited financial year (ending 2022):

<table>
<thead>
<tr>
<th>Remuneration type</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed remuneration</td>
<td>630,156</td>
</tr>
<tr>
<td>Variable remuneration</td>
<td>494,500</td>
</tr>
<tr>
<td><strong>Total amount</strong></td>
<td><strong>1,124,656</strong></td>
</tr>
</tbody>
</table>