



UK Investment Firms Prudential Regime (IFPR)
Disclosure Statement
AS AT 31 DECEMBER 2023

INTRODUCTION

This Disclosure Statementⁱ relates to Dimensional Fund Advisors Ltd. ("**Dimensional UK**"), a 100% owned subsidiary of Dimensional Fund Advisors LP (the "**Parent Entity**" or "**Dimensional US**"), a limited partnership organised in the United States of America. Dimensional UK is authorised and regulated by the Financial Conduct Authority (the "**FCA**"), Firm Reference Number - 150100. Dimensional UK was incorporated on 19 December 1990 and as at 31 December 2023, its funds under management totalled approximately £29.9bn.

On 1 January 2022, the FCA's Investment Firms Prudential Regime ("**IFPR**") came into force, introducing a new UK prudential regime for MiFID investment firms that are prudentially regulated by the FCA ("**MIFIDPRU**"). The IFPR regime incorporates consideration of harm to firms but also harm that firms may pose to consumers and the financial market. As a fund management entity (under UCITS) with MiFID "top-up" permissions, Dimensional UK is classified as a "non-SNI" firm under IFPR.

MIFIDPRU includes a prudential framework for firms with the intention of relating capital more closely to risks. It involves a three-pronged approach:

- Own Funds Requirement and Basic Liquid Assets Requirement (MIFIDPRU 4): deals with permanent minimum capital requirements (MIFIDPRU 4.4), fixed overheads requirement (MIFIDPRU 4.5.1), and K-factor requirements (MIFIDPRU 4.6.1R);
- Harm Assessment (MIFIDPRU 7.4): requires firms to identify, monitor, and reduce all material potential harms, assess the controls in place to mitigate these harms, and hold capital for any residual risk, as appropriate; and
- IFPR Disclosure (MIFIDPRU 8.3R): deals with disclosure requirements.

This document contains the IFPR disclosures required by chapter 8 of MIFIDPRU. Dimensional UK has prepared the disclosures on an individual basis. Dimensional UK has completed this document in respect of its MiFID business only.

FREQUENCY OF DISCLOSURES

Dimensional UK has a financial year-end reporting date of 31 December and disclosures are as of this date and in conjunction with publication of Dimensional UK's Annual Report and Accounts and upon review and update of Dimensional UK's Internal Capital Adequacy and Risk Assessment ("**ICARA**") documentation. The figures reported in section II – Capital Resources and Requirements have been prepared based on Dimensional UK's 2023 audited financial statements. The information contained in this disclosure statement has not been audited by Dimensional UK's external auditors. This information is available on Dimensional UK's website (<https://www.dimensional.com/legal-documents>).

There have been no significant changes to the information disclosed since the Firm's last disclosure period.

I. BACKGROUND TO THE BUSINESS, MANAGEMENT STRUCTURE, AND RISK MANAGEMENT

A. BACKGROUND TO THE BUSINESS

Dimensional UK is a 100% owned subsidiary of Dimensional US, a global asset manager based in the US with approximately US\$677bn in assets under management (as at 31 December 2023).

From its global headquarters in Austin, and with offices and entities located in Santa Monica, Charlotte, Dublin, London, Singapore, Sydney, Tokyo, Dimensional US and its affiliates' ("**Dimensional Affiliated Entities**") professional staff are active in investment markets twenty-four hours a day. The Dimensional Affiliated Entities currently also have regional sales and services offices in Berlin, Munich, Amsterdam, Hong Kong, Melbourne, Vancouver, and Toronto.

Dimensional UK's business plan currently includes attracting and servicing eligible institutional clients based in Europe, the Middle East and Africa ("**EMEA**") and attracting investments from investors advised by independent financial advisers or similar entities, such as private banks, wealth managers, and discretionary fund managers, into the funds it manages. Dimensional UK also transacts in investments in the EMEA region for clients of other Dimensional Affiliated Entities, in all cases where permitted. In addition, Dimensional UK makes available to financial intermediaries, institutional investors and third-party platforms certain strategic asset allocation models that offer a research-based framework to seek to achieve long-term investment goals. Dimensional UK currently plans to continue to distribute funds domiciled in Ireland ("**UCITS**") and the UK ("**UK UCITS**") where permitted and provide separate managed account services to certain institutions. These activities are managed by the Global Client Group, and future growth is currently expected to arise across product lines.

Dimensional UK currently believes that its business is scalable and can accommodate incremental organic growth in assets under management through operational procedures in place now or in the future.

B. MANAGEMENT STRUCTURE

As at 31 December 2023, the board of directors of Dimensional UK (the "**Board**") is comprised of several UK-based Directors and two independent non-executive directors. The Board typically meets quarterly.

Dimensional UK, as a MIFIDPRU Investment Firm, is subject to the organisational requirements in 4.3A.1 R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook ("**SYSC**").

Dimensional UK's Board oversees the implementation of its governance arrangements. Dimensional UK's organizational structure and reporting lines are designed to be proportionate

to the nature, scale and complexity of its business and the nature and range of its investment management services and activities undertaken in the course of that business. Where possible and appropriate, Dimensional UK intends to segregate the duties of individuals and departments in its business in such a way as to seek to reduce opportunities for financial crime or contravention of requirements and standards under the regulatory system. Dimensional UK has adopted a Conflicts of Interest Policy and other related procedures which seek to prevent, manage, inform, and monitor potential conflicts of interest.

To assist Dimensional UK in fulfilling its responsibilities, Dimensional UK has established a Management Committee consisting of Dimensional UK's co-Chief Executive Officers and heads of the departments. The Dimensional UK Management Committee coordinates day-to-day operations and management of Dimensional UK and the implementation of business strategy.

Dimensional UK has also established various other committees, including but not limited to the Dimensional UK Compliance Committee, the London Investment Committee, and the Dimensional UK Risk Committee.

The Dimensional UK Board reviews various management reports at its regular Board meetings, including reports on topics such as trading, performance measurement, funds under management, profitability, revenue, costs, compliance, risk management and sales.

The Dimensional UK Board comprises six directors. John Boyd and John Surridge each have one executive directorship and no non-executive directorships. Nathan Lacaze and John Romiza each have one executive directorship and three non-executive directorships. Peter Wood has no executive directorships and two non-executive directorships. Victoria Parry has no executive directorships and sixty-seven non-executive directorships. In each case, the total number of directorships disclosed may include a number of affiliated entities. For the purposes of this disclosure "non-executive directorship" refers to a director who does not carry out executive or management functions within that company.

B. SUMMARY OF POLICY ON BOARD DIVERSITY

Dimensional UK has adopted a Policy on Board Diversity which sets out the approach to diversity within the Board of Dimensional UK. Dimensional UK is subject to a number of legal and regulatory requirements regarding the make-up of the Board including the FCA Rules.

As a consequence, Dimensional UK is obliged to have at least two independent directors. In addition, Dimensional UK aims to ensure that:

- each of its directors meet all legal and regulatory requirements including being of sufficiently good repute and sufficiently experienced in relation to the type of business carried out by Dimensional UK;
- all directors meet the FCA's fitness and propriety requirements; and

- the Board of Dimensional UK has a good balance of skill and expertise so as to enable it to properly and effectively oversee Dimensional UK's business.

As such, Dimensional UK aims to ensure a diverse and balanced range of skills as between the directors on the Board. In addition, the Board is obliged to have regard to the educational and professional background of any prospective directors.

The Board has regard to the various requirements set out above when considering prospective new appointments to the Board.

At this time the Board does not have a specific quota as regards gender representation on the Board (or other factors related to the diversity of the Board) but is subject to other legal, regulatory and corporate governance requirements applicable to Dimensional UK's appointment of prospective directors. Dimensional UK believes that the board diversity objectives set out above were met as at the date of this disclosure.

C. ENTERPRISE RISK FRAMEWORK

Dimensional US's global approach to risk management is detailed in the "Global Risk Management Statement" and "Enterprise Risk Management Framework".

The Dimensional Affiliated Entities currently rely on their respective Boards of Directors (or General Partner, or Managing Member, as applicable) ¹ to determine the appropriate risk appetite, and generally to establish the tone for risk management efforts at each of the Dimensional Affiliated Entities.

Therefore, in respect of Dimensional UK, the Board is responsible for setting Dimensional UK's risk appetite, which is recorded in the risk appetite statement in Dimensional UK's ICARA documentation.

The Boards in general are responsible for establishing the risk parameters of each of the respective Dimensional Affiliated Entities and overseeing each of their respective risk policies and assessments.

The Boards have delegated important aspects of risk policy implementation and oversight to the Global Risk Review Committee ("GRRC"), the heads of the Dimensional Affiliated Entities' primary business units, and other management personnel and/or local risk committees. More generally, all levels of Dimensional personnel are responsible for identifying risks, reporting, escalation of incidents, and the implementation of risk monitoring and controls.

¹ For ease of reference, this IFPR Disclosure Document will refer to such Boards of Directors or General Partner or Managing Member as "Boards".

Dimensional UK's Board has established a Risk Committee (the "Risk Committee") comprised of senior officers from Dimensional UK and the Dimensional Affiliated Entities. The Risk Committee serves as a forum for the identification and evaluation of potential risks specific to Dimensional UK's business and reviews and evaluates Dimensional UK's risk-related policies and other matters related to risk. The Chairperson of the Risk Committee reports to the Board and to the GRRC, from time to time, on risk matters relating to Dimensional UK. The Risk Committee seeks to assist the Board, management, and the GRRC in evaluating broader monitoring and control measures within Dimensional UK and may recommend possible risk mitigation actions.

In addition, Dimensional UK deploys a multi-layered approach to risk management where business units have primary ownership of identification, monitoring, and mitigation of risks, Compliance and Risk Management provide reporting and oversight, and various internal parties and external auditors provide important checks in seeking to assure that controls have been applied consistently and appropriately.

D. RISK MANAGEMENT BY CATEGORY OF RISK

Risks related to Dimensional UK's Own Funds Requirement

The following categories of risk have been identified as relating to, and as being addressed by, Dimensional UK's Own Funds obligations.

Business risk

Business risk is the risk arising from a change in business, both as a result of internal decisions and external factors and events.

The main risk Dimensional UK faces is an event leading to a significant fall in the level of assets under management as Dimensional UK's revenue is reliant on the performance of existing funds and its ability to launch new funds or to obtain new mandates. As such, the risk posed to Dimensional UK relates to underperformance resulting in a decline in revenue and adverse market conditions hindering the launch of new funds/obtaining new mandates and ultimately the risk of redemptions from funds and other client accounts managed by Dimensional UK. Based on the current level of assets under management, Dimensional UK could withstand a sizeable decrease and still be able to meet all costs. Given the scale of the decrease that would be required to threaten Dimensional UK's ability to meet its capital requirements, Dimensional UK management do not currently consider it appropriate to hold further capital within Dimensional UK to mitigate against this eventuality.

Market risk

Market risk is the risk of loss arising from fluctuations in the value of investments due to movements in markets. Note that Dimensional UK does not engage in proprietary trading.

Since Dimensional UK holds no trading book positions (assets used for the purposes of proprietary trading), Dimensional UK currently believes its principal market risk is any fluctuations in the value of its non-sterling assets due to movements in exchange rates.

Credit risk

Credit risk is the risk of financial loss if a client, fund or counterparty fails to meet its contractual obligations.

Dimensional UK calculates its credit risk requirement on any exposures that are in its non-trading book and which have not been deducted from its capital.

Dimensional UK typically has no exposure to trading counterparties (brokers) as principal since this risk rests within the portfolios managed by Dimensional UK. Non-payment or delayed payment of fees exists as a possibility, particularly for separate account clients and other debtors. Dimensional UK calculates its credit risk requirement on these exposures. However, Dimensional UK management does not currently consider it appropriate or necessary to hold further capital in respect of this risk as it applies to the OEIC funds, given the client's profile.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or resulting from external events beyond Dimensional UK's control.

Dimensional UK may incur increased costs in the event of a disaster requiring implementation of its Crisis Management and Business Continuity Plan. Costs may include a move to temporary accommodation; however, this is expected to be mitigated by insurance recoveries and work-from-home arrangements.

Dimensional UK has conducted operational risk scenario analysis workshops with input taken from relevant individuals across the business to assess Dimensional UK's operational risk exposures. Operational risks considered include risks to Dimensional UK's clients, the firm, and to markets. Dimensional UK has allocated capital commensurate to the level of operational risk it faces in its current business.

Concentration risk

Under MIFIDPRU 5.2, Dimensional UK must monitor and control its concentration risk using sound administrative and accounting procedures and robust internal control mechanisms. Concentration risk may arise from the location of client money, the location of custody assets, a firm's own cash deposits, and earnings. Dimensional UK does not deal on own account as defined in MIFIDPRU.

It has been determined that it is not currently necessary to have capital assigned to concentration risk.

II. CAPITAL RESOURCES AND REQUIREMENTS

A. CAPITAL RESOURCES

Dimensional UK seeks to maintain capital to operate the business, meet cashflow requirements, provide a buffer in the event of substantial risks materializing, close the business in an orderly manner if warranted, and otherwise fulfil compliance with the regulatory requirements it is subject to. This section provides information on Dimensional UK's capital position in accordance with MIFIDPRU 8.4.1R.

As such, the following information is set out below:

- A. Details of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of Dimensional UK (i.e., a composition of regulatory own funds);
- B. A reconciliation of Dimensional UK's composition of regulatory own funds with the capital in the balance sheet in the audited financial statements of Dimensional UK; and
- C. A description of the main features of the common equity tier 1 instruments, additional tier 1 instruments, and tier 2 instruments issued by Dimensional UK.

| Table OF1 – Composition of regulatory own funds | | | |
|---|--|---------------------|-------------------------------------|
| | Item | Amount ¹ | Source ² |
| 1 | OWN FUNDS | 25,918 | Page 13: Total Shareholders' equity |
| 2 | TIER 1 CAPITAL | 25,918 | Page 13: Total Shareholders' equity |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 25,918 | Page 13: Total Shareholders' equity |
| 4 | Fully paid-up capital instruments | 1 | Page 13: Called up share capital |
| 5 | Share premium | 5,002 | Page 13: Share premium account |
| 6 | Retained earnings | 20,915 | Page 13: Profit and loss account |
| 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 | - | |
| 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 | - | |
| ¹ in £'000 | | | |
| ² based on reference numbers/letters in the balance sheet in the audited financial statements | | | |

Table OF2 – Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

| Amount ¹ | | a Balance sheet as in published/audited financial statements <i>As at period end</i> | b Under regulatory scope of consolidation ² <i>As at period end</i> | c Cross-reference to template OF1 |
|-----------------------------|--|--|--|--------------------------------------|
| Assets | | | | |
| 1 | Tangible Assets | 3,592 | | |
| 2 | Debtors | 41,285 | | |
| 3 | Investments | 2,691 | | |
| 4 | Cash at bank and in hand | 19,697 | | |
| | Total Assets | 67,265 | | |
| Liabilities | | | | |
| 1 | Creditors: amounts falling due within one year | 40,395 | | |
| 2 | Provision and liabilities | 952 | | |
| | Total Liabilities | 41,347 | | |
| Shareholders' Equity | | | | |
| 1 | Called up share capital | 1 | | Item 4 |
| 2 | Share premium account | 5,002 | | Item 5 |
| 3 | Profit and loss account | 20,915 | | Item 6 |
| | Total Shareholders' equity | 25,918 | | Items 1, 2, and 3 |

¹ in £'000

² As Dimensional UK has the same accounting and regulatory scope of consolidation, disclosure is only required under column a in table OF2. Column b has therefore been left blank

Own funds will be lower after the publication of this disclosure due to a dividend payment in August 2024.

Main features of own instruments issued by the firm

Dimensional UK is funded by ordinary share capital, which is eligible for inclusion as a CET1 instrument under MIFIDPRU 3.3.

The Company's share capital is comprised of 60,000 ordinary shares of £0.01 each, of which 57,266 are issued and fully paid. There are no specific terms and conditions associated with share capital and retained earnings.

B. SATISFACTION OF CAPITAL REQUIREMENTS

Dimensional UK is required to disclose its approach to assessing the adequacy of its own funds in accordance with the Overall Financial Adequacy Rule as outlined in MIFIDPRU 7.4.7R.

To comply with the Overall Financial Adequacy Rule, Dimensional UK must hold the higher of:

- a) the amount of own funds that the firm requires at any given point in time to fund its ongoing business operations and address any potential harm arising from them, taking into account potential severe but plausible periods of financial stress during the economic cycle; and
- b) the amount of own funds that a firm would need to hold so that the firm can be wound down in an orderly manner.

The FCA monitors this through the 'Own Funds Threshold Requirement' which firms determine through their Internal Capital Adequacy and Risk Assessment (ICARA) process.

Dimensional UK has used its K-factor requirement as a starting point for determining the appropriate amount of own funds to cover risks of harm to the business as a going concern, to the extent that such risks have not or cannot be mitigated.

Dimensional UK assesses whether and to what extent a K-factor requirement covers each risk of harm identified during the ICARA process on a going concern basis (to the extent the risk of harm is not or cannot be adequately mitigated).

For this purpose, each risk of harm that is not considered to be adequately mitigated is reviewed with the corresponding K-factor requirement. To the extent that the applicable K-factor requirement is insufficient to cover the post mitigation risk of harm or to the extent that there is no applicable K-factor requirement, Dimensional UK will seek to calculate what it considers to be a suitable amount of additional capital.

As part of its ICARA, Dimensional UK also assesses the level of own funds that it would need in order to effect an orderly wind down, taking into account any additional risks of harm it identifies and whether Dimensional UK's fixed overheads requirement adequately covers such risks.

As at 31 December 2023, Dimensional UK held regulatory capital resources of £17.4m comprised entirely of core Tier 1 capital. Dimensional UK's Own Funds Requirement was £12.2m. As determined through the ICARA process, Dimensional UK's own funds threshold requirement required Dimensional UK to hold an amount of own funds greater than its Own Funds Requirement or wind down capital, and Dimensional UK held capital reserves sufficient to cover the own funds threshold requirement.

Dimensional UK also performs a liquidity risk assessment as part of its ICARA process, which seeks to ensure that its liquidity resources are adequate both as to amount and quality to meet its liabilities as they fall due including during periods of severe but plausible stress.

C. K-FACTOR AND FIXED OVERHEADS REQUIREMENTS

The following table provides K-factor requirements as of the end of December 2023 as well as the Fixed Overheads Requirement in accordance with MIFIDPRU 8.5.1.

| Requirement | £000 | Further Breakdown |
|-----------------------------|-------|--|
| K-Factor Requirement | 1,456 | Sum of K-AUM, K-CMH, and K-ASA: 1,325 |
| | | Sum of K-COH and K-DTF: 130 |
| | | Sum of K-NPR, K-CMG, K-TCD, and K-CON: 0 |
| Fixed Overheads Requirement | 9,660 | |

III. REMUNERATION POLICY

Dimensional UK has in place a remuneration policy which applies to its staff, and, in particular, to those staff identified by Dimensional UK as code staff or material risk takers (“MRTs”) for the purposes of the UK UCITS Remuneration Code and the UK MiFID Remuneration Code.

A. REMUNERATION POLICY FRAMEWORK

The remuneration policies and practices of Dimensional UK have been designed:

- a) For the purposes of the UK UCITS Remuneration Code in a manner that (i) are consistent with, and promote, sound and effective risk management and (ii) neither encourage risk taking which is inconsistent with the risk profile, prospectus or Instrument of Incorporation of the UK UCITS fund it manages nor impair compliance with Dimensional UK’s duty to act in the best interests of the UK UCITS it manages; and
- b) For the purposes of the UK MIFID Remuneration Code, in a manner that implements the requirements applicable to Dimensional UK as a “non-SNI” investment firm.

B. GLOBAL COMPENSATION COMMITTEE

The Board has overall responsibility for overseeing the implementation of Dimensional UK’s Remuneration Policy. The Compensation Committee of the Parent Entity (the “Compensation Committee”), has been delegated responsibility for the implementation of the remuneration practices of Dimensional UK. Dimensional UK does not consider that its size, the size of the UK UCITS funds it manages, the complexity of its internal organisation or the nature, scope and complexity of its activities are such that it must establish its own remuneration committee according to the rules of the FCA. Additionally, as Dimensional UK is not a “large SNI firm” under the MIFID remuneration rules, it is not required to establish a remuneration committee.

The Compensation Committee may use such resources and authority as appropriate to discharge its responsibilities, including authority to retain consultants, special counsel, or other experts. The Committee engages a compensation consultant on a regular basis to benchmark compensation, but also to advise and consult on Dimensional UK’s practices.

The Compensation Committee meets as frequently as deemed necessary in order to perform its functions.

C. PAY AND PERFORMANCE

The two types of remuneration are:

- c) Fixed remuneration (payments or benefits made without reference to performance criteria e.g., contractual salary payment and benefits); and
- d) Variable remuneration (additional payments or benefits made with consideration to performance criteria, or, in very limited circumstances, contractual criteria i.e., cash bonus).

When determining remuneration, Dimensional UK considers several factors, including, but not limited to, the market rate, qualifications and experience and the relative value of the position within Dimensional UK. Remuneration is tailored to promote integrity and soundness of Dimensional UK with a focus on long term interests. Dimensional UK seeks to appropriately balance fixed and variable components of total remuneration.

Dimensional UK structures its remuneration practices to contain measures to avoid, manage, inform, and monitor conflicts of interest, encourage responsible business conduct and to promote prudent risk taking. Dimensional UK also intends to structure its variable remuneration practices in a way that does not affect the firm's ability to maintain a sound capital base. When assessing individual performance to determine the amount of variable remuneration to be paid to an individual, the firm considers financial as well as nonfinancial criteria. Dimensional UK has structured its compensation with the aim of minimising any material financial incentive for any staff to take inappropriate risks with client assets.

Dimensional UK considers that its staff incentives, performance management and remuneration structures are designed to be consistent with the goal of avoiding causing foreseeable harm to retail customers. Dimensional UK does not intend to use remuneration practices which are contrary to requirements applicable to it under the UK Consumer Duty in respect of retail customers.

Variable remuneration for MRTs is based on a combination of the assessment of the performance of: (i) the individual; (ii) the business unit concerned; and (iii) the overall results of the firm. Dimensional UK has structured its remuneration practices so that total variable remuneration can be reduced when appropriate, including where the financial performance of Dimensional UK is subdued or negative.

Although the assessment of performance is done on an annual basis relating to the relevant annual period, the assessment of MRT performance is part of a multi-year framework, which includes consideration of performance of the individual over the longer-term. Guaranteed

variable remuneration, retention awards, severance pay, and buy-out awards should only be paid to MRTs in accordance with applicable FCA rules.

Long Term Incentive Plan and other deferred compensation arrangements

The Parent Entity maintains the Dimensional Fund Advisors Equity Incentive Plan (the "LTIP") as amended and restated effective January 1, 2023, for the purpose of attracting, motivating and retaining key employees who are primarily responsible for the long-term performance of the Parent Entity and its affiliates and to align the interest of such key employees with that of the Parent Entity and its affiliates. The LTIP is a deferred compensation plan which provides for the creation of Phantom Units which entitle the participants, under the terms and conditions of the LTIP document, to share in the growth in value of partnership units of the Parent Entity, to receive current payments based on distributions made to partnership units and upon vesting to receive payment of the value of the Phantom Units in cash.

The Parent Entity has also entered other incentive compensation arrangements with certain key employees of Dimensional UK. These participants entered into various agreements whose terms and conditions entitle them to share in the growth in value of partnership units, to receive current payments based on distributions made to the parent company unit holders, and upon vesting to receive payment of the value of the Phantom Units by issuance of cash.

Awards granted under the LTIP vest on a straight-line basis in three equal instalments on the anniversary of the award. Other incentive compensation outside of the LTIP are granted with a five-year service period. Awards granted with a five-year service period vest 25% on the second anniversary of the award, and the remaining vest in three equal annual instalments over the remaining service period. Unvested amounts are forfeited if the participant voluntarily terminates employment (other than circumstances qualifying as normal retirement), or is discharged for "cause".

In addition, a Key Contributor Award program (the "KCA") grants top performers at non-LTIP eligible compensation levels an additional award in the form of phantom equity. Like the LTIP, the KCA is subject to a vesting schedule and other terms and conditions.

Each year certain managers and department heads are asked to provide compensation recommendations, in respect of both salary and bonus, based on an individual bonus targets, overall approved budgets, and individual performance. When assessing performance of individuals both financial and non-financial criteria are considered. Initial recommendations for all Dimensional UK employees are reviewed by Human Resources and Dimensional UK's Co-CEOs and approved by the Global Compensation Committee.

D. MATERIAL RISK TAKERS

In total, 11 individuals were identified by Dimensional UK as MRTs under SYSC 19G.5 during the financial year ending 31 December 2023. As of 31 December 2023, under the Senior Managers Regime, only five of the eleven are classified as Senior Managers under the FCA's Senior Managers and Certification Regime; four of these Senior Managers are Directors of Dimensional UK. Six further employees were identified as Material Risk Takers. These other MRTs were staff members whose professional activities are deemed by Dimensional UK to have a material impact on Dimensional UK's risk profile or the assets the firm manages if one or more of the FCA's role-based criteria as set out in SYSC 19G.5.3 are met, including staff members responsible for heading certain key business functions.

Due to the relatively limited business, Dimensional UK does not consider any of its other staff to have a material impact on Dimensional UK's risk profile.

A summary of risks identified by Dimensional UK is set out above under the heading "Risk Management by Categories of Risk". In view of potential risks, Dimensional UK has adopted clawback procedures designed to support consistent, sound and effective risk management and to achieve compliance with applicable regulations. Clawback is a form of "ex-post" risk adjustment. Dimensional UK may apply clawback to variable remuneration awarded to MRTs, in accordance with its clawback procedures, in particular, where the relevant individual (a) participated in or was responsible for conduct in cases of fraud or other conduct with intent or severe negligence which lead to significant losses to the firm, and/or (b) failed to meet appropriate standards of fitness and propriety.

E. REMUNERATION DISCLOSURE

Disclosures for the financial year 2023 in accordance to MIFIDPRU 8.6.8R(4) and 8.6.8R(5) are made in the following paragraph.

Fixed remuneration was £1,100,317 for senior management, £1,164,032 for other material risk takers, and £13,772,892 for other staff. Variable remuneration was £6,316,742 for senior management, £887,037 for other material risk takers, and £4,576,279 for other staff. Total remuneration was £7,417,060 for senior management, £2,051,069 for other material risk takers, and £18,349,171 for other staff. No severance payments were made to material risk takers during the financial year. Due to the application of an exemption (under MIFIDPRU 8.6.8R(7) of the FCA Handbook), the obligation to disclose information about guaranteed variable remuneration awarded to material risk takers is disapplied, in order to prevent individual identification of a material risk taker or disclosure of information that could be associated with a particular material risk taker.

ⁱ This material has been issued by Dimensional Fund Advisors Ltd., registered address 20 Triton Street, Regent's Place, London NW1 3BF, Company Number 02569601, which is authorised and regulated by the Financial Conduct Authority – Firm Reference No.150100.