

MS Amlin Investment Management Limited

Annual Report and Financial Statements

31 December 2023

Registered Number: 9110461

Registered Office:
The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AG

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Directors and Officers

Directors

P J Amer
A E Troup (independent non-executive)
L N C Worboyes
C M Place

Secretary

H Lipscomb

Registered Office

The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AG

Independent Auditor

KPMG LLP,
15 Canada Square
London E14 5GL

Strategic Report

The Directors present their strategic report on MS Amlin Investment Management Limited ('the Company') for the year ended 31 December 2023.

Business review, principal activities and future developments

MS Amlin Investment Management Limited ('the Company') is a Financial Conduct Authority regulated business whose principal activity is to provide investment management services to Toro Prism Trust ('the Trust'), an open-ended umbrella unit trust regulated by the Central Bank of Ireland.

In January 2023 the scope of services provided by the Company widened as the provision of other investment management services transferred from MS Amlin Corporate Service ('MS ACS') to the Company. This broadened the Company's customer base to include other entities within the Group (being Mitsui Sumitomo Insurance Company, Limited ('MSI') and its subsidiaries). On the 1st of April 2023 investment management employees also transferred from MS ACS to the Company.

The range of investment management services provided includes the implementation of investment policies, allocating to and overseeing sub-investment managers, ensuring regulatory requirements are met and monitoring investment risks. In return for providing these services, the Company receives management fees from the Trust and the Group.

Geopolitical and macroeconomic issues

The Company has assessed the cumulative impact of global geopolitical issues and the subsequent impact on the macroeconomic environment (including a high inflationary period) by looking specifically at the possible changes in income and expenditure through scenario modelling and the impact on its own future profits and capital.

The Board does not consider that the ongoing geopolitical and economic environment will materially impact the Company's going concern assessment. This is based on:

- The surplus regulatory capital currently available to the Company;
- Minimal direct exposures (as a % of NAV) of funds under management to assets impacted by the conflicts in Ukraine and Middle East;
- The proportional decrease in the majority of the Company's expenses that would directly result from a decrease in AUM held;
- The limited credit risk given that management fees are earned from the funds managed and from other entities within the Group;
- The Company has sufficient cash on hand to pay expenses as they become due, even in stressed scenarios and have (if required) backing from MS Amlin Investment Holdings Limited ('MS AIHL'), its parent, should the need arise; and
- The operational resilience demonstrated to date.

The Company also continues to monitor the impact from a general downturn in the markets. However, given its level of surplus regulatory capital and cash (and other liquid assets) reserves it does not expect this to affect the going concern assessment.

Sustainability

The Company has developed a robust framework for monitoring and reporting on Environmental, Social and Governance (ESG) exposures in the investment portfolios. This framework includes the Company's Responsible Investing Policy and associated documentation. The Board has overall responsibility for strategy, performance and risk management and only through careful management in each of these areas of our business can the Company achieve our strategic objectives and manage the risks and opportunities arising from ESG factors.

Strategic Report (continued)

The Company has established a Sustainability Committee focusing on ESG considerations both in the provision of investment management services to clients, and in relation to practices used in the management of the business, such as its own management procedures and oversight of outsourced service providers.

The Company produces regular reporting for its clients providing ESG scoring and analysis of their investment portfolios. The Company works with its clients to develop and implement their ESG strategies in relation to their investment portfolios.

The Board of the Company has taken note of requirements for climate related financial disclosures as set by the Bank of England (through the Prudential Regulation Authority and Financial Conduct Authority) in various announcements and consultation processes. This also applies to the Task Force on Climate-related Financial Disclosures. The Company's approach to managing the impacts from climate change is incorporated into the Company's commitment to the practice of Responsible Investing.

The Board is committed to making transparent, sustainable financial decisions and to actively managing the long term financial risks of climate change, in partnership with our customers as we transition together towards a low carbon future.

Diversity and inclusion forms part of the Company's sustainability strategy. The Company is committed to an inclusive approach and has undertaken analysis to understand the current position. This includes Pay Gap analysis, as well as a wider review of diversity by role level. Action has been taken to improve recruitment procedures and practices as well as pay benchmarking and management training. The Company's Remuneration Committee reviews Pay Gap data and monitors progress. Participants in training programmes intended to support career progress are reviewed to ensure a diverse talent pool.

Key performance indicators (KPIs)

The Company's KPIs, which align with its primary activities, are shown below, together with the Company's performance against these; all KPIs have been met.

1. Capital: As at 31 December 2023, the Company's regulatory capital was £6,862,249 (2022: £5,189,321), representing a surplus of £3,806,999 or 225% (2022: a surplus of £4,270,558 or 565%) over the Company's minimum capital requirement of £3,055,250 (2022: £918,763) and a surplus of £2,362,249 or 152% (2022: a surplus of £3,189,321 or 259%) over the Company's own funds threshold target requirement of £4,500,000. Minimum capital requirements increased in 2023 following a change in the Company's fixed overhead requirements reflecting increased scope of services in 2023. Despite this the Company remains strongly capitalised.
2. Cash: As at 31 December 2023, the Company held sufficient cash to meet all its commitments in a timely manner. The amount held as cash at bank was £1,701,440 as at 31 December 2023 (2022: £8,648,592). Additionally, the Company held £8,564,345 (2022: £nil) in a cash equivalent liquidity fund.
3. Profit before tax: The Company made a profit before tax for the year ended 31 December 2023 of £2,812,052 (2022: £2,049,101 profit).

Risk Management Framework

The Company has established a firm-wide Risk Management Framework which consists of a suite of policies, standards, appetites, governance processes and procedures that provide the infrastructure to put risk management into practice. The framework is built into the core operating model of the business and forms part of the overall approach to internal control. It provides the infrastructure within risk governance and also sets out the processes required to sustain risk management across the business.

Strategic Report (continued)

As part of the Risk Management Framework, the Company has implemented a Risk Management Policy (which is supplemented by Risk Standards) and Risk Appetite Statements.

Risk Appetite

The Company defines the level of risk within which it wishes to operate. This includes the requirement to:

- Stipulate risk appetites and tolerance limits (where relevant) for all categories of risk faced by the Company;
- Achieve a balance of risk versus reward and seek to maximise the benefit of the Company's strengths and core competencies;
- Be accessible to support decision making; and
- Be reviewed, updated, and reapproved at appropriate intervals.

Risk management cycle

The risk management cycle is a continuous process to align to the evolving risk profile of the business. The principles are described below:

- i. Risk Identification by the Company, with a risk owner assigned to each risk;
- ii. Risk Assessment. Assessment of risk using expert judgement, at a given return period, taking account of control mitigation;
- iii. Risk Response. Controls to mitigate identified risks are both understood and evaluated regularly. Where the level of residual net risk is deemed to be too high further mitigation controls are identified and implemented;
- iv. Risk Reporting. A Risk Register is maintained summarising the above and is reported to, and reviewed by the Board on a regular and on-going basis;
- v. Risk Review. Risks and their impacts are reviewed and accepted by risk owners, being individuals held accountable for managing the individual risks.

Principal risks and uncertainties

The Company has a conservative appetite for risks facing its business; the principal risks and uncertainties are:

1. That the level of income received is insufficient to pay expenses and/or maintain adequate regulatory capital.
2. Operational, regulatory and compliance risks exist in relation to the Company's activities as well as the oversight of various outsourced providers such as sub-investment managers within Toro Prism Trust.
3. Other market related risks and uncertainties such as exchange rate risk (due to some of the management fees being payable in USD and EUR), interest rate risk on investments and credit risk (e.g. on third party receivables for investment management fees).

The impact of emerging risks and impending events are assessed and managed through the Risk Management Framework and reviewed by the Board.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

Control activities

The Company maintains a robust Internal Control Framework which is regularly assessed for effectiveness, this is supported by additional controls operated by other functions within the MS Amlin group.

Strategic Report (continued)

Future developments

As part of its strategic objectives for 2024, the Company are currently working with external consultants conducting an operating and key service provider review, to support the Company's vision to become a significant asset manager providing effective investment solutions.

This model is expected to be implemented from 2025 onwards

Events after the reporting date

After the reporting period, the Company proposed a dividend to its immediate parent MS AIHL of £0.2m.

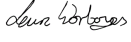
Section 172(1) Statement

The Directors of the Company are required to give an annual statement which describes how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when discharging their duty under that section. Under section 172 of the Companies Act 2006, the Directors of a Company must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they should have regard to other factors, including but not limited to: (a) the likely consequences of any decision in the long term; (b) the interests of the Company's employees; (c) the need to foster the Company's business relationships with suppliers, customers and others; (d) the impact of the Company's operations on the community and the environment; (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and (f) the need to act fairly as between members of the Company.

The Directors of the Company are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. The Board considers key stakeholders as part of the process for setting strategy and making decisions. Considerations relating to stakeholders are included, where relevant, in board papers and other information provided to the Board.

The Directors acknowledge that effective and meaningful engagement with stakeholders and high standards of business conduct, consistent with the Company's values, are key to promoting the success of the Company especially as the Company's business model extended from January 2023 to include the provision of investment management services to other Group entities. As the Company's scope of activities increases so do the stakeholders in the Company, these are currently MSI, the sole shareholder (MS AIHL), the Toro Prism Trust, MSI's subsidiaries to whom the Company provides investment management services, its employees, its suppliers, its regulators, the community and the environment.

Signed on behalf of the Board by:

DocuSigned by:

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L C Worboyes

Director

23 April 2024

Directors’ Report

The Directors present the Company’s annual report and the audited financial statements for the year ended 31 December 2023.

Results and dividends

The result after tax of the Company for the year ended 31 December 2023 amounted to a profit of £2,197,301 (2022: profit of £1,672,927). The Company’s profit after tax is higher in 2023 compared to 2022 (by £0.5m). This is principally a result of higher turnover in 2023 as the Company increased its scope of investment management services directly to other entities within the Group, coupled with investment income. Full details are set out in the statement of profit or loss account on page 15 and the related notes.

The statement of financial position on page 16 of the financial statements shows that the net assets of the Company as at 31 December 2023 were £9,059,550 (2022: £6,862,249).

No interim dividend was paid during the year (2022: £nil) but the Directors have proposed payment of a final dividend to its immediate parent MS AIHL of £0.2m (2022: £nil).

The Directors have disclosed both principal risks and development and performance of the business of the Company during the year in the Strategic report.

Future developments

There are no significant future developments to note.

Directors

The current Directors of the Company are shown on page 3. During the period and up to the date of approval, the following changes occurred:

Secretary changes

| | Appointed | Resigned |
|------------|-----------------------------|-----------------------------|
| K Ehigie | | 3 rd August 2023 |
| H Lipscomb | 3 rd August 2023 | |

Directors’ indemnity

The Directors have the benefit of the indemnity provision contained in the Company’s articles of association, subject to the provisions set out in applicable legislation including the Companies Act 2006. This is a “qualifying third party indemnity provision” as defined by section 234 of the Companies Act 2006.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2022: £nil).

Directors' Report (continued)

Statement on the disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

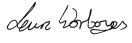
- So far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed on behalf of the Board by:

DocuSigned by:

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L C Worboyces

Director

23 April 2024

The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AG

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including, Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

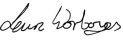
Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board and signed on behalf of the Board by:

DocuSigned by:

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L C Worboytes

Director

23 April 2024

Independent Auditor's Report to the members of MS Amlin Investment Management Limited

Opinion

We have audited the financial statements of MS Amlin Investment Management Limited ("the Company") for the year ended 31 December 2023 which comprise the Statement of profit or loss, the Statement of financial position, the Statement of changes in equity and related notes, including the accounting policies in note 5.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent Auditor's Report to the members of MS Amlin Investment Management Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the non-complex nature of the management fees.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those entries posted by individuals who do not usually post journals, and entries posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Company's financial statements, for instance through the imposition of fines or litigation or the loss of the Company's capacity to operate. We identified the following areas as those most likely to have such an effect: regulatory capital, conduct and financial crime recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report to the members of MS Amlin Investment Management Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of MS Amlin Investment Management Limited (continued)

Auditor's responsibilities

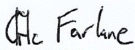
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Garin McFarlane (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

23 April 2024

Statement of profit or loss

For the year ended 31 December 2023

| | Note | 2023 £ | 2022 £ |
|---------------------------------------|------|------------------|--------------|
| Revenue from contracts with customers | | 24,466,025 | 16,476,074 |
| Operating expenses | 6 | (21,841,243) | (14,442,183) |
| Operating profit | | 2,624,782 | 2,033,891 |
| Interest receivable | 7 | 187,270 | 15,210 |
| Profit before taxation | | 2,812,052 | 2,049,101 |
| Tax on profit | 9 | (614,751) | (376,174) |
| Profit for the financial year | | 2,197,301 | 1,672,927 |

The attached notes and information on page 18 to 28 form an integral part of these financial statements. All activities relate to continuing operations.

All reported profit before taxation is on the Company's ordinary activities. There were no other amounts recognised in comprehensive income, other than those included in the statement of profit or loss and therefore no statement of other comprehensive income has been presented.

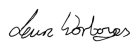
Statement of financial position

For the year ended 31 December 2023

| | Note | 2023 £ | 2022 £ |
|----------------------------------|------|--------------------|--------------------|
| Current assets | | | |
| Cash at bank and in hand | 13 | 1,701,440 | 8,648,592 |
| Financial assets | 14 | 8,565,285 | 10,504 |
| Other debtors | 15 | 4,187,698 | 3,073,486 |
| | | 14,454,423 | 11,732,582 |
| Current liabilities | | | |
| Current tax liabilities | 9 | (660,833) | (383,218) |
| Other creditors | 16 | (4,734,040) | (4,487,115) |
| | | (5,394,873) | (4,870,333) |
| Net current assets | | 9,059,550 | 6,862,249 |
| Net assets | | 9,059,550 | 6,862,249 |
| Equity | | | |
| Called up share capital | 17 | 625,003 | 625,003 |
| Share Premium | | 3,499,998 | 3,499,998 |
| Retained earnings | | 4,934,549 | 2,737,248 |
| Total shareholder's funds | | 9,059,550 | 6,862,249 |

The attached notes and information on pages 18 to 28 form an integral part of these financial statements. All activities relate to continuing operations.

The financial statements on pages 15 to 28 were approved by the Board and authorised for issue on 23 April 2024. They were signed on its behalf by:

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L C Worboyces
 Director

MS Amlin Investment Management Limited

Registered number: 9110461

Statement of changes in equity

For the year ended 31 December 2023

| | Share capital £ | Share Premium £ | Retained earnings £ | Total equity and reserves £ |
|-----------------------------|--------------------|-----------------------|---------------------------|-----------------------------------|
| Opening balance 2023 | 625,003 | 3,499,998 | 2,737,248 | 6,862,249 |
| Profit for the year | | | 2,197,301 | 2,197,301 |
| Closing balance 2023 | 625,003 | 3,499,998 | 4,934,549 | 9,059,550 |

| | Share capital £ | Share Premium £ | Retained earnings £ | Total equity and reserves £ |
|-----------------------------|--------------------|-----------------------|---------------------------|-----------------------------------|
| Opening balance 2022 | 625,003 | 3,499,998 | 1,064,321 | 5,189,322 |
| Profit for the year | | | 1,672,927 | 1,672,927 |
| Closing balance 2022 | 625,003 | 3,499,998 | 2,737,248 | 6,862,249 |

The attached notes and information on pages 18 to 28 form an integral part of these financial statements. All activities relate to continuing operations.

Notes to the financial statements

For the year ended 31 December 2023

1. General information

The Company is a private company limited by shares and is incorporated in Great Britain and registered in England and Wales. The address of its registered office is The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AG.

2. Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention modified by the revaluation of financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with FRS 101 Reduced Disclosure Framework and with the Companies Act 2006. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The following FRS 101 exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of share capital, Intangible Assets and Property, Plant and Equipment.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors relating to the effects of new accounting standards which have been issued but which have not been applied in the period.
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures with regards to key management personnel.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets in respect of the impairment of indefinite life intangible assets.
- The requirements of IFRS 7, "Financial instruments: Disclosure".
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- Certain disclosures required by IFRS 2 Share based payments.

All figures in these financial statements are presented in British Pounds Sterling (Sterling).

Going Concern

In evaluating the appropriateness of the use of the going concern assumption in preparing these financial statements, the Board has reviewed the Company's cash flow and regulatory capital projections for a period of at least 12 months from the date of approval of these financial statements, including considering the after effects arising from various geopolitical and macroeconomic issues as well as factoring in changes to the Company's business model that took effect from January 2023. In considering the impact that each of these risks have on the value of the investment portfolios held, the Directors have had regard to possible changes in income and expenditure through scenario modelling and the impact on the Company's future profits and capital.

Notes to the financial statements

For the year ended 31 December 2023

2. Basis of preparation (continued)

Going Concern (continued)

If there were a reduction in assets under management (AUM) and a subsequent reduction in revenue generated of between 20% and 40%, over the next three years the Company will have sufficient capital and liquid assets following management actions to meet regulatory and liquidity requirements. Management actions include a reduction in variable and fixed costs as well as a capital injection from the Company's parent, MS AIHL.

The Board therefore does not consider these risks will materially impact the Company's going concern assessment due to the surplus capital currently available to the Company and the fact that as the value of AUM held within the Toro Prism Trust and the related management fees decrease, a significant proportion of the Company's expenses would proportionally decrease. Management fees earned are earned either from the funds managed and from 2023, other entities within the Group, thus there is limited credit risk. The Company also has sufficient cash on hand to pay expenses as they become due, even in such stressed scenarios.

Furthermore, the Board does not consider these risks to have an impact on the Company's own operational resilience, with limited changes to the demand of the investment management services it provides to the Trust and limited impact to the Company's own core business processes notwithstanding the changes to the Company's business model.

The Company's forecasts therefore take account of reasonably possible changes in income and expenditure and show that the Company should be able to meet the Financial Conduct Authority requirements for an investment management company.

After performing this assessment, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

3. Adoption of new and revised standards

(a) New Standards, amendments to published standards and interpretations effective on or after 1 January 2023

New standards that came into effect from 1 January 2023 but do not have an effect on the Company's financial statements are:

- IFRS 17 Insurance Contracts.

A number of new amendments of published standards and interpretations are effective from 1 January 2023 but do not have a material effect on the Company's financial statements, they are as follows:

- IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction and Pillar Two model rules;
- IAS 8 Accounting policies, changes to accounting estimates: Definition of accounting estimates;
- IAS 1 Presentation of financial statements: Disclosure of Accounting policies; and
- IFRS 17 Insurance contracts: Amendments to IFRS 17 and Initial application of IFRS 17 and IFRS 9 – comparative information

(b) Forthcoming requirements, amendments to published standards and interpretations issued but not effective by 31 December 2023

As at 31 December 2023, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2023. These amendments were as follows:

Notes to the financial statements

For the year ended 31 December 2023

3. Adoption of new and revised standards (continued)

- IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current and non-current liabilities with covenants.
- IFRS 16 Leases: Lease liability in a sale and leaseback.
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier finance arrangements
- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

The Company did not early adopt any standards or interpretations.

4. Critical accounting estimate and judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to consider judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, management have made no significant judgements.

There are no key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Significant accounting policies

Accounting policies have been applied consistently during the current and preceding years in dealing with items which are considered material in relation to the Company's financial statements.

Revenue from contracts with customers

Turnover in the current year represents investment management fees earned from Toro Prism Trust which are calculated as a percentage of the net asset value of funds under management and are recognised on an accruals basis. As well as a fixed investment management fee charged directly to entities within the Group based on the current period's budgeted costs.

Interest receivable

Interest receivable on cash at bank is recognised in the statement of profit or loss on an accruals basis.

Investment income

Interest income on the investment in money market funds is included in the statement of profit or loss in the period in which it arises. Other investment income and interest receivable are recognised in the statement of profit or loss on an accruals basis.

Foreign currency translation

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the rates of exchange at the reporting date. Non-monetary assets and liabilities are translated at the rate prevailing in the year in which the asset or liability first arose or, where such items are revalued, at the latest valuation date. Exchange gains and losses are recognised within operating expenses..

Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years or that are

Notes to the financial statements

For the year ended 31 December 2023

5. Significant accounting policies (continued)

never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the substantively enacted tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also charged or credited directly to other comprehensive income or equity respectively.

Current assets

Current assets relate to cash and cash equivalents and other debtors. Non-derivative current assets are measured at amortised cost using an effective interest rate.

Current liabilities

Current liabilities relate to financial liabilities, management fee payables, intercompany payables and other payables. Non-derivative current liabilities are measured at amortised cost using an effective interest rate.

Derivative financial instruments primarily include over-the-counter financial instruments that derive their value mainly from underlying interest rates or foreign exchange rates. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into. They are subsequently measured at fair value, with their fair values obtained from quoted market prices or, where these are not available, by using valuation techniques such as discounted cash flow models or option pricing models. Changes in the fair value of derivative instruments are recognised immediately in the statement of profit or loss.

Financial instruments

Financial assets: Classification and measurement

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets: Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

Notes to the financial statements

For the year ended 31 December 2023

5. Significant accounting policies (continued)

Impairments - Financial instruments and contract assets

The Company recognises loss allowances for expected credit loss ('ECL') on:

- Financial assets measured at amortised cost; and
- Contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets (including intercompany) are measured at an amount equal to lifetime ECL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Impairment of trade receivables and contract assets (including intercompany)

Trade receivables and contract assets relate mainly to management fees due from the Trust. Given the nature of the Trust means that outstanding fees would be paid ahead of assets being distributed there is no expectation of losses in relation to fees due, although delays may be possible. Therefore no impairment provision has been made on these balances.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Dividends paid

Dividends paid are recognised in the period in which they are declared and become a present obligation of the Company.

Retirement benefit obligations

For defined contribution and defined benefit schemes (where the Company is not responsible for funding the deficit) the amounts charged to the statement of profit or loss in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the financial statements

For the year ended 31 December 2023

6. Operating expenses

Operating profit is stated after charging:

| | | 2023 £ | 2022 £ |
|---------------------------------|----|-------------------|-------------------|
| Asset management fees | | 10,170,244 | 11,478,224 |
| Professional fees | | 2,269,682 | 221,877 |
| Employee expenses | 10 | 4,150,084 | - |
| Other administrative expenses | | 5,251,233 | 2,742,082 |
| Total operating expenses | | 21,841,243 | 14,442,183 |

Other administrative expenses is mainly comprised of the recharge of administrative costs from our sister entity MS ACS. Also included are gains of £17,202 and £2,622 (2022 gain: £274,421 and £47,354) relating to the revaluation of monetary balances (most significantly foreign currency cash balances) and foreign exchange forward trades respectively, both held to settle foreign currency management fee transactions as they fall due. The gains/losses arising from the foreign currency management fee transactions themselves are included within asset management fees in the table above.

7. Interest receivable and similar income

| | | 2023 £ | 2022 £ |
|---|--|----------------|---------------|
| Interest from cash at bank | | 112,925 | 15,210 |
| Realised gain on investments | | 16,075 | - |
| Unrealised gain on investments | | 58,270 | - |
| Total interest receivable and similar income | | 187,270 | 15,210 |

Gains on investments relates to investment in UCITS liquidity fund made in Q4 23.

8. Auditors fees payable

| | | 2023 £ | 2022 £ |
|---------------------------------------|--|---------------|---------------|
| Audit fees | | 31,444 | 29,664 |
| Fees for other audit-related services | | 20,000 | 16,000 |
| Total auditors fees payable | | 51,444 | 45,664 |

Notes to the financial statements

For the year ended 31 December 2023

9. Tax on profit on ordinary activities

a. Analysis of the tax charge for the year

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Current Tax | | |
| UK corporation tax on profit for the year | 660,833 | 383,217 |
| Adjustments in respect of prior periods | (46,082) | (7,043) |
| Total current tax charge | 614,751 | 376,174 |

b. Factors affecting the tax charge for the year

The tax assessed for the year varies from the standard rate of corporation tax in the UK and has been assessed at 23.5% (2022: 19%). The differences are explained below:

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Profit on ordinary activities before taxation | 2,812,052 | 2,049,101 |
| Tax on profit on ordinary activities at the standard rate of corporation tax | 660,833 | 389,329 |
| Effects of: | | |
| - Permanent differences | - | (6,112) |
| - Adjustment in respect of prior periods: Group relief adjustment | (46,082) | (7,043) |
| Tax charge on profit on ordinary activities | 614,751 | 376,174 |

c. Factors that may affect the future tax charge

In the 3 March 2021 budget it was announced that the UK main rate of corporation tax will increase to 25% from April 2023. This new rate will be applied to the figures in these financial statements as it was substantially enacted on 24 February 2022. There is not expected to be a material impact as a result of the rate increase on the financial statements.

10. Employee information

In April 2023 investment staff previously employed by MS ACS transferred to the Company.

Average monthly number of persons employed

The average monthly number of persons employed by the Company, including individuals on fixed term contracts and Directors, were 41, all of whom were based in the UK. For the period from January to March 2023 employee numbers were nil as staff were still employed by MS ACS.

a) Employee benefit expense

All staff are employed to provide investment management services to the Trust and Group companies. The information detailed below represents the costs for the period in which the UK employees were employed by the Company (1 April 23 – 31 December 23). Prior to this, whilst employee costs were charged in full to the Company from its sister Company MS ACS, they were not employees of the Company and therefore not included in the figures presented below.

Notes to the financial statements

For the year ended 31 December 2023

| | 2023 £ | 2022 £ |
|-----------------------|------------------|-----------|
| Wages and salaries | 3,366,218 | - |
| Social security costs | 393,942 | - |
| Apprenticeship levy | 19,970 | - |
| Other pension costs | 369,954 | - |
| At 31 December | 4,150,084 | - |

b) Long term employee incentive scheme

| | 2023 £ | 2022 £ |
|---------------------------------|---------------|-----------|
| Long term incentive plan charge | 50,137 | - |
| | 50,137 | - |

During the period a cash-based award was granted to eligible employees. The value of the award is linked to the underlying share price of its ultimate parent MS&AD. The awards have a three year vesting period ending in April 2026 and vest according to service and performance criteria.

The carrying amount of the liability under the plan at 31 December 2023 is £50,137 (2022: nil).

c) Pensions

Employees of the Company participate in a defined contribution pension scheme managed by MS ACS. For the period in which employees were employed by the Company (1 April 23 – 31 December 23) a summary of the charges incurred by the Company for the defined contribution scheme is set out below:

| | 2023 £ | 2022 £ |
|------------------------------|----------------|-----------|
| Defined contribution schemes | 369,954 | - |
| | 369,954 | - |

The estimated amounts of contributions to the defined contribution pension scheme for the year ending 31 December 2024 are expected to be approximately £0.7m.

Notes to the financial statements

For the year ended 31 December 2023

11. Directors' remuneration

Executive directors and certain non-executive directors are also directors or employees of other companies within the MSI Group. As such a proportion of the total emoluments have been allocated to the Company. However, this is not necessarily a reflection of the amount, if any, charged to the Company by the company employing the Director. Only amounts in respect of qualifying services are disclosed in the table below.

The Directors received the following proportionate total emoluments during their time in office:

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Salaries and other short term benefits | 1,051,926 | 956,029 |
| Amounts received under cash based long-term incentive schemes | - | 165,285 |
| Employer's contribution to pension schemes | 59,146 | 42,863 |
| | 1,111,072 | 1,164,177 |

Payment was made to three directors (2022: three) in respect of defined contribution pension schemes. No payments were made in respect of defined benefit pension schemes in the current or prior year. During the year, three directors were members of a long-term incentive schemes (2022: two).

The highest paid director received the following proportionate total emoluments during their time in office:

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Salaries and other short term benefits | 430,562 | 413,552 |
| Amounts received under cash based long-term incentive schemes | - | 78,750 |
| Employer's contribution to pension schemes | 6,630 | 3,120 |
| | 437,192 | 495,422 |

The highest paid director was (2022: was) a member of a long-term incentive scheme, and did not (2022: did not) receive payment in respect of a defined benefit pension scheme and did (2022: did) receive payment in respect of a defined contribution scheme.

Notes to the financial statements

For the year ended 31 December 2023

13. Cash at bank and in hand

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Cash at bank as at 31 December | 1,701,440 | 8,648,592 |

14. Financial assets and liabilities

a) Financial Instruments

| | At Valuation 2023 £ | At cost 2023 £ | At Valuation 2022 £ | At cost 2022 £ |
|--|---------------------------|----------------------|---------------------------|----------------------|
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Derivatives | 939 | 939 | 10,504 | 10,504 |
| Holdings in collective investments | 8,564,346 | 8,506,076 | - | - |
| Total financial assets | 8,565,285 | 8,507,015 | 10,504 | 10,504 |

Financial assets comprise the fair value of investment in unlisted open-ended investments determined using an unadjusted net asset value as well as derivative instruments traded over-the-counter, which are valued by the Company's outsourced pricing agents using multiple market inputs such as foreign exchange rates in their valuation models.

15. Other debtors

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Amounts falling due within one year | | |
| Management fees receivable | 1,557,025 | 1,487,776 |
| Amount due from other Group companies | 1,804,957 | 917,885 |
| Prepayments | 313,416 | 9,625 |
| VAT recoverable | 512,300 | 658,200 |
| At 31 December | 4,187,698 | 3,073,486 |

16. Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Amounts falling due within one year | | |
| Amounts owed to other group companies | 332,953 | 1,182,203 |
| Accruals | 1,909,087 | - |
| Management fees payable | 2,492,000 | 3,304,912 |
| Current income tax liabilities | 660,833 | 383,218 |
| At 31 December | 5,394,873 | 4,870,333 |

Notes to the financial statements

For the year ended 31 December 2023

17. Called up share capital

a) Share capital

| | 2023 £ | 2022 £ |
|---|----------------|-----------|
| Allotted, called up and fully paid ordinary shares | | |
| 625,003 (2021: 625,003) ordinary shares of £1 each | 625,003 | 625,003 |

18. Ultimate parent company

The Company's immediate parent company is MS Amlin Investment Holdings Limited ('MS AIHL'). MS AIHL is a company incorporated and registered in the UK. In September 2022 the Company was transferred from its previous parent company Mitsui Sumitomo Insurance Company, Limited ('MSI'). MSI is a company incorporated and registered in Japan. The smallest group in which the results of the Company will be included is that of Mitsui Sumitomo Insurance Company Limited, a company incorporated in Japan. The Company's ultimate parent company and controlling party is MS & AD Insurance Group Holdings, Inc, a company incorporated in Japan and is the largest group in which the results of the Company are consolidated. The consolidated financial statements of MS & AD Insurance Group Holdings, Inc are available to the public and may be obtained from the Company Secretary at The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG. The ultimate parent company address is Tokyo Sumitomo Twin Building (West Tower), 27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan. The address of Mitsui Sumitomo Insurance Company Limited is 9, Kanda-Surugadai 3-chome, Chiyoda-ku, Tokyo, Japan.

19. Events after the reporting date

After the reporting period, the Company proposed a dividend to its immediate parent MS AIHL of £0.2m.