

GLOBAL EVOLUTION FONDSMÆGLERSELSKAB A/S
GLOBAL EVOLUTION HOLDING ApS
GLOBAL EVOLUTION FINANCIAL ApS

DISCLOSURE REPORT

Financial year 2023

By: The Board of Directors
Date: 12 March 2024

CONTENTS

Contents.....	1
1. INTRODUCTION AND PURPOSE.....	2
2. RISK OBJECTIVES AND -POLICIES	2
Risk to Client.....	2
Risk to Market	3
Risk to Firm	3
Concentration risk	3
Liquidity Risk.....	3
3. RISK STATEMENT	4
4. RISK PROFILE AND RISK MANAGEMENT OBJECTIVE	4
5. BOARD POSITIONS.....	4
6. DIVERSITY POLICY AND UNDERREPRESENTED GENDER IN MANAGEMENT.....	5
Targets and Achievements	5
Target for the Board of Directors:	5
Target for the Board of Directors:	5
Target for Management Level and General Assembly elected Board members:	5
7. RISK COMMITTEE.....	6
8. BASE CAPITAL.....	6
9. CAPITAL REQUIREMENT AND SUFFICIENT BASE CAPITAL	6
10. REMUNURATION.....	7
Principles for Remuneration for the Board of Directors	7
Criteria for Receiving Variable Remuneration.....	7
Principles for Remuneration for the Material Risk Takers	8
Deferral Payment.....	8
De minimis exemption.....	9
Reporting.....	9
APPENDIX I - Board members	10
APPENDIX II - Remuneration of board members and executive management	14

1. INTRODUCTION AND PURPOSE

According to Regulation (EU) 2019/2033 on Prudential Requirements on Investment Firms (“EU Investment Firm Regulation”) Article 7 and 47, the Global Evolution Group, which consist of Global Evolution Fondsmæglerselskab A/S (“Global Evolution FMS or the Company”), Global Evolution Financial ApS and Global Evolution Holding ApS, (“the Group”) must comply with detailed disclosure requirements by publishing its risk objectives and policies for risk management on a set of pre-defined risk categories.

This report is made public once a year on the Company website: <https://www.globalevolution.com> and follows the chronology of the EU Investment Firm Regulation. All information in this report is pr. 31. December 2023, unless something else is stated.

2. RISK OBJECTIVES AND -POLICIES

The Board of Directors has established policies for several different risk categories. The main types of risk to which the company may be exposed can be grouped as follows:

- Risk to Client
- Risk to Market
- Risk to Firm
- Concentration risk
- Liquidity risk

Risk to Client

Risk to Client covers client’s assets under management and ongoing advice, client’s money held, client’s assets safeguarded and administered, and client orders handled.

Global Evolution does not have a license to hold or safeguard client money or assets. Neither does the Global Evolution business model allow for client orders.

Risk of Asset under Management (K-AUM) considers the risk of customers suffering loss as a result of incorrect discretionary management of client portfolios. This can be considered operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition includes legal risk but excludes strategic and reputational risk.

The Group has established an operational risk management framework and take all possible steps to understand the business’ exposure to risk arising out of failures in or lack of internal controls, operational processes or the systems that support them.

The aim of the operational risk management framework is to enable the Group to collect, assess, manage, and report operational risk efficiently and effectively. To mitigate operational risks, it is essential for the Group to ensure segregation of duties, sufficient and appropriate controls and secure impartial investigation of operational breaches.

Furthermore, the attitude and approach of the Group’s employees is crucial for good operational risk management. The Group aims to build a strong operational risk culture using awareness tools. The awareness approach should ensure that all employees have relevant and sufficient knowledge of operational risks related to their tasks and any precautionary measures necessary to prevent such risks from arising. This

awareness should promote a culture where all errors are reported, where errors are tolerated but require learning from them. The Group promotes a culture which strives continuously to improve working processes with an awareness of the associated operational risks.

The following 3 methods are used to mitigate risk of operational risk incidents and to confront the losses, which may occur as a result of such events.

1. Controls: Controls must be in place to prevent or detect material risk events. Implementation and improvements of controls should always be based on a risk assessment.
2. Disaster Recovery Plan: A disaster recovery plan must be in place in accordance with the overall risk strategy and applicable regulatory and contractual obligations.
3. Insurance coverage: Insurance coverage must be used to ensure appropriate coverage against extreme events. However, the Group may incur liabilities that are not covered by insurance as not all claims are insurable. Thus, there can be no assurance that the Group will not experience major incidents of a nature that are non-insurable.

Risk to Market

Risk to Market covers net position risk and clearing margin given. Those risk only relate to positions in the trading book for an investment firm trading on own account either for itself or on behalf of clients. Global Evolution does not have a license to conduct such business, hence these risk categories are not relevant and will not be considered for the purpose of this report.

Risk to Firm

Risk to Firm covers trading counterparty default, exposure value, replacement costs, potential future exposure, collateral, netting, credit valuation adjustment and daily trading flow.

As Global Evolution does not have permission according to annex 1, section A nr. 3. and 6 and does not take client orders, these risk categories are not relevant to Global Evolution, hence they are not considered for the purpose of this report.

Concentration risk

Concentration risk is relevant to Global Evolution FMS. The Company is not exposed to concentration risk, as it is defined in the EU Investment Firm Regulation, due to the business model. Global Evolution FMS does not have a trading book.

Liquidity Risk

The liquidity risk is the risk 1) that the cost to raise liquidity is disproportionately increased, 2) of not being able to continue the current business model due to lack of liquidity, and 3) of ultimately not being able to fulfill the payment obligations due to lack of financing.

To cater for Global Evolution liquidity risk the liquidity reserve must at all times be minimum 1/3 of the capital requirement calculated in accordance with Article 13 of the EU Investment Firm Regulation.

The Company's potential liquidity impact of company specific or market wide stress must be assessed if the company's cash on demand is lower than 150% of the minimum liquidity reserve for more than one month. The Company should initiate relevant stress tests such as:

- Expected cash flow monthly for the next 12 months
- Expected financing over the next three years, if the Company does not have sufficient funding.

Global Evolution Holding ApS ("GE Holding") and Global Evolution Financial ApS ("GE Financial") only activity is to own entities related to the asset management industry. No employees are employed in these entities except for Executive Management and Board of Directors. The COO/CFO must ensure that both companies hold sufficient liquidity to meet legal capital requirement and costs of running these entities.

The liquidity positions are monitored on an ongoing basis and reported monthly to the COO/CFO in the management report and quarterly to the Board of Directors. Any breaches of the liquidity risk policy must be reported to the Board in the following board meeting.

3. RISK STATEMENT

It is the Board of Directors' assessment that the Groups risk management policies are sufficient in relation to the Group's strategy and risk profile.

The Board of Directors' assessment has been made on the basis of the business model/strategy, material and reports submitted to the Board of Directors by Executive Management and on the basis of any additional information or statements obtained by the Board of Directors.

4. RISK PROFILE AND RISK MANAGEMENT OBJECTIVE

The overall business model for Global Evolution FMS is, within the companies' permission and legislation, to provide discretionary investment management services to professional institutional investors, meaning that it performs proprietary research for investment ideas, makes investment decisions, executes the trades with financial counterparties and facilitates the settlement of transactions. All client assets are kept with independent custodians, selected, and approved by the individual client. The only activity of GE Holding and GE Financial is to own shares in entities related to the asset management industry.

Due to the business model the risk the Group pose to others is generally low as well as the risks the Group is exposed to itself.

The Board of Directors has decided that the Company's overall risk tolerance is low. To keep risk at this level, the company must have sufficient risk mitigating measures in place, including identification, management, control, and reporting.

The Board's decided level of risk tolerance is managed by the set limits in each separate risk policy.

5. BOARD POSITIONS

Board positions held by Global Evolution board members and executive management can be viewed in Appendix I.

6. DIVERSITY POLICY AND UNDERREPRESENTED GENDER IN MANAGEMENT

The Board of Directors has approved a policy to promote diversity in the Board in accordance with the LOV nr. 1155 af 08/06/2021 (“The Danish Investment Firm Act”).

The Board of Directors has, upon recruitment of candidates for the Board of Directors, focus on attracting candidates with different competencies, backgrounds, knowledge, and resources that correspond to the business model and priorities now and in the future. These qualifications and competencies can be obtained based on the individual candidate's educational, professional, or personal experience. The Board of Directors does a self-assessment annually of the composition of the board members.

Targets and Achievements

The Board of Directors embraces diversity equity and inclusion (DEI) and has, subject to the shareholder structure, set targets for the share of the underrepresented gender in accordance with §71 of the Danish Investment Firm Act.

Target for the Board of Directors:

Prior to January 2023 Global Evolution Holding ApS and Global Evolution Financial ApS were required to disclose the targets for the share of the underrepresented gender in the Board of Directors and achievements of such targets. This requirement lapsed with LOV nr 568 af 10/05/2022 and the below reporting will cease in the financial year 2024.

Target for the Board of Directors:

Prior to January 2023 Global Evolution Holding ApS and Global Evolution Financial ApS were required to disclose the targets for the share of the underrepresented gender in the Board of Directors and achievements of such targets. This requirement lapsed with LOV nr 568 af 10/05/2022 and the below reporting will cease in the financial year 2024.

Company	Target - Board	No. of Board Members	Target Achievement 2023
Global Evolution Holding ApS	25-50percent	4	0percent
Global Evolution Financial ApS	25-50percent	4	0percent

In 2023 there were no changes to the composition of the Board of Directors. The Board of Directors concluded the 2023 self-assessment with the result that the objective to have candidates with different competencies, backgrounds, knowledge, and resources that correspond to the business model and priorities now and in the future are met.

Target for Management Level and General Assembly elected Board members:

Global Evolution Holding ApS and Global Evolution Financial ApS are required to establish targets for the proportion of members elected by the general assembly of the underrepresented gender of the board and for the share of the underrepresented gender at the company's other management levels.

Company	Target - General Assembly Elected Board Members	No. of Board Members	Target Achievement 2023	Target - Other Management Levels	No. of Management Members	Target Achievement 2023
Global Evolution Holding ApS	25-50 percent	4	0percent	50percent	2	0percent

Global Evolution Financial ApS	25-50 percent	4	0percent	50percent	2	0percent
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The Company expects to achieve the targets in 2028, meaning the anticipated timeline for goal attainment spans a strategic horizon of 4 years. This is subject to annual review and potential upward adjustments upon successful target realization.

In 2023 the Board of Directors comprised of four members and the other existing management level of two Directors.

As a shareholder agreement strictly dictates the election of board members there have been no changes to the composition of the board. All shareholders with the right to elect have chosen to keep the same members as previous year, resulting in a weight of 0/100.

The holding companies do not employ personnel; hence the only other management level comprise of two directors of which one is the founder, and the other has been with the group since 2018. Due to these circumstances, there has been no changes to the composition of directors in 2023. The weight remains 0/100.

7. RISK COMMITTEE

Global Evolution FMS is not exempted from the requirement in §80 of the Danish Investment Firm Act, to set down a risk committee, as the value of capitalized- and off-balance sheet assets does not exceed the limit of an average of 100 million euro over a four-year period prior to financial year 2023.

Global Evolution has set down an optional Risk Committee with the purpose of ensuring that all material risks in the company, including risks spanning across the organization, are identified, measured, and addressed.

The committee shall provide reporting on the development of material risks to the Board of Directors at each board meeting.

The Committee has met 3 times during 2023.

8. BASE CAPITAL

The Board of Directors must assure that the capital requirement as set out in Article 11 of the EU Investment Firm Regulation and The Danish Investment Firm Act Section 120, are met at all times. All details of the base capital are published in the annual reports.

9. CAPITAL REQUIREMENT AND SUFFICIENT BASE CAPITAL

The Board of Directors must consider the individual solvency needs at least once a year, or when e.g., there are changes in strategy or societal conditions that may affect assumptions or methods that have been used so far, determining the Company's individual solvency needs. In determining the individual solvency need, it must be ensured that the Company has a sufficient capital base and has internal procedures for risk measurement and risk management for ongoing assessment, as well as maintaining a capital base of a size, type and distribution that is suitable for covering the Company's risks.

The current model for the individual solvency requirement is based on the sum of the annual estimate impact of the identified relevant risks multiplied by the likelihood of the individual risks to occur.

The solvency need is calculated and published in the annual reports.

10. REMUNERATION

The remuneration package consists of fixed remuneration – compensating employees on a monthly basis – in the form of a base salary and often with the addition of a pension benefit and one or more non-pay benefits. The remuneration package furthermore consists of the possibility of variable remuneration, primarily through the Company’s variable remuneration scheme, however with due respect of set limitations.

The total remuneration for employees in the Company aims at honoring and encouraging a performance that creates long term value for the Company through results as well as behavior.

Principles for Remuneration for the Board of Directors

The Board of Directors is compensated only with fixed remuneration, if any, and hence not with any form of variable remuneration.

Remuneration of members of the Board of Directors is set individually at a market competitive level that reflects the competencies and contribution provided in view of the complexity and the extent of the tasks and responsibilities.

Criteria for Receiving Variable Remuneration

It is only permitted to use forms of variable remuneration approved by the Board of Directors of the Company. Payment of any variable remuneration must be based on the following:

The various performance criteria must align the variable remuneration with sound and efficient risk management principles and must be designed in a way to avoid risk taking that exceeds the level of tolerated risk of the Company.

The various performance criteria must take into account the risks and the performance of the Company, the business unit/the company in which the employee is employed, and the employee. The performance criteria must consist of both financial (quantitative) and – in particular on the employee-level – non-financial (qualitative) performance criteria. To the extent possible, the performance criteria must include achievable objectives and measures on which the employee has some direct influence. No member of Global Evolution’s staff can have any variable remuneration directly tied to any one product or portfolio.

A bonus awards is an acknowledgement on top of the competitive fixed compensation for an extraordinary performance that exceeds what is expected of the position.

The bonus awards are discretionary, without any guarantee and the determination will be based on factors like:

- The overall performance of the company
- The performance of the team – earnings, development and optimization
- The extraordinary individual effort and value creations, that is beyond of the normal expectations to a person in the respective position, including but not limited to:
 - Work effort – “go the extra mile”, including, but not exclusively committed time
 - Flexibility and availability
 - Positive can-do approach, supportive, solution oriented
 - Ability to deliver on time
 - Work quality

- Value creating and/or cost saving initiatives, sales, portfolio performance, process strengthening/optimization to minimize risk etc.

The list is not complete nor comprehensive but is intended to give an indication of what is expected.

Negative non-financial performance in the form of unethical or non-compliant behavior must override any good financial performance generated by the Company, the business unit and the employee and, to the extent relevant considering the employee's position and responsibilities, the same must apply with regard to other non-financial performance criteria.

Payment of variable remuneration must generally be based and conditional on an assessment of the Company and the employing company's financial situation at the time of pay-out and may only be payable to the extent it does not compromise the financial stability of the Company.

Employees in controlling and audit functions, including compliance, risk management and any internal audit, may receive variable remuneration, however the variable remuneration may not be dependent on the result of the division the employee is controlling.

Principles for Remuneration for the Material Risk Takers

The amount of any variable remuneration awarded to an employee considered as material risk taker must be subject to a maximum amount (a ceiling). This means that the amount of any variable remuneration award, calculated at the time of allotment after the end of the respective calendar year (accrual period), must not exceed a certain percentage of the total amount of the employee's fixed base salary including any pension benefits for the respective calendar year:

For the members of the Board of Directors and the members of Executive Management the percentage is 50.

For other employees considered material risk takers the percentage is 200.

Any variable remuneration awarded to a material risk taker must consist of components as described below, the value of which must be calculated at the time of allotment after the end of the respective calendar year.

A minimum of 50 % of the variable remuneration award must consist of a balance of instruments in the form of shares in the Company or a parent company, share-based instruments and/or similar instruments that reflect the creditworthiness of the Company.

For the members of Executive Management stock options or similar instruments may total no more than 12,5% of the fixed remuneration (including retirement benefits).

Deferral Payment

The payment of 40 % of a variable remuneration component to a material risk taker - for larger amounts no less than 60 % must be deferred over a period of no less than four years, however, for the Board of Directors and Executive Management no less than five years. as required by current legislation.

The deferral period must start one year after the time the non-deferred (up front) part of any variable remuneration award is calculated and paid out.

The deferred part of any variable remuneration component must be paid out pro rata on an annual basis calculated as of the date stated above. Thus, any deferred variable remuneration component must be paid

out in four pro rata instalments when the deferral period is four years and in five pro rata instalments when the deferral period is five years.

The above applies to both the part of the variable remuneration component which, as stated above, must consist of one or more of various instruments and the part which consists of cash payment.

Payment of the deferred part of any variable remuneration award must be conditional on:

1. The performance criteria that formed the basis for the variable remuneration award are still fulfilled at the time of payment;
2. The employee in question complies with applicable fit and proper requirements and has not participated in or been responsible for a conduct which has resulted in substantial losses for the Company; and
3. The Company's financial situation has not been substantially weakened compared to the time when the variable remuneration component was calculated.

On payment of the part of any variable remuneration component which, as stated above, must consist of one or more of various instruments, the instrument must be subject to a retention period during which the employee is not entitled to transfer, assign, pledge or otherwise dispose of the employee's rights under the instrument. Employees receiving variable remuneration consisting of the above-mentioned instruments may not hedge the risk of the instruments awarded.

An employee must be obliged to repay any part of a variable remuneration component already paid out if it was paid out on the basis of data which turn out to be falsified or misstated and the employee is in bad faith on such data.

The Company must be entitled not to pay out any variable remuneration component if, at the time of payment of such component, Global Evolution Fondsmæglersekskab A/S does not comply with the capital or solvency requirements in the Danish Investment Firm Act; or the Danish Financial Supervisory Authority is of the assessment that there is an immediate risk that the Company does not comply with these requirements.

De minimis exemption

The Board of Directors or the Executive Management may decide that the above-mentioned requirements for partly payment of variable remuneration in non-cash instruments, deferral, and retention of payment are waived for employees who are determined to be material risk takers (not members of Executive Management or Board of Directors) if the variable remuneration earned in a year is no more than DKK 100,000. It is the obligation of the Chief Executive Officer to document the individual considerations for each employee that it is proper to make such an exemption from the standard requirements.

For details of remuneration paid out in the financial year 2023, refer to Appendix II.

REPORTING

To ensure that the Board of Directors is informed of the development of the risks, The Board of Directors receive regular reports on the various types of risk. The Board of Directors are informed minimum on an annual basis about all risks.

APPENDIX I - BOARD MEMBERS

Linwood Earle Bradford Jr.

Chair of the Board:

Conning Holdings Limited
Conning U.S. Holdings, Inc.
Conning Holdings Corp.
Conning & Company
Conning, Inc.
Conning Investment Products, Inc.
Goodwin Capital Advisers, Inc.
Octagon Credit Investors, LLC
Pearlmark Real Estate, L.L.C. (appointed as of March 28, 2023)
Conning Asset Management Limited
Conning (Germany) GmbH
Conning Asia Pacific Limited
Global Evolution Holding ApS
Global Evolution Financial ApS
Global Evolution Fondsmæglerselskab A/S
Global Evolution Manco S.A.

Board Member:

Cathay Securities Investment Trust Co., Ltd. (resigned as of August 1, 2023)
Cathay Securities Investment Consulting Co., Ltd. (resigned as of August 1, 2023)
Worcester Polytechnic Institute – Board of Trustees
The Greater Boston Food Bank – Member of the Emeriti Board (Honorary, non-governance position)

Jung Won Lee

Chair of the Board:

None

Board Member:

Conning U.S. Holdings, Inc.
Conning Holdings Corp.
Conning & Company
Conning, Inc.
Conning Investment Products, Inc.
Goodwin Capital Advisers, Inc.
Octagon Credit Investors, LLC
Pearlmark Real Estate, L.L.C. (appointed as of March 28, 2023)
Conning Asset Management Limited
Conning (Germany) GmbH
Conning Asia Pacific Limited
Conning Japan Limited
Global Evolution Holding ApS
Global Evolution Financial ApS
Global Evolution Fondsmæglerselskab A/S

Hans Christian Ohrt

Chair of the Board:

Liljegren A/S
Thorsen A/S

Board of Management:

None

Board Member:

Global Evolution Holding ApS
Global Evolution Financial ApS
Global Evolution Fondsmæglerselskab A/S
Sønderjysk Forsikring G/S
Sønderjysk Finans A/S
Andersen Partners Advokatpartnerselskab
Luise Andresens Fond
Andresen Invest A/S
Speditør Andresens Mindefond
Det Faglige Hus Forsikringsagentur A/S
Aktieselskabet Presenco

Kirk & Thorsen A/S
Thorsen Ejendomme A/S
Duralamp Danmark A/S
Duralys A/S

Søren Rump

Chair of the Board:

Rump Invest ApS
Rump Kapital ApS
AabyCity Holding ApS
Komplementarselskabet Aabyen B ApS

Board of Management:

Rump Invest ApS
Rump Kapital ApS
AabyCity Holding ApS
Rump Ejendomme ApS
Komplementarselskabet Aabyen B ApS
Ejendomsselskabet Aabyen B P/S
THEGYM Aarhus ApS

Board Member:

Global Evolution Holding ApS
Global Evolution Fondsmæglerselskabet A/S
Global Evolution Financial ApS
Ejendomsselskabet Aabyen B P/S
Off The Pitch ApS

Morten Bugge

Chair of the Board:

KIF Håndbold Invest A/S
Rocket Padel Viborg ApS
Rocket Padel Esbjerg ApS
Rocket Padel U.K. ApS
Rocket Padel Randers ApS
Rocket Padel Sønderborg ApS
Rocket Padel International ApS
Rocket Padel Danmark ApS
Rocket Padel Holland ApS
Rocket Padel Spain ApS
Rocket Padel Nørresundby ApS

Board of Management:

Tulip Invest ApS
Global Evolution Holding ApS
Global Evolution Financial ApS
Global Evolution Fondsmæglerselskab A/S
Kaldyng Ejendomme ApS
EC Invest ApS
Rocket Padel U.K. ApS
Domu Invest ApS
Rocket Padel International ApS
Rocket Padel Holland ApS
Rocket Padel Spain ApS
Carolina Evolucion S. L.

Board Member:

Koldinghallerne A/S
MONAC A/S
Of The Pitch ApS
We Love Fish ApS
KoldingVenue A/S
Skovbrynet 61 A/S
Global Evolution Fund Management Singapore Pte. Ltd.

Torben Schytt

Chair of Board:

None

Board of Management:

Global Evolution Holding ApS
Global Evolution Financial ApS
Global Evolution Fondsmæglerselskab A/S
VMD Holding, Vejle ApS
V.D. Holding 2021 ApS

Board Member:

Global Evolution Manco S.A., Luxembourg
Global Evolution Funds SICAV
Global Evolution Fund Management Singapore Pte. Ltd

APPENDIX II - REMUNERATION OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT

Figures in t.DKK	Number of Employees	Salaries and remuneration accrued in income statement		Total granted bonus award 2023		Total earned cash bonus and granted restricted stock units previous years			
		Fixed compensation	Variable compensation	Total granted bonus award ****	RSU's	Total earned cash bonus and granted restricted stock units previous years paid or vested in 2023		Total earned cash bonus and granted restricted stock units previous years and 2023 - to paid out or vested in 2024 and subsequent years	
						Cash bonus	RSU's vested at Fair Market Value	Cash bonus	RSU's Fair market value 31.12.23
Linwood Earle Bradford Jr., Chair of the board		0	0	0	0	0	0	0	0
Jung Won Lee		0	0	0	0	0	0	0	0
Hans-Christian Ohrt		166	0	0	0	0	0	0	0
Søren Rump		0	0	0	0	0	0	0	0
Board of directors	4	166	0	0	0	0	0	0	0
Morgen Bugge		7.336	637	0	0	1.486	1.366	2.574	1.632
Søren Rump*		0	0	0	0	180	167	0	0
Torben Schytt		3.702	1.092	1.000	500	666	614	1.717	1.262
Board of Management	2	11.038	1.729	1.000	500	2.332	2.148	4.291	2.894
Risktakers	3	4.290	3.670	3.550	1.775	2.173	1.903	4.873	3.681
Other staff**, ***	43	49.869	24.113	23.671	11.836	13.073	10.986	30.517	21.953
Total	52	65.363	29.512	28.221	14.111	17.578	15.036	39.681	28.527

* Resigned i 2019 and joined the board of directors.
** Including four employees resigned or employment terminated
*** In the financial year, t.DKK 441 has been awarded and paid out to 4 employees in severance payments.
**** Total bonus 2023, deferred period 2024 - 2029.