

The FCA’s Remuneration Code (SYSC 19A of the FCA Handbook)

A. Firm Specific Information					
A.i	Please list all of the firms within level three within your group that are caught by the Code.				
	Firm Name	FRN	Business Type	No. of Code Staff	Individual Guidance Received?
	iFunds Asset Management Ltd	565311	Investment Managers	4	No
A.ii	Provide contact details of the key individual(s) who we should contact within your firm regarding your firm’s compliance with the Remuneration Code.				
	Name	Job Title	Phone No.	Email	
	Craig Stansfield	Director	024 7623 6223	craig.stansfield@ifunds.co.uk	
A.iii	What dates does your performance year run from/to:		From 1st January to 31 December		
A.iv	What performance year is this RPS in respect of:		2018		

B. Reward Schemes	
<p><i>Refer, in particular, to SYSC 19A.3.22R to SYSC 19A.3.28G (Remuneration Principle 8: Profit-based measurement and risk adjustment) and SYSC 19A.3.33G to SYSC 19A.3.53G (Remuneration 12: Remuneration structures).</i></p> <p><i>We normally consider that it will be appropriate for a firm in proportionality level three to disapply the following rules of the Remuneration Code:</i></p> <p><i>Principle 12 – Remuneration Structures:</i></p> <ul style="list-style-type: none"> <i>SYSC 19A.3.47R – Retained shares and other instruments;</i> <i>SYSC 19A.3.49R – Deferral (However we encourage firms to consider using these deferral techniques on a firm-wide basis to ensure the alignment of their remuneration practices with effective risk management); and</i> <i>SYSC 19A.3.51R – Performance Adjustment</i> <p><i>See General guidance on Proportionality as referred to in the introduction to this template.</i></p> <p><i>Should your firm choose to apply these rules, then please include details below.</i></p>	
B.i	<p>List any bonus schemes or other reward or compensation schemes (including those for partnerships and other legal structures) that will be in place to reward Remuneration Code Staff for performance during the current performance year and provide a high-level description of each scheme, including:</p> <ul style="list-style-type: none"> the scheme’s purpose;

	<ul style="list-style-type: none"> intended participants; number of expected participants for the current performance year; the structure of each scheme's awards, including: determination of the deferred proportion (if appropriate); awards composition (i.e. proportion in shares/cash etc if appropriate.); the performance measures and the risk adjustment used to determine whether and how much the scheme will pay out (if appropriate); the vesting period, the vesting schedule and the proportion of the deferred portion that is subject to performance adjustment (if appropriate);and any other information related to the scheme that you believe is relevant.
	<p>The Remuneration Code Staff are all 25% shareholders of iFunds.</p> <p>20% of their remuneration is deemed to be variable and is only payable should there be sufficient profits in the business.</p> <p>In practice, if profits were insufficient they would agree to reduce fixed remuneration accordingly.</p>
B.ii	<p>Please list any existing executive incentive schemes (e.g. Long Term Incentive Plans; co-investment schemes or carried interest schemes) that could incentivise Remuneration Code Staff for future performance and provide a high-level description of each scheme, including:</p> <ul style="list-style-type: none"> the scheme's purpose; intended participants and the number of people currently participating in the scheme including how many are Remuneration Code Staff; the structure of the scheme's awards, including a description of the initial award (e.g. deferred cash, shares, share options, phantom shares) and the form of the proposed payout (e.g. proportion in shares, cash etc if appropriate.); the length of the scheme's performance period and whether a new performance period starts each year, overlapping the previous performance period; or whether the performance periods run end to end; the performance measures and the risk adjustment used to determine whether and how much the scheme will pay out if appropriate; whether the terms of the scheme have been approved by shareholders; when the scheme is due for review; any other information related to the scheme that you believe is relevant.
	None

C.	<p>Remuneration Code Staff</p> <p><i>It is up to each firm to determine how they identify their Remuneration Code Staff; as a starting point you should include senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the firm's risk profile. (SYSC 19A.3.4R. See further SYSC 19A.3.6G.)</i></p> <p><i>In relation to those in significant influence functions, see SYSC 19A.3.6G(1)(b) and our frequently asked questions.</i></p>
C.i	Please set out the criteria you have used to determine which of your staff are 'Remuneration Code Staff'.

	Four Directors who also hold the Controlled Function responsibilities.	
C.ii	List all Remuneration Code Staff using the Code Staff list supplied on our website (See Appendix)	
C.iii	How many Remuneration Code Staff have been identified in total for this performance year? Please include any employees who have been Remuneration Code staff for any part of the year.	4
C.iv	How many Remuneration Code Staff are likely to rely on the guidance set out in SYSC 19A.3.34G (and further developed in <i>General Guidance on Proportionality</i>)?	4
C.v	Briefly describe the measures you have taken to ensure that all Remuneration Code Staff understand the implications of this status in relation to the requirements of the Code.	
	Each has received a copy.	

1.	Principle 1 – Risk management and risk tolerance <i>Please refer to SYSC 19A.3.7R</i>	
1.1	Briefly describe how you ensure that your firm’s remuneration practices promote sound and effective risk management and do not encourage risk-taking that exceeds the firm’s levels of tolerated risk.	
	The Code Staff are also the owners of the business and the Directors. They are responsible for ensuring all practices are within the firms tolerated level of risk.	

2.	Principle 2 – Supporting business strategy, objectives, values and long-term interests <i>Please refer to SYSC 19A.3.8R</i>	
2.1	Briefly describe how your firm ensures that its remuneration policies are in line with its business strategy, objectives, values and long-term interests.	
	The Code Staff are the Directors and owners of the business. All remuneration is discussed, agreed and documented at Board Level.	

3.	Principle 3 – Avoiding conflicts of interest <i>Please refer to SYSC19A.3.9R</i>	
3.1	Briefly describe the measures already established to ensure your firm’s remuneration policies avoid conflicts of interest.	
	The firm does not pay remuneration which is dependent upon investment performance and or sales targets. There are no financial incentives for taking, or not taking, risks. The objective of the business is to deliver long term stable growth. This will be achieved by delivering superior long term investment returns, and first class client service, which aligns the firm’s interests with customer interests.	

4.	Principle 4 – Governance	
	<i>Please refer to SYSC 19A.3.10R to SYSC 19A.3.13G and Part F of General Guidance on Proportionality, published on our website.</i>	
	<i>We have given guidance on the need to establish remuneration committees in General guidance on Proportionality, Part F. In summary we consider that it would be desirable for firms in proportionality level three and level four to establish a remuneration committee, and would normally expect larger firms within these levels to do so. But we accept that it may be appropriate for the governing body of the firm to act as the remuneration committee.</i>	
4.1	Does your firm have a Remuneration Committee (RemCo) established within the UK?	No
4.2	If your answer to question 4.1 is 'No' describe how remuneration governance arrangements operate within your firm.	
	Agreed at Board Level	
4.3	How does your firm ensure that remuneration decisions take into account the implications for risk and risk management of the firm?	
	Discussed at Board Level	
4.4	How does your firm ensure that the long-term interests of shareholders, investors and other stakeholders are taken into account?	
	Same people.	
4.5	Does the RemCo/ equivalent governing body have the ability to apply discretion to adjust the bonus pool and individual payments including those paid out in individual incentive schemes?	
	Dividend policy is agreed at Board level	
4.6	Has the RemCo/ equivalent governing body exercised that discretion since the Code came into force? If yes, please provide details.	
	Every dividend is discretionary and variable remuneration is discretionary	

5.	Principle 5 – Control functions	
	<i>Please refer to SYSC 19A.3.14R to SYSC 19A.3.17G</i>	
5.1	With regard to employees engaged in control functions, briefly explain how you ensure that these employees are:	
	<ul style="list-style-type: none"> ○ independent from the business units that they oversee; ○ have appropriate authority; and ○ are remunerated adequately to be independent of the performance of the business areas they control. 	

	All Control Function employees are Directors and shareholders
5.2	If applicable to your firm, describe how risk and compliance functions input into the setting of individual remuneration policies and individual remuneration awards across the firm. Please provide examples as appropriate.
	N/A

6.	Principle 6 – Remuneration and capital <i>Please refer to SYSC 19A.3.18R and SYSC 19A.3.19G</i>
6.1	How do you ensure that your firm’s total variable remuneration does not limit its ability to strengthen its capital base?
	Directors would agree to not take variable remuneration and, if necessary, reduce their fixed remuneration.

7.	Principle 7 – Exceptional government intervention <i>This section is unlikely to apply</i>
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8.	Principle 8 – Profit-based measurement and risk adjustment <i>Please refer to SYSC 19A.3.22R to SYSC19A.3.28G</i>
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Bonus schemes that reward Remuneration Code Staff

Firms will need to be able to demonstrate that they have considered the impact of future risks and uncertainties on their bonus pools, and ensure that these are taken into account when determining future bonus pools. This will be reviewed as part of our ongoing supervisory programmes.

Level four firms that are limited licence or limited activity firms will be able to take into account the specific features of their types of activities when applying this principle. See General guidance on Proportionality, Part D

Please complete separately for each bonus scheme that rewards Remuneration Code Staff, as listed in section Bi, if differentiation between schemes is required.

	Scheme name	No bonus schemes
8.1	Provide a high-level summary of how you determine the overall bonus pool amount.	
		N/A
8.2	Set out what metrics you use to: <ul style="list-style-type: none"> determine the bonus pool, including whether you use a pre-agreed numerical formula; ensure that it is linked to profits (rather than revenues); and how it is linked to other indicators of performance. 	

	N/A
8.3	Set out the key financial performance measures that are used to determine the total payout for the scheme. <i>E.g. operating profit, return on risk weighted assets, economic capital</i>
	N/A
8.4	Explain how often the financial performance measures set; who sets them and how often they are reviewed.
	N/A
8.5	How, and to what extent, do these performance measures take account of future earnings streams and future risks? Are any future earning streams recognised up-front?
	N/A
8.6	How does your bonus pool determination process take account of situations where the firm's performance is weak or loss-making? Explain who has the discretion to make the adjustments.
	N/A

9.	Principle 9 – Pension policy <i>Please refer to SYSC 19A.3.29R</i>	
9.1	Do you have a policy for discretionary pension benefits? (SYSC 19A.3.29R(1) and (2) impose restrictions on the payment of discretionary pension benefits)	No
9.2	If your answer to question 9.1 is 'Yes', please outline your policy, including retention periods etc.	
	N/A	

10.	Principle 10 – Personal investment strategies <i>Please refer to SYSC 19A.3.30R to SYSC 19A.3.32R</i>	
10.1	What arrangements do you have in place to ensure that your employees undertake not to use personal hedging strategies to undermine the risk alignment effects embedded in their remuneration arrangements?	
	N/A	

11.	Principle 11 – Avoidance of the Remuneration Code <i>Please refer to SYSC 19A.3.32R</i>	
11.1	How do you ensure that variable remuneration is not paid through vehicles or methods that facilitate	

	the avoidance of the Code?	
	N/A	
12.	<p>Principle 12 – Remuneration Structures</p> <p><i>Remuneration Principle 12 consists of a series of rules, evidential provisions and guidance relating to remuneration structures. Please refer to SYSC 19A.3.33G to SYSC 19A.3.53G and General Guidance on Proportionality published on our website.</i></p> <p><i>We normally consider that it will be appropriate for a firm in proportionality level three to disapply the following rules of the Remuneration Code:</i></p> <p><i>Principle 12 – Remuneration Structures:</i></p> <ul style="list-style-type: none"> • <i>SYSC 19A.3.47R – Retained shares and other instruments;</i> • <i>SYSC 19A.3.49R – Deferral (However we encourage firms to consider using these deferral techniques on a firm-wide basis to ensure the alignment of their remuneration practices with effective risk management); and</i> • <i>SYSC 19A.3.51R – Performance Adjustment</i> <p><i>Further, firms that are limited licence or limited activity firms will be able to take into account the specific features of their types of activities when applying the requirement of a multi-year framework (SYSC 19A.3.38R).</i></p> <p><i>See General guidance on Proportionality, as referred to in the introduction to this template.</i></p>	
Performance assessment for individuals		
12.1	<p>Please set out a high-level description of your firm’s approach to measuring the performance of individuals including both financial and non-financial metrics and explain how this assessment influences an individual’s remuneration.</p> <p>Individual remuneration is not dependent upon any financial metrics other than a bonus of up to 5% of salary may be payable to non Directors if the firm is sufficiently profitable overall. To be eligible for any bonus that may be payable the individual employee must demonstrate the ability to deliver a quality customer service, provide accurate and timely information to clients and introducers, assist in ensuring FCA compliance across the business and also provide support to the Directors who are developing the business.</p>	
Guaranteed variable remuneration		
<i>Please refer to SYSC 19A.3.40R to SYSC 19A.3.43G</i>		
12.2	How many new Remuneration Code staff have you hired in the last performance year?	None
12.3	Of the new Remuneration Code staff hired in the last performance year, how many were offered guaranteed bonuses?	N/A
12.4	Of the offers made, how many were compliant with SYSC 19A.3.40R(3)?	N/A
12.5	If any awards were non-compliant, please explain why.	
	N/A	

12.6	What is your firm's policy on buying out deferred bonuses for new joiners?	
	No Policy	
12.7	Have you offered retention awards to any Remuneration Code Staff employees in the last 12 months?	No

12.8	If yes, briefly explain how many were offered and the context in which they were offered.	
	N/A	
Leverage (ratio of fixed to variable remuneration) <i>Please refer to SYSC 19A.3.44R and Committee of European Banking Supervisors (CEBS) Guidelines, section 4.1.2.</i> <i>We normally consider that it will be appropriate for firms that are limited licence or limited activity firms to disapply this rule. See General guidance on Proportionality, Part D.</i>		
12.9	What is your policy on the ratio between fixed and variable remuneration components? Please provide details including if there are any minimum or maximum ratios.	
	80% fixed and 20% variable, subject to profitability	
Payments related to early termination <i>Please refer to SYSC 19A.3.45R and SYSC 19A.3.46G</i>		
12.10	Have you ensured that any exceptional or non-standard termination payments to staff in the last performance year have been compliant with the Code?	N/A

13. Disclosure

Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU) requires Pillar 3 disclosures to be made. BIPRU 11.5.18R to 11.5.21G set out technical criteria relating to disclosures on remuneration. See also General Guidance on Proportionality, published on our website.

13.1	Please briefly outline when you intend to disclose remuneration under BIPRU 11.	
	N/A	
13.2	Please briefly outline how you intend to make this disclosure.	
	N/A	

14. Other

14.1	If necessary, please provide further evidence of how your remuneration policies, procedures and practices are consistent with and promote sound and effective risk management?	
	N/A	

Remuneration Code Staff List

iFunds Asset Management Ltd

Date saved

Total employees firm-wide

Performance Year:

Has this list been approved by your RemCo / equivalent governing body?

Remuneration Code Staff List						Leverage			Guaranteed variable remuneration	Comments
Rem Code Staff Ref.	Firm Name	Job Title	Remuneration Code Staff Type	Total Remuneration for Performance Year	Was the individual Remuneration Code Staff for last year's remuneration review?	Fixed remuneration as a % of Total Remuneration	Pension and other benefits as a % of Total Remuneration	Variable Remuneration as a % of Total Remuneration	Does the individual have or have they had guaranteed variable remuneration covering all or part of this performance year?	
CS1	iFunds	Director	Control functions	Less than or equal to £500K	Yes	80%	0%	20%	No	
CS2	iFunds	Director	Control functions	Less than or equal to £500K	Yes	80%	0%	20%	No	
CS3	iFunds	Director	Control functions	Less than or equal to £500K	Yes	80%	0%	20%	No	
CS4	iFunds	Director	Control functions	Less than or equal to £500K	Yes	80%	0%	20%	No	