

## Capital Requirements Directive Pillar 3 Disclosures as at 31 December 2018

This document is intended to meet iFunds Asset Management Ltd's Capital Requirements Directive Pillar 3 disclosure obligations. This report is based upon on the assessment process undertaken to determine the individual capital adequacy of iFunds Asset Management Ltd (the "Firm").

As a result of the assessment, the Firm is considered to have adequate capital resources given its size and the complexity of its business.

The Firm is classified by FCA as a limited licence 50k firm.

No material pillar 2 risks have been identified during this assessment.

A summary of the minimum capital requirement under pillar 1 and the risk based capital requirement under pillar 2 is shown below:

### Pillar 1 Requirement Summary:

	Minimum capital in £
Base Capital Requirement	€50,000 (£45,126 @ 31/12/18)
Credit Risk Requirement	£0 (negligible)
Market Risk Requirement	Not applicable. The Firm does not operate a trading book.
Fixed Overhead Requirement (FOR)	£136,500
<b>Pillar 1 Requirement (higher of base capital requirement, total of credit and market risk requirement or FOR)</b>	<b>£136,500</b>

### Pillar 2 (ICAAP) Requirement Summary:

	Firm's Pillar 2 Additional Capital Requirement in £
Credit risk	£0 (negligible)
Market risk	£0
Liquidity risk	£0
Operational risk	Exempt
Insurance risk	Not applicable
Concentration risk	£0
Residual risk	£0
Securitisation risk	£0
Business risk	£0
Interest rate risk (including the non-trading book)	£0
Pension obligation risk	£0

Reputational risk	£0
Regulatory risk	£0
Legal action risk	£0
Economic risk	£0
<b>Total</b>	<b>£0</b>
Adjustments (diversification if claimed etc)	n/a
Additional capital to cover stress Testing	£0
<b>Pillar 2 (ICAAP) total capital requirement</b>	<b>£0</b>

#### **Overall Financial Resources Requirement:**

	£
<b>Pillar 1 Requirement</b>	£136,500
<b>Pillar 2 Total Requirement</b>	£0
<b>Total Requirement:</b>	<b>£136,500</b>
<b>Current capital available (31/12/18)</b>	<b>£235,000</b>
<b>Surplus</b>	<b>£98,500</b>

Due to the Firm's size and nature of our activities the assessment has identified no additional risk based capital requirements under pillar 2.

The Firm considers that it has a robust approach to risk management. Given the nature and scale of the Firm's activities it is not surprising that no additional risks have been identified.

The Firm does not believe there is any exposure to credit or market risk since the Firm does not offer credit and does not operate a trading book.

As a limited licence firm, we are exempt from the requirement to consider operational risk.

This document is to be reconsidered on an annual basis to ensure that it remains accurate and relevant to the Firm activities, associated risks and economic conditions.

This assessment process has been considered by the Board of the Firm and approved.

#### **Remuneration Code Disclosure**

iFunds have 4 Code Staff who are also the owners of the business. Total remuneration paid by iFunds in 2018 to the 4 Code Staff was £33,360. The majority of remuneration received is paid as dividends. Given its size, and that all remuneration decisions are taken at board level, iFunds do not have a remuneration committee. For further details see separate document on the iFunds website at <http://www.ifunds.co.uk/important-information>