

IFDC Limited

MIFIDPRU Disclosure

Financial year ended 31st December 2023

Introduction

IFDC Limited (IFDC, the “Firm” or “we”) is a MIFID investment firm authorised and regulated by the Financial Conduct Authority (FCA). We are required to comply with the disclosure requirements under the Investment Firms Prudential Regime (IFPR), which is set out in the FCA Handbook MIFIDPRU 8. This supersedes the previous Pillar 3 disclosure.

For the purpose of prudential regulations, we are classified as a SNI (small and non-interconnected) firm and are subject to the basic requirements. We are required to provide a level of detail in our disclosures that is appropriate to our size and internal organisation, and to the nature, scope, and complexity of our activities.

Remuneration

The Firm is required to comply with the MIFIDPRU Remuneration Code under IFPR, which aims to ensure that we have risk-focused remuneration policies that are consistent with and promote sound and effective risk management in the long-term interests of the Firm and our customers and do not expose the Firm or our clients to excessive risk.

Our approach and objectives

We have formulated our approach in remuneration policy and practices with reference to the guidance set out by the FCA. We consider the appropriate balance between fixed and variable remuneration as well as the constraints in place to avoid a conflict of interest between staff incentives and the best interests of customers.

The objectives of our financial incentives are to:

- promote sound and effective risk management in the long-term interests of the Firm and our customers
- limit risk-taking and avoid conflicts of interest
- ensure alignment between risk and individual reward
- supporting positive behaviours and healthy firm cultures
- encourage responsible business conduct
- discourage behaviour that can lead to misconduct and poor customer outcomes
- align employee’s interests with the firm’s long-term strategy and objectives
- be gender neutral, in line with the Equality Act 2010

Governance and decision-making procedures

The Governing Body, which includes all senior personnel of the Firm, is responsible for overseeing the implementation of our remuneration policy and ensuring our compliance with the MIFIDPRU Remuneration Code.

Given the relatively small size and internal organisation as well as the nature, scope and low level of complexity of IFDC’s activities, the Governing Body of IFDC acts as the remuneration committee.

IFDC’s Governing Body sets the firm’s business strategy, objectives, values and long-term interests, including its low tolerance to risk, in advance of any remuneration decisions. This is the major factor in determining the total remuneration paid by the firm and allows IFDC to ensure that remuneration decisions take into account the implications for risk and risk management of the firm.

One role of the Governing Body of the Firm is to ensure the extent of the variable remuneration at the Firm cannot affect the Firm’s ability to ensure a sound capital base. The Governing Body of the Firm is responsible for overseeing the performance management process; reviewing and approving the

remuneration policy, variable remuneration pool and caps, eligibility of participation in variable remuneration schemes, as well as the approval of variable remuneration awarded to individuals.

We assess our staff members under our performance management process on an ongoing basis, normally with an annual performance assessment outcome being used as a contributing factor in the determination of remuneration.

The remuneration of senior staff in risk management and compliance functions is directly overseen by the Governing Body. Any remuneration to staff with control functions is awarded according to objectives linked to their functions and remains independent from the business units they oversee.

No variable remuneration is awarded to members of the management body who do not perform any executive function in the Firm.

The Firm's remuneration policies and practices are developed in consultation with our external consultants, Bovill.

Key characteristics of remuneration policies and practices

Staff receive fixed remuneration in the form of base salary and are considered for discretionary variable remuneration in the form of a bonus where eligible.

The fixed remuneration is sufficient to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration component.

The Firm's bonus scheme is a discretionary reward scheme based on the performance of the Firm as a whole. All bonuses are dependent on the firm's overall financial result to ensure a sound capital base. IFDC operates a straightforward business in which it receives fees which are all paid for services already completed. The Governing Body will first and foremost take into account IFDC's business strategy (including the impact of future risks), size of capital, any financial costs and liquidity resources that may be needed to implement its current or future business strategy as well as its low tolerance to risk with regards to maintaining a comfortable surplus above its own funds requirements.

The activities of the firm are concentrated in one business unit (i.e. investment management).

On an individual level, the scheme is designed and linked to both financial and non-financial criteria, rewarding behaviours that promote positive non-financial outcomes for the firm and limiting eventual behaviours contrary to the firm's values. When measuring the performance of the individual, non-financial metrics are primarily used, forming a very significant part of the performance assessment and these override the financial metrics which are a function of profits of the firm and performance of the business unit. Efficiency of work and service to clients (which are linked to treating customers fairly) are considered a key non-financial metric.

The bonus pool and other individual bonuses will also be adjusted as deemed necessary by the Governing Body of the Firm in consideration of the following:

- Any compliance or regulatory issues that have occurred or are under investigations internally or externally
- Any persistent or significant breaches in either financial or non-financial KPI's
- Any conduct related matters that have occurred or are under investigation internally or externally
- Any matters that adversely impact client outcomes
- Any other factors that may publicly impact the Firm's brand or reputation.

Control function staff are independent from the business units they oversee and are remunerated in line with the achievement of the objectives of their functions. The determination of the level of remuneration of such staff is independent of the performance of the business units they oversee.

Guarantees

We acknowledge non-performance-related variable remuneration, such as sign-on bonus, buy-out award, retention award and severance pay, may weaken the alignment of risk and award.

We may award the following remuneration if it does not become common practice:

- Sign-on bonus: only in the first year of service of the newly hired employee
- Buy-out award: involves the Firm compensating a new employee for reduced, revoked, or cancelled variable remuneration by the previous employer
- Retention award: this is dependent on the need for such individual remaining in the role until the end of a restructuring or a wind-down of the firm
- Severance pay: in case of early termination of the employment contract, the Firm retains the ability to make severance payments as long as they reflect the individual's performance over time and do not reward failure or misconduct

Quantitative disclosures

For the financial year ended 31st December 2023, the amount of remuneration awarded is as follows:

Total remuneration	£259,670
(a) Fixed remuneration	£259,670
(b) Variable remuneration	0