



IFPR Public Disclosure Background

This document is IFM UK's Public Disclosure required under the IFPR Regime using 30 June 2022 data.

The 2022 disclosure covers a summary of the following:

1. IFM UK's management body, governance structures and governance policies and practices;
2. IFM UK's own funds, including information that describes the main features of the own fund instruments;
3. IFM UK's basic own funds requirement, showing its Fixed Overhead Requirement, and a breakdown of its K-factor requirement;

IFM Investors (UK) Ltd Governance

IFM UK's governance consists of risk accountabilities and delegations, Board, and committee governance, three lines of defence model, policy governance, and integrated assurance planning.

This serves to manage risks and associated harms within IFM UK and provide appropriate assurance to senior management.

Risk accountabilities and delegations are one of many executive accountabilities and delegations that are defined by the IFM Investors Pty Ltd Board and cascaded throughout IFM Group to the Chief Executive Officer (CEO). Accountabilities and delegations are managed by the centralised Governance team.

The IFM UK Board has delegated responsibility for monitoring and reporting of risks and issues in compliance with SYSC 4.3A.1R to the IFM UK Executive Committee.

The membership of the IFM UK Board consist of the following Directors:

- Chief Risk Officer
- Head of Commercial (Europe, Middle East and Africa)
- Regional Head of Europe, Middle East and Africa – Debt Investments

The appointment of the IFM UK Board and IFM UK hiring practices follows IFM Group standards in the promotion of inclusion and diversity.

In addition, governance oversight and implementation of the IFM Group Risk Management Framework & Strategy is provided by the IFM Group Boards Audit & Risk Committee and IFM Risk Management Committee. Oversight for remuneration is provided by the IFM Group Board People & Remuneration and People Committee. IFM UK, due to its prudential categorisation under MIFIDPRU 7.3.1R and MIFIDPRU 7.3.3 respectively, does not require to operate its own local Risk and Remuneration Committees.

IFM Group has adopted a “three lines of defence” model for managing risk which covers IFM UK. In the first line, all employees are responsible for identifying and managing risks associated with their defined roles & responsibilities, functions and objectives within IFM UK. The independent UK Risk and Compliance Team supports employees in this obligation through provision of the policies, frameworks, tools, techniques, support, insight, information, oversight, and training as a second line of defence. The independent internal audit function's main role is to ensure that the first and second line are operating effectively and advise how they could be improved. It provides the third line defence through its assurance program.

The overriding principle of this model is that risk management capability must be embedded within the business to be effective and ensures effective segregation of duties for the operation of controls.

IFM Investors (UK) Ltd Own Funds

IFM Investors (UK) Ltd's own funds comprise exclusively Tier 1 capital which consists of fully issued ordinary shares and retained earnings. As at 30 June 2022, IFM Investors (UK) Ltd complied with the relevant capital regulatory obligations as outlined in the Investment Firms Prudential Regime.

Own Funds Table 1 - Composition of regulatory own funds

	Item	Amount GBP'000	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	65,857	
2	TIER 1 CAPITAL	65,857	
3	COMMON EQUITY TIER 1 CAPITAL	n/a	
4	Fully paid-up capital instruments	5	Called-up share capital [Capital & Reserves] 30 June 2022 audited financial statements
5	Share premium	n/a	
6	Retained earnings	65,852	Profit & Loss account [Capital & Reserves] 30 June 2022 audited financial statements
7	Accumulated other comprehensive income	n/a	
8	Other reserves	n/a	
9	Adjustments to CET1 due to prudential filters	n/a	
10	Other funds	n/a	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	n/a	
19	CET1: Other capital elements, deductions and adjustments	n/a	
20	ADDITIONAL TIER 1 CAPITAL	n/a	
21	Fully paid up, directly issued capital instruments	n/a	
22	Share premium	n/a	

23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	n/a	
24	Additional Tier 1: Other capital elements, deductions and adjustments	n/a	
25	TIER 2 CAPITAL	-	
26	Fully paid up, directly issued capital instruments	n/a	
27	Share premium	n/a	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	n/a	
29	Tier 2: Other capital elements, deductions and adjustments	n/a	

Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The table below describes the reconciliation of Regulatory Own Funds to the audited balance sheet as at 30 June 2022.

Own Funds Table 2: Own funds reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to Own Funds Table 1
		As at period end GBP '000s	As at period end GBP '000s	
Assets				
1	Cash at bank	12,351		
2	Debtors	113,641		
3	Tangible Fixed Assets	2,722		
4	Right of Use Assets	7,155		
5	Deferred tax asset	12,232		
	Total Assets	148,101		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors - Current	(4,195)		
2	Provisions - Current	(40,655)		
3	Lease Liability - Current	(1,301)		

4	Creditors – Non-current	0		
5	Provisions - Non-current	(28,270)		
6	Lease Liability – Non Current	(7,823)		
	Total Liabilities	(82,244)		
Shareholders' Equity				
1	Called up share capital	5		4
2	Profit & loss account	65,852		6
	Total Shareholders' Equity	65,857		

Main features of Own Instruments

The table below provides information on the Common Equity Tier 1 instruments issued by IFM Investors (UK) Ltd.

Own Funds Table 3: Main Features of Own Instruments issued by IFM Investors (UK) Ltd	
Issuer	IFM Investors (UK) Ltd
Public or private placement	Private
Instrument type	Ordinary share
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	5
Issue price (GBP whole number)	1
Redemption price	n/a
Accounting classification	Called up shared capital
Original date of issuance	17 January 2008
Perpetual or dated	Perpetual
Maturity date	n/a
Issuer call subject to prior supervisory approval	n/a
Optional call date, contingent call dates and redemption amount	n/a
Subsequent call dates, if applicable Coupons/dividends Fixed or floating dividend/coupon rate and any related index Existence of a dividend stopper	n/a
Convertible or non-convertible	n/a
Write-down features	n/a
Link to the terms and conditions of the instrument	n/a

IFM Investors (UK) Ltd Own Funds Basic Requirements

The following table provides an illustration of IFM Investors (UK) Ltd's Basic Requirements as at 30 June 2022.

In summary, as at 30 June 2022, IFM Investors (UK) Ltd held Own Funds of £65.9m against its Basic Requirement of £17.6m [surplus £48.3m].

Own Funds Table 4: IFM UK Own Funds Basic Requirements	GBP '000
Permanent Minimum Requirement [PMR]	75
Fixed Overhead Requirement [FOR]	17,575
K Factor Requirement	1,752
Highest = Fixed Overhead Requirement	17,575
K Factor Requirement	
K-AUM	1,746
K-CMH	0
K-ASA	0
K-DTF	0
K-COH	6
Total K Factor Requirement	1,752