IFPR public disclosures as at 31 December 2022

Quilter Investors limited

Contents

Section A. Introduction and Purpose

A1 Regulatory Framework

The UK financial services regulator, the Financial Conduct Authority (FCA), introduced the Investment Firms Prudential Regime (IFPR) on 1 January 2022. This is the regulatory framework that governs the amount and nature of capital resources that investment firms must hold. The requirements for investment firms are set out in the Prudential Sourcebook for MiFiD Investment firms (MIFIDPRU). The IFPR aims to streamline and simplify the prudential requirements for MiFID investment firms that the FCA prudentially regulate in the UK (FCA investment firms). It refocuses prudential requirements and expectations away from the risks that firms face, to also consider and look to manage the potential harm firms can pose to consumers and markets.

The IFPR applies to MiFID investment firms authorised and regulated by the FCA and is directly applicable to Quilter Investors Limited (QIL or the Company).

The IFPR includes a new framework for annual regulatory disclosures. QIL is considered to be a non-small and non-interconnected investment firm (non-SNI) MIFIDPRU investment firm and is required to make public disclosures under the requirement of Chapter 8 of MIFIDPRU.

This document sets out the disclosures that Quilter entity is required to make publicly available under the IFPR, covering the following key areas:

- Governance arrangements;
- Risk management objectives and policies;
- Own funds;
- Own funds regulatory requirements; and
- Remuneration policy and practices.

This disclosure has been prepared in line with the requirements of the IFPR legislation, to help QIL's customers and other stakeholders to understand the nature of the business, how the business is managed, and its capital position. This report should be read in conjunction with the 2022 QIL Annual Report and Financial Statements.

A2 About Quilter Investors Limited

Quilter Investors Limited (the "Company") is a private limited company incorporated and domiciled in the United Kingdom ("UK"). The principal activity of the Company is to provide a broad range of multi-asset investment solutions for its customers' accumulation and decumulation needs.

The Company is part of the Quilter plc group ("Quilter" or the "Group"). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Group with strategic and governance oversight.

A3 Name and contact details of the supervisory authority

QIL is supervised by the Financial Conduct Authority ("FCA").

Financial Conduct Authority (FCA).
12 Endeavour Square
London
E20 1JN

A4 Name and contact details of the external auditor

PricewaterhouseCoopers LLP is the statutory auditor of QIL for the period ending 31 December 2022.

PricewaterhouseCoopers LLP Statutory Auditor
7 More London Riverside
London
SE1 2RT

A5 Qualifying holdings in the undertaking

100% of the voting rights of QIL were held by the immediate parent company throughout the reporting period.

A6 Frequency of disclosure

QIL's IFPR disclosures are made on an annual basis following publication of the Company's annual report and financial statements. Quilter's disclosures in respect of 2022 are the first set of public disclosures prepared by Quilter under the new Investment Firms Prudential Regime ("IFPR") which was effective from 1 January 2022.

QIL may make additional disclosures where appropriate, for example, in the event of material changes to the Company's business model or risk profile.

A7 Publication

The IFPR disclosure report is published on the Quilter website (www.quilter.com).

A8 Reporting currency

QIL reports in Great British Pounds (GBP).

A9 Reporting period

This report covers the financial position as at 31 December 2022.

A10 Verification

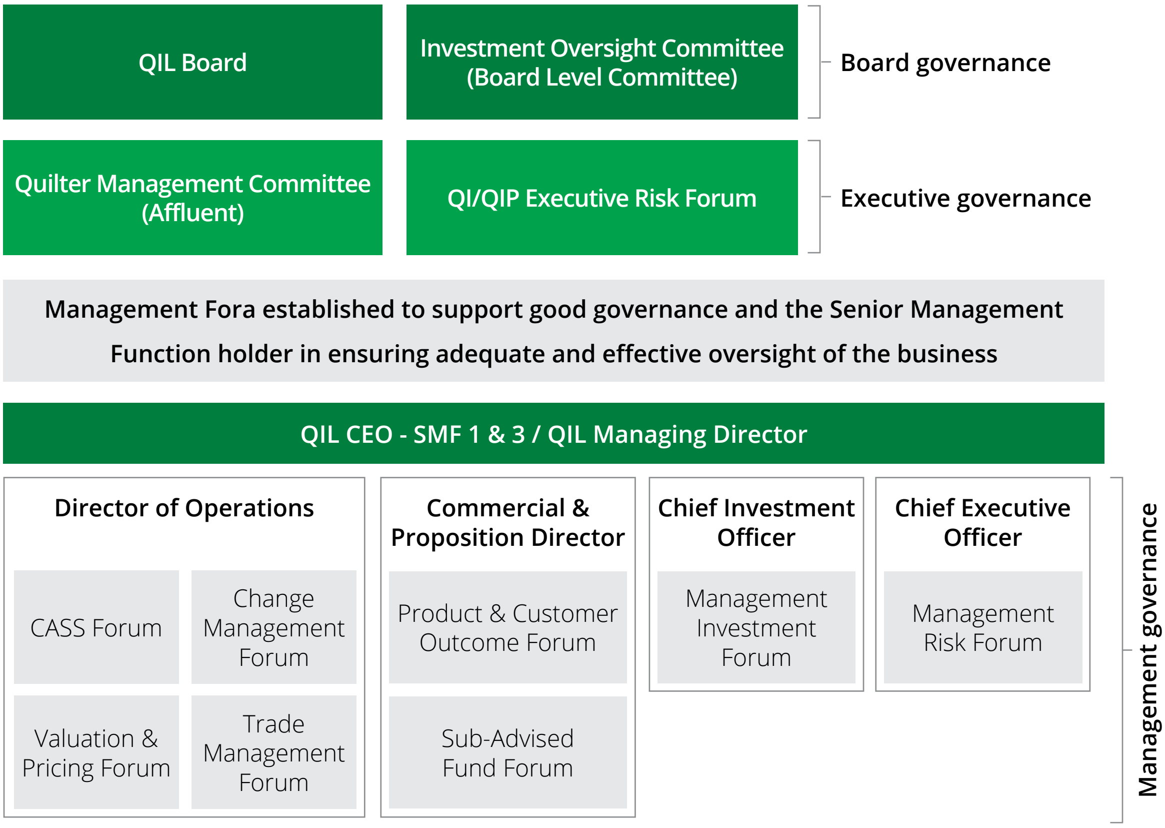
This disclosure is not audited but has been reviewed internally. The elements of this disclosure taken from the audited financial statements of QIL have been subject to external verification. These disclosures explain how the QIL Board has calculated certain capital requirements and information about risk management generally. This disclosure does not constitute a set of financial statements and should not be relied upon in making judgements about QIL or for any other purpose than that for which the disclosure is intended.

Section B. Governance Arrangements

B1 QIL Board and Committees

The QIL Board is the decision-making body for all matters of such importance as to be of significance to QIL as a whole because of their strategic, financial or reputational implications or consequences. The Board has documented a summary of the matters that are the reserved for its decision, including Board membership and other appointments, Quilter Investors' strategy and management, structure and capital, financial reporting and controls, internal controls, contracts, delegation of authority, corporate governance matters and executive remuneration.

The QIL Board has delegated some of its responsibilities to executive management committees. These executive management committees have specific responsibilities delegated to them and these are recorded in their Terms of Reference which are reviewed and approved annually.



B2 Three Lines of Defence

First Line of Defence Risk Origination, Ownership and Management Business Operations	Second Line of Defence Risk Oversight, Challenge and Advice Risk and Compliance Functions	Third Line of Defence Assurance Internal Audit
The primary responsibility of risk management lies with business management and all employees, who are responsible for managing risk as part of their day to day activities. They are responsible for identifying and evaluating the significant risks to the business, for designing and operating suitable controls and reporting risks and issues that arise in their areas.	The second line responsibilities are to provide risk frameworks and advice to the business. Risk's role also includes reviewing and challenging the business on how well the frameworks, standards and regulatory requirements have been implemented and providing additional insights on the main risks being run, the controls around these and the capital held.	The third line responsibilities owned by Internal Audit (IA) are to provide independent, objective assurance. The scope of IA's activities encompass the examination and evaluation of the design adequacy and operating effectiveness of Quilter's system of internal controls and associated risk management processes.
Includes: 1. Set Risk Management Strategy 2. Set and deliver tone at the top 3. Implementation and ownership of policies 4. Implement and monitor risk appetite and risk limits 5. Ongoing management of risks 6. Implement compliant and risk aware operating practices 7. Conduct performance management	**Includes:** 1. Deliver a clear and well communicated, business-wide risk framework 2. Provide control and monitoring systems 3. Produce second line risk opinions on key risks facing Quilter for stakeholders 4. Support adherence to regulation and legislation 5. Provide advice to the business 6. Escalate material issues / risks	**Includes:** 1. Internal governance structures and processes 2. The setting of and adherence to risk appetite 3. The risk and control culture of the organisation 4. The integrity of dealings with customers, interactions with relevant markets 5. Key corporate events including the information being used to support key decisions 6. Lessons learned analysis following significant adverse events
Accountable: 1. CEO 2. Executive Management 3. All employees	**Accountable:** 1. CRO 2. Risk Leadership Team 3. Risk Function	**Accountable:** 1. Chief Internal Auditor 2. Internal Audit Team

B3 Roles and duties of the Quilter and Quilter Investors Limited Boards

Quilter is governed and managed as an integrated group. This enables the Quilter plc Board to discharge its legal and regulatory responsibilities whilst delivering the best for its customers.

The role of the Quilter Board of Directors in respect of QIL is as follows:

- To oversee the long-term prosperity of Quilter by providing independent input, review and constructive challenge in relation to QIL.
- To set the overall Business strategy for the Quilter Group which will be tested and challenged by the QIL Board.
- To monitor the progress of QIL in development and implementation of strategic plans and material policies.
- To set the overall Group risk appetite, which will be tested and challenged by the QIL Board.
- To generally oversee QIL to ensure maintenance of sound risk controls and governance systems, integrity of financial information, regulatory compliance and sound planning, performance and overall management, either directly or via delegation to its Committees.
- To agree annually the capital plan, which will include the allocation of capital to QIL; and
- To consider and, if thought fit, approve matters escalated to it, including those escalated from the QIL Board.

Whilst strategy is set by the Quilter Board and reliance is placed on business boards to oversee delivery of the strategy, input from each business board is sought on the business level strategy. Each business board should promote strategic developments that puts customers at the heart of the business and promotes long-term sustainable value creation.

In the rare occasion where the interests of Quilter and its subsidiary diverge, the Quilter Board is committed to being respectful of the QIL Board and to working constructively with it to find appropriate solutions and to ensure that Quilter does not exert undue influence over the decisions of the business subsidiary.

The roles and duties of the QIL Board in respect of QIL are as follows:

- To act independently in delivering the business strategy and objectives. Directors are expected to add real value to the business through their knowledge and experience of the business and have the ability to identify risks and provide robust challenge. The Quilter plc Board will place reliance on the assurance provided by the subsidiary Board;
- To hold executives to account in respect of business performance, the identification and mitigation of key risks, regulatory responsibility and customer outcomes and to support the delivery of the business' strategy within the context of the overall Quilter strategy; and
- To identify potential conflicts of interest with the parent and ensure that these are appropriately managed, particularly if this is likely to impact the safety and soundness of the subsidiary. With the exception of these areas the QIL Board is expected to demonstrate an independent approach whilst supporting the execution of the agreed Group strategy.

B4 Quilter Investors Board of Directors

The table below sets out members of the QIL Board and their total number of directorships (including any Limited Liability Partnerships and trustee positions) as at 31 December 2022. Their date of joining or leaving the Board (where this took place during the year) is also shown.

Name	Role	Number of external directorships held	Number of directorships held within the quilter group
Tim Breedon	Independent Non-executive Chair	3	2
Steven Levin	Chief Executive Officer	0	4
Louise Williams	Finance Director	0	4
Richard Skelt	Independent Non-executive Director	0	1
Sarah Fromson	Independent Non-executive Director	4	1
Dean Bowden *(resigned 30 June 2022)	Managing Director	0	0

Note: directorships in organisations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organisations, are excluded and directorships held within the same group (for external directorships) are counted as a single directorship.

**Number of directorships as shown as at date of resignation from the Quilter Investors Limited Board.*

B5 Recruitment and selection of members of the management body

Prior to employment and regularly thereafter, background checks are conducted to ensure individuals are fit and proper.

In determining the composition of the management body we aim to ensure that the individuals have the appropriate skills, experience and as a whole the right blend of skills and experience to carry out the responsibilities of the management body.

B6 Promoting Diversity on the management body

All members of the management body are subject to Quilter's Equality and Diversity Principles which are summarised in the Human Resources Policy as follows:

Providing an environment where employees are safe and there is equality of opportunity is a key element in enabling our people to succeed and deliver the business strategy. Freedom of association is permitted if requested, which includes the right to join a trade union.

Using our diversity and our relationships to learn from one another enables us to create one business that provides better opportunities for our people and better outcomes for our customers.

The Quilter Group aims to achieve diversity across all dimensions, including sex, ethnicity, socio-economic background, LGBTI+, age and disability or other characteristics as appropriate.

The Human Resources function works with the Businesses to develop and assist in implementing action plans arising from employee surveys.

It is important that across Quilter Group and within QIL there is an open and transparent environment where employees are able to raise issues openly.

B7 Risk Committee

QIL's risk governance is made up of a Management Risk Forum (MRF) and an Executive Risk Forum (ERF). The ERF is in place jointly and has oversight of the implementation of the Quilter Enterprise Risk Management framework across Quilter Investors, Quilter Platform and Quilter Life and Pensions.

Both Forums are in place to assist the CEO in the oversight, challenge and monitoring of material risk and internal control issues of the business, whilst promoting a strong risk culture.

The MRF provides a local QI focussed "First Line of Defence" forum to consider the risk profile of the business, ensuring that all material risks have been appropriately identified, assessed, managed, escalated and reported.

The ERF collectively reviews performance across relevant entities in the context of Quilter Risk Appetite, challenges and monitors the management of risk and effectiveness of the system of internal control within the business and supporting Quilter functions as appropriate.

Section C.
Risk Management Objectives and Policies

C1 Enterprise Risk Management framework

Quilter defines risk as the uncertainty that the Group faces in successfully delivering upon its strategies and objectives. This includes material internal and external events, acts or omissions that have the potential to threaten the success and survival of Quilter, or the interests of other stakeholders including customers, shareholders, employees and regulators.

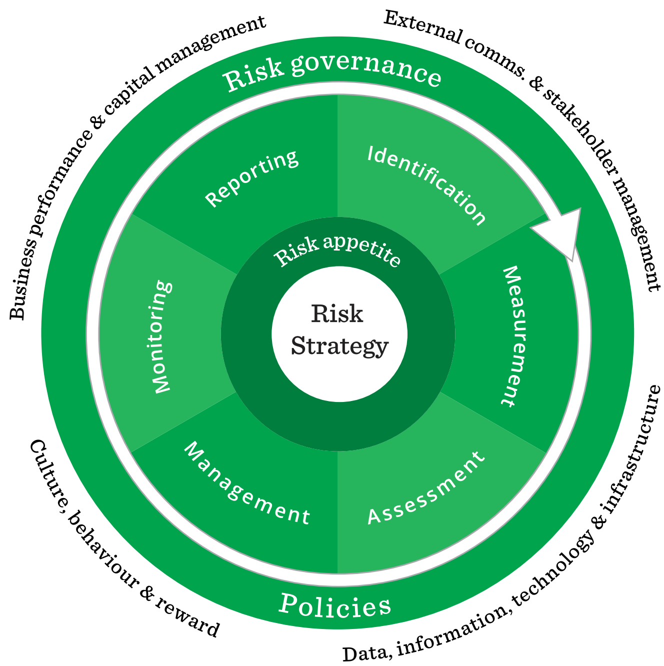
The Enterprise Risk Management Policy sets out the minimum standards in relation to implementing and maintaining an adequate and effective Enterprise Risk Management Framework which, alongside other policies, contributes to the system of internal control as set out within the Group Governance Manual (GGM).

The Enterprise Risk Management Framework is embedded across Quilter and encompasses a number of elements to help the firm manage its risk exposure.

The ERM framework:

- ensure Quilter's risk management approach is consistent across the business;
- aligns Quilter's strategy, capital, processes, people, technology and knowledge in order to evaluate and manage opportunities and uncertainties in a structured and disciplined manner; and
- ensures the risks Quilter faces as a business are understood and continually managed within risk appetite, as well as supporting consideration of capital implications when making strategic and operational decisions.

The core elements of the ERM framework are illustrated below:



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C2 *Key risk management framework components*

Strategic Risk Appetite Principles

Risk appetite is the amount of risk Quilter is willing to take on in the pursuit of its strategic priorities and is defined by the Quilter Board. Culturally, it sets the tone regarding Quilter's attitude towards risk taking. Risk appetite also plays a central role in informing decision making across Quilter, protecting and enhancing the return on capital invested.

Risk appetites are developed for material risks to which Quilter is exposed through qualitative statements and quantitative risk appetite measures. This approach is applied consistently across the Group.

To support the strategic decision-making process, Quilter applies risk preferences which provide guidelines for striking the appropriate balance of risk and reward when setting its business strategy.

A set of Strategic Risk Appetite Principles ("SRAPs") has been set by the Quilter Board. These principles, set out below, provide the top-of-the-house guidance on our attitude toward key areas of risk for Quilter and support the ongoing management and oversight of risk, and are supported by a series of more granular risk appetite statements, measures, policies and standards.

Customer	Liquidity	Capital	Control Environment
"Quilter will enable the delivery of good customer outcomes"	"Quilter will ensure that it has sufficient liquidity to meet its financial and funding obligations"	"Quilter will hold or have access to sufficient capital to maintain its own capital needs"	"Quilter will at all times operate a robust control environment"

Policies supporting the system of internal control

The Quilter plc Board bears ultimate responsibility for risk management, including setting risk appetite and approving policies across Quilter. Their responsibility is to ensure the proper functioning of Quilter's risk management activities and set the 'tone at the top' with respect to risk management.

The GGM together with the Quilter Policy suite forms an integral part of Quilter's governance and ERM framework, ensuring an appropriate system of internal control, including financial, operational and compliance areas.

The purpose of the Quilter Policy suite is to ensure appropriate controls are in place in relation to the key risks Quilter faces through:

- establishing the principles by which Quilter oversees and manages key risks and processes within Quilter; and
- providing clear ownership, responsibilities and minimum requirements for the management of risks, including the Group's risk appetite for the risk.

Risk identification, measurement and assessment

Risks to the delivery of Quilter's strategy and the Business Plan are identified through the annual strategy development and business planning processes.

The Risk and Control Self-Assessment ("RCSA") process supports management in identifying and assessing the business's exposure to the key operational risks arising from business processes, people, systems and external events and to manage those risks appropriately. Where controls are considered to be inadequate or ineffective, management actions are agreed to improve the level of control and to manage those risks appropriately.

Risk management and monitoring

Risks are owned and managed on a day-to-day basis by first line risk owners. The second line Risk function provides oversight and challenge to support the first line in managing risks.

Risk mitigation strategy planning is performed for some risks to ensure that risk mitigation plans are effective. An example of risk mitigation planning is the development of business continuity plans, which are defined at a functional level.

Corporate insurance is in place to mitigate some high impact, low frequency risks.

Quilter is a long-term business and as such monitors emerging risks which are less certain in terms of timescales and impact.

The emerging risk profile is subject to regular review by management committees and the Quilter Board. The identification of these risks contributes to Quilter's stress and scenario testing, which feeds into its strategic planning process and informs its capital calculations.

Scenario testing and modelling

Scenario testing is performed to assess the impact of plausible but severe events in order to support management in developing plans to manage such events and to test Quilter's financial resilience relative to its financial risk appetite. The outcomes and management actions identified through our scenario processes are actively used in business planning and in managing the business.

The scenario framework focuses on considering scenarios under the following headings:

- Macro scenarios: Potential events which could cause a significant impact to the delivery of Quilter's Business Plan;
- Reverse stress testing: Potential extreme events which could cause Quilter's Business Plan to become unviable;
- Operational risk scenarios: Potential operational events which could lead to operational disruption and financial losses.

Risk reporting and escalation

Ongoing oversight of QIL's risk profile and risk management arrangements is undertaken by the Management Risk Forum and a joint Executive Risk Forum, with relevant matters also being considered by the QIL Board. The Executive Risk Forum is the primary management committee overseeing the risk profile of Quilter Investors, Quilter Platform and Quilter Life and Pensions. This forum is chaired by the Quilter COO, with senior representation from across relevant Quilter entities. Ongoing oversight of the risk profile and of risk management arrangements is undertaken by the Executive Risk Forum, with relevant matters also being considered by the Board.

On a quarterly basis, the QI CRO formally reports the second line perspective on the risk profile of the firm, performance against risk appetite and a second line perspective on the effectiveness of management responses. Regular monitoring and reporting of risks enable continuous review and challenge of risks and mitigating actions. Risk events with a financial and/or non-financial impact in excess of a defined threshold are reported via Quilter's risk system, with appropriate root cause analysis conducted on material events.

C3 Internal Capital Adequacy and Risk Assessment

Under the IFPR regime, which was implemented on 1 January 2022, UK investment firms authorised under the UK Markets in Financial Instruments Directive (MiFID) are required to produce an Internal Capital Adequacy and Risk Assessment (ICARA).

The ICARA process covers the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure that its operations can be wound down in an orderly manner.

The purpose of the ICARA process is to demonstrate that QIL:

- Has in place appropriate systems and controls to identify, monitor and reduce material potential harms.
- Identifies all material harms that could result from:
  - the ongoing operation of the Business (the going concern assessment); and
  - the winding-down of the Business (the wind-down assessment).
- Where material potential harms remain after implementation of systems and controls, assesses whether to retain additional own funds to mitigate the harms and/or to retain additional liquid assets to mitigate the harms.
- Assesses and monitors the adequacy of own funds and liquid assets, including on a forward-looking basis.
- Uses stress testing to identify whether the Business has sufficient own funds and liquid assets.
- Identifies recovery actions that could be taken to avoid a breach of own funds and liquid asset threshold requirements or to restore compliance with threshold requirements.
- Identifies steps and resources that would be required to ensure an orderly wind-down of the Business.

C4 Adequacy of risk management arrangements

QIL has an ongoing process for identifying, evaluating, and managing the principal risks that it faces. The QIL Board reviews these risk assessments over the course of the year. The QIL Board acknowledges its responsibility for establishing and maintaining Quilter's system of internal control, and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risks to which the Company is exposed. The Board confirms the adequacy of the risk management systems to Company's risk profile and strategy.

C5 Risks addressed by the own funds requirement

The Own funds requirement is designed to provide for the risk of harms to clients and the firm which could arise due to certain operational risks. This includes the following:

- Risk of harm to clients from incorrect investment management or poor execution, for example, risk of non-adherence to investment mandate.
- Risk of harm to clients due to errors in the safeguarding and administration of assets, for example, risk of outages in the firm's systems that cause disruption to the continuity of the firm's services.
- Risk of harm to clients or the firm due to trading or dealing errors.

Quilter has a suite of policies and standards in place which provide the business requirements for the identification, measurement, management, monitoring and reporting of risks. These include the Operational Risk Policy, Customer Policy, Business Continuity and Crisis Management Policy, Information Technology Policy and Information Security Policy.

C6 Concentration risk

The Company's principal assets are cash and cash equivalents, investment management fees due from the funds it manages, and unsettled trade debtors in connection with dealings into and out of its managed funds.

Cash is held across a diversified list of counterparties, primarily banks and money market funds, with high credit ratings assigned by international credit rating agencies. Management fees due from managed funds are settled monthly and underpinned by assets held within those funds. Unsettled trade debtors are settled on standard settlement terms (typically T+4), and outstanding trades are fully collateralised by the underlying assets held within the fund.

C7 Liquidity risk

Liquidity risk is the risk of an adverse change in the level or volatility of market prices of assets, liabilities or financial instruments resulting in loss of earnings or reduced solvency.

The Group has established a liquidity risk policy, which sets out the practices that each business unit must perform to manage exposure to liquidity risk, and QIL has adopted this policy. Liquidity risk is managed on an on-going basis against liquidity risk appetite and reported monthly at the Treasury Governance and Risk Forum.

QIL has access to an undrawn loan facility with Quilter Holdings Limited which can be drawn down upon should cash levels fall below the Early Warning Threshold as monitored under Quilter Investors' financial risk appetite framework.

Section D. Own Funds

D1 Composition of Regulatory Own Funds

The firm's own funds are exclusively CET1 capital. At 31 December 2022 and during the year, the firm complied with all externally imposed capital requirements set out in IFPR. Tier 1 capital consisted of fully issued ordinary shares, satisfying all the criteria for a Tier 1 instrument as outlined in IFPR, and audited reserves.

Table OF1

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/ letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**		
2	**TIER 1 CAPITAL**	70,953	
3	**COMMON EQUITY TIER 1 CAPITAL**	70,953	
4	Fully paid up capital instruments	12,600	Note 18
5	Share premium	-	
6	Retained earnings	55,475	
7	Accumulated other comprehensive income	-	
8	Other reserves	3,703	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(825)	Note 12 and note 14
19	CET1: Other capital elements, deductions and adjustments	-	
20	**ADDITIONAL TIER 1 CAPITAL**	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions		
25	**TIER 2 CAPITAL**	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments		

D2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows a reconciliation of own funds to balance sheet in the audited financial statements, broken down by asset and liabilities classes respectively.

Table OF2

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements (GBP thousands)				
		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross- reference to template OF1
		As at period end	As at period end	
Assets - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Deferred tax assets	825		
2	Investments in collective investment schemes	2		
3	Other receivables	80,941		
4	Cash and cash equivalents	90,057		
5	**Total Assets**	**171,825**		
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Contract liabilities	24		
2	Current tax liabilities	29,247		
3	Other payables	70,776		
4	**Total Liabilities**	**100,047**		
Shareholders' Equity				
1	Share capital	12,600		Item 4 - Fully paid up capital instruments
2	Share-based payments reserve	2,203		Item 8 - Other reserves
3	Capital contribution	1,500		Item 8 - Other reserves
4	Retained earnings	55,475		Item 6 - Retained earnings
5	**Total Shareholders' equity**	**71,778**	-825	Item 11 - (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1

D3 Main features of own instruments issued by the firm

The table below provides information of the CET, AT1 and Tier 2 instruments issued by the firm. There were no changes since last financial year.

Table OF3

Own funds: main features of own instruments issued by the firm	
Public or private placement	Private
Instrument type	Ordinary share
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	12,600
Nominal amount of instrument	12,600
Issue price	£1
Accounting classification	Called up share capital
Original date of issuance	04/06/2001
Perpetual or dated	Perpetual

Movement of share capital over time

	Own funds: main features of own instruments issued by the firm	
Date of allotted shares	Total Share Capital	Increase in Share Capital
04/06/2001	0.1	
23/08/2001	1000.0	999.9
19/09/2002	5000.0	4000.0
28/10/2003	7500.0	2500.0
26/11/2014	7600.0	100.0
28/06/2018	12600.0	5000.0

Section E. Own Funds Requirement

E1 Overview

The minimum level of own funds that Quilter Investors must hold is referred to as the own funds requirement (OFR). The OFR was determined as the highest of:

- Permanent minimum capital requirement (PMR)
- Fixed overheads requirement (FOR)
- K-factor requirement (KFR)

Capital requirement under IFPR	Quilter Investors at 31 December 2022 Amount in GBP thousands
Permanent minimum capital requirement	75
Fixed overheads requirement	11,599
K-factor requirement	3
Own funds requirement	**11,599**

E2 Permanent minimum capital requirement

The permanent capital requirement is based on the activities undertaken by the entity. For entities such as Quilter Investors Limited which does not hold client money or client assets in the course of MiFID business and do not have permission to deal on own account, it is £75,000.

E3 K-factor and Fixed overhead requirements

The table below shows the K-factor requirement, broken down into three groupings, and the amount of fixed overheads requirement.

K-Factor requirements

1	K- AUM (Assets Under Management) estimates the risk of harm to clients from incorrect management or poor execution, calculated as 0.02% of AUM. K-AUM is based on rolling monthly average of last 15 months AUM measured on last business day of each month end (excluding the last three months).
2	K- ASA (Assets Safeguarded and Administered) gauges the risk of harm to customers due to errors in the safeguarding and administration of assets, calculated as 0.04% of ASA. K-ASA is based on the rolling daily average of last 9 months ASA measured at the end of each business day (excluding the last three months).
3	K-CMH (Client Money Held) evaluates the risk of harm to customers due to errors in the management of client money, calculated as 0.4% of CMH. K-CMH is based on a rolling daily average of total daily CMH for last 9 months (excluding the last 3 months), split between segregated and non-segregated. Quilter Investors Limited only has segregated client money.
4	K-COH (Client Orders Handled) is based on a rolling daily average of total value of COH each business day for last 6 months (excluding the last three months); split between cash trades and derivatives. *Or* K-DTF (Daily Trading Flow) captures the operational risk relating to the value of trading activity, calculated as 0.1% for cash trades/0.01% for derivatives. K-DTF is based on a rolling daily average of total value of DTF for each business day for last 9 months (excluding the last three months); split between cash trades and derivatives.
5	Total of all relevant K-factor requirements

For Quilter Investors, only the K-COH is relevant.

Fixed overhead requirements

The fixed overhead requirement ("FOR") of a MIFIDPRU investment firm is an amount equal to one quarter of the firm's relevant expenditure during the preceding year.

Where there is a material change to projected relevant expenditure during the year, a firm must immediately recalculate its FOR based on its projected relevant expenditure. In the case of an increase, the firm should substitute the calculation. In the case of a decrease, the firm should only do so after asking permission from the FCA.

Material change is defined as 30% increase/decrease of projected relevant expenditure or an increase/ decrease of £2 million or more in the firm's FOR based on projected relevant expenditure for the current year.

Quilter Investors Limited's FOR based on 2021 did not materially change in 2022.

Table OFR1

Item		Amount in GBP thousands
K-factor requirement	Sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement	-
	Sum of the K-COH requirement and the K-DTF requirement	3
	Sum of the K-NPR requirement, the K-CMG requirement, the K-TCD requirement and the K-CON requirement	-
Fixed overheads requirement		11,599

E4 Approach to assessing the adequacy of own funds

In order to meet the overall financial adequacy rule, the company maintains own funds in excess of the own funds threshold requirement (OFTR). The OFTR is determined as the highest of:

- Own funds requirement
- Own funds to address risks from ongoing activities
- Own fund necessary for orderly wind-down
- Transitional own funds requirement

The own funds to address risks from ongoing activities is determined as the amount of own funds required to mitigate the risk of harm to customers, the firm, and the market.

The own funds necessary for orderly wind-down is determined through the review of the company's wind-down plan. The wind-down plan sets out the operational plan for orderly wind-down of the company in the event of the company's business plan becoming unviable due to a severe stress event.

The transitional own funds requirement is determined based on the capital requirement under the previous regulatory regime, including individual capital guidance previously provided by the FCA.

Section F. Remuneration Policy and Practices

F1 Introduction

The following disclosure explains how Quilter Investors Limited ('QI') complies with the remuneration requirements under the Investment Firms Prudential Regime ('IFPR') as set out in the MIFIDPRU Remuneration Code. QI is also subject to and complies with the requirements of the AIFM and UCITS Remuneration Codes.

QI is categorised as a not significant non-SNI MIFIDPRU investment firm and consequently applies the requirements of IFPR in a way that is proportionate to its size, nature and complexity.

Under the MIFIDPRU Remuneration Code, certain rules apply to the remuneration policy and practices of staff whose professional activities have a material impact on the risk profile of the Firm or the assets it manages. These staff are referred to as Material Risk Takers ('MRT's).

F2 Remuneration Policy

Quilter's approach to remuneration is governed by the Quilter plc Remuneration Policy, including the QI supplement to the Remuneration Policy, which applies to all staff. The Policy has been designed to discourage risk taking outside of Quilter's risk appetite, to support the Company's business strategy, objectives and values and to align the interests of employees, shareholders and customers.

The Policy has been developed based on a number of key principles. These are:

- remuneration must reinforce wider people management practices, and only reward results which support Quilter's culture and values;
- remuneration must align to the business drivers, corporate vision and strategic priorities of the Group and its component businesses, as disclosed to shareholders from time to time;
- remuneration plans and policies must align the interests of executives with those of shareholders by rewarding delivery of the chosen strategy and sustained performance against agreed financial goals that create long-term shareholder value;
- there must be a robust quantitative and qualitative approach to reflecting risk metrics and risk management, including consideration of ESG factors, in the outcome of remuneration plans;
- total remuneration must be justifiable and affordable in relation to the performance attained;
- the determination and communication of all remuneration plans must be simple, clear and transparent for employees and shareholders; and
- the design and implementation of remuneration policies and practices must be gender neutral and consistent with and encourage the principles of equality, inclusion and diversity.

F3 Remuneration Governance

The Remuneration Policy is overseen across Quilter by the Quilter plc Remuneration Committee. The Committee is appointed by the Quilter plc Board and consists of Non-executive Directors of Quilter, which enables it to exercise independent competent judgement in remuneration matters in the context of managing risk, value and capital in line with shareholders' expectations as well as ensuring Quilter's compliance with the relevant regulatory remuneration requirements.

The role of the Committee is to set the over-arching principles and parameters of remuneration policy, to exercise oversight of the implementation of the Remuneration Policy and to consider and approve remuneration arrangements for the Chair, the Executive Directors of the Company and other senior executives including MRTs.

To help it meet its obligations, the Committee is supported by independent external advisers, as well as the Quilter Board Risk Committee regarding the consideration of risk in remuneration decisions as appropriate. The Committee met 11 times in 2022.

F4 MRT Identification

The Firm has identified its MRTs in line with the requirements of the MIFIDPRU Remuneration Code. The types of staff the Firm has identified as MRTs include members of the management body and senior management as well as staff responsible for business units carrying out regulated activities, control functions, anti-money laundering, material risks within the Firm, information technology, information security and outsourcing of critical functions as well as staff with the authority to approve or veto new products. In addition, the Firm has identified staff managing material assets under management and developed its own additional criteria to capture staff members who provide assurance on conduct risk or who are in sufficiently senior positions that they can create material conduct risk.

F5 Components of Remuneration

Remuneration is made up of fixed pay which includes base pay, pension, employee benefits and non-discretionary allowances (such as shift or overtime allowance) and variable pay which includes short- and long-term performance related variable pay and, by exception, non-standard variable pay (guarantees, buy-out awards, retention awards and severance pay). All staff are eligible to receive variable pay; Non-executive Directors are not eligible to receive variable pay. Fixed compensation is set at a market competitive level enabling a fully flexible variable remuneration policy including the ability to pay no variable pay where appropriate.

Short-term Incentives

Short-term incentive awards are structured to incentivise the achievement of annual financial and non-financial performance objectives. For the main Quilter scheme, senior executive outcomes are derived from a balanced scorecard of key financial metrics including Group and business unit profit and net flow targets derived from the business plan and non-financial metrics covering risk, customer, strategic and personal performance (including responsible business, inclusion and diversity and culture measures). The scorecard metrics are set, along with weightings and targets, by the Remuneration Committee at the beginning of each performance year.

For other staff in the main scheme, bonus pool funding is determined based on the same balanced scorecard of Group financial and non-financial metrics. Allocations to individuals are made on the basis of performance against personal objectives including risk management and conduct behaviours and reflect business unit performance where appropriate. Control function staff are assessed against role specific performance objectives which are substantially independent of the financial performance of the business.

For Portfolio Managers and analysts, annual incentives are derived from a pool funded as a share of business unit profit and adjusted up or down based on short and long-term investment performance. The pool is distributed on a discretionary basis linked to achievement of a balanced scorecard of performance objectives including the integration of ESG in the investment process, risk management, conduct and behaviours.

Awards are subject to the Company's deferral policy, with up to 50% of the award deferred for awards above the deferral threshold. The deferred portion is awarded in Quilter plc shares or QI fund units and vests over three years on an annual pro-rata basis.

Guaranteed variable remuneration is paid only in exceptional circumstances, is limited to the first year of service and made only in the context of a new hire. Severance payments do not reward failure and reflect the individual's performance overtime.

Long-term Incentives

Long-term incentive awards are intended to align senior management and shareholder interests and support the creation of long-term, sustainable shareholder value. Some members of senior management (excluding the Chief Risk Officer) may receive an award in the form of nil-cost options in Quilter plc shares, subject to three-year performance conditions, which, currently, are: EPS growth, relative TSR, operating margin and ESG measures. The vesting period is three years from the date of grant with a two-year post-vesting minimum retention period, during which the vested shares are subject to clawback. The extent to which the award vests depends on the achievement of the performance conditions and may be between 0-100% of the award.

Other senior management may receive an award of Quilter Restricted Stock Units ('RSU's). The award of RSUs is subject to an assessment prior to grant and during the vesting period to validate that there have been no conduct issues or breaches of Quilter risk management policies. The vesting period is three years from the date of grant and the vested shares are subject to clawback for a further period of two years from the vesting date.

F6 Risk Adjustment

In determining risk-based adjustments to remuneration, the Remuneration Committee considers all material current and future risks, as well as the effectiveness of risk management in the business and the risk culture, informed by an annual risk review undertaken by the Group CRO and shared with the Board Risk Committee and the Remuneration Committee.

The factors considered in determining whether ex-post risk adjustment is warranted, and the quantum and nature of the adjustment, include the driver and impact of the risk event, management action before and after the risk event and where responsibility for the risk event lies.

Consideration of ex-ante risk adjustment is centred on the Board approved Strategic Risk Appetite Principle ('SRAP') measures, which reflect the material risks to which the Company is exposed: customer, liquidity, capital, and control environment. SRAP measures reported as outside appetite for a material part of the performance year would trigger consideration of ex-ante risk adjustment, whilst the Board Risk and Remuneration Committees may also consider the broader risk profile of the business and whether an ex-ante adjustment may be warranted notwithstanding the SRAP indicators.

In applying risk adjustment to pool outcomes, the Remuneration Committee assesses the extent to which current risks at both business unit and Group level have been reflected in the financial and non-financial performance measures and if it deems that such risks, or the potential impact of future risks that are not yet crystallised, are not sufficiently reflected in the performance measures, it has discretion to apply further risk-based adjustments.

Risk-based adjustments to individual outcomes may be applied by the Remuneration Committee through the operation of in-year adjustments, malus or clawback.

The Committee may apply malus and/or clawback to share-related awards if, in its opinion, any of the following circumstances apply:

- the results or accounts or consolidated accounts of any company, business or undertaking in which the participant worked or works or for which he/she was or is directly or indirectly responsible are found to have been materially incorrect or misleading;
- any company, business or undertaking in which the participant worked or works or for which he was or is directly or indirectly responsible is found to have made a loss out of business written, due in whole or in part, to a failure to observe risk management policies in effect at that time;
- the participant has committed an act of gross misconduct or it is discovered that the participant's employment could have been summarily terminated;
- the participant has acted in a way which has damaged, or is likely to damage, the reputation of the Company or any Group member, or has brought, or is likely to bring, the Company or any Group member into disrepute in any way;
- an event or events is likely to occur or has occurred that the Committee decides constitutes the corporate failure of the Company and/or any other Group company;
- any other circumstances similar in nature to those described above which the Committee considers justifies the application of malus;
- any other circumstance set out in a separate document that is expressed to apply to any particular participant; and
- in the reasonable opinion of the Committee, the individual should not have received or be entitled to receive an award.

Additional provisions apply to individuals identified as MRTs:

- the participant participated in or was responsible for conduct that resulted in significant losses for the Company and/or for any company, business or undertaking in which he/she worked;
- the failure of the participant to meet appropriate standards of fitness and propriety, in accordance with any regulatory rules or principles, internal policies or reasonable expectations as determined by the Committee in its absolute discretion; and
- the Company or any company, business or undertaking in which the participant worked or works or which he/she was or is directly responsible has suffered a material downturn in its financial performance which the Committee considers to justify the application of malus or clawback.

Clawback provisions also apply to the cash element of short-term incentive awards made to MRTs for a period of three years from grant and to all awards of non-standard variable pay.

F7 Quantitative Disclosures

19 MRTs were identified for 2022 of which 3 MRTs were Non-executive Directors. The aggregate quantitative information on remuneration shown below relates to the performance year ending 31 December 2022.

Fixed remuneration includes base pay, employee benefits, pension and non-discretionary allowances received between 1 January 2022 and 31 December 2022. Variable remuneration includes 2022 annual incentive awards made in March 2023, and the full value of variable pay awards made during 2022. The highest severance payment made to an MRT was £164,558.

PY 2022 (amounts in GBP thousands)	Senior Management	Other MRTs
Fixed remuneration	2,603	1,284
Variable remuneration	4,466	668
Total remuneration	**7,069**	**1,952**

To prevent the individual identification of an MRT, severance pay and guaranteed variable pay data has not been disclosed.

Appendix 1: Glossary of abbreviations and definitions

Term	Definition
The Company	Quilter Investors Limited
CET1	Common equity tier 1 capital
FCA	Financial Conduct Authority
FOR	Fixed Overhead Requirement
GGM	Group Governance Manual
ICARA	Internal Capital Adequacy and Risk Assessment
IFPR	Investment Firms Prudential Regime
K-ASA	K factor requirement based on assets safeguarded and administered
K-AUM	K factor requirement based on assets under management
K-CMG	K factor requirement based on clearing margin given
K-CMH	K factor requirement based on client money held
K-COH	K factor requirement based on client orders handled
K-CON	K factor requirement based on concentration risk
K-DTF	K factor requirement based on daily trading flow
K-NPR	K factor requirement based on net position risk
K-TCD	K factor requirement based on trading counterparty default
KFR	Total K factor requirement
MiFID	Markets in Financial Instruments Directive
MIFIDPRU	FCA Prudential sourcebook for MiFID investment firms
MRT	Material Risk Taker: Staff whose professional activities have a material impact on the risk profile of QIL
Non-SNI	Non-small and non-interconnected investment firm
OFR	Own funds requirement
OFTR	Own funds threshold requirement
PMR	Permanent minimum capital requirement
Quilter	Quilter plc Group
RCSA	Risk and Control Self-Assessment
SRAP	Strategic Risk Appetite Principle

Appendix 2: Disclaimer

This report may contain certain forward-looking statements with respect to QIL's plans and its current goals and expectations relating to its future financial condition, performance, and results.

By their nature, all forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond QIL's control including amongst other things, international and global economic and business conditions, the implications and economic impact of the COVID 19 pandemic, the implications and economic impact of market related risks such as fluctuations in interest rates and exchange rates, the impact of the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, QIL's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward looking statements.

QIL undertakes no obligation to update the forward-looking statements contained in this report or any other forward-looking statements it may make.

Nothing in this report should be construed as a profit forecast.

Nothing in this report shall constitute an offer to sell or the solicitation of an offer to buy any securities.

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Document owner: Head of Risk.
Published date: September 2023.
Review date: September 2024.

QI 25948/60/4258/September 2023