

# Investment Firm Prudential Regulation (‘IFPR’) disclosure

As at 30 November 2022

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## 1 Governance arrangements

Premier Miton Group plc is the AIM listed parent entity of a UK registered asset management group, which comprises a number of wholly owned subsidiaries (‘Group’). The Board of Directors of Premier Miton Group plc is responsible for the strategic direction of the Group. The Board sits at the apex of a structure through which authority is delegated to ensure that the business as a whole is run smoothly and in accordance with an agreed governance framework.

The Group reports its governance arrangements against the principles set out in the Quoted Companies Alliance Corporate Governance Code (‘QCA Code’) and disclosures against each of the ten principles can be found on pages 60 to 64 of the Consolidated Annual Report and Accounts for the year to 30 September 2022 (‘Annual Report & Accounts’), and a formal statement of compliance on page 80.

The Board comprises two Executive Directors and five Non-Executive Directors, four of whom are male and three of whom are female. Their biographies, which detail the experience, skills and competencies that each Director brings to Board deliberations, as well as any external appointments, are set out at pages 54 to 55 of the Annual Report & Accounts.

The Board delegates certain duties to its standing committees which are:

- Audit & Risk Committee
- Remuneration Committee
- Nomination Committee

Each standing committee is formally constituted and operates under agreed Terms of Reference which are reviewed annually. The details of the activities of these committees can be their respective reports which can be found on pages 68 to 79 of the Annual Report & Accounts.

The Group maintains a diversity equity and inclusion policy and is committed to developing a diverse workforce by facilitating an environment where all individuals feel comfortable to excel and speak freely. Everyone who works for Premier Miton is expected to hold high levels of respect for co-workers and discrimination is not tolerated on any ground, including age, race, ethnic origin, colour, mental or physical condition, disability, pregnancy, gender expression, gender identity, sexual orientation, marital status, domestic circumstances, employment status, working hours, flexible working arrangements, religion, or beliefs.

## 2 Subsidiary governance

The Group includes Premier Fund Managers Limited ('PFM') and Premier Portfolio Managers Limited ('PPM'), both indirect, wholly owned subsidiaries of Premier Miton Group plc, which are regulated by the Financial Conduct Authority ('FCA').

- PFM operates principally to provide investment management services
- PPM's principal activity is to act as an authorised fund manager to Undertakings for Collective Investments in Transferable Securities ('UCITS') and Alternative Investment Funds ('AIFs')

Given the size and relative simplicity of the structure of the Group, PFM places reliance upon the standing committees of the listed parent entity to support (i) oversight of the control environment (Audit & Risk Committee) (ii) compensation arrangements for fund managers providing investment management services on behalf of PFM (Remuneration Committee). Matters relating to the Board Composition of PFM require approval from the listed parent entity in accordance with its Matters Reserved.

In discharging its regulatory duties, the Board of PFM places reliance upon the following committees:

- Funds Risk Committee
- Operational Risk Committee
- Valuation Committee
- CASS Committee
- Financial Crime Committee
- Product Governance Committee
- Conduct and Policies Committee
- Outsourcing Oversight Committee
- Responsible Investment Oversight Committee

Each of these committees has been formally constituted and its duties are set out in their respective Terms of Reference. The consolidated Terms of Reference, as well as the Matters Reserved for Premier Miton Group plc and its own standing committees, are set out in the SYSC III Manual.

Any conflicts of interest that arise are managed appropriately. Situational and transactional conflicts are provided for in the Articles of Association of PFM and PPM. A Register of conflicts of interest is maintained and suitable mitigation agreed and managed.

### 3 Regulatory capital and requirements

The FCA issued revised rules on capital adequacy following the implementation of the IFPR which came into force on 1 January 2022.

In the year under review, the Group is transitioning from Internal Capital Adequacy Assessment Process ('ICAAP') to the new Internal Capital Adequacy and Risk Assessment ('ICARA') process.

The primary objective of the Group's capital management is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to provide a suitable base to sustain the future development of the business, while ensuring compliance with regulatory capital requirements.

In accordance with IFPR, PFM is in scope and both PFM and the Group, on a consolidated basis, maintain regulatory capital as prescribed by the FCA.

The FCA requires PFM, PPM and the Group to hold more regulatory capital resources than the regulatory minimum (the 'Own Funds Requirement'). The total capital requirement consists of the Own Funds Requirement and any Additional Own Funds Requirement historically identified during the ICAAP and in future by the ICARA process. Throughout the year, the Group and the regulated entities, PFM and PPM held surplus capital over their regulatory capital requirements.

PFM is subject to the new MIFIDPRU regulations. MIFIDPRU 8.4 prescribes the disclosure of information on the calculation of the Own Funds Requirement and the composition of capital held ('Own Funds').

<b>Own Funds Requirement for Premier Fund Managers Limited</b>	<b>£000</b>
(A) <b>K-Factor Requirement</b>	<b>157</b>
- Risk to Client (sum of K-AUM, K-CMH, K-ASA)	71
- Risk to Firm (sum of K-DTF, K-COH)	86
- Risk to Market (sum of K-NPR, K-CMG, K-TCD, K-CON)	-
(B) <b>Fixed Overhead Requirement ('FOR')</b>	<b>5,411</b>
<b>Own Funds Requirement - higher of (A) or (B)</b>	<b>5,411</b>

## Composition of regulatory own funds – Premier Fund Managers Limited

Item	Amount (GBP thousands)	Source based on reference numbers of the balance sheet (below)
<b>1 OWN FUNDS</b>	<b>28,033</b>	Line 4
<b>2 TIER 1 CAPITAL</b>	<b>28,033</b>	Line 4
<b>3 COMMON EQUITY TIER 1 CAPITAL</b>	<b>28,033</b>	Line 4
4 Fully paid-up capital instruments	138	Line 1
5 Share premium	240	Line 2
6 Retained earnings	27,655	Line 3
7 Accumulated other comprehensive income	-	
8 Other reserves	-	
9 Adjustments to CET1 due to prudential filters	-	
10 Other funds	-	
<b>11 (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1</b>	<b>-</b>	
19 CET1: Other capital elements, deductions and adjustments	-	
<b>20 ADDITIONAL TIER 1 CAPITAL</b>	<b>-</b>	
21 Fully paid up, directly issued capital instruments	-	
22 Share premium	-	
<b>23 (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1</b>	<b>-</b>	
24 Additional Tier 1: Other capital elements, deductions and adjustments	-	
<b>25 TIER 2 CAPITAL</b>	<b>-</b>	
26 Fully paid up, directly issued capital instruments	-	
27 Share premium	-	
<b>28 (-) TOTAL DEDUCTIONS FROM TIER 2</b>	<b>-</b>	
29 Tier 2: Other capital elements, deductions and adjustments	-	

The table below reconciles the composition of regulatory capital in the table above to the audited balance sheet of Premier Fund Managers Limited as at 30 September 2022

**Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements.**

Flexible template – rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm.

Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only.

Figures should be given in GBP thousands unless noted otherwise.

Item	a Balance sheet as in published/audited financial statements As at 30 September 2022	c Cross- reference to template OF1
<b>Assets</b> - Breakdown by asset classes according to the balance sheet in the audited financial statements		
1 Debtors	12,946	
2 Deferred tax	-	
3 Cash and cash equivalents	17,390	
<b>Total Assets</b>	<b>30,336</b>	
<b>Liabilities</b> - Breakdown by liability classes according to the balance sheet in the audited financial statements		
1 Creditors: amounts falling due within one year	-2,303	
Total Liabilities	-2,303	
<b>Shareholders' Equity</b>		
1 Share capital	138	Line 4
2 Share premium	240	Line 5
3 Profit and loss account	27,655	Line 6
4 <b>Total Shareholders' equity</b>	<b>28,033</b>	Line 3

Issued by Premier Portfolio Managers Limited, (registered in England no. 01235867), authorised and regulated by the Financial Conduct Authority, a member of the Premier Miton Investors marketing group and a subsidiary of Premier Miton Group plc (registered in England no. 06306664). Registered office: Eastgate Court, High Street, Guildford, Surrey GU1 3DE.

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