American Century Investment Management (UK) Limited
Pillar 3 Disclosure

Disclosure Policy

The Pillar 3 rules in BIPRU 11 set out the need for firms to have a formal disclosure policy. In accordance with the rules of the Financial Conduct Authority ("FCA") American Century Investment Management (UK) Limited (the "Firm") will disclose the information set out in BIPRU 11 (the Pillar 3 rule) on at least an annual basis. The Pillar 3 disclosure will be made on the Firm's website.

The Firm may omit information it deems as immaterial, in accordance with the rules. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Accordingly, where the Firm has considered an item to be immaterial it has not been disclosed.

In addition, if the required information is deemed to be proprietary or confidential then the Firm may take the decision to exclude it from the disclosure. In the Firm's view, proprietary information is that which, if it were shared, would undermine its competitive position. Information is considered confidential where there are obligations binding the Firm to confidentiality with our customers, suppliers or counterparties. Where information is omitted for either of these reasons this is stated in the relevant section of the disclosure, along with the jurisdiction.

Introduction

The Firm is authorised and regulated by the Financial Conduct Authority and as such is subject to minimum regulatory capital requirements. The Firm is categorised by the FCA, for capital purposes, as a BIPRU firm. It is an investment management firm; it has no trading book exposures. The Firm is not required to prepare consolidated reporting for prudential purposes.

The FCA's current prudential regime can be split into three "pillars":

- Pillar 1 – prescribes the minimum capital requirements that authorised firms need to hold. This is the higher of €50k; one quarter of the firm's annual adjusted expenditure (the Fixed Overheads Requirement); or the sum of the firm's prescribed Credit risk + Market risk.
- Pillar 2 – requires firms to analyse the risks to the business and then consider whether the risks are mitigated to an appropriate standard. If the firm feels that the risks are not adequately mitigated, then they should allocate capital against those risks. Stress and scenario tests are conducted to ensure that the processes, strategies and systems are comprehensive and robust and that the allocation of capital is sufficient.
- Pillar 3 - requires firms to develop a set of disclosures which will allow market participants to assess key information about the Firm's underlying risks, risk management controls and capital position.

The Fixed Overheads Requirement determines the Firm's Capital Resources Requirement.

The Firm is a Limited Company and its capital arrangements are established in its Memorandum and Articles of Association. Its capital at 31 December 2021 is summarised as follows:

	£000's
Share Capital	2,700
Audited Reserves	3,290
Hybrid Capital	
Tier 2 Capital	

Total	5,990
	====

The main features of the Firm's Capital Resources Requirement at 31 December 2020 are as follows:

Capital Item	**£'000s**
Tier 1 capital	5,990
Total tier 2and tier 3 capital	
Deductions from tier 1 and tier 2 capital	
Total capital resources, net of deductions	5,990

Risk Management

Due to the size, nature, scale and complexity of the Firm, there is no independent risk management function. The Directors of the Firm determine the business strategy and risk appetite along with the risk management policies and procedures. An identification of risks to the Firm are considered and the Firm's resultant exposure is assessed after the application of both management and mitigation of these risks.

If necessary the Firm would allocate extra capital to the relevant risk, as per the Pillar 2 requirement: this has not been deemed necessary. This process is conducted at Board/Senior Management meetings which are held on a quarterly basis and the relevant policies and procedures are updated where necessary.

The Directors and Senior Management have identified the following key risks to which the firm is exposed.

Business risk, relates to being able to generate fee income and control costs on an ongoing basis in line with business plans. Client satisfaction and retention are key revenue drivers.

Legal and Compliance, including regulatory, fraud and misrepresentation. The Firm has rigorous internal review processes in place for all marketing documents and the provision of gifts and inducements.

Operational risk, including the Firm's Information Technology systems and related business continuity and disaster recovery plans. The Firm's disaster recovery plans are tested at least annually.

The Firm has concluded that its Tier 1 capital is sufficient to cover its Pillar 1 and Pillar 2 requirements.