

## **PILLAR 3 REMUNERATION DISCLOSURE**

### **Introduction**

Pictet Asset Management Limited (“PAM”) (the Firm) is authorised and regulated by the Financial Conduct Authority. The firm is classified as Limited Licence Firm and is therefore subject to the FCA Remuneration Code (“the Code”). The Code covers the remuneration of those staff assessed as Code Staff, including both fixed and variable.

The business of the Firm is:

PAM – to provide investment management and advisory services to segregated mandates and mutual funds

Pictet Asset Management Limited is ultimately controlled by the Partners of the Pictet Group, which is a private Swiss banking group primarily engaged in the provision of asset management and custodial services.

The Remuneration Policy of Pictet Asset Management Limited is designed to comply with the Code, and as a result, our compensation arrangements:

1. Do not encourage excessive or undue risk taking
2. Contain measures to avoid conflicts of interest
3. Are consistent with and promote sound and effective risk management
4. Are consistent with the Firm’s business strategy, objectives and values, as well as those of the wider Pictet group.

Pictet Asset Management Limited is categorised as a Tier 3 firm within the FCA’s proportionality tiers, and the disclosure requirements for such firms are significantly reduced when compared to the requirements for firms in Tiers 1, and 2, which are deemed to provide a higher risk to the FCA’s objectives in relation to remuneration.



## Application of the Requirements

We are required to disclose at least annually certain information concerning our Remuneration Policy, and the practices for Code staff (i.e. those staff that carry out certain prescribed functions such as Governing Body and Control functions, and those staff whose business activities have a material impact on the risk profile of the Firm).

A Remuneration Policy has been approved by the Directors of the Firm, in accordance with the principles set out by the FCA in its Remuneration Code.

Due to the nature, size and complexity of the Firm, we do not consider it to be proportionate or appropriate to appoint an independent remuneration committee. The function of the remuneration committee is undertaken by the Boards of Directors of the firm, and independent oversight is provided by the Partners of the Pictet Group who oversee remuneration policies and procedures across the Pictet group and provide independent oversight of remuneration decisions.

The Firm's policy will be reviewed by the respective Boards of Directors on at least an annual basis, or whenever there has been a significant change to the business activities of the Firm, which may require an amendment to their Internal Capital Adequacy Assessment Process. The ability of the Firms to pay bonuses is based on the performance of the Firm overall, as well as that of the Pictet group.

Individuals are remunerated based on their individual performance and contribution to the business. There are 4 parts to the remuneration of Code staff:

1. Base Salary
2. Pictet PART profit sharing scheme – this provides some participation in the profitability of the whole Pictet group.
3. Bonus schemes – these may be based on balanced scorecards and / or be discretionary.
4. Long Term Incentive Plan (“LTIP”). The purpose of the LTIP is to align the remuneration of certain senior executives with the long term results of the asset management business.





## **Aggregate quantitative disclosure on remuneration for the year ended 31 December 2015**

The aggregate remuneration for Code Staff for the 2015 financial year is as follows:

Pictet Asset Management Limited – GBP 19,501,113

All Code Staff are senior management.

These disclosures are based on remuneration for the financial year ending 31 December 2015. This disclosure will be updated in June each year following the finalisation of variable remuneration for the year.