

Pictet Asset Management Limited Pillar 3 remuneration disclosure

For the period
1 January to 31 December 2019



PILLAR 3 REMUNERATION DISCLOSURE

Introduction

Pictet Asset Management Limited (the Firm) is authorised and regulated by the Financial Conduct Authority. The Firm is a Limited Licence Firm and is therefore subject to the FCA's BIPRU Remuneration Code (“the Code”).

The business of the Firm is to provide investment management and advisory services to segregated mandates and mutual funds. The Firm 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 the Firm is designed to comply with the Code, and, as a result, 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; and
4. Are consistent with the Firm’s business strategy, objectives and values, as well as those of the wider Pictet Group.

Application of the Requirements

The Firm is required to disclose at least annually certain information concerning our Remuneration Policy and practices in relation to a defined group of Code Staff. Code Staff are identified based on the impact of their professional activities on the risk profile of the Firm. The categories for identification broadly include the Directors of the Firm, senior management, Control functions and those staff whose professional activities have a material impact on the risk profile of the Firm. The Directors of the Firm approve the list of Code Staff on an annual basis.

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



The Firm's Remuneration Policy is reviewed by the Directors of the Firm 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 its Internal Capital Adequacy Assessment Process.

Individuals are remunerated based on their individual performance and contribution to the business. Remuneration of Code staff comprises the following elements:

- Base Salary
- Pictet Parts profit sharing scheme – this provides some participation in the profitability of the whole Pictet Group.
- Bonus schemes – these may be based on balanced scorecards and/ or be discretionary.
- 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.

The ability of the Firm to pay bonuses is based on the performance of the Firm overall, as well as that of the Pictet Group.

Malus provisions may be applied to deferred or LTIP awards to support the risk management objectives of the Firm.

The Firm has a Remuneration Committee (“RemCo”) which is delegated responsibility for remuneration matters by the Firm's Executive Committee. The RemCo meets at least three times per year to consider matters relating to remuneration policy and structures, including approval of individual remuneration decisions for senior management and those considered to have a material impact on the risk profile of the Firm. The membership consists of the Firm's Co-CEOs and Human Resources Director. In setting policy and reaching its decisions, the RemCo seeks appropriate input from Risk, Compliance, Finance and Human Resources. It will also have regard to the Firm's business strategy, the Remuneration Policy of the Pictet Group, the external competitive markets and relevant legislation, regulation and corporate governance in the jurisdictions in which the Firm operates. Remuneration outcomes take appropriate account of all relevant current and future risks. Independent oversight is provided by the Partners of the Pictet Group who oversee remuneration policies and procedures across the Pictet Group and provide oversight of remuneration decisions.





Quantitative remuneration disclosure 2019

The aggregate remuneration for Code Staff for the financial year ended 31 December 2019 is as follows:

Pictet Asset Management Limited (GBP)

Fixed remuneration	4,699,262
Variable remuneration	13,227,121
Total remuneration	17,926,383

There are 14 Code Staff, all of which are senior management.

Aggregate remuneration includes base salary, pension, benefits, annual bonus (cash and deferred), Pictet Parts and LTIP paid for the period 1 January 2019 to 31 December 2019.

This disclosure is to be updated as soon as practicable following the finalisation of variable remuneration for the year.