

## **Remuneration code disclosure (December 2018)**

Bennelong Asset Management LLP ("the **Firm**") is authorised and regulated by the Financial Conduct Authority ("the **FCA**") as a Limited Licence Firm and so, it is subject to FCA Rules on remuneration. These are contained in the FCA's Remuneration Code located in the SYSC Sourcebook of the FCA's Handbook. The Remuneration Code ("the RemCode") covers an individual's total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two.

The Firm's business is to provide investment management services to funds managed by the Firm (the "**Funds**").

Our policy is designed to ensure that we comply with the RemCode and our compensation arrangements:

1. are consistent with and promotes sound and effective risk management;
2. do not encourage excessive risk taking;
3. include measures to avoid conflicts of interest; and
4. are in line with the Firm's business strategy, objectives, values and long-term interests.

## **Proportionality**

Enshrined in the European remuneration provisions is the principle of proportionality. The FCA has sought to apply proportionality in the first instance by categorising firms into three levels. The Firm falls within the FCA's proportionality level three and as such this disclosure is made in line with the requirements for a Level three firm.

## **Application of the requirements**

We are required to disclose certain information on at least an annual basis regarding our remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the Firm. Our disclosure is made in accordance with our size, internal organisation and the nature, scope and complexity of our activities.

We have considered our individual needs on an ongoing basis and where appropriate dis-applied certain provisions in accordance with FCA and CEBS/EBA guidance. The Firm will review any provisions which have been dis-applied on at least an annual basis, to ensure that it continues to be appropriate.

## **Information concerning the decision making process**

Summary of information on the decision-making process used for determining the Firm's remuneration policy:

- The Firm's policy has been agreed by the Senior Management in line with the RemCode principles laid down by the FCA.
- Due to the size, nature and complexity of the Firm, we are not required to appoint an independent remuneration committee. This will be kept under review and should the need arise, the Firm will consider amending this arrangement to provide greater independent review.
- The Firm's policy will be reviewed as part of an annual basis or following any significant change to the business requiring an update to its internal capital adequacy assessment.

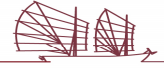
The Firm's ability to pay bonuses is based on the overall performance of the Firm which is ultimately dependent on the level of assets under management and the relative underlying performance of the funds. The performance of the funds is calculated by an independent third party administrator.

## **Information on the Firm links between pay and performance**

A key objective in utilising the limited liability partnership structure is to align the interests of the individual partners with the overall goal of achieving the best performance over the long-term for the Firm. This alignment of interests is facilitated by the operation of performance fees, which are a key driver of the profits of the Firm, and which are only paid each year when the Funds' NAV exceeds the previous year's high water mark.

The Partners' profit share is then paid from profits after ensuring FCA capital and liquidity requirements and the working capital needs of the Firm have been considered, thereby ensuring the Firm is financially viable going forward.

As well as Partners, the Firm, via its corporate member, has a number of employees including the three individual partners of the Firm, who are salaried personnel and who are entitled to a discretionary bonus. These salaried personnel are all employed by Bennelong Asset Management Limited which is the Jersey based group employment company which provides personnel to the corporate member of the Firm under secondment arrangements. The remuneration of these employees is agreed by Bennelong Asset Management Limited and, these remuneration arrangements are considered in accordance with the FCA's Remuneration Principles.



---

**BENNELONG**  
ASSET MANAGEMENT LLP

Level 1, 20 Foubert's Place, LONDON, W1F 7PL, UK  
T: +44 203 818 1680 W: bennelongasset.com

- Individuals are rewarded based on their contribution to the overall strategy of the business.
  - a. Investment Generation
  - b. Investment Trading
  - c. Operations
  
- Other factors such as performance, reliability, effectiveness of controls, business development and contribution to the business are taken into account when assessing the performance of the senior staff responsible for the infrastructure of the firm.

**Aggregate quantitative information on remuneration for staff whose actions have a material impact on the risk profile of the firm**

Partnership profits allocated to members of the LLP are disclosed in aggregate in the annual financial statements.

We have omitted required disclosures where we believe that the information could be regarded as prejudicial to the UK or other national transposition of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.