

Swiss Life Asset Managers UK Limited

MIFIDPRU 8 Public Disclosures Report for 2022

Introduction

Swiss Life Asset Managers UK Limited (the “Company”) was formerly known as Mayfair Capital Investment Management Limited. This report is in respect of the Company’s financial year ended 31 December 2022.

The Company is classified under MIFIDPRU as a small and non-interconnected investment firm (“SNI Firm”). As such, MIFIDPRU Chapter 8 requires the Company to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Company’s culture, and to assist stakeholders in making more informed decisions about their relationship with the Company.

Remuneration Policy and Practices

As an SNI Firm, the Company is subject to the basic requirements of the MIFIDPRU Remuneration Code. As an Alternative Investment Fund Manager, the Company is also classified as a Collective Portfolio Management Investment firm subject to the AIFM Remuneration Code. The purpose of the requirements on remuneration is to:

- Promote effective risk management in the long-term interests of the firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of the Company’s remuneration policy and practices is to establish, implement and maintain a culture that is consistent with, and promotes, both effective risk management and responsible investment, and does not encourage risk-taking which is inconsistent with the risk profile of the Company and the services that it provides to its clients.

In addition, the Company recognises that remuneration is a key component in how it attracts, motivates and retains quality staff and sustains consistently high levels of performance, productivity and results. As such, the Company’s remuneration philosophy is also grounded in the belief that its people are the most important asset and the source of greatest competitive advantage.

The Company is committed to responsible investment, excellence, teamwork, ethical behaviour and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude and results.

Remuneration at the Company is made up of fixed (salary) and variable (bonus) components. The fixed and variable components of remuneration are appropriately balanced in line with other investment management firms of a similar size. The fixed component represents a sufficiently high proportion of each employee's total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying lower, or even zero, variable remuneration in the event that the Company reports a loss and/or may not be able to meet its capital or liquidity regulatory requirements.

Salaries

Salaries are determined in line with other investment management firms of a similar size to attract and retain skilled staff. Salaries are normally reviewed on 1 April each year, although changes can be made at other times of the year to reflect changes in responsibility and/or significant changes in market levels.

Bonuses

The Company currently operates two bonus schemes:

Discretionary bonus scheme

Discretionary bonuses are paid annually based on performance for the previous year. The size of the overall bonus pool is determined by the Executive Directors, based on the Company's profit for the previous financial year. As a small business, the Company is managed as a single business unit and the bonus pool is determined accordingly.

The Company's discretionary bonus pool is allocated to members of staff by the Company's Remuneration Committee, taking account of recommendations made by the Executive Directors. All staff members are eligible to receive a discretionary bonus. The amount each person receives takes account of the extent to which that person has met their individual objectives (both financial and non-financial) for the previous financial year.

Staff involved in managing funds and advising third party clients are assessed on the performance of the funds/mandates for which they are responsible, however bonuses are not determined by any formula.

Similarly, staff involved in raising capital are assessed on the amount of capital raised, however bonuses are not determined by any formula.

Staff not involved in investing or capital-raising activities are typically paid lower levels of bonus, based on non-financial objectives.

The Company is a responsible investor and a signatory to the UK Stewardship Code. Accordingly, every member of staff has non-financial objectives linked to ESG/responsible investment criteria.

The Company operates a bonus waiver scheme enabling staff to make tax-efficient contributions to their pension scheme.

For the 2022 financial year discretionary bonuses were paid in full in cash. Remuneration Committee plan to introduce a bonus deferral scheme for higher earners in 2023.

Long term incentive scheme

The Company operates a long-term incentive scheme for certain members of staff. Eligibility to participate in this scheme is determined by the Remuneration Committee. Payments under this scheme are paid via the UK payroll and are subject to normal deductions for income tax and national insurance contributions.

Governance and Oversight

The Company has a Remuneration Committee comprising the Non-Executive Chairman of the Company, the CFO of the Company's parent company and the Head of HR of the Company's parent company. None of the members of the committee are involved in the day-to-day running of the Company. The Remuneration Committee is responsible for setting and overseeing the implementation of the Company's remuneration policy and practices.

In order to fulfil its responsibilities, the Remuneration Committee:

- is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital and liquidity;
- prepares decisions regarding remuneration, including decisions which have implications for the risk and risk management of the Company;
- ensures that the remuneration policy and practices take into account the public interest and the long-term interests of the Company's shareholder, investors and other stakeholders; and
- ensures that the overall remuneration policy is consistent with the business strategy, objectives, values and interests of the Company and of its clients.

The Company's remuneration policy and practices are reviewed annually by the Remuneration Committee.

Quantitative Remuneration Disclosures

For the financial year ended on 31 December 2022, the total amount of remuneration (including employer's national insurance contributions) awarded to all staff was £6.9 million, of which £4.4 million comprised the fixed component of remuneration, and £2.5 million comprised the variable component.

*Approved by the Board
21 April 2023*