



# Phoenix Asset Management Partners Limited

## Remuneration Policy Statement

### Overall Principles

Phoenix Asset Management Partners Ltd ("PAMP") is authorised and regulated by the Financial Services Authority and is therefore subject to the FSA rules on remuneration. These are contained in the FSA's Remuneration Code ("Code") located in the SYSC Sourcebook of the FSA's handbook. The Code covers remuneration policies, practices and procedures.

In order to comply with the Code remuneration is reviewed annually and applies to the company's financial year which ends 31st March. Remuneration policies are set by the Board of Directors. The overall goal is to contain fixed costs, encourage a long term approach, reward good long term performance and share success.

The Directors ensure that remuneration policies are in line with the firm's overall business strategy and long terms interests. That they do not encourage excessive risk taking. They take into account any conflict of interest and that they take into account both the existing and future capital requirements of the business.

### Remuneration Structure

The Code includes the principle of proportionality. The FSA have sought to apply proportionality by categorising firms into 4 tiers. PAMP falls within tier four and this disclosure is made in line with the requirements of a tier four firm.

PAMP employees are remunerated with an annual fixed salary and variable compensation which may be a greater proportion of total remuneration than fixed salary but may not necessarily be the case. The main supervisory body governing the firm is the Board of Directors. The Board meets monthly and reviews business strategy, capital requirements and position limits at each meeting. The Board is aware of the need to monitor the potential for conflicts of interest between business strategy and remuneration and it does so.

Gary Channon is a shareholder in Channon & Co. Ltd. (C&Co.) which in turn is a shareholder of Phoenix Asset Management Partners Ltd ("PAMP"). According to the Shareholders Agreement of PAMP all profits after tax and allowing for future capital needs of the business are distributed to shareholders as dividends. Gary Channon therefore is incentivised as a shareholder in the business to increase its value to shareholders and its distributable profits.

Dividends are the only mechanism by which Mr Channon receives variable compensation. Gary Channon and C&Co. are both significant investors in the Phoenix UK Fund ("Fund"). This incentivises him in alignment with Phoenix's clients.

Other executive code staff participate in an internal partnership scheme which grants them a share of the operating profits. The figures are calculated and accrued monthly but not paid until the end of the year. The proportion is determined by the Chairman & CIO based upon an appraisal of their roles. The internal partnership scheme is assessed annually by the Chairman & CIO. This assessment is taken in the context of the firm's business strategy, its financial position, its future capital requirements and the annual performance appraisal of the scheme's participants.

The proportion of aggregate fixed and variable remuneration for code staff in the year ended March 31<sup>ST</sup> 2011 is fixed 73% variable 27%.