

Pillar III Disclosure

Phoenix Asset Management Partners Limited (PAMP)

30 November 2021

Introduction

This document fulfils the Pillar III disclosure requirement for PAMP, a company authorised and regulated by the Financial Conduct Authority (FCA) in the UK. The Firm is a CPMI firm, subject to both MiFID and AIFM regulatory requirements. MiFID rules are set out in the FCA's General Prudential Sourcebook (GENPRU) and Prudential Sourcebook for Banks, Building Societies, and Investment Firms (BIPRU). AIFM requirements are captured by the "Interim Prudential sourcebook for Investment Businesses" (IPRU-INV). This document is prepared in accordance with the disclosure requirements of BIPRU 11 and as such is only required in terms of PAMP's MiFID calculations.

The disclosures detailed in this document relate to PAMP using the audited financial statements as of 31 March 2021.

The above requirements will be fully replaced during 2022 with new processes, as laid down in the UK Investment Firm Prudential Regime ('IFPR') rules.

Scope

PAMP provides investment management and advisory services to segregated mandates and alternative investment funds (AIFs). It is a consolidated disclosure due to PAMP being owned by a financial holding company, Channon Holdings Limited (CHL). PAMP is the only regulated entity in the Group.

This disclosure is updated and published annually or more frequently if the Firm experienced a material change in its business environment that would impact its current risk assessment. This disclosure is produced solely to satisfy the Pillar III requirement.

Governance

The Board of Directors, PAMP's governing body, are responsible for the direction and strategy of PAMP, the management of risks faced by the business and the oversight of all business activities. The governing body is committed to a robust control environment and regularly reviews the risks faced by the Firm. These are documented in the PAMP Risk Register which describes all identified risks and individually quantifies their potential financial impact.

Pillar I

Pillar I is the greater of the credit and market risk requirement or the fixed overheads requirement.

Pillar II

Pillar II requires a firm to review and quantify its own risks and to put aside additional capital if required.

Capital resources – own funds

When considering the total regulatory requirement, PAMP combined its Pillar I and Pillar II requirements. The Group has consolidated own funds well in excess of its regulatory requirement.

Regulatory capital disclosure

Total Regulatory capital requirement	Consolidated £000s
Pillar I MiFID requirements + Pillar II	1,276
Own funds	11,621
Surplus over requirement	10,345

Remuneration Policy & processes

PAMP is subject to AIFMD for all the funds it manages and MiFID for its segregated account clients. For remuneration purposes SYSC19B applies to PAMP AIFM activities while SYSC 19C applies to PAMP MiFID activities. However, SYSC 19C.1.1A states that a firm will be deemed fully compliant with SYSC 19C provided it fully complies with SYSC 19B. As per SYSC 19B.1.2R, PAMP has established a Remuneration Policy to fulfil its requirement to “establish, implement and maintain remuneration policies and practices for AIFM Remuneration Code Staff that are consistent with and promote, sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profile of the instrument constituting the fund of the AIFs it manages.”

The Directors of PAMP constitute the governing body and are responsible for the establishment and maintenance of the Remuneration Policy. The overall goal is to contain fixed costs, encourage a long-term approach, reward good long-term performance and share success. PAMP’s policy on the allocation of remuneration requires that its governing body set aside a proportion of the firm’s profits to form a bonus pool out of which variable remuneration awards will be made. The size of the bonus pool will be at the discretion of the Directors, and duly recorded, giving due consideration to both the need to incentivise personnel and to the current and future risks faced by the firm and its products. It is unlikely that any awards will be made in the event of PAMP making a loss. PAMP employees are remunerated with an annual fixed salary and variable compensation. The variable element is fully flexible. Payment is dependent on the overall performance of the firm. It may be a greater proportion of total remuneration than fixed salary but could also be zero. PAMP considers that the establishment of a Remuneration Committee would not be proportionate given the size and non-complex nature of both its activities and organisation.

Remuneration disclosure

All PAMP employees are considered to be relevant staff for our AIFs. Figures do not include any non-executive directors who are paid in the form of fees.

Remuneration	PAMP
Persons employed	19
Remuneration Code Staff	5
Total paid	£4.5m
Variable	£2.9m