

CAMBRIDGE ASSOCIATES LIMITED

PILLAR 3 REMUNERATION DISCLOSURE (31ST DECEMBER 2011)

Remuneration

Cambridge Associates Limited (C|A) has adopted a remuneration policy that complies with the requirements of chapter 19A of the FSA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC"), as interpreted in accordance with the FSA's guidance publication entitled "General Guidance on Proportionality: The Remuneration Code (SYSC 19A) & Pillar 3 Disclosures on Remuneration (BIPRU 11)" and subsequent items of guidance issued by the FSA, including its document entitled "Frequently Asked Questions on the Remuneration Code".

As a BIPRU limited licence firm, C|A falls within proportionality tier 4. C|A has concluded, on the basis of its size and the nature scale and complexity of its legal structure and business that it does not need to appoint a remuneration committee. Instead, the Firm's Directors set, and oversees compliance with, C|A's remuneration policy including reviewing the terms of the policy at least annually.

As at the accounting reference date (31st December), (C|A) currently sets the variable remuneration of its staff in a manner which takes into account staff and firm performance, by reference to individual employee performance; performance of the individual's department and the Firm's overall results. As permitted for firms falling within proportionality tier 4, C|A takes into account the specific nature of its own activities (including the fee based nature of its revenues) in conducting any ex-ante risk adjustments to awards of variable remuneration and, given the nature of its business, has disapplied the requirement under the Remuneration Code to make ex-post risk adjustments.

C|A only has one "business area", namely its investment management and advisory business. All of C|A's Code Staff fall into the "senior management" category of Code Staff (rather than the "risk taker" category) for the purposes of the Remuneration Code. The aggregate "remuneration" (as defined in the FSA Rules) awarded to the Firm's Code Staff during the financial year ending on the accounting reference date was £975,016.50.