

CAMBRIDGE ASSOCIATES LIMITED

(the “Company”)

PILLAR 3 REMUNERATION DISCLOSURE

31 December 2018

1 OVERVIEW

- 1.1 The Company is authorised and regulated by the Financial Conduct Authority (“FCA”) as a BIPRU Firm and is accordingly subject to FCA Rules on remuneration. These rules are set out in the FCA’s Remuneration Codes located in the Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”) Sourcebook of the FCA’s Handbook.
- 1.2 The Remuneration Code (the RemCode) applies to the total remuneration paid to an individual (including fixed and variable remuneration). The Company incentivises its staff through a combination of the both fixed and variable remuneration.
- 1.3 The Company’s policy is designed to ensure that it complies with the RemCode and that its arrangements:
 - 1.3.1 are consistent with and promote sound and effective risk management;
 - 1.3.2 do not encourage excessive risk taking;
 - 1.3.3 include measures to avoid conflicts of interest; and
 - 1.3.4 are in line with the Firm’s business strategy, objectives, values and long-term interests.
- 1.4 The Company’s policy complies with the requirements of SYSC chapter 19C as interpreted in accordance with the FCA’s guidance publication entitled “General Guidance on Proportionality: The BIPRU Remuneration Code (SYSC 19C) and Pillar 3 disclosures on Remuneration (BIPRU 11)” and subsequent items of guidance issued by the FCA, including its document entitled “Frequently Asked Questions on the Remuneration Code”.

2 PROPORTIONALITY

- 2.1 Enshrined in the underlying European remuneration legislation is the principle of proportionality. Accordingly, the FCA has indicated that BIPRU firms may apply proportionality principles in respect of certain aspects of the remuneration requirements.
- 2.2 The Company has determined that it is not a ‘significant firm’ and has elected to make this disclosure in a way that is appropriate to the size, internal organisation and the nature, scope and complexity of its activities, in accordance with BIPRU 11.5.20R(2).

3 APPLICATION OF THE REQUIREMENTS

- 3.1 The Company is required to disclose certain information on at least an annual basis regarding its Remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the firm. The Company’s disclosure reflects its size, internal organisation and the nature, scope and complexity of its activities.
- 3.2 *Summary of information on the decision-making process used for determining the firm’s remuneration policy including use of external benchmarking consultants where relevant.*

- 3.2.1 The Company's policy has been agreed by the Senior Management in line with the Remuneration principles laid down by the FCA.
- 3.2.2 The Company is not required to appoint an independent remuneration committee on the basis of proportionality principles but has nonetheless elected to do so.
- 3.2.3 The Company's policy will be reviewed as part of annual process and procedures, or following a significant change to the business requiring an update to its internal capital adequacy assessment.
- 3.2.4 The Company has limited involvement in deriving asset prices because there is no obligation to engage in the valuation of client securities.
- 3.3 *Summary of how the firm links between pay and performance.*
- 3.3.1 As at the accounting reference date (31st December), the Company 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.
- 3.3.2 Staff bonuses are dependent on individual performance and are paid out annually. Bonus potentials are determined at the beginning of the year and similar positions have similar potentials. Actual bonus payouts are based on bonus goals and performance standards that are determined at the beginning of the year. Bonus payments may be adjusted based on the financial situation of the Firm.
- 3.4 *Aggregate quantitative information on remuneration (a) broken down by significant business division (where such business divisions exist) and (b) for staff whose actions have a material impact on the risk profile of the firm/ of those staff of the Firm who are fully or partly involve in the activities of the AIF.*
- 3.4.1 The Company only has one "business area", namely its investment management and advisory business. All of CA'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 FCA Rules) awarded to the Firm's Code Staff during the financial year ending on the accounting reference date was £5,266,617.