

**FAIRTREE ASSET MANAGEMENT LLP
("the Firm")**

SNI Remuneration Disclosure

31 March 2024

Introduction

The Investment Firm Prudential Regime ('IFPR') is the FCA's prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. The IFPR came into effect on 1 January 2022 and its provisions apply to Fairtree Asset Management LLP ("the Firm"), as an FCA authorised and regulated firm.

Under the IFPR, the Firm is categorised as a small and non-interconnected ("SNI") MIFIDPRU investment firm.

The Firm is incorporated in the United Kingdom as a limited liability partnership and was authorised by the FCA as a MiFID Investment Manager on 1 May 2019. The Firm carries on the business of asset management services, including the portfolio management of a UCITS fund which mainly focusses on fixed income and credit instruments.

The Firm is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8 of the FCA Handbook. This disclosure document covers all aspects of the disclosure requirements within the scope of the MIFIDPRU rules applicable to SNIs that have not issued additional tier 1 instruments. Specifically, disclosure relating to the Firm's Remuneration Policy and practices.

The Firm is not a member of a UK Consolidation Group. The disclosure is prepared annually on an individual basis. The Firm will consider making more frequent public disclosure where particular circumstances demand it, for example, in the event of a major change to its business model or where a merger has taken place.

The disclosure is published on the Firm's website. The Firm believes that its qualitative disclosures are appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

This disclosure has been ratified and approved by the Partners of Fairtree Asset Management LLP.

The annual audited accounts of Fairtree Asset Management LLP set out further information which complements the information in this disclosure. The audited accounts are freely available from the UK Companies House.

This document does not constitute any form of financial statement on behalf of Fairtree Asset Management LLP. The information contained herein has been subject to internal review but has not been audited by the Firm's external auditors.

Objectives

This document sets out the public disclosure under MIFIDPRU 8 for the Firm as of 31 March 2024, which is the Firm's accounting reference date.

As a MIFIDPRU investment firm, we must establish and implement disclosure requirements to provide investors, stakeholders and wider market participants an insight into how the Firm is run. This disclosure sets out the overarching requirements that apply to the Firm.

Policy and Disclosure Validation

Fairtree Asset Management LLP is committed to having robust internal controls to ensure the completeness, accuracy, and compliance with the relevant public disclosure regulatory requirements.

This document has been subject to internal governance and verification process, and approval by the Firm's Partners.

The Policy requires internal challenge and oversight prior to approval and publication.

Remuneration Policies and Practices

1.1 Introduction

As a MIFIDPRU investment firm, we must establish, implement and maintain a Remuneration Policy and practices that are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the Firm. Our Remuneration Policy and practices are gender neutral and do not discriminate employees on the basis of gender or other characteristics.

1.2 Governance

The Firm's Partners are responsible for the Firm's Remuneration Policy.

1.3 Performance period

The Firm's performance period is from 1 April 2023 to 31 March 2024.

The Firm has adopted a Remuneration Policy that complies with the requirements of Chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook.

1.4 Approach to remuneration for employees

The Firm's remuneration approach is designed to support individual and corporate performance, encourage the sustainable long-term financial health of the business and promote sound risk management for the success of the Firm and to the benefit of its customers, counterparties and the wider market. Our remuneration approach promotes long-term value creation through transparent alignment with the agreed corporate strategy.

The Firm's Partners believe the Firm's remuneration structure is appropriate for the business and the industry it operates in and is efficient and cost-effective in delivering its long-term strategy.

Undeserved and excessive remuneration sends a negative message to all stakeholders, including the Firm's workforce, and causes long term damage to the Firm and its reputation.

1.5 Financial incentives objectives

The objectives of the Firm's remuneration practices are as follows:

- The Firm undertakes to reward all employees fairly, regardless of job function, race, religion, colour, national origin, sex, sexual orientation, marital status, pregnancy, disability or age;
- It is the policy of the Firm to operate competitive remuneration policies to attract, retain and motivate an appropriate workforce for the Firm;
- The Firm is also committed to ensuring that its remuneration practices encourage high standards of personal and professional conduct, support sound risk management and do not

encourage risk taking that exceeds the level of tolerated risk of the Firm, and are aligned with the Firm's regulatory requirements;

- Rewards for all staff will be aligned to financial and non-financial performance criteria and risk profile, and in all cases will be in line with the business strategy, objectives, values, culture and long-term interests of the Firm;
- The Firm will not allow any unfair or unjust practices that impact on pay;
- The Firm undertakes that it will not award remuneration using vehicles or methods the aim of which is to attempt to avoid application of the relevant FCA's Remuneration Code.

The Firm uses the following financial incentives:

- bonuses;
- referral programmes;
- extra allowances;
- profit shares;
- salary raises; and
- professional development opportunities.

This is a non-exhaustive list of financial incentives. Our financial incentives are designed to:

- raise employee satisfaction;
- recognise individual performance;
- attract and retain talent;
- encourage collaborative teamwork; and
- motivate staff to achieve Firm-wide objectives.

1.6 Governance

The Firm's Partners are responsible for the Firm's Remuneration Policy.

As a SNI, the Firm is not required to establish a Remuneration Committee. Given the size, internal organisation and the nature, scope and complexity of the activities of the Firm it has not formed a Remuneration Committee. Therefore, the Remuneration Policy's supervisory function is undertaken by the Firm's Partners.

The Firm's Partners are responsible for reviewing and approving remuneration, and to ensure remuneration policies across the Firm are consistent with the promotion of effective risk management. The Firm's Partners are responsible for reviewing and approving salary amendments and the Firm's bonus pool arising from the annual compensation review.

The Firm's Partners meet regularly and are:

- Fairtree Capital UK Limited; and
- Paul James Crawford.

External consultants, being Kroll Advisory Limited, have provided a third-party review for the purpose of assisting in the determination of the Remuneration Policy. The external consultants have also provided independent review of any changes to remuneration policies and procedures put in place to meet the requirements of IFPR relating to remuneration arrangements contained in the SYSC 19G Remuneration Code.

1.7 Components of remuneration

The Firm makes a clear distinction between fixed and variable remuneration.

Fixed remuneration primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment; and is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance. Fixed remuneration includes an employee's base salary.

Variable remuneration is based on performance and reflects the long-term performance of the staff member as well as performance in excess of the staff member's job description and terms of employment. In exceptional cases, variable remuneration is based on other conditions. Variable remuneration includes discretionary pension benefits, discretionary performance bonuses, discretionary company performance bonuses, and in the case of the Firm's Partners, profit sharing.

The Firm will ensure that the fixed and variable components of an individual's total remuneration are appropriately balanced. In determining this balance, the Firm considers the following factors:

- The Firm's business activities and associated prudential and conduct risks;
- The role of the individual in the Firm;
- The impact that different categories of staff have on the risk profile of the Firm or on the assets it manages;
- No individual must be dependent on variable remuneration to an extent likely to encourage them to take risks outside the risk appetite of the Firm;
- It may be appropriate for an individual to receive only fixed remuneration, but not only variable remuneration; and
- Variable remuneration must not affect the Firm's ability to ensure a sound capital base.

When assessing individual performance to determine the amount of variable remuneration to be paid to an individual, the Firm takes into account financial as well as non-financial criteria. Non-financial criteria should:

- form a significant part of the performance assessment process;
- override financial criteria, where appropriate;
- include metrics on conduct, which should make up a substantial portion of the non-financial criteria;
- include how far the individual adheres to effective risk management and complies with relevant regulatory requirements; and
- include the Firm's values, which are:
 - Integrity;
 - Excellence;
 - Real Relationships;

- Growth; and
- Family.

1.8 Financial and non-financial performance criteria

The Firm must take into account both financial and non-financial criteria when assessing the individual performance of its staff. This aims not only to discourage inappropriate behaviours, but also to incentivise and reward behaviour that promotes positive non-financial outcomes for the Firm.

The Firm uses the following financial performance criteria:

- The Firm's overall financial performance;
- The team or department's performance; and
- Long term value creation (e.g. forming new strategic partnerships or similar initiatives that have a lasting financial impact on the Firm).

The Firm uses the following non-financial performance criteria:

- measures relating to building and maintaining positive customer relationships and outcomes, such as positive customer feedback;
- performance in line with firm strategy or values, for example by displaying leadership, teamwork or creativity;
- adherence to the firm's risk management and compliance policies;
- achieving targets relating to environmental, social and governance factors; and
- diversity and inclusion.

With regard to financial and non-financial performance criteria, the Firm does not make any distinction between the criteria for the assessment of the Firm, the business units or the individuals.

1.9 Total amount of remuneration awarded

Under MIFIDPRU 8.6.8R(2), the Firm must disclose the total amount of remuneration awarded to all staff, split into:

- fixed remuneration; and
- variable remuneration.

Remuneration type	£
Fixed remuneration	668,518
Variable remuneration	314,859
Total amount	983,377