

Bellevue Asset Management (UK) Ltd

MIFIDPRU 8 Disclosure

April 2024

Introduction

The Financial Conduct Authority (“FCA” or “regulator”), in its Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”), sets out the detailed prudential requirements that apply to Bellevue Asset Management (UK) Ltd (“BAM UK” or the “Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

BAM UK is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This document has been prepared by BAM UK in accordance with the requirements of MIFIDPRU 8 and is verified by the Board of Directors. Unless otherwise stated, all figures are as at the Firm’s financial year-end, being 31 December 2022.

Remuneration Policy and Practices

Overview

As an SNI MIFIDPRU Investment Firm, BAM UK is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook (“SYSC”). BAM UK, as an alternative investment fund manager, is also classified as a collective portfolio management investment firm (“CPMI firm”) and as such is also subject to the AIFM Remuneration Code (SYSC 19B). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of BAM UK’s remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not

encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, BAM UK recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

BAM UK is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

Characteristics of the Firm's Remuneration Policy and Practices

Remuneration at BAM UK is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's financial performance and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff members are eligible to receive variable remuneration. Certain of the Firm's directors and employees are also part of an equity-settled share-based compensation plan. The shares are subject to a three year vesting period and are subject to performance and service conditions.

The below table summarises the financial and non-financial criteria of performance used across the Firm in assessing the level of variable remuneration to be paid:

	Financial Performance Criteria	Non-Financial Performance Criteria
Firm	Overall variable bonus pool is determined by reference to adjusted earnings of Bellevue Group, the ultimate parent company. An annual remuneration report is audited and publicly disclosed (www.bellevue.ch). Pool for BAM UK portfolio management team is based on net management fee income.	
	Long-term incentive plan (LTI) based on (i) absolute performance of Bellevue Healthcare Trust plc, vesting over three years, (ii) performance relative to benchmarks and (iii) other qualitative targets as may be set.	
Individual	Individual share of variable bonus pool and LTI.	Personal performance, role and experience.

The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

Governance and Oversight

The Board of Directors of Bellevue Asset Management AG ("BAM AG", parent company of BAM UK) is responsible for setting and overseeing the implementation of BAM UK's remuneration policy and practices. In order to fulfil its responsibilities, the Board of BAM AG:

- Is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.
- Prepares decisions regarding remuneration, including decisions that have implications for the risk and risk management of the Firm.
- Ensures that the Firm's remuneration policy and practices take into account the public interest and the long-term interests of shareholders, investors, and other stakeholders in the Firm.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Firm and of its clients.

In reaching its decisions, the Board of BAM AG takes into account proposals made by the Board of BAM UK to the Executive Management Board of BAM AG.

BAM UK's remuneration policy and practices are reviewed annually by BAM AG.

Quantitative Remuneration Disclosure

For the financial year to 31 December 2023, the total amount of remuneration awarded to all staff was £4,255,170, of which £1,311,780 comprised the fixed component of remuneration, and £2,943,390 comprised the variable component. For these purposes, 'staff' is defined broadly, and includes directors and employees of the Firm.