ACADIAN

ACADIAN ASSET MANAGEMENT (UK) LIMITED ('THE FIRM')

REMUNERATION DISCLOSURE

For the year to 31 December 2022

1 BACKGROUND INFORMATION

1.1 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 Acadian Asset Management (UK) Limited ("the Firm") as an FCA authorised and regulated firm.

The Firm is an FCA authorised and regulated money manager located in London. The Firm is a wholly owned subsidiary of Acadian Asset Management LLC, a Boston-based investment adviser registered with the U.S. Securities and Exchange Commission.

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

The Firm is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8. The disclosure document covers all aspects of the disclosure requirements within the scope of the MIFIDPRU rules applicable to non-small and non-interconnected ('Non-SNI') investment firms.

The Firm is not a member of a UK Consolidation Group. The disclosures have been prepared on an individual basis.
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 for disclosure by the Firm's Board.
The Firm's annual audited accounts set out further information which complements the information in this disclosure. The audited accounts are freely available from UK Companies House.

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

1.2 Objectives

This document sets out the public disclosure under MIFIDPRU 8 for the Firm as of 31 December, 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.

1.3 Disclosure timing requirements

The Firm is required to publicly disclose the information specified in this Policy on an annual basis on the date it publishes its annual financial statements, which is on or before April 24.

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.

1.4 Policy and Disclosure Validation

The Firm 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 Board in line with the Public Disclosure Policy that the Firm has adopted to ensure compliance with the regulatory requirements contained in MIFIDPRU 8.

As a Non-SNI firm, the public disclosure document will be prepared to contain the following key areas:

- Governance arrangements;
- Remuneration policy and practices;

The disclosure drafting process involves an input from a number of internal stakeholders. The table below summarises the governance relating to provision of data, verification, and approval of the individual areas of disclosures:

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Area of disclosure	Responsible individual(s)/team(s) for data provided	Accountable stakeholder/division for approval of the information provided
Governance arrangements	Compliance	Compliance
Remuneration	Compliance/Finance/HR	Compliance/Finance/HR

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

2 REMUNERATION DISCLOSURE

As a MIFIDPRU investment firm, we must establish, implement and maintain gender neutral remuneration policies 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.

2.1 Performance period

The Firm's performance period is from 1 January 2022 to 31 December 2022.

2.2 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 clients, counterparties and the wider market. Our remuneration approach promotes long-term value creation through transparent alignment with the corporate strategy.

Due to the Firm's team-based approach, no compensation is earned or paid to any MRT or other Firm employee, directly related or tied to the investment performance of any account. Compensation is determined based on each individual's contribution to the team and the Firm's performance as a whole. Thus, there is no direct incentive for any employee to increase the risk profile or tolerances of any account or process.

The Firm's Board believes 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.

Our remuneration structure includes provisions that in specific circumstances, allow the Firm to forfeit or withhold all of part of any long-term incentive award before it has vested and been awarded and to recover sums already paid should specific instances of malfeasance be identified. Further, the firm can withhold discretionary variable compensation.

2.3 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:

- Discretionary bonuses;
- referral programmes;
- extra allowances;
- commissions;
- profit shares;
- salary raises;
- long term incentives
- team retreats; and
- professional development opportunities.

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.

Governance

Given the size, internal organisation and the nature, scope and complexity of the activities of the Firm it does not have a separate supervisory function or Remuneration Committee, therefore the Remuneration policy's supervisory function will be undertaken by the Firm's Board. The Board is supported in these efforts by the Compensation Committee, and the Human Resources, Compliance, and Finance teams of its parent company. The Firm's Board is responsible for approving and maintaining this Policy and overseeing the implementation of this Policy and its alignment with the Firm's remuneration practices with its risk tolerance.

The Board meets regularly and is composed of:

- Brendan Bradley
- Oliver Close
- Ross Dowd
- Ian Shea
- John Chisolm (retired in June 2022)
- Kelly Young

whose role is to provide strategic direction and oversight for the Firm.

2.5 Components of remuneration

The Firm makes a clear distinction between the 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, nondiscretionary, non-revocable and not dependent on performance.

Variable remuneration is based on performance of the Firm and that of the individual staff member. It may reflect 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.

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 of the assets it manages;

The variable remuneration an individual many be entitled to received is not dependent on the amount of risk that individual may assume on behalf of the Firm. Further, the Firm will ensure it maintains a sound capital base prior to paying overall variable remuneration to staff. If deemed appropriate, only fixed remuneration will be paid.

2.6 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:

- Investment performance that exceed specific benchmarks or return targets
- Client cash flow and assets under management growth.
- Overall Firm and global company profitability.

The Firm uses the following non-financial performance criteria:

Incentive compensation awards and promotions are based on a holistic evaluation of each employee's performance and progressive career development. Our annual performance management process includes setting goals that are weighted at the start of each calendar year, a mid-year appraisal, and a year-end appraisal that assigns a performance rating for each employee based on individual goal achievement and core competency evaluation. In addition to the core competencies (i.e. Knowledge, Quality, Productivity, Innovation, Teamwork, Communication) that apply to all employees, certain teams may have additional role-specific competencies that are related to individuals' job duties and functions.

2.7 Awarded remuneration

The Firm has awarded the below amounts of remuneration to its senior management, MRTs and other staff

Table 1

Staff category	Remuneration type	£,'000
Senior management	Fixed remuneration	468
	Variable remuneration	1,664
	Total amount	2,132
Other MRTs	Fixed remuneration	
	Variable remuneration	
	Total amount	
Other staff	Fixed remuneration	1,200
	Variable remuneration	3,247
	Total amount	4,447

No guaranteed variable remuneration nor severance payments were awarded to individual material risk takers for the year.

2.8 Material risk takers

The Firm has identified MRTs in accordance with SYSC 19G.5 and the qualitative criteria set out in SYSC 19G.5.3R, 19G.5.4RG and SYSC 19G.5.5G. In addition, as part of this Disclosure Policy, the Firm also draws from the Remuneration Policy which requires us to identify our MRTs on an annual basis. For the performance year 2022, the Firm identified 7 MRTs as employee whose professional activities are deemed to have a material impact on the risk profile of the Firm. All other members of staff at the Firm report to an MRT.

Policies and criteria for awarding guaranteed variable remuneration and severance payments

The Firm typically awards guaranteed variable to an MRT only when:

1) it occurs in the context of hiring a new MRT;
2) it is limited to the first year of service; and
3) the firm has a strong capital base.

The Firm follows all local statutory severance requirements. Severance payments made will not be disproportionate but will appropriately compensate the employee in cases of early termination of the contract. Severance payments do not reward failure and will not be awarded where there is a failure in risk management or conduct.

No guaranteed variable remuneration or severance was paid by the Firm to any Firm MRT in 2022.