

Annual disclosure for AB Investment Solutions Limited for year ending 31 December 2022

## Introduction

The Investment Firms Prudential Regime (IFPR) came into effect on the 1 January 2022 as a new regime for UK firms authorised under the Markets in Financial Instruments Directive (MiFID).

The IFPR was implemented by the FCA as prudential regulation within the MIFIDPRU section of the FCA Handbook.

These disclosures set out AB Investment Solutions Limited annual public disclosures as required under MIFIDPRU 8 for the year ending 31 December 2022.

### Scope and application of disclosure

These disclosures relate to AB Investment Solutions Limited (ABISL), ABISL is an SNI MIFIDPRU Investment firm, authorised and regulated by the FCA.

ABISL is required to disclose on an individual firm basis and these disclosures have been prepared in line with the requirements of MIFIDPRU 8.

As an SNI MIFIDPRU firm under IFPR we are required to disclose the following remuneration information regarding our remuneration policy and practices under MIFIDPRU 8:

### Remuneration policy and practices

#### 1. Qualitative disclosures

- Our approach to remuneration for all staff
- The objectives of our financial incentives
- The decision-making procedures and governance surrounding the development of the remuneration policies and practices our firm is required to adopt in accordance with the MIFIDPRU Remuneration Code, to include, where applicable:
  - The composition of and mandate given to the remuneration committee, and
  - Details of any external consultants used in the development of the remuneration policies and practices
- The key characteristics of our remuneration policies and practices to enable
  - An understanding of the risk profile of our firm and/or the assets it manages, and
  - An overview of the incentives created by our remuneration policies and practices
- The different components of our remuneration, together with the categorisation of those remuneration components as fixed or variable
- A summary of the financial and non-financial performance criteria used across the firm, broken down into the criteria for the assessment of the performance of
  - The firm, and
  - Individuals

#### 2. Quantitative disclosures

- The total amount of remuneration awarded to all staff, split into fixed v variable remuneration.

## 1. Qualitative Disclosures

### **Our approach to remuneration for all staff and the objectives of our financial incentives in respect of staff remuneration.**

The firm's remuneration policies and procedures promote sound and effective risk management by:

- Ensuring the fair treatment of our clients and the quality of service provided
- Taking appropriate qualitative criteria into account
- Maintaining an appropriate balance between fixed and variable remuneration so the structure doesn't favour our firm or staff interests over those of our clients.

The remuneration packages in place are tailored to ensure that the firm does not:

- Remunerate or assess performance of our staff in any way that conflicts with our duty to act in the best interests or impact our ability to deliver good outcomes for our clients
- Provide additional remuneration for staff recommending / promoting / offering a solution in which we, or one of our associated companies, has an interest
- Include any arrangement by way of remuneration, sales targets or otherwise, that could provide an incentive to our staff to recommend a particular product to a client where a different product could be offered that would better suit their needs
- Create a conflict of interest that would encourage individuals to act against the interests of any of our clients
- Be solely or predominately based on quantitative commercial/sales/revenue generating criteria

### **Our decision-making procedures and governance surrounding the development of the firm's remuneration policies and practices.**

AB Investment Solutions does not have a Remuneration Committee. The Directors are responsible for our remuneration policy including:

- Determining the framework and policy for remuneration and ensuring it does not encourage undue risk taking
- Agreeing any major changes in remuneration structures
- Reviewing the terms and conditions of any new incentive schemes and in particular, considering the appropriate targets for any performance related remuneration schemes
- Considering and recommending the remuneration policy for the senior employees taking into account the appropriate mix of salary, discretionary bonus and share based remuneration

Our remuneration policy is reviewed on an annual basis by the board in conjunction with the compliance function.

### **The key characteristics of our remuneration policies and practices including the different components of our remuneration, together with the categorisation of those remuneration components as fixed or variable.**

Competitive salaries form the basis of our firm's remuneration package. In addition, there is an element of variable pay for all staff which is based on firm wide and individual performance. Whilst most of the variable reward components are awarded to employees across the firm, the structure,

balance and amounts may differ. Variable remuneration is considerably reduced where subdued or negative financial performance of the firm occurs.

When assessing individual performance we use a robust performance review process, with the firm considers both financial and non-financial criteria.

The non-financial criteria that the directors consider include:

- measures relating to building and maintaining positive customer relationships and outcomes, such as positive customer feedback;
- performance in line with firm strategy and values such as displaying leadership, teamwork and adherence to the firms risk management and compliance policies.

In the case of investment manager staff, long-term investment results are a factor in the assessment process. With any discretionary payments requiring input from the compliance function to ensure that compliance with the requisite regulatory requirements is factored into the decision making.

Any variable remuneration is made at the discretion of the board and take clear performance indicators into account.

## 2. Quantitative Disclosures

As an SNI MIFIDPRU investment firm, we are required to disclose the total remuneration of all our staff split between fixed and variable remuneration for our performance year end which is also our financial year end.

For our year ending 31 December 2022, our total remuneration is split as follows:

| Type of Remuneration  | Amount £000s |
|-----------------------|--------------|
| Fixed Remuneration    | 749          |
| Variable Remuneration | 0            |
| Total Remuneration    | 749          |

The term 'staff' has been interpreted to include employees of the firm itself, employees of the parent company as well as individuals under a contract for services as all are deemed to be part of the MIFIDPRU firm.