



Sanlam International Investments Limited
Sanlam FOUR Investments UK Limited

Pillar 3 Disclosure
As at 31 December 2013

Investments



BACKGROUND

Sanlam International Investments Limited (the “Firm”) was incorporated with limited liability in England and Wales in 1997 and is authorised and regulated by the Financial Conduct Authority (the “FCA”). The Firm acts as an investment manager and adviser to Sanlam Asset Management (Ireland) (SAMI) and provides a discretionary investment manager (“DFM”) service for model portfolios offered to clients as part of a centralised investment proposition (“CIP”).

The Firm is categorised as a limited license firm by the FSA for capital purposes.

Pillar 3 disclosure fulfils the Firm’s obligation to disclose to market participants key pieces of information on a firm’s capital, risk exposures and risk assessment processes.

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors (the “Board”) determines the Firms business strategy and its risk appetite. The Board is responsible for the overall systems and controls with the Firm (“SYSC”) to ensure governance and oversight of the business and that the level of risk is consistent with the risk appetite of the Firm. The Board allocates responsibilities to other staff within the SYSC framework of the Firm.

The Compliance Officer has designed and implemented a risk management framework that recognizes the risks that the business faces. The Board has approved this risk management framework. The Board determine how those risks may be mitigated and assess on an ongoing basis the controls and procedures necessary to manage those risks. The Board meets on a regular basis and discuss projections for profitability, liquidity, regulatory capital, business planning and risk management.

As an investment manager, the Firm considers the following as key risks to its business:

Business risk – This risk represents a fall in assets under management or the loss of key staff which may reduce the fee income earned by the Firm and reduce its ability to finance its operations and pay its expenses. Business risks are assessed and mitigated as part of the Internal Capital Adequacy Assessment Process (“ICAAP”).

Operational risk – This risk covers a range of operational exposures including legal and reputational risks. Operational risks and mitigants are assessed as part of the ICAAP.

Credit risk – This risk relates to the exposure to the client for non-payment of management and performance fees and counterparty exposure relating to the Firm’s bank balances and any other debtors. This is monitored by the Finance team and reported to the Board quarterly.

Market risk - The risk is the exposure to foreign exchange fluctuations on any income being denominated in currencies other than Sterling. The risk is also the exposure to a decline in assets under management and revenue as a result of market movements. The firm monitors this risk and manages the period within which debtors pay closely.

CAPITAL RESOURCES

The consolidated capital resources of the business comprises of Tier 1 capital with no deductions. As a limited license firm the consolidated capital resources requirement is calculated as the total of:

Pillar 1 and Pillar 2 capital, where

Pillar 1 capital is the greatest of:

1. a base capital requirement of Euro 50,000;
2. the sum of market and credit risk requirements; and
3. the Fixed Overhead Requirement (“FOR”).



Pillar 2 capital is calculated by the Firm as representing any additional capital to be maintained against any risks not adequately covered under the requirement in Pillar 1 as part of its ICAAP.

It is the Firm's experience that its capital requirement normally is the FOR, although market and credit risks are reviewed monthly. The Firm applies the standardised approach to credit risk, applying 8% and 1.6%(for cash at bank) to the Firm's risk weighted exposure amounts, consisting mainly of investment management fees due but not paid and cash at bank. The Firm's ICAAP concluded that no additional capital is required in excess of its Pillar 1 capital requirement.

As at the date of this disclosure the Firm's consolidated regulatory capital position is: Capital item	£000
Tier 1 capital: Share Capital and Audited Reserves less Intangible Assets as at 31 December 2013	4,354,531
Total Capital Resources Requirement for 2013	643,596

BIPRU 11.5.18 R – DISCLOSURE ON REMUNERATION

Sanlam International Investments Limited does not have a Remuneration Committee. Remuneration decisions are the responsibility of the Sanlam Investments Human Resources Committee.

The principle terms of reference for the Sanlam Investments Human Resources Committee regarding the Remuneration Code include:

- Determining the framework and policy for remuneration and ensuring it does not encourage undue risk taking.
- Considering and advising on 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. In doing so the Sanlam Investments Human Resources Committee will consider the appropriate mix of salary, discretionary bonus and Long Term Incentive Schemes (LTIP).
- In determining remuneration arrangements, the Sanlam Investments Human Resources Committee will give due regard to best practice and any relevant legal or regulatory requirements including the FCA Remuneration Code.

The variable components of pay, such as bonus and LTIP are totally discretionary. Quantitative information is not given on grounds of individual privacy.



call us 

Investments

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