

**RBS Collective Investment Funds Limited**  
(the **Company**)  
**Remuneration Policy**

## **Introduction**

The Company establishes and applies remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles and Prospectuses of the funds it manages (the **Funds**), with the constitutional document of the Company, nor impair compliance with the Company's duty to act in the best interests of the Funds. This policy and the implementation thereof will be reviewed at least annually.

The following regulations, guidelines and requirements are of relevance to the remuneration policies and practices of the Company:

1. FCA Handbook SYSC 19E: The UCITS Remuneration Code ; and
2. Directive 2014/91/EU (the **UCITS V Directive**); and
3. ESMA's Guidelines on Sound Remuneration Practices under the UCITS Directive and AIFMD (the **ESMA Remuneration Guidelines**),  
  
(together the **Remuneration Rules**).

The purpose of this document is to set out the remuneration policies and describe the remuneration practices for the Company taking into consideration the need to align risks in terms of risk management and exposure to risk and for the policies to be in line with the business strategy, objectives and interests of the Company.

As the nature and range of the Company's activities, its internal organisation and operations are, in the Board's opinion, limited in their nature, scale and complexity, that is, to the business of management of collective investment schemes, this is reflected in the manner in which the Company has addressed certain requirements regarding remuneration set out in the Remuneration Rules. The Board is satisfied that the Company's Remuneration Policy and practices for its Identified Staff are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Funds and are designed to be consistent with the Remuneration Rules.

## **The Company and the Board of Directors**

The Company is a UCITS management company authorised by the Financial Conduct Authority (the **FCA**). Each Director on the Board of Directors of the Company (the **Board**) is appointed pursuant to a letter of appointment with the Company and has been approved by the FCA. The Company has informed the FCA through the authorisation process that it has no employees other than Non-Executive Directors.

### **Appointment of Service Providers**

The Company has delegated certain of its activities to third parties. The Company relies on the remuneration policies and procedures of third parties to ensure that its remuneration structures promote a culture of investor protection and mitigate conflicts of interest.

## **Identified Staff**

The Remuneration Rules apply to:

- categories of staff of the Company, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Funds; and

- Categories of staff of any entities to which investment management activities have been delegated by the Company, whose professional activities have a material impact on the risk profiles of the Funds.

The Company does not have staff or employees other than the Non-Executive Directors. Accordingly, the remuneration requirements only affect the Company in their application to the Board. Pursuant to the letter of appointment between each Director and the Company, those Directors that are remunerated are paid a fixed director's fee based on an expected number of meetings and the work required to oversee the operations of the Company, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors.

The fee payable to each Director is reviewed from time to time, based on the evolution of the Company's activities and the aggregate fees payable are disclosed in the Company's annual audited financial statements.

The Directors do not receive performance based variable remuneration, therefore avoiding any potential conflicts of interest. The Directors do not consider that a performance-related or deferred payment element is appropriate for the remuneration of Directors at this time, consistent with the limited scale and complexity of the Company's activities.

### **Delegates of Investment Management Activities**

The Investment Manager ("IM") has been appointed to carry out certain investment management functions for the Company in relation to the Funds

The IM is subject to regulatory requirements on remuneration that are equally as effective as those applicable under the Remuneration Rules and will either ensure that any sub-investment manager or adviser to whom it delegates its investment management function is either subject to regulatory requirements on remuneration that are equally as effective as the Remuneration Rules, or will be subject to contractual arrangements which ensure compliance by the sub-investment manager or adviser with the Remuneration Rules. These contractual arrangements will cover any payments made to the delegates' identified staff (as defined in the Remuneration Rules) as compensation for the performance of investment management activities delegated to them. Where the IM is subject to equally as effective regulatory requirements on remuneration such as CRD/MiFID, the FCA has confirmed this will be considered sufficient.

### **Requirement for Remuneration Committee**

Given the internal organisation of the Company and considering the size of the Company with the limited nature, scale and complexity of the activities of the Company, it is not considered proportionate for the Company to set up its own Remuneration Committee. The net assets of the Funds, the legal structure of the Company as a UCITS Manager with a Board of Directors and no other employees are factors supporting the view that a Remuneration Committee would not be considered necessary for the Company.

### **Disclosure**

The Company will comply with the disclosure requirements set out in the Remuneration Rules. The total amount of any remuneration for the financial year paid by the Company to its staff, the aggregate amount of remuneration broken down by the relevant categories of employees (i.e. the Non-Executive Directors), a description of how the remuneration has been calculated and any material changes to the Remuneration Policy will be disclosed in the Company's annual audited financial statements.

For a UCITS scheme, managed by the Company, the Prospectus must contain:

- (a) up-to-date details of the Remuneration Policy including, but not limited to:
  - (i) a description of how remuneration and benefits are calculated; and
  - (ii) the identities of persons responsible for awarding the remuneration and benefits, including the composition of the Remuneration Committee, where such a committee exists; or
- (b) a summary of the Remuneration Policy and a statement that:
  - (i) up-to-date details of the matters set out in (a) above are available by means of a website, including a reference to that website; and
  - (ii) a paper copy of that website information will be made available free of charge upon request.

An annual long report of a UCITS scheme managed by the Company must also include (a)

- (i) the total amount of remuneration paid by the Company to its staff for the financial year, split into fixed and variable remuneration;
  - (ii) the number of beneficiaries; and
  - (iii) where relevant, any amount paid directly by the UCITS scheme itself, including any performance fee;
- (b) the aggregate amount of remuneration broken down by categories of Remuneration Code staff;
  - (c) a description of how the remuneration and the benefits have been calculated;
  - (d) the outcome of the reviews of the Remuneration Policy that have taken place, including any irregularities that have occurred; and
  - (e) details of any material changes to the adopted Remuneration Policy since the previous annual long report was prepared.

## **Reporting**

The Board shall receive confirmation from the IM on an annual basis that there has been no material change to its remuneration policies, or if there has been a material change, provide details of those changes to the Board.

## **Appropriateness of policy and conflicts of interest**

Given its internal organisation and the limited nature, scale and complexity of the Company's activities, it is considered that the policies described in this document are appropriate for the Company. Together with the Company's Conflicts of Interest Policy, the Board considers that there are suitable measures in place to promote effective supervision and risk management.