

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 UK UCITS Remuneration Code;
2. Directive 2014/91/EU (the **UCITS V Directive**), as implemented in the UK; and
3. ESMA's Guidelines on Sound Remuneration Practices under the UCITS Directive and AIFMD (the **ESMA Remuneration Guidelines**) as implemented in the UK.

(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.

Its internal organisation and operations are, in the Directors' opinion, limited in their nature, scale and complexity, to that appropriate for the business, which is the collective portfolio management of investments. The Company is responsible for certain activities in relation to the Funds, notably investment management, which is outsourced to Coutts & Co (**Coutts**), with support in relation to the oversight of overall operations of the Company provided by NatWest Group functions such as Internal Audit, Financial Control and other functions listed in the Intra-Group Agreement between NatWest Group and the Company. The Board is satisfied that the Company's remuneration policies and practices for the Directors and the Coutts senior management and portfolio management staff whose activities may have a material impact on the risk profile of the Company, 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 in relation to services provided to the Company.

The Company and the Board of Directors

The Company is a UK 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.

Investment Manager

The Company has delegated certain of its activities, including investment management to Coutts. The Company and Coutts are subject to the policies and procedures of NatWest Group to ensure that their remuneration structures safeguard against risk taking, promote a culture of investor protection and mitigate conflicts of interest. The Company is satisfied that Coutts is subject to remuneration requirements which are consistent with those applicable to the Company under the UCITS regime.

Coutts 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 Investment Manager is subject to equally as effective regulatory requirements on remuneration such as CRD/MiFID, the FCA has confirmed this will be considered sufficient.

Identified Staff

The Company's Identified Staff are the internal Directors and Coutts senior management and portfolio management staff. The Company does not have any other staff and the remuneration requirements only affect the Company in their application to the Board. The fixed remuneration of all external Directors is approved by the NatWest Chief Governance Officer and Company Secretary under the Subsidiary Board and Committee Membership Mandatory Procedure. The fee payable to each external Director is reviewed from time to time, based on the evolution of the Company's activities. There is no variable remuneration for each external Director other than the reimbursement of reasonable expenses as agreed with NatWest Group's Financial Control.

Pursuant to the letter of appointment between each internal and/or external Director and the Company, only the external Directors are remunerated by the Company:

Each internal Director provided by NatWest Group does not receive any remuneration from the Company as they are remunerated as staff of NatWest Group. There is a recharge by NatWest Group to the Company for an internal Director;

Each external Director receives 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 consistent with the powers, tasks, expertise and responsibility of the Director.

The Directors do not consider that a performance-related or deferred payment element is appropriate for the remuneration of external Directors at this time consistent with the limited scale and complexity of the Company's activities.

NatWest Group Reward Policy is a framework for the design of remuneration programmes in NatWest Group and shall apply to those categories of Coutts employees, including Coutts senior management and portfolio management staff, investment managers, risk takers and other NatWest functions such as Internal Audit and Financial Control whose professional activities have a material impact on the risk profiles of the funds. All NatWest Group staff incorporate rigorous Key Results Areas (KRAs) such as Customer, Risk and Control, People, Financial and Business Delivery as part of their performance and reviews, they are not incentivised to take risk, product decisions are managed against risk benchmarks and the Investment Team manage funds within agreed risk and return tolerances to achieve the Investment Objectives of the funds. The Company is satisfied that NatWest Group is subject to remuneration requirements which are consistent with those applicable to the Company as a UK UCITS.

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 UK 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 UK 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 UK 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 UK 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 current remuneration policy of Coutts is requested by the Oversight team as part of its annual oversight visit on Coutts. 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. . The Remuneration Policy shall be reviewed at least annually.

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.