

REMUNERATION





INTRODUCTION

Equity Trustees Fund Services (Ireland) Limited (ETFSIL) has put in place a remuneration policy (the "Remuneration Policy") that is in accordance with the following requirements :

- Regulation 24A of the UCITS Regulations (as imposed by Regulation 5 of the UCITS V Regulations;
- Regulation 95A of the Central Bank UCITS Regulations (as imposed by Regulation 2(e) of the Central Bank UCITS [Amendment] Regulations 2016)
- Schedule 2 of the AIFM Regulations;
- the provisions on remuneration in Articles 13 and 22(2)(e) and (f) of, and Annex II to, the AIFMD; and
- The Guidelines on sound remuneration policies under the UCITS Directive and AIFMD [ESMA/216/411]; Guidelines on sound remuneration policies under the UCITS Directive [ESMA/2016/575] and Guidelines on sound remuneration policies under AIFMD [ESMA/2016/579] as issued by ESMA (jointly the "Guidelines").

The Remuneration Policy is designed to ensure that ETFSIL remuneration practices are consistent with and promote sound and effective risk management, does not encourage risk taking and is consistent with the risk profile of the Funds.

ETFSIL considers the Remuneration Policy to be appropriate for the size, nature, scale and complexity of the Funds and in line with the risk profile, risk appetite and strategy of the Funds. **Proportionality provides for the disapplication of some requirements if reconcilable with the risk profile, risk appetite and the strategy of the firm and the CIUs it manages and if within the limits set by the Guidelines.**

The policy includes:

- promoting sound and effective risk management
- discouraging risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Fund
- aligning business strategy, objectives and ETFSIL values
- aligned to the interests of the investors, and including measures to avoid conflicts of interest
- capturing fixed and variable components of remuneration
- not rewarding failure

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the "identified staff".

Identified Staff means:

- Executive and non-executive members of the governing body of ETFSIL, such as, executive and non-executive directors
- Senior management
- Control functions
- Staff responsible for heading the portfolio management, administration, marketing, human resources
- Other risk takers whose professional activities have a material impact on the firm's risk profile
- any employee in the same remuneration bracket as senior management and risk takers



When delegating portfolio management or risk management, ETFSIL requires that:

- The entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements on Remuneration that are equally as effective as those applicable under the AIFMD and UCITS Guidelines; or
- Appropriate contractual arrangements are put in place in order to ensure that there is no circumvention of the Remuneration rules. These contractual arrangements should cover any payments made to the delegates' identified staff as compensation for the performance of portfolio or risk management activities on behalf of ETFSIL.

The Board ETFSIL, acting in their supervisory function, are responsible for establishing and applying a remuneration policy in line with Annex II of the AIFMD and Article 14a of Directive 2014/91/EU (amending Directive 2009/65/EC) (UCITS V) periodically reviewing the general principles of this remuneration policy and are ultimately responsible for its implementation. The implementation of the remuneration policy is, , subject to review for compliance, at least annually, with policies and procedures for remuneration adopted by the firm.

In respect of any investment management delegates, ETFSIL requires that:(i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's (ESMA's) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD / Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines.

A paper copy of the remuneration policy may be obtained free of charge on request from the Company.

ETFS is authorised and regulated by the Financial Conduct Authority and is entered on the register under reference 227807. The FCA's address is 12 Endeavour Square, London, E20 1JN. Registered in England number 04856420. Registered office: Bow House, 1A Bow Lane, London, EC4M 9EE

