

RBS Collective Investment Funds Limited

(the **Company**)

Remuneration Policy

18 September 2016

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 19B: The Alternative Investment Fund Manager (AIFM) Remuneration Code ; and
2. FCA Handbook SYSC 19E: The UCITS Remuneration Code ; and
3. Directive 2014/91/EU (the **UCITS V Directive**); and
4. 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 and AIF 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.

Appointment of Service Providers

The Company has delegated certain of its activities, including investment management functions, to various entities (the **Investment Managers**). The Company relies on the remuneration policies and procedures of each of these delegates to ensure that their 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 above individuals collectively known as **Identified Staff**).

Delegates of Investment Management Activities

The Investment Managers have been appointed to carry out certain investment management functions for the Company in relation to the Funds

The Investment Managers are 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 Investment Managers are 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 and AIF 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 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:

- up-to-date details of the Remuneration Policy including, but not limited to:
 - a description of how remuneration and benefits are calculated; and
 - the identities of persons responsible for awarding the remuneration and benefits, including the composition of the Remuneration Committee, where such a committee exists; or
- a summary of the Remuneration Policy and a statement that:
 - 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
 - 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)

- the total amount of remuneration paid by the Company to its staff for the financial year, split into fixed and variable remuneration;
 - the number of beneficiaries; and
 - where relevant, any amount paid directly by the UCITS scheme itself, including any performance fee;
- the aggregate amount of remuneration broken down by categories of Remuneration Code staff;
 - a description of how the remuneration and the benefits have been calculated;
 - the outcome of the reviews of the Remuneration Policy that have taken place, including any irregularities that have occurred; and
 - 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 Investment Managers on an annual basis that there has been no material change to their 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.