

REMUNERATION POLICY OF NEDGROUP INVESTMENTS FUNDS PLC

Nedgroup Investments Funds plc (the "Company") adopts the following remuneration policy (the "Remuneration Policy") for persons determined below

The Company is an investment company with variable capital incorporated in Ireland and authorised as an undertaking for collective investment in transferable securities with segregated liability between its funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) UCITS Regulations 2011 as amended by the Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment In Transferable Securities) Regulations 2015 ("**Regulations**") as may be amended, supplemented or consolidated from time to time.

The Company has not appointed an external Management Company and therefore as a self-managed fund, the directors of the Company are directly responsible for the operating and organisational requirements of the Regulations as well as ensuring that the Company meets the requirements of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and related guidance issued thereunder ("**Central Bank Regulations**").

The provisions of this Remuneration Policy apply only to "Identified Staff". Pursuant to the term as defined in the Regulations "Identified Staff are staff members who have a material impact on the Company's risk profile, defined as follows:

"categories of staff, including senior management, risk takers, Control Functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the Company's risk profile and categories of staff of the entity to which investment management activities have been delegated by the Company, whose professional activities have a material impact on the risk profiles of the Company."

For the above purposes, "**Control Functions**" means:

"staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within the Company (e.g. the CFO to the extent that he/she is responsible for the preparation of the financial statements)."

For the above purposes, "**remuneration bracket**" means:

"the range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories."

1. Determination of Identified Staff

"Identified Staff" for the purposes of the Remuneration Policy are any members of the Board of Directors of the Company;

The Money Laundering Reporting Officer and Company Secretary of the Company are not considered Identified Staff and do not receive any form of Remuneration in connection with the carrying out of such functions.

It should be noted that the inclusions of any additional persons shall relate specifically to their role within the Company and their remuneration (if any) received directly from the Company and shall not affect any other role or remuneration such persons may otherwise receive from entities connected with the Company, delegates of the Company or otherwise

2. Proportionality

The Company is self-managed and in preparing this Remuneration Policy, the Company has made an assessment of the nature, scale and complexity of its business in line with the Regulations. The Remuneration Policy complies with the Principles in a manner which is proportionate to the size of the Company and of the sub-funds it manages ("**Funds**"), its internal organisation and the nature, scope, complexity of its activities.

3. Principles of the Remuneration Policy

- (a) The Remuneration Policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the relevant Fund;
- (b) The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the Funds and includes measures to avoid conflicts of interest;
- (c) The Board is responsible for the implementation of the Remuneration Policy and will review it at least once per year; and
- (d) Identified staff engaged in control functions receive a fixed fee irrespective of the achievement of the objective linked to their functions;

4. Determination of the components of the Remuneration

The total annual remuneration of each member of Identified Staff comprises fixed remuneration under the form of a directorship fee ("**Fixed Remuneration**") as disclosed in the Prospectus of the Company. The Company does not intend to offer performance related remuneration to its Identified Staff. However, in the event that they Company decides to offer performance related remuneration in the future it will adhere to the Remuneration Policy as set out herein and the requirements of the Regulations.

The members of the Board of Directors who carry out pre-approved control functions will not receive any additional fixed or variable remuneration in connection with their work as Board members.

The Company does not make contributions towards pensions or any other benefits.

SCOPE OF THE REMUNERATION POLICY AND APPLICATION OF THE PRINCIPLES

5. Proportionality

Regulation 24B(1) of the UCITS Regulations states that UCITS management companies (and as above, by incorporation self-managed UCITS such as the Company) shall comply with the UCITS remuneration principles "in a manner and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities."

While it is noted that the Guidelines do not expressly provide for the disapplication of certain UCITS remuneration principles on the grounds of proportionality, this is not expressly prohibited either. Indeed, ESMA indicated, in a letter to the European Commission on this issue¹, that

"there might be cases where the application of the payout process rules to the staff of the delegate would not be proportionate and would not achieve the outcome of aligning the delegates' staff interests with those of the investors in the UCITS."

In the absence of further guidance or legal clarification from the European Commission, ESMA or the Central Bank, it is noted by the Company that an applicable delegate may determine to disapply certain aspects of the principles on the grounds of proportionality, based on the criteria outlined in the Guidelines on (i) size, (ii) internal organisation and (iii) nature, scope and complexity of the relevant delegate's business.

Factors that the relevant delegate may consider in arriving at such a conclusion may include the size of the delegate's balance sheet, the proportionate value of UCITS assets managed relative to non-UCITS assets managed (and resultant UCITS/non-UCITS revenue generated) and therefore whether the UCITS assets managed by the relevant delegate are not *"potentially systemically important (e.g. in terms of total assets under management)"*²

This approach will be reviewed and reassessed, as necessary for subsequent financial periods following the issuance of any further regulatory guidance or legal clarification that conflicts with this current position.

6. Delegates

The Company has the facility to appoint delegates to carry out investment management functions (including risk management) on its behalf.

In accordance with the Regulations, the Company will seek to ensure that affected delegates (i.e. those entities to which investment activities have been delegated) are subject to regulatory requirements on remuneration that are "equally as effective" as those applicable under the Regulations or that appropriate contractual agreements are in place to ensure that the delegation arrangements do not circumvent the remuneration requirements contained in the Guidelines.

7. "Equally as Effective" Regimes

Pursuant to the Guidelines, the UCITS remuneration principles are not required to be applied to delegates performing investment management functions when such delegates are subject to regulatory requirements on remuneration that are *"equally as effective"* as the UCITS remuneration principles.

It is noted that the Guidelines provide that entities that are subject to the remuneration rules under AIFMD or CRD IV (Directive 2013/36/EU) can be considered to meet this condition.

Based on prior guidance issued by the Central Bank on the corresponding and identical requirement in the context of the AIFMD remuneration principles and in the absence of further specific guidance or legal clarification from the European Commission, ESMA or the Central Bank in the context of the UCITS remuneration requirements, the Company considers that certain categories of delegate entities also meet this condition based on adequate contractual arrangements in place.

8. Review and amendments of the Remuneration Policy

The Remuneration Policy is reviewed by the Board at least once per year.

- In reviewing the Remuneration Policy, the Board will consider whether the overall remuneration system:

¹[https://www.esma.europa.eu/sites/default/files/library/2016-](https://www.esma.europa.eu/sites/default/files/library/2016-412_letter_to_european_commission_european_council_and_european_parliament_on_the_proportionality_principle_and_remuneration_rules_in_the_financial_sector.pdf)

[412_letter_to_european_commission_european_council_and_european_parliament_on_the_proportionality_principle_and_remuneration_rules_in_the_financial_sector.pdf](https://www.esma.europa.eu/sites/default/files/library/2016-412_letter_to_european_commission_european_council_and_european_parliament_on_the_proportionality_principle_and_remuneration_rules_in_the_financial_sector.pdf)

² Paragraph 25 of the Guidelines; guidance on the "size" criteria for proportionality purposes.

- operates as intended (in particular, that all agreed plans/programmes are being covered; that the remuneration pay-outs are appropriate and that the risk profile, long-term objectives and goals of the Company are adequately reflected); and
- is compliant with national and international regulations, principles and standards.
- Any amendment of the Remuneration Policy requires:
 - First, an assessment of the amendment by the designated director responsible for risk management in light of the principles of the Remuneration Policy; and
 - approval of the Board taken by a simple majority of those directors present or represented at the relevant meeting;

9. Disclosure

The Company discloses, without prejudice to confidentiality and data protection provisions, relevant information on the Remuneration Policy in its annual report, Prospectus and Key Information Documentation.

The Remuneration Policy will be available to the Identified Staff of the Company and the information disclosed to the Identified Staff should be at least that which is disclosed externally as part of the annual report.