

Close Brothers Asset Management (UK) Limited Remuneration Policy (UCITS V and AIFMD)

1 June 2017

Introduction

Close Asset Management (UK) Limited (“CAM(UK)L”) is a private limited company incorporated in England and Wales on 6 December 1994 with registered number 2998803. The ultimate holding company of the Manager is Close Brothers Group plc, a company incorporated in England and Wales on 3 June 1953 with registered number 520241. The registered office (and head office) of the CAM(UK)L is at 10 Crown Place, London EC2A 4FT and its business address is 10 Exchange Square, Primrose Street, London EC2A 2BY. CAM(UK)L is supervised by the Financial Conduct Authority (“FCA”).

CAM(UK)L acts as the authorised fund manager of the following UK authorised investment funds:

- Close Discretionary Funds
- Close FTSE TechMARK Fund

and as authorised corporate director of the following UK authorised investment fund

- Winchester Fund

and the Alternative Investment Fund Manager for the following Non-UCITS Retail Scheme:

- Close Strategic Alpha Fund

CAM(UK)L has approved and adopted this UCITS V Remuneration Policy Statement (the UCITS V Remuneration Policy Statement) in conjunction with the remuneration policy of the Close Brothers Group plc (“Close”) (the Group Remuneration Policy). The Close policy can be found at www.closebrothers.com

CAM(UK)L believes the UCITS V Remuneration Policy Statement is:

1. consistent with the UCITS Remuneration Code;
2. is consistent with, and promotes sound and effective risk management;
3. does not encourage risk-taking which is inconsistent with the risk profiles or the instruments constituting the UCITS or the prospectuses of the UCITS managed by the Company (the “Funds”); and
4. does not impair compliance of our duty to act in the best interests of each of the Funds and its shareholders.

CAM(UK)L believes that rewarding staff for their contribution is key to recruiting and retaining a talented workforce.

This Remuneration Policy is subject to regular review and will be updated when required. The Remuneration Policy is available free of charge at the registered office of CAM(UK)L.

UCITS Identified Staff

Staff considered UCITS Identified Staff are those categories of staff whose professional activities have a material impact on the risk profiles of CAM(UK)L or the Funds that CAM(UK)L manages.

UCITS identified staff will include:

- Senior Management;
- Risk takers;
- Staff engaged in control functions; and
- Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, and whose professional activities have a material impact on the risk profiles of CAM(UK)L or the Funds that CAM(UK)L manages.

Control Functions

Employees engaged in control functions, (e.g. Risk, Compliance and Internal Audit) have functional line management structures outside of the business units they oversee, thus ensuring independence.

The Internal Audit function evaluates the finance risk, control framework, business strategy and operating models independently. The Head of Internal Audit reports directly to the Audit Committee Chairman. The Audit Committee Chairman approves the Head of Internal Audit's remuneration and appraisals. The Group Chief Risk Officer has a reporting line to the Close Group Board Risk Committee.

The Close Risk Committee has ultimate responsibility for the policy and its implementation including identification of senior staff, risk management and compliance functions (i.e. those in control functions). UCITS Identified Staff (which includes control staff) are subject to the Group Remuneration Policy. Control functions' variable compensation is determined on the achievement of meeting their own functional objectives as set in their annual appraisal.

Application

The UCITS V Directive applies to the first full performance period after 1 January 2017. The remuneration performance year runs from 1 August until 31 July, therefore, the first full performance year will commence on 1 August 2017.

Remuneration covered by the UCITS V Directive shall apply to all fixed and variable components of remuneration, including salaries and discretionary payments.

The UCITS remuneration principles apply to:

- any benefit of any type paid by the Company;
- any amount paid directly by the UCITS itself, including performance fees, for the benefit of UCITS Identified Staff; and
- any transfer of units or shares of the UCITS made for the benefit of UCITS Identified Staff.

Regulatory Classification

In the UK CAM(UK)L is subject to the UCITS Remuneration Code and the AIFMD Remuneration Code, as well as the application of AIFMD and UCITS in the UK.