

Close Asset Management (UK) Limited Remuneration Policy

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 CAM(UK)L 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 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 authorised and regulated by the Financial Conduct Authority (“FCA”).

CAM(UK)L acts as the Authorised Fund Manager of the following UK authorised investment funds (the “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 Remuneration Policy (the “Policy”) in conjunction with the remuneration policy of the Close Brothers Group plc (“Close”) which can be found at www.closebrothers.com

CAM(UK)L believes the Policy is:

1. appropriate to the size, internal operations, nature, scale and complexity of the Funds and in line with the risk profile, risk appetite and the strategy of those Funds;
2. is consistent with the remuneration requirements of UCITS (Undertaking for Collective Investment in Transferable Securities) and AIFMD (Alternative Investment Fund Managers Directive);
3. is consistent with, and promotes sound and effective risk management;
4. does not encourage risk-taking which is inconsistent with the risk profiles or the instruments constituting the Funds or the prospectuses of the Funds managed by CAM(UK)L; and
5. does not impair compliance with CAM(UK)L's duty to act in the best interests of each of the Funds and its investors.

IDENTIFIED STAFF

The Policy will apply to the fixed and variable (if any) remuneration, including salaries and pension benefits, received by the identified Remuneration Code staff. 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 operates.

CONFLICTS OF INTEREST

The Policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times. Any assessment for awarding financial remuneration, other benefits and career progression is clearly linked to performance criteria that encourage Identified Staff to act in the best interests of clients.

Furthermore:

- The appraisal and remuneration processes ensure that the performance management of Identified Staff is based on the objectives and activities of the function and individual;
- No individual is involved in final decisions relating to their own remuneration;
- No reward is made for individual transactions;
- Remuneration is not made based on short term investment performance;
- Control functions input into the design and review of remuneration arrangements as appropriate to ensure that they are aligned with sound risk management;
- The Remuneration Committee provides independent recommendations on remuneration; and
- CAM(UK)L regularly reviews potential and actual conflicts and maintains an up to date conflicts of interest register.

GOVERNANCE

The responsibility for determining the reward practices for entities within Close Brothers, including CAM(UK)L, lies with the Remuneration Committee which is made up of Non-Executive Directors and advised by independent remuneration consultants. The wider employee remuneration structure aims to:

- attract, motivate and retain high calibre employees across the company;
- reward good performance;
- promote the achievement of the company's annual plans and its longer-term strategic objectives;
- align the interests of employees with those of all key stakeholders, in particular customers, clients and shareholders, as well as other key stakeholders including regulators; and
- support good risk management procedures and a positive client conduct culture.

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.

Internal Audit provides independent assurance on:

- first and second lines of defence;
- appropriateness/effectiveness of internal controls; and
- effectiveness of policy implementation.

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 Risk and Compliance Committee has responsibility for the Policy and its implementation including identification of senior staff, risk management and compliance functions (i.e. those in control functions). 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.

REMUNERATION PRACTICE

All employees are remunerated with an annual fixed salary and variable payments, which may be a greater proportion of total compensation than fixed salary. Variable remuneration is performance related and based on a combination of the individual's performance and the overall results of the CAM(UK)L.

- Employees have individual performance objectives against which their personal performance is rated.
- These objectives cover both financial and non-financial measures, including a risk and compliance objective appropriate to their role.
- Assessment is based on current key performance indicators as well as long term actions where appropriate.
- The measurement of performance used to calculate variable remuneration components includes the ability to adjust awards to integrate all relevant types of current and future risks.
- Close Brothers operates a rating approach to performance and these ratings then feed the remuneration recommendations for all employees. There is a challenge process, which includes input from senior management and HR, Risk and Compliance.
- Guaranteed variable remuneration is an exceptional occurrence in the context of hiring new staff and is limited to the first year of engagement.
- Any payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.
- Employees are prohibited from using personal hedging strategies which could undermine the risk alignment effects embedded in their remuneration arrangements.
- Variable remuneration is not paid through any special vehicles which could be interpreted as attempting to avoid the requirements of the UCITS or AIFMD.
- The structure of the remuneration packages for Identified Staff is designed to be in line with CAM(UK)L's business strategy, take account of any conflicts of interest and designed so they do not encourage excessive risk taking.

A full description of the remuneration schemes and the Remuneration Committee are contained in the Close Annual Report and Accounts, a copy of which is available at www.closebrothers.com

REVIEW

This Policy is reviewed at least annually and will be updated when required.

Close Brothers Asset Management is a trading name of Close Asset Management Limited (Registered number: 01644127) and Close Asset Management (UK) Limited (Registered number: 02998803). Both companies are part of the Close Brothers Group plc group of companies, are registered in England and Wales and are authorised and regulated by the Financial Conduct Authority. Registered office: 10 Crown Place, London EC2A 4FT. VAT registration number: 245 5013 86.