

Remuneration Policy

City Financial Global Strategies Plc

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Prepared by:	Compliance
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1 BACKGROUND

City Financial Global Strategies plc (“the Company”) has established a remuneration policy in accordance with the requirements of the UCITS Regulations, which transpose Directive 2009/65/EC as amended into Irish law (“the UCITS Directive”), and Guidelines on Sound Remuneration Policies under the UCITS Directive, ESMA 2016/575, (the “ESMA Guidelines”).

2 OBJECTIVE

The objective of the remuneration requirements is to ensure common, uniform and consistent application of the provisions on remuneration in UCITS V, to ensure that practices do not encourage risk taking which is inconsistent with the risk profiles of the fund rules which govern the relevant UCITS and to act in the best interest of clients and to develop, implement and maintain a culture of ensuring the client’s best interests are met.

This Policy together with an implementation process and ongoing monitoring is a tool which the Company uses to implement and comply with best practice and to eliminate and mitigate against behaviours which could lead to failure to act in the client’s best interest.

3 GOVERNANCE

The Board of Directors and in particular the Company’s non-executive directors, who have expertise in risk management and remuneration, will have overall responsibility for the Policy. The design and implementation of the Policy shall be the responsibility of the Board of Directors and shall include input from the relevant senior management of the Investment Manager and the Designated Persons.

The Board of Directors shall review and approve the Remuneration Policy at least annually or more frequently where required.

The Non-Executive members of the Board of Directors receive a fixed fee set at industry standard. In addition, Non-Executive members will be re-imbursed for appropriate expenses associated with their role as outlined in each Director’s Letter of Engagement.

4 IDENTIFIED STAFF

The UCITS Regulations require that the Policy apply to certain “Identified Staff” including but not limited to:

- Senior management of the UCITS
- Risk takers – staff who can exert material influence on the UCITS
- Those in control functions: Operations, HR, Compliance, Finance where applicable
- Staff whose total remuneration takes them into the bracket of senior management and risk takers, whose professional activities have a material impact on the UCITS risk position and
- Categories of staff of the entities to which portfolio management or risk management activities have been delegated and whose professional activities have a material impact on the UCITS risk position.

5 FORMS OF REMUNERATION

UCITS V and the ESMA Guidelines define the forms of payments or benefits which fall within the category of Remuneration to include:

- All forms of payments or benefits paid by the ManCo
- Any amount paid by the UCITS itself including performance fees
- Any transfer of units or shares of the UCITS
- Payments paid directly by the UCITS for the benefit of the relevant categories of identified staff for services rendered
- Variable and fixed portions of remuneration
- Cash, shares, options, pension benefits, mobile phone, health insurance
- Retention bonus
- Golden Parachute payments /termination payments
- Remuneration paid by the UCITS

6 PROPORTIONALITY

UCITS V allows the application of the proportionality principle as required for the Capital Requirements Directive (“CRD”) in a way and to an extent that is appropriate to their size, nature, internal organisation, scope and complexity. On an exceptional basis proportionality may lead to the disapplication of certain requirements including:

- Formation of a remuneration committee
- The remuneration pay-out process

The Company will not automatically trigger disapplication but shall internally assess on an annual basis whether the disapplication can be applied.

In assessing proportionality, the Company will consider the following:

- Size
- AUM
- Number of staff
- Liabilities of the Company
- Number of branches
- Risk appetite
- Listed
- Where aggregate set of UCITS leads the UCITS to become more complex or systemically important
- Nature Scope and complexity
- Authorisation in place
- Investment policies and strategies managed
- National or cross border/EU vs Non-EU
- Management of multiple product types
- Identified staff
- Percentage of variable vs fixed remuneration
- Size of obligations they may undertake

7 ASSESSMENT

The Company is a UCITS Self Managed Investment Company and has 3 sub-funds under management.

The Company’s investment objectives and activities are set out in its Prospectus and are considered by the Board of Directors to be non-complex.

The Company operates a delegated model and as such has no employees. As at 31 October 2016 the Company had AUM of £141,505,435.

The Company has determined that the Board of Directors and the Designated Persons fall within the scope of the requirements. As both receive only fixed remuneration thus removing any conflicts of interest, the remuneration rules will not apply. Having considered the criteria set out in Section 6, Proportionality, and having regard to the UCITS Regulations, the Board of Directors is satisfied that it may disapply the requirement to have a Remuneration Committee in place and may disapply the pay out process in full.

8 DELEGATION

In accordance with paragraph 16 of the ESMA Guidelines the Company will ensure that (a) the Identified Staff of any investment manager appointed by it to discharge investment management functions (including risk management) are subject to regulatory requirements on remuneration which are equally as effective as those applicable under the ESMA Guidelines or (b) have in place documented contractual arrangements in order to ensure that there is no circumvention of the remuneration rules set down in the ESMA Guidelines.

9 MONITORING

The Board will review the Policy and the implementation of procedures on an annual basis for the Company. The annual review of the Policy is intended to ensure the effectiveness of the Policy and the effectiveness of any policy and arrangements in place with any of the Company’s delegates. The annual review will also consider the implementation of the Policy for compliance with requirements. Additionally, the Board will request at least annual assurance from relevant delegates that the remuneration arrangements in place within the delegates Company are equivalent and that the implementation of the

remuneration arrangements is in compliance with requirements. In order to avoid conflicts of interest monitoring should not be carried out by an individual subject to the same scheme.

10 DISCLOSURE

The Company will comply with the disclosure requirements set out in the UCITS Regulations to include Annual Reports, KIIDs, Prospectus and Policy Statement.

Any Identified Staff shall be informed of the criteria associated with variable remuneration.

11 EFFECTIVE DATE

The Company put in place a Remuneration Policy, as required by UCITS V, by March 18, 2016. The ESMA Guidelines apply from 1 January 2017 and the rules on variable remuneration apply for the calculation of payments relating to new awards of variable remuneration to identified staff for the first full performance period after 1 January 2017.