

Davy Global Fund Management

Remuneration Policy

July 2021

Table of contents

	page
Definitions	3
1. Summary of the Davy Global Fund Management Remuneration Policy	4
2. Purpose	4
3. Remuneration Committee	4
4. Governance and Design	4
5. Conflicts of Interest	4
6. Remuneration Structure	4
7. Standards	5
8. Categories of employees	5
9. Application of Malus & Clawback	6
10. Circumvention	6
11. Review	6

Definitions

AIFMD	The Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.
AIFMD remuneration guidelines	ESMA's Guidelines on sound Remuneration Policies under AIFMD (ESMA 2013/201) 2016/579.
AIFM	Alternative Investment Fund Manager.
ESMA	The European Securities and Markets Authority.
Identified Staff (AIFMD remuneration guidelines)	Categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM's risk profile or the risk profiles of the AIF that it manages and categories of staff of the entity(ies) to which portfolio management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages.
Identified Staff (UCITS remuneration guidelines)	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 management company's risk profile or the risk profiles of the UCITS that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company, whose professional activities have a material impact on the risk profiles of the UCITS that the management company manages.
UCITS & AIFMD remuneration guidelines	ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD 2016/411.
UCITS Regulations	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. 420 2015) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (S.I. No. 307 2016).
Identified Staff (UCITS remuneration guidelines)	All forms of payments or benefits provided directly or indirectly by firms to relevant persons in the provision of investment and/or ancillary services to clients. It can be either financial (such as cash, shares, options, cancellations of loans to relevant persons at dismissal, pension contributions, remuneration by third parties e.g. through carried interest models, wage increases) or non-financial (such as career progression, health insurance, discounts or special allowances for car or mobile phone, generous expense accounts, seminars in exotic destinations, etc.).

1. Summary of the Davy Global Fund Management Remuneration Policy

Davy Global Fund Management Limited ('DGFM') has in place a Remuneration Policy (the 'DGFM Policy'). The DGFM Policy has been drafted taking into consideration the AIFMD and UCITS remuneration guidelines.

2. Purpose

The aim of the DGFM Policy is to ensure that employees receive fair consistent, competitive and equitable rewards while ensuring compliance with all relevant employment legislation and regulation. In addition, the DGFM Policy aims to ensure that reward and incentives encourage all employees to act in the best interests of clients and promote effective risk management.

The DGFM Policy reflects the objectives for good corporate governance as well as sustained long-term value for all stakeholders. It aims to ensure that:

- DGFM is able to attract, develop and retain high performing and motivated employees in a competitive market;
- Employees are offered a competitive remuneration package; and
- Employees are encouraged to create sustainable results in the best interests of our clients.

3. Remuneration Committee

The Davy Group has in place a Remuneration Committee (the 'Committee') which is responsible for completing periodic reviews, which are at least annual, of the principles of the DGFM Policy. The Committee is also responsible for implementation of same. DGFM is part of the Davy Group.

4. Governance and Design

The DGFM Policy complies with the remuneration principles in a way which is proportionate and to the extent that is appropriate to the overall size of DGFM, taking into account the nature, scope, and complexities of the business. The aim of the DGFM Policy is to promote sound and effective risk management in line with the business strategy, objectives, values, and long-term interests of DGFM and of its stakeholders.

DGFM is authorised as an Alternative Investment Fund Manager and a UCITS Man Co and has direct employees. DGFM has also made arrangements for third parties to support and supplement some aspects of the day to day operations. In this regard, DGFM has currently delegated the portfolio management function to third party investment firms that are compliant with the appropriate regulatory requirements.

Staff in entities to which DGFM has delegated activities to are subject to appropriate remuneration regulatory requirements.

5. Conflicts of Interest

The DGFM Policy seeks to prevent conflicts of interest for individuals, teams or the business. Conflicts of interest are dealt with further in Davy's Code of Conduct and the DGFM Conflicts of Interest Policy and are reviewed periodically.

6. Remuneration Structure

Remuneration includes all forms of payments or benefits provided directly or indirectly to employees in exchange for professional services rendered. The Davy Group's remuneration structure includes a number of elements which are set out in the Davy Group Procedure for Assessing Variable Remuneration.

In addition, the UCITS and AIFMD remuneration guidelines apply to "remuneration of any type", whether paid by the DGFM or paid directly by the AIF/UCITS itself in exchange for professional services rendered by the Identified Staff. The UCITS and AIFMD remuneration guidelines provide that remuneration consists of some or all of the below:

- all forms of payments or benefits paid by DGFM;
- any amount paid by the AIF/UCITS itself; and

- any transfer of units or shares of the AIF/UCITS, in exchange for professional services rendered by DGFM Identified Staff if applicable.

7. Standards

The following overarching standards underlie the DGFM Policy:

- Fairness and Consistency: aligned with the mission, values and strategy;
- Is long term in focus;
- Aims to ensure that remuneration is competitive with market rates;
- The fixed component of remuneration represents a sufficiently high proportion of total remuneration for all employees to ensure that a fully flexible and discretionary bonus/share option award policy can operate, including the possibility to pay no variable remuneration component;
- Is consistent with effective risk management including in respect of sustainability risks and does not reward excessive risk exposure including in respect of sustainability risks;
- Performance metrics include quantitative and qualitative criteria such as client satisfaction, compliance, number of complaints and contribution to team effort etc.;
- Deferred reward where appropriate;
- Claw back where appropriate;
- There is no prior entitlement to bonus/ share option award or guaranteed variable remuneration, awards are entirely discretionary.

8. Categories of employees

All employees have been assessed to determine which categories of staff or individual staff member(s), if any, could potentially have a material impact on the risk profile of DGFM or the AIFs/ UCITS that it manages. Should any member of staff be identified as having a material impact on the risk profile of DGFM they will be known as Identified staff. Please refer to the Procedure for Assessing Categories of Staff of DGFM for further information in relation to same. The following general principles apply to all employees:

- Staff engaged in control functions are independent, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of business areas;
- Where a component of an employee's remuneration is performance related the total amount of remuneration is based on a combination of the assessment of the performance of the individual, and of the business unit concerned, and of the overall results of the firm;
- When assessing individual performance, financial and non-financial criteria are taken into account;
- The remuneration of the senior officers in the risk management function is directly overseen by the Remuneration Committee;
- Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year;
- Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on
- variable remuneration components, including the possibility to pay no variable components; and
- The DGFM Policy is consistent with and promotes sound and effective risk management including in respect of

sustainability risks and in the case of AIFs/UCITS does not encourage risk taking including in respect of sustainability risks, which is not consistent with the risk profiles of the AIFs/UCITS.

DGFM seeks to remunerate employees in a manner that supports the Davy Group's Mission, values, business objectives and the long-term interests of all our stakeholders. DGFM aims to remunerate employees in a manner that promotes sound and effective risk management in the conduct of our business.

9. Application of malus and clawback

Malus or clawback arrangements are explicit ex post risk adjustment mechanisms where the DGFM adjusts remuneration of the staff member based on such mechanisms (e.g. by lowering awarded cash remuneration or by reducing the number or value of instruments awarded).

Ex post risk adjustments should always be performance or risk related. They respond to the actual risk outcomes or changes to persisting risks to DGFM, business lines or staff's activities.

Unless otherwise provided, up to 100% of variable pay is subject to malus or clawback arrangements particularly where the employee:

- participated in or was responsible for conduct resulting in significant losses;
- failed to meet appropriate standards of fitness and propriety.
- In addition to the conditions above, DGFM will also conduct an assessment based on the following specific criteria including:
 - evidence of misconduct or serious error by the staff member (e.g. breach of code of conduct);
 - whether the institution subsequently suffers a significant downturn in its financial performance;
 - whether the institution in which the identified staff member works suffers a significant failure of risk management;
 - significant increases in the institution's economic or regulatory capital base; and
 - any regulatory sanctions where the conduct of the staff member contributed to the sanction.

Under no circumstances will an explicit ex post risk adjustment lead to an increase in variable remuneration. Malus and clawback will apply at a minimum for the duration of the deferral period. Where an individual employee has engaged in poor sales related behaviours, the use of a 'claw back' mechanism can be applied. This would mean (a) reducing the current year's potential variable award, and/or (b) reducing deferred but yet unpaid variable awards, and/or (c) future potential awards.

10. Circumvention

DGFM should ensure that variable remuneration is not paid through vehicles or methods which aim at or effectively lead to non-compliance with remuneration requirements for staff. This includes arrangements between DGFM and third parties in which the staff member has a financial or personal interest.

'Circumvention' is the non-compliance with remuneration requirements and takes place if DGFM is not actually meeting the objective and purpose of requirements.

11. Review

The Committee is responsible for completing periodic reviews, which are at least annual, of the principles of the DGFM Policy. The DGFM Policy will be updated as required to ensure full compliance with all relevant legal, fiduciary and regulatory requirements. The DGFM Policy will be updated as required to reflect significant changes in labour market conditions. All changes to this policy will be subject to the approval of the Board of J & E Davy Holdings.

Contact DGFM

If you are a client of Davy Global Fund Management, this communication has been sent to you as part of our service offering. If you are not a client of Davy Global Fund Management, you can opt out of further similar communications at any stage by emailing davygfm@davygfm.com. The Davy Group Privacy Notice can be found at www.davygfm.com.

Dublin Office	Luxembourg Office	London Office	Chicago Office	www.davygfm.com
Davy House 49 Dawson Street Dublin 2 D02 PY05 Ireland +353 1 679 7788	1, Rue Hildegard von Bingen L-1282 Luxembourg G.D. Luxembourg +352 26 49 58 40 98	Dashwood House 69 Old Broad Street London EC2M 1QS United Kingdom +44 207 448 8871	One Lincoln Centre 18 W 140 Butterfield Rd Suite 1535 Chicago IL 60181 +1 630 716 1719	

Davy Global Fund Management Limited, trading as Davy Global Fund Management, is regulated by the Central Bank of Ireland. In the UK, Davy Global Fund Management Limited, trading as Davy Global Fund Management, is deemed authorised and regulated by the Financial Conduct Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. In Luxembourg, Davy Global Fund Management Limited is authorised by the Central Bank of Ireland and is subject to limited regulation by the Commission de Surveillance du Secteur Financier. Details about the extent of our authorisation and regulation by the Financial Conduct Authority and Commission de Surveillance du Secteur Financier are available from us upon request