



# ONE fund management

## Remuneration Policy

**Version: 2021.1.3**  
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## 1 Administration and Version Control

This document forms part of the ONE fund management's suite of policies and procedures.

This document is assigned a version number based on a [YEAR].[MAJOR].[MINOR] system. The first version of this document is assigned the version number '[YEAR].1.0'; with the [YEAR] value being the year of approval following its creation or annual review; the [MAJOR] value representing material changes approved by the issuing body; and the [MINOR] value representing non-material changes approved by a member of the issuing body.

Version	Revised on	Updated by	Effective from	Comment	Approved by
2019.1.1	1.09.2019	TE		First Version	Executive Committee
2019.1.2	10.12.2019	TE	09.12.2019	Minor updates (website, effective date)	Executive Committee
2019.1.3	12.02.2020	KC	09.12.2019	Update layout and logo	Executive Committee
2020.1.1	16.12.2020	KC	16.12.2020	Annual review – no material changes	Executive Committee
2021.1.1	6.03.2021	TE	10.03.2021	Integration of SFDR	Executive Committee
2021.1.2	31.05.2021	TE	03.06.2021	Second Version	Board
2021.1.3	01.10.2021	EJ	02.12.2021	Review of the annual evaluation of Identified Staff	Board

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### 3 Objective of the Policy and Regulatory Scope

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This policy sets out ONE fund management (the "Firm") remuneration process for UCITS and AIFs managed by the Firm. The Firm has designed and implemented this policy (the "Remuneration Policy") in line with the provisions of the European Union (Alternative Investment Fund Managers) Regulations 2013 and the European Commission Delegated Regulation No 231/2013 (together the "AIFM Regulations") and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, consolidated or replaced from time to time (the "UCITS Regulations") (the AIFM Regulations and UCITS Regulations, collectively the "Regulations").

This Remuneration Policy has also been drafted in accordance with the European Securities Markets Authority ("ESMA") Guidelines on Sound Remuneration Policies under the AIFMD (ESMA/2013/232) (the "ESMA AIFMD Guidelines") and the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575) (the "ESMA UCITS Guidelines") (the ESMA AIFMD Guidelines and the ESMA UCITS Guidelines, collectively the "ESMA Guidelines") (the Regulations and the ESMA Guidelines, collectively, the "Remuneration Requirements").

This Remuneration Policy has been prepared in line with the business strategy, objectives, values and interests of the Firm and ensures that the Firm maintains and applies a sound and prudent remuneration process which does not impair compliance with the Firm's duty to act in the best interest of the Funds, identifies and manages any conflicts of interest, promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile of the Firm or the risk profiles and constitutional documents of the Funds. The Policy is in line with the business strategy, objectives, values and interests of the Firm and the Funds it manages or the investors of such Funds.

### 4 Definition of Remuneration

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For the purposes of this Remuneration Policy, remuneration consists of:

- All forms of payments or benefits paid by the Company;
- Any amount paid by a Fund itself, including carried interest (e.g. performance fees);
- Any transfer of units or shares of a Fund

in exchange for professional services rendered by the Identified Staff (as defined below).

All remuneration can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria);
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, shares, share options, cancellation of loans to staff members at dismissal, or pension contributions) or non-monetary benefits (such as discounts, fringe benefits or special allowances for car, mobile phone, etc.).

Ancillary payments or benefits that are part of a general, non-discretionary, Company-wide policy and which pose no incentive effects in terms of risk assumption are excluded from the definition of remuneration.

The Firm ensures that variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the Remuneration Requirements and the Board of the Firm (the "Board") retains the primary responsibility for ensuring that the ultimate goal of having a sound and prudent remuneration policy and structure is not improperly circumvented.

## 5 Definition of Identified Staff

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The Remuneration Policy covers all staff whose professional activities have a material impact on the risk profile of the Firm or of the Funds ("Identified Staff"). Under the ESMA Guidelines, Identified Staff are classified as 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 Firm's risk profile or the risk profiles of the Funds and categories of staff of the entity(ies) to which investment management activities or risk management have been delegated by the Firm, whose professional activities have a material impact on the risk profiles of the Funds.

Based on ESMA Guidelines, the Firm has determined the following persons to be Identified Staff for the purposes of the Remuneration Policy:

- Conducting Officer for Administration of UCIs, Marketing, Valuation and IT function;
- Conducting Officer for Risk management and Accounting function;
- Conducting Officer for Investment management;
- Conducting Officer for Compliance, Claim and complaint handling, AML/CFT;
- Compliance Officer

Where the investment management function is performed by the Firm itself in respect of any Fund, additional members of the investment management function shall also be categorised as Identified Staff, where required and appropriate.

Identified Staff members engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas they control. Objectives are set up each year. Performance and achievement of objectives are assessed by formal annual evaluation, the results of which will determine the remuneration and the level of any discretionary performance bonus.

The "Annual Identified Staff members evaluation procedure" describes the way the annual evaluation is conducted.

All Identified Staff are remunerated as partners or employees of the Firm with a combination of fixed and variable discretionary remuneration where the latter is assessed on the basis of their overall individual contribution to the Firm, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the Funds.

Any performance related payment is assessed in the context of longer term, multi-year performance and designed to not encourage short-term risk taking. The activities of the Identified Staff have no direct bearing on the performance capabilities of the Funds and the performance of the Funds does not directly impact the remuneration of the Identified Staff.

The investment and risk setting exercises of the Firm occur in a collective collegiate framework which prevents any one Identified Staff exerting an inappropriate influence over the risk appetite and investment profile of the Funds.

The Board shall be able to require Identified Staff to repay all or part of the bonuses that have been awarded for performance based on data which was subsequently proven to be fraudulent.

## 6 The Principles Affecting Pay Structure and Risk Alignment

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The Regulations require the Firm to comply with a detailed list of principles when establishing and maintaining its remuneration policies and practices.

The Firm has implemented a remuneration structure whereby the fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration. The measurement of performance used to calculate components or pools of components for variable remuneration includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks. As any variable remuneration portion is fully discretionary, the Firm retains full flexibility in the operation of the flexible remuneration component as it has the possibility to award no variable pay. This means that any variable remuneration is paid only if it is sustainable according to the financial situation of the Firm, as a whole, and justified according to the performance of the Firm and the individual concerned. Where there is subdued or negative performance of the Firm, the award of any variable remuneration will consider the current total compensation of the individual and his/her contribution to the Firm as a whole.

The Firm does not offer guaranteed variable remuneration to any employees or directors. The Firm is mindful that, should it in future offer guaranteed variable remuneration, that this may only be exceptional, occurring only in the context of hiring new staff and limited to the first year.

In light of the limited impact of the remuneration of the Identified Staff on the risk profile of the Funds and the nature of the business of the Firm in its role as a third-party management company, the remuneration structure of the Identified Staff and the delegation of the portfolio management activity, the Firm believes that it is not appropriate for any variable remuneration that is offered to Identified Staff to comprise units or shares of the Funds or equivalent ownership interests. Similarly, the Firm does not deem appropriate that deferral of the variable remuneration policy should be implemented in view of the life cycle and redemption policy of the Funds, as the variable remuneration components are not based on the performance of the Funds and therefore there is no risk of misalignment with the nature of the risks of the Funds.

Where Identified Staff also receive pension benefit arrangements, these arrangements will be in line with the Firm's risk appetite, business strategy, objectives, values and long-term interests including those of the Funds or the investors of such Funds.

The Firm's remuneration framework currently does not provide for payments related to the early termination of a contract. If such payments may be provided in future, the Firm is mindful that such arrangements must be designed to reflect performance achieved over time and in a way that does not reward failure.

Staff are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

In both qualitative or quantitative terms, the Remuneration Policy promotes sound and effective risk management with respect to sustainability risks whereas the structure of remuneration will not encourage excessive risk-taking with respect to sustainability risks and will be linked to risk-adjusted performance.

## 7 Proportionality

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The Remuneration Policy has been drafted in line with the Remuneration Requirements in a way and to an extent deemed appropriate to its size, internal organisation and the nature, scope and complexity of its activities as a third-party management company. Taking into consideration the risk profile, appetite and risk strategy of the Firm and each of the Funds together with a non-exhaustive combination of its size, internal organisation, and the nature, scope and complexity of its activities, together with any other relevant criteria and within the limits of the ESMA Guidelines, the Board has dis-applied the requirements of the ESMA Guidelines in relation to the following:

- variable remuneration in instruments;
- retention;
- deferral; and
- ex post incorporation of risk for variable remuneration (together, with the immediately foregoing bullets points, the "Pay-out Process Rules").

With regard to the ESMA UCITS Guidelines, the Executive Committee notes that these guidelines (unlike the ESMA AIFMD Guidelines) do not offer any guidance as to whether the application of the proportionality principle may enable management companies such as the Firm to dis-apply the specific requirements above, however, in a letter to the European Union law-making institutions published alongside the ESMA UCITS Guidelines (the "ESMA Letter"), ESMA set out its view that it should be possible to dis-apply the Pay-out Process Rules under specific circumstances and that it should also be possible to apply lower thresholds whenever minimum quantitative thresholds are set for the Pay-Out Rules. In the absence of legislative amendment at European level, or clarification at member state level, the Firm has made its own assessment as to the application of the proportionality principle and in doing so has deemed it appropriate to have regard to ESMA's views in the ESMA Letter regarding the circumstances in which the principle of proportionality may be relied upon.

This determination to dis-apply the Pay-out Process Rules will be reviewed regularly by the Executive Committee and at a minimum on an annual basis as part of the overall Remuneration Policy review.

## 8 Committee

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Proportionate with its low organisational complexity, the Firm has established a Remuneration Committee (the "Committee"). The Committee will be in charge of overseeing the implementation of the remuneration policy and exercise competent and independent judgment on remuneration practices and the incentives created by such practices.

The Committee is responsible for assessing, overseeing and reviewing the remuneration arrangements of the Company as well as that of the delegates as relevant, in line with the Remuneration Policy. The Committee will review the Remuneration Policy on a periodic basis. It will also deal with any issues arising in relation to the remuneration frameworks relating to the Firm and the Funds.

## 9 Disclosure

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The Firm will disclose details of its remuneration arrangements through a periodic disclosure in the annual report of the Firm and as part of the public disclosure in the financial statements of the Funds. The Firm will ensure that the disclosure is clear and easily understandable and accessible. Without prejudice to confidentiality and applicable data protection legislation, the Firm will also disclose detailed information regarding its remuneration policies and practices for members of staff whose professional activities have a material impact on the risk profile of the Funds, as well as providing general information about the basic characteristics of the Firm's remuneration policies and practices in line with the Remuneration Requirements. A copy of the Remuneration Policy will also be made available on <https://www.one-gs.com/>.

The investor information documents for each Fund shall also contain the disclosures required under the Remuneration Requirements.

## 10 Delegation of Portfolio Management/Risk Management

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When delegating portfolio management or risk management activities according to the Regulations, the Firm will ensure that:

- the entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines; or
- appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines. These contractual arrangements cover any payments made to the delegates' Identified Staff as compensation for the performance of portfolio or risk management activities on behalf of the Firm and the Funds under the terms of the relevant delegation agreement.

The Firm performs the above assessment as part of its client approval/take on process. The Firm acknowledges that delegates may be able to dis-apply the Pay-out Process Rules or the requirement to establish a remuneration committee under the ESMA Guidelines on the basis of proportionality and details of any such proportionality analysis will be provided by the delegate to the Firm for review. The Firm maintains remuneration details relating to the delegation arrangements for each Fund managed by the Company.

The Executive Committee requires each delegate to provide them with a confirmation on a regular basis that its remuneration policies and practices have not changed over time and no breach of the remuneration policy occurred.

## 11 Review and Implementation

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The Remuneration Policy has been adopted by the Executive Committee which is responsible for its implementation. The Remuneration Policy is subject to at least annual review by the Executive Committee. The Remuneration Policy is not subject to an independent external review.

The day-to-day implementation of the Remuneration Policy has been assigned to the Compliance Officer who is responsible for keeping the Remuneration Policy up to date in light of business and staff changes and in line with applicable regulatory requirements. The Compliance Officer is also responsible for the on-going monitoring of the implementation of and compliance with the Remuneration Policy.