

RATHBONES

RATHBONES ASSET MANAGEMENT UCITS remuneration code

1. Definitions

UCITS Undertakings for Collective Investment in Transferable Securities that are established in accordance with the UCITS Directive.

2. Background

The introduction of the UCITS V legislation requires Rathbones Asset Management to set up a UCITS remuneration code in a similar fashion to the one already in existence to reflect the AIFMD legislation applicable to alternative investment fund managers (AIFMs).

Details of the Code are contained in SYSC 19E of the Handbook.

Rathbones Asset Management is required to establish and apply a remuneration code that is consistent with and will promote effective risk management. The policy must not encourage excessive risk-taking which is inconsistent with the profile of each UCITS or which affect the management company's duty to act in the best interest of the UCITS.

The UCITS remuneration code will apply to those staff working for the management company whose professional activities have a material impact on the risk profiles of the firm or the UCITS under its management (UCITS remuneration code staff).

Proportionality

Rathbones Asset Management must comply with the UCITS remuneration principles in a way and to the extent that it is appropriate to:

- a) Its size.
- b) Internal organisation; and
- c) The nature, scope and complexity of its activities.

In considering proportionality and its application, the existing remuneration arrangements for those staff engaged in the management of funds have been taken into account to ensure equality where strategies and risks are considered similar. Following on from a proportionality review we have based the considerations and detail on the principles that our funds are non-complex and operate in a controlled risk environment.

The UCITS remuneration principles apply to any benefit of any type paid by Rathbones Asset Management.

Rathbones Asset Management must ensure that this remuneration code remains in line with the business strategy, objectives, values and interests of:

- The management company;
- The UCITS managed; and
- The investors in the UCITS; and includes measures to avoid conflicts of interest.

3. Who is covered?

Those professional staff whose activities have a material impact on the risk profiles of the UCITS managed by Rathbones Asset Management. This includes senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same bracket as senior management and risk takers.

4. What is covered?

This code covers all aspects of remuneration inclusive of salaries and bonuses.

Further, it is a requirement that employees engaged in control functions are compensated according to the achievements of their objectives linked to their functions, independent of the performance of the business areas that are within their remit of responsibility.

Remuneration of senior officers in the risk and compliance functions must be overseen by the Remuneration Committee.

5. Assessment of performance

It is a requirement that where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment as to:

- i. The performance of the individual and of the business unit or UCITS concerned; and
- ii. Their risks, including sustainability, and of the overall results of the management company.

When assessing individual performance, financial and non-financial criteria must be taken into account.

The assessment of performance is to set in a multi-year framework appropriate to any holding period recommended to the investors of each UCITS, to ensure that the:

- i. Assessment process is based on the long-term performance of each UCITS and its investment risks; and
- ii. Actual payment of performance-related components of remuneration is spread over the same period. Rathbones Asset Management will ensure that the measurement of performance used to calculate variable remuneration components includes a comprehensive adjustment mechanism where appropriate to integrate all relevant types of current and future risks.

Remuneration and benefits are agreed and awarded by the Rathbones Group Plc Remuneration Committee which operates at a group level.

6. Risk management

This code promotes sound and effective risk management, including sustainability, such that all remuneration is to be set taking into account the discouragement of risk taking inconsistent with the risk profile of each UCITS.

7. Governance and review

This code will be reviewed on an annual basis by way of a central and internal review by Rathbones Asset Management's management, and also subject to the requirements of the Rathbones Group Plc Remuneration Committee.

8. Details of the policy

- i. Each member of staff subject to the Rathbones Asset Management UCITS remuneration code receives both fixed and variable remuneration. The fixed element ('salary') will relate to the type and level of role they undertake and will be subject to review as part of the firm's annual salary review process, where the roles and responsibilities change, or as a result of market forces.
- ii. The ratio between the fixed and variable components of total remuneration shall be appropriately balanced such that the fixed element is a sufficiently high proportion to allow a flexible policy on variable remuneration, allowing the firm to potentially pay no variable component if appropriate and to ensure that members are not reliant on the variable element to achieve a market rate base salary.
- iii. In a situation where there is an early termination of a contract, any payments must reflect performance over time and do not reflect any failure in the role.
- iv. 50% of the variable remuneration consists of share linked instruments relating to the UCITS concerned. The instruments to be subject to a 6-month retention policy.
- v. At least 40% of the variable remuneration element is deferred over a three-year period.

- vi. The total variable remuneration should be contracted where subdued or negative financial performance of Rathbones Asset Management, or of the UCITS are concerned occurs. Current compensation and reductions in payment of amounts previously earned, including through malus or clawback arrangements should be taken into account.

9. Personal investment strategies

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

10. Avoidance

No amount equivalent to any variable remuneration entitlement may be paid through vehicles that facilitate the avoidance of complying with the requirements of the UCITS Remuneration Code.

Version history date:

Version 1. initial draft 16/03/2016

Version 2 30/06/2016

Version 3 31/03/2022

Version 4 28/04/2025

Rathbones Asset Management

30 Gresham Street
London EC2V 7QN
+44 (0)20 7399 0000
Information line:
+44 (0)20 7399 0399
ram@rathbones.com
rathbonesam.com

Rathbones Asset Management Limited is authorised and regulated by the Financial Conduct Authority and a member of The Investment Association. A member of the Rathbones Group Plc. Registered office: 30 Gresham Street, London EC2V 7QN. Registered in England No. 02376568.