Aspect UCITS Funds plc
Remuneration Policy

2 March 2021

1 Introduction

Aspect UCITS Funds plc (the "**Company**") is authorised by the Central Bank as a self-managed investment company pursuant to the UCITS Regulations.

Article 14a of the UCITS Directive (transposed into Irish law pursuant to Regulation 24A (1) of the UCITS Regulations), requires UCITS management companies, "*to establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that they manage nor impair compliance with the management company's duty to act in the best interest of the UCITS*".

Pursuant to Article 14a (4) of the UCITS Directive ESMA has issued guidelines concerning the application of the remuneration principles set out under Article 14b of the UCITS Directive. The Guidelines were applicable from 1 January 2017.

The purpose of this Remuneration Policy is to provide a clear direction and policy regarding the Company's remuneration policies and practices consistent with the principles in the UCITS Regulations.

The board of directors of the Company (the "**Board**") recognises the important role played by sound risk management in protecting the investors in the Company. Moreover, the Board acknowledges that inappropriate remuneration structures could in certain circumstances result in situations whereby individuals assume more risk on the Company's behalf than they would have done had they not been remunerated in this way.

This Remuneration Policy takes into account the nature, scale and complexity of the Company's business. In determining the governance of its remuneration procedures, the Company has given due consideration to the number of sub-funds, the nature of and restrictions placed on the Company and its sub-funds from a regulatory perspective, the type of investments, the investment strategies, the investment location, the distribution model and the investor base. Due consideration has also been given to the resources available to the Company and the resources and expertise of the various third parties engaged to support the Company and carry out certain functions on its behalf.

2 Applicable Regulation

For the purposes of this Remuneration Policy, the following legislative/regulatory references are of particular note:

"**Applicable UCITS Regulation**"	means collectively the UCITS Directive, the UCITS Regulations, the Central Bank UCITS Regulations, as appropriate;
"**Central Bank**"	means the Central Bank of Ireland;
"**Central Bank UCITS Regulations**"	means The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019;
"**ESMA**"	means the European Securities and Markets Authority;
"**Guidelines**"	means ESMA's Guidelines on sound remuneration policies under the UCITS V Directive and Directive 2011/61/EU of the European Parliament and of the Council issued by ESMA (2016/ESMA/575), as amended;
"**Identified Staff**"	shall have the meaning set out in Section 5.2 of this Remuneration Policy;

"**Investment Manager**"	means Aspect Capital Limited;
"**Remuneration Policy**"	means this remuneration policy in respect of the Company;
"**UCITS**"	means an undertaking for collective investment in transferable securities managed by the Company;
"**UCITS Regulations**"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as may be amended from time to time);
"**UCITS Directive**"	means Directive 2009/65/EU of the European Parliament and of the Council as amended by the UCITS V Directive; and
"**UCITS V Directive**"	means Directive 2014/91/EU of the European Parliament and of the Council.

3 Interpretation

In relation to various aspects of this Remuneration Policy where there is any perceived ambiguity or lack of clarity in the Applicable UCITS Regulation and/or the Guidelines, the Company will have regard to any published guidance on the relevant point by ESMA, the Central Bank, or in the absence of any such published guidance, any guidelines issued by another EU national competent authority, as appropriate.

4 Scope of the Remuneration Policy

4.1 Remuneration for UCITS companies

Remuneration consists of salaries, discretionary pension benefits and all other forms of payments or benefits made directly by, or indirectly, but on behalf of the Company, in exchange for professional services rendered by Identified Staff. Pursuant to Article 14b (3) of the UCITS Directive, this remuneration shall include:

(a) all forms of payments or benefits paid by the Company;

(b) any amount paid by a UCITS itself, including performance fees; and

(c) any transfer of units or shares of a UCITS.

For the purpose of item (b) above, whenever payments, excluding reimbursements of costs and expenses, are made directly by a UCITS, including to an Investment Manager, for the benefit of the relevant categories of Identified Staff for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they shall be considered remuneration for the purpose of this Remuneration Policy, save where (per paragraph 14 of the Guidelines, the recipient firm is subject to regulatory requirements on remuneration that are “equally as effective”).

Fixed remuneration means payments or benefits without consideration of any performance criteria.

Variable remuneration means additional payments or benefits depending on performance or, in certain cases, other contractual criteria.

Both fixed and variable components of remuneration may include monetary payments or benefits (such as cash, shares, options, cancellation of loans to staff members at dismissal, pension contributions) or non (directly) 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 pose no incentive effects in terms of risk assumption can be excluded from this definition of remuneration for the purposes of the risk alignment remuneration requirements that are specific to the UCITS Directive.

4.2 Identified Staff

The provisions of this Remuneration Policy only apply to Identified Staff.

"**Identified Staff**" are staff members who have a material impact on the Company's risk profile, defined as follows in Article 14a (3) of the UCITS Directive:

"categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of [a UCITS]"

In addition, the Guidelines further define Identified Staff as follows:

"*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 risk profiles of [a UCITS]... **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 [a UCITS]**".*

For the above purposes, "**control functions**" means:

"*staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within [the Company] (e.g. the CFO to the extent that he/she is responsible for the preparation of the financial statements)*"

For the above purposes, "**remuneration bracket**" means:

"*the range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories*."

Specifically for the Company, Identified Staff may fall into the following categories (as detailed in the Guidelines under Section 6 thereof):

- directors;
- any individuals who report directly to the Board or who head significant business lines;
- staff responsible for control functions;
- other risk takers – being staff members who acting individually or as part of a group can materially influence the risk profile of a UCITS;
- staff whose remuneration takes them into the same bracket as senior managers and risk takers but who don't fall into one of the categories above must be assessed to determine whether they have a material impact on the risk profile of a UCITS.

A list of the Company's Identified Staff is appended herewith (at Schedule 1). It should be noted that the inclusion of persons in Schedule 1 shall relate specifically to their role within the Company and their remuneration (if any) received directly by the Company and shall not affect any remuneration such persons may otherwise receive from entities connected with the Company, delegates of the Company or otherwise.

Any new Identified Staff will be considered by the Board for inclusion on this list when they are appointed or if their role changes. The list will be reviewed by the Board on an annual basis.

5 Scope of the Remuneration Policy and Application of the Principles

5.1 Variable remuneration

Variable remuneration can be an important tool to incentivise Identified Staff. It also gives a company flexibility such that, in years where such company performs poorly, variable remuneration may be reduced or eliminated and the capital of the Company can be preserved. In some circumstances, however, variable remuneration, if inappropriately structured, can lead to excessive risk taking as Identified Staff may be incentivised to keep taking risk to maintain or increase their variable remuneration.

In deciding the mix between fixed and variable remuneration of Identified Staff, the Company is aware of the obligation to ensure that the basic pay of Identified Staff is adequate to remunerate the professional services rendered taking into account, inter alia, the level of education, the degree of seniority, the level and expertise and skills required. Variable remuneration allows a company to reduce the risk that its capital base is eroded due to the need to pay fixed remuneration cost should trading revenues decline. Owing to the nature of the contracts the Company enters into with its Identified Staff, only fixed remuneration is paid. Should the Company decide to pay variable remuneration to Identified Staff, a number of factors are required to be taken into consideration as outlined in Schedule 2.

5.2 Remuneration Committee

The setting up of a remuneration committee should be considered, as a matter of good practice, even by those companies that are not obliged to set up such a committee under Article 14b(4) of the UCITS Directive.

Article 14b(4) of the UCITS Directive applies to "*management companies that are significant in terms of their size or the size of the UCITS they manage, their internal organisation and the nature, the scope and the complexity of their activities*."

The Guidelines provide that: *"when assessing whether or not a management company is significant, a management company should consider the cumulative presence of all the three factors (its size or the size of the UCITS it manages; its internal organisation; and the nature, scope and complexity of its activities). A management company which is significant only with respect to one or two of the three above factors should not be required to set up a remuneration committee."*

The Company is self-managed investment company with a non-complex internal governance structure and, having given due consideration to the number of funds under management, the type of investments, the investment strategies, the investment location and investor base in the assessment of its nature, scope and complexity, the Company has determined that it shall not have a remuneration committee.

6 Sustainability Risks

The Company has determined that sustainability risks are not relevant to its sub-funds on the basis that in light of the investment strategy of the sub-funds, and in particular in light of the quantitative, systematic strategy employed by the Investment Manager on behalf of the sub-funds, the Company considers that ESG events or conditions are unlikely to cause a material negative effect on the returns of the sub-funds.

Consequently, the sustainability risks are not currently integrated into the investment decision making for the sub-funds, and the Company has not assessed the likely impacts of sustainability risks on the returns of the sub-funds.

7 Board Oversight and Updates to this Remuneration Policy

The Board will be responsible for the oversight of compliance with this Remuneration Policy. It will review the appropriateness of the Remuneration Policy periodically and will ensure that it is operating as intended. It will also review the Remuneration Policy to ensure that it continues to be compliant with applicable requirements. The implementation of the Remuneration Policy shall be reviewed by the Board on at least an annual basis and updated as necessary.

Material changes to this Remuneration Policy will be approved by the Board.

8 First Annual Performance Period

The first annual performance period in which the Company included disclosures relating to remuneration in the annual report pursuant to Article 69(3) of the UCITS V Directive (as implemented into Irish law by Regulation 89(3A) of the UCITS Regulations) was the year ending 31 December 2017.

SCHEDULE 1

Identified Staff List

Name	Reason for inclusion	Remuneration received
Teddy Otto	Director	Yes
James Gilbert	Director	No
John Skelly	Director	Yes
Adrian Waters	Director	Yes

SCHEDULE 2

1. Variable Remuneration Considerations

In deciding any variable remuneration to be paid to Identified Staff, the following factors should be taken into consideration:

- the profit that the Company made during the previous year;
- for revenue producing roles, the risk and resource adjusted profit or loss in comparison to the expected profit or loss in addition to the achievement of any specific objectives;
- the resources that were consumed (for example IT, capital, legal and compliance resources);
- for non-revenue producing roles, achievement against objectives and whether the individual exceeded what was expected of them during the year;
- for all roles, compliance by the individual with all relevant compliance and risk requirements and other firm policies and procedures;
- for all roles, the achievement of objectives which are set during the annual review process and updated during the year;
- whether the individual helped to develop new businesses, improved processes, worked in a collegial way and assisted in the training, education and mentoring of other Identified Staff;
- other factors as may be determined from time to time by the Board.

2. Remuneration principles – in compliance with UCITS requirements

It is the responsibility of the Company to assess its own characteristics and to develop and implement remuneration policies and practices which appropriately align the risks faced and provide adequate and effective incentives to its Identified Staff.

When establishing and applying the total remuneration, inclusive of salaries and discretionary pension benefits (if any) for Identified Staff, the Company shall comply with the following general principles in a way and to the extent that is appropriate taking into account its size, internal organisation and the nature, scope and complexity of its activities:

(a) Identified Staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control in order to avoid any conflict of interest;

(b) where 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 function concerned and of the overall results of the Company, and when assessing individual performance, financial as well as non-financial criteria are taken into account;

(c) the assessment of performance is set in a multi-year framework appropriate to the life-cycle of the Company in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the redemption policy of the Company and its investment risks;

(d) guaranteed variable remuneration is exceptional and occurs only in the context of hiring new staff and is limited to the first year;

(e) 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 remuneration component;

(f) 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;

(g) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

(h) subject to the memorandum and articles of association of the Company, a substantial portion, and in any event at least 50% of any variable remuneration consists of shares of the Company, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments;

(i) a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the Company and is correctly aligned with the nature of the risks of the Company. The period referred to in this sub-section shall be at least three years unless the life cycle of the Company is shorter; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount is deferred;

(j) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the business unit, the Company and the individual concerned. The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Company occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;

(k) any pension policy (if such policy is put in place in the future) is in line with the business strategy, objectives, values and long-term interests of the Company. If the pension beneficiary leaves the Company before retirement, discretionary pension benefits, if any, shall be held by the Company for a period of five years in the form of instruments defined in point (h). In the case of a pension beneficiary reaching retirement, discretionary pension benefits, if any, shall be paid to the pension beneficiary in the form of instruments defined in point (h) above, subject to a five year retention period;

(l) Identified 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; and

(m) variable remuneration may not be paid through vehicles or methods that facilitate the avoidance of the requirements of the UCITS Regulations.

3. Pay-out Process Rules Summary

Article 14b of UCITS Directive imposes material restrictions on the payment of variable remuneration to categories of Identified Staff. These so-called "**Pay-out Process Rules**" are outlined in Article 14b (1)(m) – (o) of the UCITS Directive and are summarised below.

Pay-out Process Rules
Subject to exceptions and limitations, the Pay-out Process Rules require that the following restrictions are applied to remuneration of *Identified Staff*: (a) ***substantial portion of bonus in UCITS interests:*** a substantial portion, and in any event at least 50% of any variable remuneration component consists of units or shares in the UCITS concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this paragraph; and

(b) ***payment deferred on a substantial portion of bonus;*** a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the investors of the UCITS concerned and is correctly aligned with the nature of the risks of the UCITS in question. The period referred to in this paragraph shall be at least 3 years unless the holding period recommended to the investors of the UCITS concerned is shorter; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount is deferred; variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the management company as a whole, and justified according to the performance of the business unit, the UCITS and the individual concerned.

4. Application to Delegates

UCITS V remuneration policies and practices should apply, in a proportionate manner, to any third party, such as the Investment Manager, which takes investment decisions that affect the risk profile of the UCITS.

The Company has appointed Aspect Capital Limited as investment manager and as such remuneration principles of this Schedule 2 which apply to the Company under the UCITS Directive, should apply on a "look through" basis to the Investment Manager to avoid circumventions of the remunerations rules by the Company, to the extent that such application is not disproportionate.

Such application of the remuneration requirements to delegates is clearly provided for in the Guidelines (in paragraph 16 thereof), which provide that:

When delegating investment management functions (including risk management) according to Article 13 of the UCITS Directive, where the remuneration rules would otherwise be circumvented, management companies should ensure that:

:

(a) "*the […] [delegates] are subject to regulatory requirements on remuneration that are equally as effective as those applicable under [the Guidelines]; or*

(b) *appropriate contractual arrangements are put in place with […] [delegates] […].*"

Pursuant to paragraph 17 of the Guidelines Aspect Capital Limited can be considered subject to regulatory requirements on remuneration that are equally effective as those applicable under the Guidelines as it is subject to the remuneration rules under Directive 2011/61/EU (AIFMD), and the staff of Aspect Capital Limited who are Identified Staff are subject to the AIFMD rules.