

**Sector Capital Funds plc (the "Company")**  
**Executive Summary – Remuneration Policy**

## **1 Introduction**

The Company has been authorised by the Central Bank of Ireland (the "**Central Bank**") as a self-managed Undertaking for Collective Investment in Transferable Securities ("**UCITS**") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended (the "**UCITS Regulations**").

Regulation 24A of the UCITS Regulations, requires UCITS management companies (and / or self-managed UCITS such as the Company) to, "*establish and apply remuneration policies and practices that (a) are consistent with, and promote, sound and effective risk management, (b) do not encourage risk taking that is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the management company manages, and (c) do not impair compliance with the management company's duty to act in the best interest of the UCITS that it manages.*"

The Company's remuneration policy (the "**Remuneration Policy**") takes into account the nature, scale and complexity of its business consistent with the principles in the UCITS Regulations. Due consideration has been given to the sub-funds within the Company, the type of investments of such sub-funds, the investment strategies of such sub-funds, the investment location, the distribution model and the investor base of such sub-funds. 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.

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

## **2 Scope of Remuneration**

The provisions of the Remuneration Policy only apply to "Identified Staff". Identified Staff are staff members who have a material impact on the Company's risk profile. As the Company is a self-managed UCITS, it does not have any employees and as such its only Identified Staff are its directors.

The directors of the Company are entitled to a fixed remuneration fee for their services to the Company which are at normal commercial rates and are disclosed in the Prospectus of the Company (the "**Prospectus**"). The Company will pay such remuneration out of the assets of each sub-fund.

The directors do not receive performance-based or variable remuneration.

## **3 Delegates**

The Company has appointed delegates to carry out investment management functions (each an "**Investment Manager**") (including risk management) on its behalf. Details of the Investment Managers are set out in the relevant sub-fund supplement.

In accordance with ESMA's Guidelines on sound remuneration policies under the UCITS Directive, applicable from 01 January 2017 (ESMA/2016/575) (the "**Guidelines**"), each Investment Manager is subject to regulatory requirements on remuneration that are "equally as effective" as those applicable under the Guidelines.

#### **4 Remuneration Committee**

Having considered its size, its internal organisation and the nature, scale and complexity of its activities, the Company has determined that it is not required to establish a remuneration committee.

#### **5 Updates to the Remuneration Policy**

The Board is responsible for the oversight of compliance with the Remuneration Policy. It will review the Remuneration Policy to ensure that it continues to be compliant with applicable national and international regulations, principles and standards. The Remuneration Policy shall be reviewed and updated as necessary on at least an annual basis or as and when is required or deemed necessary by the Company.

#### **6 Disclosure**

The most up-to-date comprehensive Remuneration Policy is available in hard copy from [info@sector.no](mailto:info@sector.no).