

RLUM Limited

UCITS summary remuneration policy



RLUM Limited (“the company”)

UCITS summary remuneration policy (the “policy”)

1. Definitions

The following definitions are deemed to apply for the purposes of this Policy:

“AUTM”	Authorised Unit Trust Manager of the Company.
“ESMA Guidelines”	Means the ESMA Guidelines on sound remuneration policies under the UCITS Directive.
“Investment Managers”	Means Royal London Asset Management Limited or any other person or persons for the time being duly appointed investment manager of the Company in succession to Royal London Asset Management Limited in accordance with the requirements of the Financial Conduct Authority and where the Investment Manager has delegated responsibility for the management of all or part of the assets of a sub-fund of the Company, the term Investment Manager shall also refer to the sub-investment manager of that particular sub-fund.
“UCITS”	Means an “Undertaking for Collective Investment in Transferable Securities”.
“UCITS Directive”	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level.

2. Introduction

The AUTM has put in place the policy for the AUTM that is in accordance with the requirements of SYSC 19E of the Senior Management Arrangements, Systems and Controls sourcebook of the Financial Conduct Authority Handbook and is in line with the Royal London Group Remuneration Policy.

The policy is designed to ensure that the AUTM's remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking, ensure it does not impair its duty to act in the interest of the Funds, and are consistent with the risk profile of the UCITS funds that the AUTM manages.

The AUTM considers the policy to be appropriate to the size, internal operations, nature, scale and complexity of the UCITS funds that the AUTM manages and in line with the risk profile, risk appetite and the strategy of those funds.

3. Identified remuneration code staff

Some parts of the policy apply to all employees, and some are only applicable to 'Identified Staff', as defined in the UCITS Directive and the ESMA's Guidelines on Sound Remuneration Policies under the UCITS Directive.

Individuals who have a material impact on the risk profiles of the firm and funds that it manages are classed as 'Identified Staff', including:

- Board members.
- Senior management.
- Heads of control functions.
- Employees whose professional activity, individually or collectively can exert material influence on the risk profile of the firm and the funds it manages.

The list of Identified Staff is compiled by the Group Performance & Reward team, reviewed by the Group Chief Executive Officer, the Group Risk and Capital Committee and approved annually by the Group Remuneration Committee. In both the definition and compilation of the Identified Staff, input will be sought from Group Risk and Compliance and other internal functions as appropriate.

4. Remuneration committee

The Group Remuneration Policy is approved annually by the Group Risk and Capital Committee under delegated authority from the Board of Directors and at the recommendation of the Group Remuneration Committee ("the Committee"). The Committee is responsible for awarding remuneration and is independent of the ACD.

5. Fixed and variable remuneration

Remuneration is made up of fixed pay (base salary, pension, and benefits) and variable pay (short and long-term incentives). In line with the UCITS Remuneration Code, the Committee ensures that the elements of fixed and variable pay are appropriately balanced to ensure there is no over-reliance on variable remuneration. The ACD is therefore able to operate a fully flexible approach to the award of variable remuneration. Decisions about remuneration are made taking into

consideration the long-term interests and sustainability of the firm, the funds it manages and its customers. Measurement of performance includes mechanisms to consider all types of current and future risks, input from the Chief Risk Officer and risk underpins on elements of variable remuneration.

6. Guaranteed Variable Remuneration

Guaranteed bonus awards are only permitted in exceptional circumstances, for one year only and subject to the requirements of the UCITS Remuneration Code.

7. Termination Payments

Payments made on termination of employment will reflect the actual performance of the individual achieved during the period of employment and will not reward failure.

8. Remuneration of control functions

To avoid any conflict that could impact upon the independence of control functions, remuneration for any employees identified in control functions is determined by reference to a separate scorecard (reviewed annually) appropriate to the performance of the individual control function.

9. Malus & Clawback

All incentive schemes include malus and clawback provisions which can be applied to in appropriate circumstance and in line with the Group Remuneration Policy.

10. Managing risk

Employees must not undertake any personal hedging strategies or remuneration and liability related insurance which would undermine the risk alignment effects embedded in their remuneration arrangement.

11. Delegation

In respect of any investment management delegates, the AUTM requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's (ESMA's) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD/ Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

12. Annual review

On an annual basis the ACD will review the terms of this policy and assess whether its overall remuneration system operates as intended and is compliant with the obligations on remuneration as set out in SYSC 19E. This policy will be updated by the ACD as and when required.

13. Effective date

The effective date of this policy is 1 January 2023.

Royal London Asset Management Limited, registered in England and Wales number 2244297;
Royal London Unit Trust Managers Limited, registered in England and Wales number 2372439.
RLUM Limited, registered in England and Wales number 2369965. All of these companies are
authorised and regulated by the Financial Conduct Authority.

All of these companies are subsidiaries of The Royal London Mutual Insurance Society Limited,
registered in England and Wales number 99064. Registered Office: 80 Fenchurch Street, London,
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