Remuneration Code Disclosure in respect of the year ended 31 December 2018

DG Partners LLP (the "**LLP**") is authorised and regulated by the UK Financial Conduct Authority (the "**FCA**") as an Alternative Investment Fund Manager ("**AIFM**") and a Collective Portfolio Management Investment firm ("**CPMI**"). As an AIFM, the LLP is subject to the rules set out in Article 13 of the Alternative Investment Fund Managers Directive ("**AIFMD**") and Chapter 19B of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("**SYSC**") (together, the "**AIFM Remuneration Code**"). As a CPMI firm, the LLP also carries out designated investment business and is therefore subject to the rules in SYSC 19C (the "**BIPRU Remuneration Code**"). As noted under the AIFM Remuneration Code, where a firm is subject to both the AIFM Remuneration Code and the BIPRU Remuneration Code, that firm will be deemed to have met the requirements under the BIPRU Remuneration Code should it satisfy the requirements of the AIFM Remuneration Code.

The LLP has adopted a remuneration policy that complies with the AIFM Remuneration Code (and therefore also the BIPRU Remuneration Code (together "**the Remuneration Codes**")) by promoting sound and effective risk management and by not encouraging risk taking which is inconsistent with the risk profile of any Alternative Investment Fund or other Clients managed by the LLP from time to time. The Remuneration Codes cover an individual's total remuneration, both fixed and variable. The LLP incentivises staff through a combination of the two.

The LLP is permitted make public disclosures in line with the FCA's proportionality guidance for BIPRU firms. As a firm with less than £50bn of assets, the LLP is not required to disclose quantitative information at the level of senior personnel.

Arrangements

The LLP's compensation arrangements:

- are consistent with and promote sound and effective risk management;
- do not encourage excessive risk taking;
- include measures to avoid conflicts of interest; and
- are in line with the LLP's business strategy, objectives, values and long-term interests.

Application of the requirements

The LLP is required to disclose certain information on at least an annual basis regarding its remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the LLP. The LLP makes such disclosure in accordance with its size, internal organisation and the nature, scope and complexity of its activities.

The decision-making process for determining the LLP's remuneration policy

The LLP has concluded, on the basis of its size and the nature, scale and complexity of its legal structure and business that it does not need to appoint a formal remuneration committee. Instead, the Board of the LLP (which comprises the Chief Investment Officer and the Chief Operating Officer) sets and oversees compliance with the LLP's remuneration policy. The LLP's remuneration policy has been agreed by the Board of the LLP in line with the principles laid down by the FCA. The LLP's remuneration policy will be reviewed at least annually, or following a significant change to the business requiring an update to its internal capital adequacy assessment. The LLP's ability to pay bonuses is based on the overall performance of the LLP. The Board determines the amount of fixed and variable pay for the LLP's staff.

How the LLP links pay and performance

The LLP currently sets the variable remuneration of its staff in a manner which takes into account the performance of both staff (individually) and the LLP as a whole. The amount payable to individuals is determined by their contribution to that performance and is assessed by the Board in their sole discretion. Investment staff are not rewarded based upon the success of one or more specific transactions.

Staff members' individual performance is also determined on a non-financial metric. This performance assessment is based on a range of criteria on which each member of staff, when considering their job description and agreed targets, should be assessed. Individual performance is not just based upon investment performance or contribution; it also includes factors such as their adherence to the firm's compliance policies and risk limits. Violations of these policies / risk limits will be taken into account when determining variable remuneration and can have a negative impact on the amount of variable remuneration received. Staff performance is ultimately assessed by the Board and will take into account any goals set for the relevant member of staff. Compliance staff are remunerated independently of the business areas they oversee, in particular, any goals set for compliance staff relate to their performance rather than the performance of any specific business unit which they supervise.

Proportionality

The principle of proportionality is inherent within the Remuneration Codes, and provides for firms to apply the Remuneration Codes in different ways. DGP is classified as an AIFM and a BIPRU CPMI firm.

DGP's assets under management in aggregate for all AIFs managed, during the performance year to which this Remuneration Policy Statement relates, was below the £1 billion threshold as prescribed by the FCA in the AIFM Remuneration Code and, therefore, following an assessment of the size, internal organisation and the nature, scope and complexity of the firm and on the grounds of proportionality, the firm is permitted to, and has decided to, disapply the following rules, (collectively known as the **"Pay-out Process FCA Rules"**):

- Retained units, shares/other instruments (SYSC 19B.1.17);
- Deferral (SYSC 19B.1.18); and
- Performance adjustment (SYSC 19B.1.19 and 19B.1.20).

Aggregate remuneration of Code Staff

The LLP only has one "business area", namely its investment management business. All of the LLP's Code Staff fall into one or more of the following categories for the purposes of the Remuneration Code: (i) risk taker, (ii) senior management, (iii) persons remunerated in-line with the foregoing whose professional activities have a material impact on the LLP's risk profile and (iv) persons whose activities at the LLP have a material impact on the risk profile of the LLP.

The "remuneration" (as defined in the Rules) awarded to the LLP's Code Staff for the year ended 31 December 2018 was £645,222. This comprised £15,560 for senior management and £629,662 for other members of staff whose actions have a material impact on the risk profile of the LLP.

Omission of disclosures

In determining whether to disclose the aggregate remuneration of Code Staff, the LLP is permitted to take into account the provisions of the General Data Protection Regulation as implemented by UK law regarding the protection of individuals in relation to the processing of personal data. The LLP has, however, made no omissions on the grounds of data protection.