

Ocean Dial Investment Funds ICAV

Remuneration Policy

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CONTENTS

Definitions.....	2
1. General	3
2. Adoption and Review.....	3
3. Framework	3
4. Proportionality principle.....	4
5. Remuneration Component.....	8
6. Internal Controls	8
7. Disclosure	9

Definitions

Central Bank	Central Bank of Ireland
Fund	Ocean Dial Investment Funds ICAV
Identified Staff	categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Fund's risk profile.
Management Body	the board of directors of the Fund being the body with ultimate decision-making authority in the Fund, comprising the supervisory and managerial functions.
Management Company	Duff and Phelps (Ireland) Management Company Limited
Remuneration	all forms of payments or benefits of any type paid by the Fund, including performance fees, and any transfer of the shares of the Fund in exchange for professional services rendered by the Fund's Identified Staff.
Supervisory Function	the members of the Management Body responsible for the supervision of the Fund's senior management and for the assessment and periodical review of the adequacy and effectiveness of the risk management process and of the policies, arrangements and procedures put in place to comply with the obligations under the UCITS Directive.
UCITS	an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations
UCITS Directive	Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended and as may be further amended, consolidated or substituted from time to time
UCITS Regulations	the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended and as may be further amended, consolidated or substituted from time to time and any regulations or notices issued by the Central Bank for the time being in force
UCITS V Directive	Directive 2014/91/EU as may be amended, consolidated or substituted from time to time

Remuneration Policy

1. General

Ocean Dial Investment Funds ICAV (the “**Fund**”) is an open-ended umbrella investment fund with segregated liability between sub-funds. The Fund has been authorised by the Central Bank as an Undertaking for Collective Investments in Transferable Securities (**UCITS**) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “**UCITS Regulations**”).

The Fund is managed by the Management Company and its affairs supervised by its Board of Directors. For details on each of the Directors please refer to the Prospectus of the Fund.

For the purposes of this policy, the Board of Directors are deemed to constitute the Management Body of the Fund in its Supervisory Function (as such terms are defined herein).

2. Adoption and Review

The Fund has established a remuneration policy in accordance with the requirements of the UCITS Directive to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

This policy has been drafted in line with the European Securities and Markets Authority (ESMA) Guidelines on sound remuneration policies under both the UCITS directive and AIFMD.

This remuneration policy has been adopted by the non-executive Directors in their Supervisory Function, each of whom have expertise in risk management and remuneration and any revisions to the remuneration policy require approval of such Directors.

On at least an annual basis, the non-executive Directors in their Supervisory Function with expertise in risk management and remuneration shall carry out a review of the general principles of this policy and are responsible for, and will oversee the, implementation of such principles.

The implementation of this policy will at least annually be subject to central and independent internal review for compliance with and adherence to this policy by the Designated Person of the Fund responsible for monitoring compliance.

3. Framework

It is the Fund’s policy to maintain remuneration arrangements that (i) are consistent with and promote sound and effective risk management, (ii) do not encourage risk-taking that is inconsistent with the risk profile of the Fund, (iii) do not impair compliance with the Fund’s duty to act in the best interests of its shareholders and (iv) are consistent with the principles outlined in the Appendix to this remuneration policy. The Fund’s remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times. .

(i) *Identified Staff*

The Fund is responsible for identifying the members of staff who fall within the definition of “Identified Staff”. The term “Identified Staff” is broadly defined in the UCITS Directive and includes:

- senior management;
- risk takers;
- control functions; and

- employees in same remuneration bracket, whose professional activities have a material impact on the Fund's risk profile.

Accordingly, the Fund has determined that the following staff members would fall within the definition of "Identified Staff":

- Members of the Board of Directors
- The Designated Persons appointed by the Management Company of the Fund

(ii) Proportionality

The principles above are to be complied with by the Fund in a way and to the extent that is appropriate to the Fund's size, the Fund's internal organisation and the nature, scope and complexity of its activities. See further below.

(iii) Delegation

It is noted that Recital 2 of Directive 2014/91/EU (the "**UCITS V Directive**") outlines that the remuneration policies and practices should apply, in a proportionate manner, to any third party which takes investment decisions that affect the risk profile of a UCITS because of functions which have been delegated in accordance with Article 13 of the UCITS Directive (i.e. this would include any investment manager).

4. Proportionality Principle

As noted above, the Fund must comply with the UCITS Directive's remuneration principles in a way and to the extent that is appropriate to its size, its internal organisation and the nature scope and complexity of its activities. Accordingly, some UCITS can determine to meet the remuneration requirements through very sophisticated policies whereas others can do so in a simple and less burdensome way.

The Fund does not pay any variable remuneration to any of its Identified Staff. Accordingly, the principles in respect of variable remuneration as outlined in the UCITS Directive are not applicable.

The Board has determined the remuneration committee requirement does not apply taking into account the above proportionality criteria (i.e. the Fund's size, internal organisation nature, the scope and complexity of its activities).

In considering in what way and to what extent the Fund must comply with the UCITS Directive's remuneration principles, the Fund has considered it of assistance to have regard to the ESMA Guidelines.

The ESMA Guidelines provide that criteria relevant to the application of proportionality are (i) the size of the UCITS; (ii) its internal organisation; and (iii) the nature scope and complexity of its activities. In assessing what is proportionate, the focus is on the combination of all the mentioned criteria (size, internal organization and the nature, scope and complexity of the activities) and, as this is not an exhaustive list, of any other relevant criteria.

(a) Size of the Fund

According to the ESMA Guidelines, the size criterion can relate to the following:

- The value of assets under management (including any assets acquired through the use of leverage) of the Fund;
- Liabilities or risks exposure of the Fund; and
- The number of staff and branches or subsidiaries of the Fund.

The Board of Directors of the Fund views the size of the Fund as not significant based on the below:

Value of Assets under Management of the Fund

As at 30 October 2020 the Fund has one Sub-Fund, the Ocean Dial Gateway to India Fund, which has assets under management (“AUM”) of US\$ 26.7 million.

Risks Exposure of the Fund

The Fund in conjunction with Ocean Dial Asset Management Ltd (the “**Investment Manager**”) has determined that its material risks are market risk (which includes market price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. In respect of the use of financial derivative instruments (which is limited in relation to each of the Sub-Funds), the risks are counterparty risk, credit risk, increased margin calls and unlimited risks of loss.

The Funds’ strategy on the management of investment risk is driven by each Sub-Fund’s investment objective as set out in the relevant fund supplement.

The Investment Manager monitors the global exposure of each Sub-Fund as a result of the use of financial derivative instruments on a daily basis. The global exposure is calculated using the commitment approach that calculates the incremental exposure generated by the instruments held in each Sub-Fund. While each of the Sub-Funds may enter into financial derivatives instruments for investment and/or efficient portfolio management purposes, none of the Sub-Funds are highly leveraged and in any event are subject to a maximum leverage limit of no more than 100% of the net asset value of the relevant Sub-Fund (calculated using the commitment approach).

Number of Staff and Subsidiaries of the Fund

The Fund has no staff other than the Board of Directors.

The Fund has one subsidiary, the Ocean Dial Gateway to India (Mauritius) Limited which is held for the benefit of the Ocean Dial Gateway to India Fund and through investment in which the investment objective and policies of the Ocean Dial Gateway to India Fund are achieved.

The subsidiary pursues the same investment objective as its applicable Sub-Fund for which it is held by the Fund and is subject to the same investment policies, restrictions and guidelines of its applicable Sub-Fund.

(b) Internal Organisation

According to the ESMA Guidelines, the internal organisation can relate to the following:

- Legal structure of the Fund;
- The complexity of the internal governance structure of the Fund; and
- Whether the Fund itself is listed on a regulated market.

The Board of Directors of the Fund view the Fund as a non-complex UCITS based on the below:

Legal Structure of the Fund

The Fund is an open-ended umbrella type Irish collective asset-management vehicle with variable capital and segregated liability between sub-funds registered and authorised by the Central Bank of Ireland to carry on business as an ICAV, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act 2015 Irish Collective Asset Management Vehicle (ICAV). The amount of the paid-up share capital of the Fund equals at all times to the net asset value of the Fund and the shares of the Fund have no par value.

The Fund is also an umbrella fund with segregated liability between the Sub-Funds.

The Fund is authorised as a UCITS scheme by the Central Bank under the UCITS Regulations.

The Fund is an open ended fund in that shareholders of each Sub-Fund may request the redemption of their shares at such frequency as set out in the fund supplement applicable to each Sub-Fund (which forms part of the prospectus of the Fund) and which must be at least twice a month.

The Complexity of the Internal Governance Structure of the Fund

The Board of Directors of the Fund which is comprised of four directors, two of whom are Irish resident, is responsible for managing the Fund and in particular the following managerial functions of the Fund as required by the Central Bank and for making all material decisions that affect the operation and conduct of the business of the Fund:-

- Decision Taking
- Risk Management
- Monitoring Investment Policies, Strategies and Performance
- Internal Audit
- Monitoring of Capital
- Financial Control
- Supervision of Delegates
- Monitoring Compliance
- Complaints Handling
- Accounting Policies and Procedures

The Designated Persons appointed by the Management Company of the Fund monitor and control each of the individual managerial functions of the Fund (with the exception of decision taking which is a managerial function of the board) on a day-to-day basis. Such Designated Persons receive reports from the Management Company's delegates on a monthly basis and on an ad hoc basis when necessary for the purpose of monitoring and controlling the managerial function(s) for which he or she has been designated. The Designated Persons then report to the Board of Directors on a quarterly basis or more frequently when a matter needs to be escalated by the Designated Persons to the Board of Directors of the Fund.

The Board of Directors of the Fund are required to put in place procedures that are designed to inter alia ensure compliance by the Fund with regulatory requirements and to ensure that risks relating to the Fund are identified, monitored and managed. However taking into account the limited nature, scale and complexity of the Fund, certain requirements of the Fund have been implemented proportionate to the activity of the Fund as documented in the business plan of the Fund and in particular in relation to (i) risk management (ii) conflict of interest policy and (iii) resources.

Whether the Fund itself is listed on a Regulated Market

Although classes of each Sub-Fund are admitted to the official list and trading on the main securities market of the Irish Stock Exchange, it is not expected that an active secondary market in those shares will develop.

(c) Nature, scope and complexity of activities

According to the ESMA Guidelines, the nature, scope and complexity of activities can relate to the following;

- the type of authorised activity;
- the type of investment policies and strategies of the Fund;
- the national or cross-border nature of the Fund's activities.

Type of Authorised Activity

The Fund's sole objective pursuant to the UCITS Regulations is the collective investment in either or both

- (i) transferable securities; or
- (ii) other liquid financial assets referred to in Regulation 68 of the UCITS Regulations,

This is reflected in clause 3 of the Memorandum of Association of the Fund which states the sole object of the Fund is the collective investment of capital raised from the public, in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations, and the Fund operates on the principle of risk spreading.

Consequently the Fund is subject to prescriptive regulatory requirements relating to issuer concentration limits (i.e. 5/10/40 rule, etc.) and requirements relating to the use of derivatives and EPM techniques such as global exposure, cover, collateral, counterparty exposure limits, etc.

Type of Investment Policies and Strategies of the Fund

The one Sub-Fund of the Fund, the Ocean Dial Gateway to India Fund, has an investment objective to provide long term capital appreciation. It intends to achieve its investment objective by investing primarily in a diversified portfolio of multi-cap equities and equity related securities of (i) companies that have their registered office in India and are listed on recognised exchanges worldwide, (ii) companies that exercise a preponderant part of their economic activity in India and are listed on recognised exchanges worldwide and (iii) companies the equity and equity related securities of which are listed, traded or dealt in on Indian stock exchanges.

Whilst the Sub-Fund may enter into financial derivatives instruments for investment and/or efficient portfolio management purposes, the Sub-Fund is not highly leveraged and in any event is subject to a maximum leverage limit of no more than 100% of the net asset value of its Sub-Fund (calculated using the commitment approach).

The National or Cross-border Nature of the Fund's Activities

The Sub-Fund is currently registered for sale in the United Kingdom, Switzerland, Germany, Austria, Sweden, Finland and Norway.

The investor base of the Fund is mainly institutional and a few high net worth clients.

(d) Conclusion

Taking all of the above proportionality criteria into account (i.e. the Fund's size, internal organisation, nature, the scope and complexity of its activities), the Board of Directors has decided to dis-apply the remuneration committee requirement. The Board is satisfied that this disapplication is reconcilable with the risk profile, risk appetite and the strategy of the Fund and its Sub-Fund.

Finally as stated above, as the Fund does not have any employees and it does not pay any variable remuneration to any of the directors of the Fund or the Designated Persons appointed by the Fund, the Pay Out Process Rules are not applicable to the Fund and therefore an assessment of whether they need to be dis-applied is not required.

5. Remuneration Component

The members of the Board of Directors of the Fund are entitled to an annual fixed fee as set out in the Prospectus for the Fund. The UK resident director, Mr Robin Sellers, does not receive any fee from the Fund.

The Directors of the Fund are entitled to a fixed fee only and do not receive performance-based remuneration, thereby avoiding a potential conflict of interest. The basic fee of a Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Fund's complexity, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on top of Board members' fees.

Staff of the Fund comprising the Designated Persons of the Management Company are secondees of the Fund in consideration for whose services the Fund pays an annual fixed service fee to Duff & Phelps at a rate which is considered on par with the rest of the market for such services and which does not include any variable or performance related element. No remuneration is paid directly to any such staff.

6. Internal Controls

The Fund has implemented adequate controls for assessing compliance with its remuneration policies and practices. This Remuneration Policy is periodically reviewed by the Compliance Officer who regularly assesses the adequacy of the measures put in place to avoid conflicts of interests. In addition, the outcome of the assessment and controls are regularly reported to the Management Body of the Fund in its Supervisory Function.

7. Disclosure

The general principles of the Fund's remuneration policy and the specific provisions for Identified Staff are disclosed internally and documented in this procedure.

In addition, the Prospectus, KIID(s) and Annual Report of the Fund contain disclosure with respect to remuneration consistent with the UCITS Regulations.