HOST CAPITAL
GLOBAL FUND MANAGEMENT

Host Capital Limited ("HCL") Remuneration Policy

Table of Contents

1. TCF

As the Fund ACD / AIFM, Host Capital must ensure customers are treated fairly at all times. Therefore when applying Remuneration Policy, Host Capital staff will adhere to the TCF rules as set out in the Host Capital TCF Policy document.

2. HCL Remuneration Policy

The Alternative Investment Fund Managers ("AIFM") Remuneration Code (SYSC 19B) requires all AIFM's identified staff's (i.e. the senior staff; risk takers; control functions and others remunerated in the same bracket) remuneration to be:

1. Appropriately balanced between fixed and variable;
2. 40-60% of the variable remuneration deferred for 3-5 years with the level depending on the risk profile of the AIF;*
3. Variable remuneration must at least 50% consists of units / shares of Alternative Investment Fund ("AIF") (if this is not practicable such as a closed ended fund not open for further investment then this should be in an instrument linked to performance of the AIFs managed by the AIFM);*
4. Any variable remuneration must be paid / vest only if it is suitable according to the financial situation of the AIFM as a whole and justified by the performance of the AIF, the business unit and the individual concerned.*
5. The code is not generally applicable to those earning less than £500k per annum and where variable remuneration is less than 33% of total remuneration.
6. The AIF's annual accounts must disclose remuneration policy and total amount / no. of beneficiaries.
7. All rules to be applied to delegates.

**Items 2-4 are known as the "pay out rules".*

The objective of the code is to ensure sound and effective risk management and not to encourage risk-taking that is not consistent with the risk profile of the AIF.

The code allows the concept of Proportionality to be applied to the "pay out rules" which means in certain instances they can be disapplied. The FCA guidance suggests that the pay out rules can be disapplied if the Assets Under Management ("AUM") of the AIFM are below £5bn (FCA General guidance on the AIFM Remuneration Code, published January 2014) for unleveraged funds with no redemption rights for 5 years and £1bn for all other funds. However, a firm may be required to apply the pay out rules if its AUM is below the threshold or may continue to disapply the pay out rules if its AUM is above the threshold based on various criteria. HCL application of these criteria is set out overleaf.

The code also says that guaranteed variable remuneration is not permitted except where it is exceptional and is granted only in the context of hiring new staff, and is limited to the first year of service. HCL does not pay any guaranteed variable remuneration to staff.

A Remuneration Committee must be established by any AIFM that is significant in terms of its size, internal organization and the nature, the scope and the complexity of its activities. However, the requirement for a remuneration committee is subject to Proportionality (on the same basis as the requirement to apply the pay out rules).

HCL does meet these criteria (see overleaf) and therefore does not have a Remuneration Committee. All aspects of staff remuneration are directly overseen by the HCL board and the board reviews its remuneration policy annually and also on a launch of a new AIF.

Application of Proportionality to disapply the pay-out rules and formation of a Remuneration Committee

HCL currently manages 8 AIFs with combined AUM is below the threshold provided in the FCA guidance.

HCL believes that there is no requirement to apply the pay out rules for the reasons set out below. HCL also believes that there is significant scope to continue to disapply the pay out rules when our AUM exceeds the threhold.

1. HCL is not listed.
2. HCL is management owned. The key owners work full time in the business.
3. The investment strategies of HCL AIFs are not complex.
4. Investment strategies of HCL delegates are strictly controlled by Investment Management Agreements.
5. Investment strategies do not currently use any leverage (except for overdraft facilities which are used to fund short term working capital requirements).
6. HCL does not receive any Carried Interest from its AIFs. The Investment Advisor of the HC FCM Salamanca Global Property Fund 1 ("the Global Fund") may be entitled to receive Carried Interest from the Global Fund. Such Carried Interest is payable only on a successful exit of each relevant project upon meeting certain performance criteria communicated to the Global Fund's investors via its Prospectus, ensuring interests of the Investment Advisor are fully aligned with the investors' return.
7. HCL does manage 8 UCITS funds. These funds are relatively small and the investment strategies are not complex and these funds have no performance fees.
8. No HCL staff members have combined fixed and variable pay in excess of £500k.

Oversight of Delegates

HCL provides its remuneration policy to all its delegates and requests that each delegate sets out its remuneration policy in written form. HCL checks to ensure their remuneration policies are compliant with SYSC 19B before HCL becomes the AIFM of the AIF. This is monitored annually as part of the ongoing oversight monitoring process.

The requirement to comply with the AIFM Remuneration Code is also set out in the contractual agreements between HCL as AIFM and its delegates.