

LSV FUNDS PLC

(THE “COMPANY”)

REMUNERATION POLICY

1. Introduction

The Company, which is authorised as a UCITS under the Regulations, is required to establish, implement and maintain a remuneration policy (the “**Remuneration Policy**”).

This Remuneration Policy is aimed at ensuring that any relevant conflicts of interest can be managed appropriately at all times and sets out practices for those categories of staff, including senior management, risk takers, control functions, and any employees 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 risk profile of the Company. The Remuneration Policy sets out practices that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company.

This Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the investors in the Company and includes measures to avoid conflicts of interest.

2. Definitions

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

“ Regulations ”	Means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016.
“ Board ”	Means the board of directors of the Company.
“ ESMA Guidelines ”	Means the ESMA Guidelines on sound remuneration policies under the UCITS Directive and the AIFMD (ESMA/2016/411).
“ Investment Manager ”	LSV Asset Management
“ Business Plan ”	Means the business plan of the Company, as may be amended or updated from time to time.
“ UCITS ”	Means an “Undertaking for Collective Investment in Transferable Securities”

3. **Identified staff**

The Regulations require the Company to identify the categories of staff whose professional activities have a material impact on the risk profile of the Company.

The Company is controlled and managed by the Board, but does not currently have any staff. Accordingly, the Board are the identified staff for the purpose of this Remuneration Policy.

4. **Variable remuneration**

The directors who are also employees of the Investment Manager do not receive any remuneration in respect of their services as directors of the Company. The other directors receive fixed remuneration in respect of their services which is set at a level determined by the Board as a whole and which is not performance related. None of the directors are currently in receipt of variable remuneration in respect of their services as directors of the Company. Accordingly, the detailed provisions of the Regulations and the related ESMA Guidelines in relation to variable remuneration are not applicable to the Company. None of the directors are currently in receipt of a pension from the Company.

The Company has determined that the fixed remuneration payable to the directors who are not employees of the Investment Manager is (a) consistent with sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instrument of incorporation of the Company and (b) in line with the business strategy, objectives, values and interests of the Company and the investors in the Company. The nature of the directors' remuneration, being fixed and not including any variable component and being determined by the Board as a whole, ensures that the Company appropriately manages any conflicts of interest in respect of remuneration.

5. **Remuneration committee**

The Regulations require self-managed investment companies that are significant in terms of their size, their internal organisation and the nature, scope and complexity of their activities to establish a remuneration committee. Having considered these criteria, the Company has determined, on advice of counsel, that it is not significant in these respects and has not established a remuneration committee.

6. **Delegation**

The Board has delegated certain activities, as specified in its Business Plan, in respect of the investment management and risk management of the Company, to the Investment Manager.

Where the Company has made such a delegation, the Company is required to ensure that:

- (i) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines; or
- (ii) appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines, subject to the application of the proportionality rules, set out in the ESMA Guidelines.

The ESMA Guidelines provide that when taking measures to comply with the requirements of the Regulations and the ESMA Guidelines, the Company should comply in a way and to the extent that is appropriate to its (a) size; (b) internal organisation; and (c) the nature, scope and complexity of its internal activities. The ESMA Guidelines outline that it is necessary to analyse (a) – (c) together, and not one single element, in isolation, when considering whether an entity may disapply the requirements set out in the Regulations, on the basis of proportionality.

As outlined above, Company has delegated to a third party entity, the provision investment management and risk management services. The Company shall ensure that the Investment Manager is subject to the requirements of (i) or (ii) above.

7. Annual review

On an annual basis the Board will review the terms of this Remuneration Policy and assess whether its overall remuneration system operates as intended and is compliant with the obligations on remuneration policy as set out in the Regulations. The Remuneration Policy will be updated by the Board as and when required.

8. Effective date

The effective date of this Policy is 1 January 2017.