Purpose
This Statement sets forth the compensation policy for Goldman Sachs Asset Management Global Services Limited (the “Company”).

The Company complies with the AIFM Remuneration Code (SYSC 19B) of the Financial Conduct Authority Handbook (the “AIFM Remuneration Code”) in respect of compensation awarded to AIFM Remuneration Code Staff (“AIFM Code Staff”) for Alternative Investment Fund (“AIF”) work. With effect from 1 January 2017, the Company will comply with the UCITS Remuneration Code (SYSC 19E) of the Financial Conduct Authority Handbook.

In addition, the Company will, to the extent required by the AIFM Remuneration Code, ensure that entities to which it delegates portfolio management functions are subject to remuneration principles which are equally effective as those required by the AIFM Remuneration Code, and if not, the Company will put contractual arrangements in place with those delegates to appropriately reflect the requirements of the AIFM Remuneration Code as applicable.

Our Compensation Policy Framework
Our compensation policy framework is as follows:

1. We pay for performance – this is an absolute requirement under our compensation program and inherent in our culture.
2. We structure compensation, especially at senior levels, to align with our shareholders’ long-term interests and the interests of the funds that the Company manages.
3. We use compensation as an important tool to attract, retain and motivate talent.
4. We align total compensation with corporate performance during the period.

Our compensation program is intended to be flexible enough to allow the Company and Goldman Sachs to respond to changes in market conditions, but grounded in a framework that maintains effective compensation practices. Goldman Sachs’ firmwide compensation principles, attached as an Appendix, provide additional detail on our philosophy.

Risk Management
Our compensation policy is designed not to encourage excessive risk-taking by employees and is consistent with the safety and soundness of the organization. While it is of course necessary to ensure that compensation does not incentivize excessive risk-taking, Goldman Sachs is strongly of the view that limits on excessive risk start with a sound business strategy and corporate culture that is centered around strong risk management. At Goldman Sachs, risk is monitored and controlled throughout the year.

Governance
The Board of Directors of the Company is responsible for supervising the planning, implementation and revision of the compensation policy of the Company, subject to the oversight of the Compensation Committee of the Board of Directors of The Goldman Sachs Group, Inc., the ultimate parent of the Company. These tasks shall be undertaken only by members of the Board of Directors who do not perform any executive functions in the Company and who have expertise in risk management and remuneration.
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Goldman Sachs’ Compensation Principles

We recognize that every financial institution is different, shaped by its activities, size, history and culture. It would be unrealistic to construct a specific model of compensation that is effective and appropriate for all financial institutions.

But, that does not diminish the need for firms to set forth a set of practical principles and defined standards focused on compensation. An enhanced framework for compensation establishes a direct relationship between the longer-term evaluation of performance and an appropriately matched incentive structure. We believe strongly that, for Goldman Sachs, such an outcome aligns the long-term interests of our shareholders with those of our people, while advancing our ethos of partnership.

Effective compensation practices should:

(1) Encourage a real sense of teamwork and communication, binding individual short-term interests to the institution’s long-term interests;

(2) Evaluate performance on a multi-year basis;

(3) Discourage excessive or concentrated risk taking;

(4) Allow an institution to attract and retain proven talent; and

(5) Align aggregate compensation for the firm with performance over the cycle

Encourage a Firmwide Orientation and Culture

- Compensation should reflect the performance of the firm as a whole

- Employees should think and act like long-term shareholders. Being significantly invested in our stock over time, as part of an AIFM Code Staff’s compensation, advances our partnership culture of stewardship for the firm

- An AIFM Code Staff’s performance evaluation should include annual narrative feedback from superiors, subordinates and peers, including peers from outside of an AIFM Code Staff’s business unit and division

  - Assessment areas should include productivity, teamwork, citizenship, communication and compliance

- To avoid misaligning compensation and performance, guaranteed employment contracts should be used only in exceptional circumstances (for example, for new hires) and multi-year guarantees should be avoided entirely
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Evaluate Performance Over Time

- Compensation should include an annual salary (or commissions) plus, as appropriate, discretionary compensation awarded at the end of the year

- The percentage of compensation awarded in cash should decrease as an employee’s total compensation increases in order for long-term performance to remain the overriding aspiration to realizing full compensation
  - Cash compensation in a single year should not be so much as to overwhelm the value ascribed to longer term stock incentives that can only be realized through longer term responsible behavior

- Equity awards should be subject to vesting and other restrictions over an extended period of time
  - These would allow flexibility for forfeiture or clawback effect in the event that conduct or judgment results in a restatement of the firm’s financial statements or other significant harm to the firm’s business
  - A clawback should also exist for cause, including any individual misconduct that results in legal or reputational harm

- Equity delivery schedules should continue to apply after an AIFM Code Staff has left the firm

Discourage Excessive or Concentrated Risk Taking

- No one in a risk taking role should get compensated with reference to only his or her own P&L
  - Contracts or evaluations should not be based on the percentage of revenues generated by a specific AIFM Code Staff

- As part of an AIFM Code Staff’s annual performance review, the different risk profile of businesses must be taken into account. Factors like liquidity risk, cost of capital, reputation risk, the time horizon of risks and other relevant factors should be considered
  - An outsized gain, just like an outsized loss, should be evaluated in the context of the cumulative record of that AIFM Code Staff’s risk judgments
  - The degree to which revenues are high quality and recurring should be considered
  - Significant discretionary compensation for a particular year should not be awarded for expected future-year revenue
  - All AIFM Code Staff, but particularly those working in legal, compliance, operations, technology and other non-revenue and critical parts of the firm, should be evaluated on their ability to protect and enhance the firm’s reputation or contribute to its efficiency and overall well-being
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- Risk managers should have equal stature with counterparts in business units and compensation should establish and/or maintain that stature
- Revenue producers should not determine compensation for risk managers

Attract and Retain Talent

- Attracting and retaining talent is fundamental to our long-term success as a firm. Compensation, when structured appropriately, is one means to reinforcing the firm’s culture and mores
- Compensation should reward an AIFM Code Staff’s ability to identify and create value, enhance the firm’s culture of compliance and its reputation and build and nurture a dedicated client base
- The recognition of individual performance must be constrained within the overall limits of the firm and not be out of line with the competitive market for the relevant talent and performance
- There should be no special or unique severance agreements

Directly Align Firmwide Compensation with Firmwide Performance

- Firmwide compensation should directly relate to firmwide performance over the cycle
  - Junior people may experience less volatility in compensation. Senior and more highly paid people may experience more variability in their compensation based on year-to-year changes in the firm’s results
- Overall compensation should not automatically be the same ratio of revenues year in and year out or an overly flexible formula that produces outsized compensation to real long-term performance
- Any compensation decisions should be overlaid with a management culture that continually invests in and is guided by strong risk management, judgment and controls
- In addition to performance, a wide range of risk factors, in conjunction with underlying industry and market dynamics of individual businesses, should be weighed carefully by executive and divisional management when allocating aggregate discretionary compensation amounts to divisions and business units
  - To more effectively compare and contrast individual performance as well as the results across different businesses, compensation should be reviewed by a specific compensation committee within each division of the firm as well as the Committee.