

INTERNAL PROCEDURE

Ref.	COM-20
Procedure:	Remuneration Policy
Process:	
Owner:	Compliance Department
Department(s) impacted:	All departments
Cross-reference to other procedure(s):	-
IT System(s) used:	-
Applicable regulation:	<ul style="list-style-type: none"> ▪ Directive 2011/61/EU ("AIFMD") ▪ Directive 2009/65/EC as amended by Directive 2014/91/EU ▪ Directive 2014/65/EU ("MIFID II") ▪ CSSF Circular 18/698 ▪ ESMA Guidelines 2016/575 and 2016/579 ▪ CSSF Circular 22/797 ▪ EBA Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04)

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Compliance Department	Compliance Department	BoD	13.03.2024

Introduction

Pharus Management Lux S.A. (hereafter the “ManCo”) has established and applies a remuneration policy (hereafter the “Remuneration Policy”) in accordance with the principles laid out under the Directive 2011/61/EU (“AIFMD”) and Directive 2009/65/EC as amended by Directive 2014/91/EU (“UCITS V”), and by Directive 2014/65/EU (“MIFID II”) and any related legal & regulatory provisions applicable in Luxembourg including the Section 5.5.9. of the Circular CSSF 10/437 and 18/698, the ESMA Guidelines 2016/575 and 2016/579, as from time to time amended and supplemented.

This Remuneration Policy also applies the “*EBA Guidelines on sound remuneration policies under Directive 2013/36/EU*” published on 2 July 2021 and entered in force in Luxembourg with CSSF Circular 22/797 from 31 December 2021.

This Remuneration Policy is intended to be entirely applicable for the ManCo and its branch in Italy (hereinafter “Italian Branch”).

Under UCITS V, details of the remuneration policy must be included in the prospectus, the Key Information Document (KID) and the annual report.

Under the Law of 12 July 2013 on alternative investment fund managers (hereinafter, the “AIFM Law”), details of the remuneration policy must be included in the prospectus and details of the remuneration for the financial year should be provided in the annual report.

The prospectus must include either details of the remuneration policy itself, or a summary of that policy and a statement that the details of the policy are available on a specified website and that a paper copy will be made available free of charge upon request. The KID must include a statement to the same effect.

The UCITS’ annual report must disclose the aggregate remuneration paid by the UCITS Manager and by the UCITS, to Identified Staff, together with the number of beneficiaries and, where relevant, performance fees paid by the UCITS. The aggregate amount of remuneration must be broken down by category of employees or other staff members.

The annual report must also describe how the remuneration and benefits have been calculated, detail the outcomes of the periodic reviews of the remuneration policy and its implementation and contain any material changes to the adopted remuneration policy.

The Remuneration Policy covers the remuneration of the following categories of the Identified Staff:

- Board Members (BoD);
- Chief Executive Officer (CEO)/General Manager/Managing Director;
- Senior Management (Conducting Persons);

- risk takers and control functions;
- employees who manage UCITS or UCIs;
- employees who provides discretionary portfolio management and investment advisory services;
- any employees receiving any type of remuneration that takes them into the same remuneration bracket as Senior Management and risk takers;
- any employee of the ManCo, including employees and managers of the Italian Branch;
- all staff members of the Company as set out under Appendix II of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD.

This Remuneration Policy applies to all staff irrespective from gender status.

The ManCo has adopted, for the aforementioned categories of persons identified as risk-takers under UCITS V and AIFMD certain remuneration principles 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 managed funds.

The Remuneration Policy is also in line with the business strategy, objectives, values and long-term interests of the managed funds and is consistent with the principles relating to the protection of clients and investors in the course of services provided and the avoidance of conflict of interest as a result of the implementation of the said strategy.

Compliance with the remuneration rules is assessed when processing the Due Diligence and ongoing monitoring on Business Partners when appropriate

These principles shall apply to remuneration of any type paid by the managed funds, to any amount paid directly by the ManCo itself, and to any transfer of shares of the managed funds, made to the benefits of identified categories of the Identified Staff.

These principles shall apply, *mutatis mutandis*, also to the remuneration of the persons of the ManCo involved in the provision of discretionary portfolio management and investment advisory services to clients. In particular, the area of business that provides collective portfolio management (either UCITS or AIFs) shall be segregated from that which services its other clients under discretionary portfolio management and financial advisory, so that to ensure that the remuneration of advisors or portfolio managers acting for other clients is not materially influenced by the level of fees received for the management of the UCITS or AIF assets.

This Remuneration Policy has effect since 1st January 2021.

Definitions

Remuneration	means all forms of fixed and variable remuneration and includes payments and benefits, monetary or non-monetary, awarded directly to staff by or on behalf of institutions in exchange for professional services rendered by staff, carried interest payments within the meaning of Article 4(1)(d) of Directive 2011/61/EU, and other payments made via methods and vehicles which, if they were not considered as remuneration, would lead to a circumvention of the remuneration requirements of Directive 2013/36/EU.
Fixed remuneration	means payments or benefits for staff which comply with the conditions for its award set out in section 7.
Variable remuneration	means all remuneration which is not fixed
Routine employment packages	means ancillary components of remuneration that are obtainable for a wide population of staff or staff in specified functions based on predetermined selection criteria, including, for example, healthcare, child care facilities or proportionate regular pension contributions on top of the mandatory regime and travel allowance.
Retention bonus	means variable remuneration awarded on the condition that staff stay in the institution for a predefined period of time.
Staff	means all employees of an institution and its subsidiaries, including of undertakings referred to in paragraph 9 and all members of the respective management bodies in its management function and in its supervisory function.
Identified staff	means staff whose professional activities have a material impact on the institution's individual or the group's risk profile in accordance with the criteria set out in Article 92(3) of Directive 2013/36/EU, the Commission Delegated Regulation adopted under the empowerment within the last subparagraph of Article 94(2) of this Directive (RTS on identified staff) and, where appropriate to ensure the complete identification of staff whose professional activities have a material impact on the risk profile, additional criteria defined by the institution.
Prudential consolidation	means the application of the prudential rules set out in Directive 2013/36/EU and Regulation (EU) No 575/2013 on a consolidated or sub-consolidated basis, in accordance with Part 1, Title 2, Chapter 2 of Regulation (EU) No 575/2013
Underrepresented gender	means the less represented male or female gender

Gender pay gap	means the difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men
Bonus pool	means the maximum amount of variable remuneration which can be awarded in the award process set at the level of the institution or an institution's business unit.
Accrual period	means the period of time for which the performance is assessed and measured for the purposes of determining an award of variable remuneration
Award	means the granting of variable remuneration for a specific accrual period, independently of the actual point in time where the awarded amount is paid
Deferral period	means the period of time between the award and the vesting of the variable remuneration during which the staff member is not the legal owner of the remuneration awarded.
Instruments	means those financial instruments or other contracts that fall within one of the two categories referred to in Article 94(1)(l) of Directive 2013/36/EU
Retention period	means a period of time after the vesting of instruments that have been awarded as variable remuneration during which they cannot be sold or accessed
Malus	means an arrangement that permits the institution to reduce the value of all or part of deferred variable remuneration based on ex post risk adjustments before it has vested
Clawback	means an arrangement under which the staff member has to return ownership of an amount of variable remuneration paid in the past or which has already vested to the institution under certain conditions
Shareholders	means a person who owns shares in an institution or, depending on the legal form of an institution, other owners or members of the institution.

I. Responsible Person

The remuneration policy is defined by the Board of Directors of the ManCo (the BoD). The BoD is responsible for the implementation of the remuneration policy.

II. Supervision and Revision of the Remuneration Policy

Any decision made in relation with the remuneration of the Identified Staff will be specifically documented.

The implementation of the remuneration policy will be regularly reviewed by the Internal Auditor of the ManCo and its compliance with Luxembourg legal requirements will also be reassessed regularly by the Compliance function of the ManCo. Any finding or need for update identified by one of these functions will be directly reported to the BoD.

In the implementation and supervision of the remuneration, any event, circumstances or indication that may give rise to a potential risk of conflict of interest will be specifically documented.

This Remuneration Policy is gender neutral: staff, independently of their gender, is equally remunerated for equal work or work of equal value. All aspects of the remuneration policy are gender neutral, including the award and pay-out conditions for remuneration.

This Remuneration Policy is aligned with the ManCo overall risk appetite, taking into account reputational risks and risks from mis-selling of products and taking into account the long-term interests of shareholders or owners.

Any change or update of the remuneration policy will be submitted to the BoD for approval.

III. Applicable Laws and Proportionality Principle

The Remuneration Policy is compliant with:

- The provisions set by the Directive 2009/65/EC as amended by Directive 2014/91/EU (“UCITS V”), transposed into the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment.
- The provisions set by the Directive 2011/61/EC on the Alternative Investment Fund Managers (AIFMD), transposed into the Luxembourg Law dated 12 July 2013;
- The ESMA guidelines on sound remuneration policies under the UCITS Directive, published on 14.10.2016 (ESMA GUIDELINES ESMA/2016/575);
- The CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector issued on 1 February 2010;
- The provisions set by Directive 2014/65/EU (“MIFID II”) as completed by the EU Delegated Directive 2017/593 as transposed into the Grand Ducal Regulation 30 May 2018 in particular with reference to inducements in the performance of investment advisory and discretionary portfolio management services;
- The ESMA Q&A 35-43-349 on MIFID II and MiFIR investor protection and intermediaries topic;
- The CSSF Circular 10/437 and 18/698.
- The ESMA Guidelines 2013/606 on Guidelines on remuneration policies and practices under MIFID framework.

- CSSF Circular 22/797 implementing the EBA Guidelines on sound remuneration policies under directive 2013/36/EU(EBA/GL/2021/04).

In light of its size, nature and scope, the ManCo will apply proportionality aspect as outlined under Guidelines on sound remuneration policies under the UCITS Directive ESMA/2016/575, which are in more detail described under the attached “Proportionality Principle Assessment” (ANNEX I).

Finally, this Policy is consistent with the integration of sustainability risks, in accordance with the Article 5 of the EU Regulation n. 2019/2088 on sustainability-related disclosures in the financial services sector. Sustainability Risks have been assessed as non-materially impacting the Company and therefore non-materially impacting this Remuneration Policy.

IV. Valuation Function for the AIFs

The valuation task of AIFs is functionally independent from the Portfolio Managers and the ManCo ensures that conflicts of interest are mitigated and that undue influence upon the employees is prevented.

V. Remuneration Components

The remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the employee rank and professional activity as well as market practice.

The components are:

- Fixed remuneration
- Variable remuneration (or “Bonus”)

In any case, the ManCo ensures that fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration, to make non-payment of the variable remuneration.

Fringe benefits can be attributed in a case by case basis accordingly to the Board agreement or management from time to time and will be reflected in the employment agreement, in line with the role and responsibilities in the Company and in line with the market practices.

Discretionary pension benefit as component of remuneration have been introduced since 2021 in the form of voluntary participation of each employee to a Company pension plan covering retirement, death and disability, developed by La Bâloise determined according to the annual salary (12 x the basic monthly gross salary of January 1st) evaluated as of 1st January of each year and considering normal retirement age at 65 years (early retirement age 57). Exit scenarios from the Plan are considered prior the retirement age in case of early departure of the employee. By participating to the Plan, the employee can invest part of its personal

contributions among various investment vehicles, chosen by the Company. More details are included in the Pension Scheme Plan presented to each employee.

Health Insurance benefit as component of remuneration have been introduced since 2022 in the form complementary Health Insurance covering the portion of the medical charges not covered by the Luxembourg Social Security. The employees affiliation to this plan is totally covered by the Company.

The use of personal hedging strategies or insurance to undermine the risk alignment effects embedded in identified staff remuneration arrangements with regard to deferral and retention period requirement are forbidden

VI. Fixed Remuneration

The Board Members may receive for their participation to the board meetings a total amount of “*tantièmes*” up to Eur 250.000. - per year, allocated among the members according to the Board decision.

The fixed remuneration of the Chief Executive Officer, the Senior Management and the other employees is negotiated at the beginning of the relation with the ManCo on the basis of the role of the individual employee, including responsibility and job complexity, performance and local market conditions. In addition to the negotiated remuneration, the ManCo may offer to the employees various optional advantages (e.g. fringe benefits as company car, cell phone, ticket restaurant, car park, pension plan, etc...).

The fixed remuneration can be reviewed annually in the contest of the annual performance assessment of the employees.

VII. Variable Remuneration (or Bonus)

Only variable remuneration in cash is envisaged by the ManCo, the payment in instruments is not envisaged. The payment of a variable remuneration depends on the achievement of one of the two following “Financial realized objectives” during the achieved year “the relevant year”:

- a free cash flow of EUR 250.000
- or
- EBIT margin (Earnings Before Interest & Taxes) of 20% before special items.

If one of the two “financial realized objectives” will be reached the “Bonus” will be paid.

The Bonus pool will be determined from time to time and up to 25% of the results before tax of the Company.

The personnel of ManCo must be informed on the remuneration policies and procedures adopted and on the criteria that will be used to determine their remuneration and the appraisal process. The appraisal process and

the remuneration policy shall be properly documented and transparent to the individual Identified Staff members concerned.

In no cases the variable remuneration will exceed the 100% of the fixed remuneration.

In particular, the performance measurement process which combines the evaluation of the performance of the identified staff (excluded the CEO) with the evaluation of the performance of the Company, taking into consideration the performance of the business unit of the employee, is undertaken via a specific performance appraisal form (ANNEX II) which in its turn takes in consideration both non-financial criteria and qualitative criteria for the assessment of the performance that will determine the variable remuneration and which the employee is requested to perform first as a self-assessment of these. The appraisal form fulfilled by the employee first is after transmitted to the responsible of the business unit to which the employee belongs and finally is validated by the Chief Executive Officer (CEO) who also double checks that the personal objectives of the employee are linked to the ones of the Company.

The HR function has to ensure good practices in terms of linking variable remuneration to the evaluation process in line with corporate strategy, legal framework and market best practices.

The staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control. Anyway, the bonus is capped for all the employee accordingly to the principle stated at section 2 of the Remuneration Policy.

The final result deriving from the appraisal form agreed and as defined at section 2 of the Remuneration Policy can also takes in consideration a multi-year framework for the performance assessment which is based on the previous 2 years.

The global amount allocated to the variable remuneration depends on the financial results of the ManCo and it will be determined according to the prudential rules and will effectively take into account the exposure to risks of the ManCo and the HR function will ensure good practices in terms of linking variable remuneration to the evaluation process in line with corporate strategy, legal framework and market best practices.

The variable remuneration of the employees as resulting from the appraisal process described above is proposed to the BoD by the Chief Executive Officer during the first useful meeting are at least during the meeting approving the annual accounts of the year to which the Bonus relates.

The Bonus will be paid to the concerned person at the latest the 30th of June following the end of the concerned financial year, under the condition that, at that given moment, the termination of the employment agreement has not been notified.

The ManCo will at no point in time be obliged to grant a variable remuneration.

1. Chief Executive Officer or Managing Director

The Chief Executive Officer's (or Managing Director) Bonus is decided by the BoD, during the first useful board meeting or at least during the meeting approving the annual accounts of the year to which the Bonus relates, based upon the margin deriving from the business activity, the overall results of the ManCo, its quantitative and qualitative objectives.

The Chairman of the BoD will decide on the amount of the Chief Executive Officer's Bonus which may reach a maximum of 10% of the gross result and/or up to 5% of the margin deriving from the business activity of the ManCo. In that case the variable remuneration will not exceed 3 times the fixed gross remuneration.

2. Identified Staff (excluded CEO, Senior Management)

To establish the amount of the Bonus due to each member of the Identified Staff an "assessment of the performance in the position" will be put in place following these rules:

At the end of each year the performance of each relevant employee will be reviewed by the responsible Conducting Person together with the CEO/General Manager using the attached "Performance Appraisal Form". The results of the appraisal will correspond to a "coefficient" as represented in the following table:

O – Outstanding	1,5
E – Exceeds Expectation	1
M – Meets Expectation	0,7
I – Improvement Needed	0,4

The "coefficient" will be used to determine the Bonus according to the following formula:

$$\begin{array}{c} \text{Monthly gross remuneration paid during the relevant year to the employee} \\ \times \\ \text{Coefficient} \\ = \\ \text{Bonus} \end{array}$$

This bonus can be adjusted taking into consideration the performance of the business unit of the employee and the performance of the previous 2 years. The Bonus is capped and may not exceed 20% of annual gross remuneration of the employee.

3. Senior Management

At the end of each year the performance of each member of the Senior Management be reviewed by the Chief Executive Officer using the attached “Performance Appraisal Form”. The results of the appraisal will correspond to a “coefficient” as represented in the above table.

The “coefficient” will be used to determine the Bonus according to the above formula in line with the principle above. This bonus is capped and may not exceed 25% of annual gross remuneration of the employee.

In alternative to the mechanism above the CEO can decide on this discretion to determine the Bonus of the Senior Management as maximum of 3% of the net result of the ManCo. This bonus is capped and may not exceed 30% of the annual gross remuneration of the employee.

VIII. Remuneration of the delegated charged of the Portfolio

Function

The business model adopted by the ManCo may foresees the delegation of the portfolio management function. When delegating the portfolio management function, the ManCo will check, during the initial and ongoing due diligence performed on yearly basis, that:

- the entities to which portfolio management function has been delegated should be subject to regulatory requirements on remuneration that are equally as effective as those applicable under applicable UCITS and AIFM laws and regulations; and
- appropriate contractual arrangements should be put in place in order to ensure that there is no circumvention of the remuneration rules. These contractual arrangements should cover any payments made to the delegates’ identified staff as compensation for the performance of portfolio or risk management activities on behalf of the ManCo.

IX. SFDR Principles

This remuneration policy is aligned with the sustainability principles set out in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”).

The ManCo objective is to ensure that its remuneration practices encourage and reward responsible and sustainable behavior that contributes to the long-term success of the company and its clients.

The way in which the remuneration of the employees of the ManCo is defined according to the previous paragraphs, is based on both financial and non-financial performance criteria, including sustainability objectives.

These criteria are designed to incentivize the employees to consider the environmental, social, and governance (ESG) risks and opportunities of the activities performed and to integrate sustainability considerations into their working decisions.

The remuneration of the employees is designed in a way to foster long-term relationships and to ensure that employees are incentivized to act in the long-term interests of the ManCo and of its clients and to take into account the impact of their actions on ESG factors.

In particular:

Staff and employees who are identified as risk-takers under UCITS V and AIFMD are not remunerated (fixed and variable remuneration) based on the performance of the funds under management.

Based on the limited impact of variable remuneration of the employees identified as risk-takers on the risk profile of the Funds and the nature of the business of the ManCo delegating the portfolio management activity for most Funds to the relevant entities appointed, assessment is that there is no risk of misalignment with the sustainability risks associates with the investment decisions making process of in respect of the Funds.

As mentioned in previous paragraph, the ManCo may delegate portfolio management activity of its Funds to qualified portfolio managers. Where the delegation takes place, the ManCo is ensuring that the portfolio managers adopt remuneration policies and procedures which are consistent with the integration of sustainability risks, when sustainability risks are integrated into the investment decision making process. The ManCo will perform periodic oversight and seek confirmation from each delegate portfolio manager that these policies are being complied with and the remuneration structures are not encouraging excessive risk-taking with respect to sustainability.

In case where the ManCo retain portfolio management activity, in such case, the ManCo will appoint in most of the cases Investment Advisers to the Funds. In such case, income is almost entirely derived from fee income arising from the provision of services and employees identified as risk takers have no direct bearing on the performance capabilities of the Funds and the performance of the Funds does not impact the remuneration of those employees. Where an Investment Advisor is appointed, the ManCo is ensuring that the Investment Advisor enforces remuneration policies and procedures which are consistent with the integration of the sustainability risks.

In accordance with the SFDR requirements, the remuneration of the employees including information on the link between remuneration and sustainability objectives, are disclosed and publicly available.

Annex I – Periodical Proportionality Principle Assessment

In accordance with (Circular 10/437) and in view of the size of the assets underpinning the clients to whom the ManCo provides services, as well as the nature of the investment policies and strategies, the complexity and size of its organization, the ManCo is in the opinion the ManCo can apply the proportionality at the level of its Identified Staff that may lead to the neutralization of some remuneration policy requirements such as:

- retention policy,
- deferral of part of the variable remuneration or multi-year framework principle,
- ex-post incorporation of risk,
- establishment of a remuneration committee

The application of the proportionality principle can be justified due to the below determined facts and is subject to periodical review and following any important change in the structure of business model adopted by the Company:

1. Assessment of the criteria for the Company

a) Size

As of 31/12/2023 the assets under management of the following UCITS, SIF and RAIF were around EUR 2.3 billion and as such not substantial in comparison to the size of the Luxembourg market size:

n.9 UCITS SICAVs:

- 1st SICAV with an AUM of around Eur 30 Mio;
- Emerald SICAV with an AUM of around Eur 842K (in course of liquidation);
- Kite Fund SICAV with an AUM of around Eur 17 Mio;
- Multi Stars SICAV with an AUM of around Eur 187 Mio;
- Pharus SICAV with an AUM of Eur 680 Mio;
- Timeo Neutral SICAV with an AUM of around Eur 45 Mio;
- Trilogy SICAV with an AUM of around Eur 21 Mio;
- Safe Capital SICAV with an AUM of around Eur 73 Mio;
- Vitruvius SICAV with an AUM of around Eur 577 Mio;

n.3 SIF/AIF SICAVs:

- Bright Stars SICAV-SIF with an AUM of around Eur 140 Mio;
- Swan SICAV-SIF with an AUM of around Eur 249 Mio;
- MH Fund SICAV-SIF with an AUM of around Eur 71 Mio.

n.6 RAIF SICAV

- FAIRHILL S.A. SICAV - RAIF with an AUM of around Eur 8 Mio;
- Nabucko SICAV-RAIF with an AUM of around Eur 7 Mio;
- Ritom SICAV-RAIF with an AUM of around Eur 25 Mio;
- United SICAV-RAIF with an AUM of around Eur 827K (in progress of liquidation).
- Galileo Evolution SA, SICAV-FIAR with an AUM of around Eur 107 Mio;
- Persefone SA SICAV-FIAR with an AUM of around Eur 33 Mio;

As of 31/12/2023, the ancillary service of Discretionary Portfolio Management was active with AuM of nearly Eur 100 Mio and only 4 mandates of Investment Advisory were signed but not yet started.

According to the above considerations the ManCo can be considered as having a small size.

b) Internal Organization

- The ManCo's capital is 750.000 Euro.
- The ManCo fully belongs to a Swiss company Pharus Holding S.A.
- The ManCo has a branch established in Milan (Italy)
- As of 31/12/2023 the ManCo had 15 employees including 2 senior managers (conducting officers), of which:
 - 9 employees (including 2 senior managers) in the Luxembourg head office;
 - 6 employees (including 1 responsible officer) in the Italian Branch.
- The Internal Audit function of the ManCo has been delegated to the Deloitte according to a specific agreement which covers the function for the Italian Branch.

According to the above considerations the ManCo cannot be considered as having a complex organization.

c) Nature, scope and complexity of the activities

- 46 UCITS sub-funds are managed following a commitment global exposure approach.
- As of 31/12/2023 only 7 sub-funds follow a VAR approach but they do not invest in any exotic derivative product, the strategy remains plain vanilla. These sub-funds have around EUR 405 Million of AUM which represent nearly 17% of the total AUM managed by the Company.
- The UCITS Funds are mainly distributed in Italy (approximately 90 % of the AUM).
- The Company manages only 3 SIF/AIF and 6 RAIF with a no complex strategy (no real estate nor private equity) with an AUM of around EUR 642 Million.

According to the above considerations the ManCo can be considered as having a low-risk profile in

terms of nature, scope and complexity of the activities performed.

2. Assessment of the criteria for the different categories of the staff

As of 31/12/2023 the ManCo presented the following breakdown of the Identified Staff to whom the remuneration policy applies:

Category of Staff	Number of employees
Chief Executive Officer (who is also conducting officer)	1
Senior Management	1
Control functions	3
Employees who manage UCITS or UCIs (risk takers)	2
Any employees receiving any type of remuneration that takes them into the same remuneration bracket as Senior Management and risk takers	2
Any other employee of the ManCo.	4
Employees who perform discretionary portfolio management and investment advisory services	2

Due to the internal organization of the ManCo, staff members involved in the management of the Funds cannot be considered as fully risk takers because the main strategies/decisions are taken at internal Committees and BoD level.

3. Conclusion

According to the above described analyse the ManCo decided to apply the Principle of Proportionality to all “Identified Staff” as defined by ESMA remuneration guidelines.

Annex II – Performance Appraisal Form

Employee Name:	Xxxxxx
Job Title:	Xxxxxx
Date of Hire:	Xxxxxx

Purpose: The purpose of conducting the “Performance Appraisal” is to develop better communication between the employee and its supervisor, improve the quality of work, productivity and promote employee development.

Performance Rating Categories: consider the employee’s performance in each category and designate the level of performance that most accurately describes his/her job performance.

O – Outstanding	Employee consistently exceeds expectations with virtually no detected errors. No supervision is required.
E – Exceeds Expectation	Employee clearly exceeds position requirements. Performance is of high quality and is achieved on a regularly basis without constant follow-up/supervision.
M – Meets Expectation	Employee meets the standard performance and objectives without constant follow-up/supervision.
I – Improvement Needed	Employee does not meet performance objectives on a regular basis and has difficulty following through with his tasks. Requires constant follow-up/supervision.

I. General Factors

- 1. Quality** – The work is completed thoroughly and correctly following established process & procedures. Required paperwork is thorough and neat.

O – Outstanding	
E – Exceeds Expectation	
M – Meets Expectation	
I – Improvement Needed	

Employee's comments:

Employer's answers:

Employee's comments:

- 2. Productivity / Independence / Reliability** - The extent to which an employee produces a significant volume of work efficiently in a specified period of time. Ability to work independently with little or no direction/follow-up to complete tasks/job assignment.

O – Outstanding	
E – Exceeds Expectation	
M – Meets Expectation	X
I – Improvement Needed	

Employee's comments:

Employer's answers:

Employee's comments:

- 3. Job Knowledge** - The extent to which an employee demonstrates a knowledge of the work, processes, equipment and tools required to perform the job. Employee possesses the practical and technical knowledge required by his function.

O - Outstanding	
E - Exceeds Expectation	
M - Meets Expectation	X
I - Improvement Needed	

Employee's comments:

Employer's answers:

Employee's comments:

4. Interpersonal Relationships - The extent to which employee is willing and demonstrates the ability to cooperate, work and communicate with coworkers, supervisors, subordinates and/or outside contacts.

O - Outstanding	
E - Exceeds Expectation	
M - Meets Expectation	
I - Improvement Needed	X

Employee's comments:

Employer's answers:

Employee's comments:

5. Initiative/ Creativity - The extent to which an employee seeks out new assignments, proposes improved work methods, has new ideas, finds new and better ways of doing things.

O - Outstanding	
E - Exceeds Expectation	
M - Meets Expectation	
I - Improvement Needed	

Employee's comments:

Employer's answers:

Employee's comments:

6. Attendance – The extent to which an employee is punctual, observes prescribed work break/meal periods and has an acceptable overall attendance record. Employee's willingness to work overtime as required.

E – Exceeds Expectation	
M – Meets Expectation	
I – Improvement Needed	
No unexcused absences	
No unexcused delays	

Employee's comments:

Employer's answers:

Employee's comments:

7. Adherence to Policy – The extent to which the employee follows company policies, procedures and work conduct rules.

E – Exceeds Expectation	
M – Meets Expectation	
I – Improvement Needed	

Employee's comments:

Employer's answers:

Employee's comments:

8. Lead (IF APPLICABLE)- The extent to which the employee demonstrates proper judgment and decision-making skills when directing others.

O - Outstanding	
E - Exceeds Expectation	
M - Meets Expectation	
I - Improvement Needed	

Employee's comments:

Employer's answers:

Employee's comments:

9. Overall Performance - Rate employee's overall performance in comparison to position duties and responsibilities.

O - Outstanding	
E - Exceeds Expectation	
M - Meets Expectation	
I - Improvement Needed	

Employee's comments:

Employer's answers:

Employee's comments:

- II. OBJECTIVES TO REACHED IN THE YEAR
- III. SPECIFIC AREAS OF NEEDED IMPROVEMENT
- IV. SUGGESTIONS FOR PROFESSIONAL DEVELOPMENT (seminars, training, schooling...)
- V. NEW OBJECTIVES for the year XX
- VI. SALARY for the year XX & BONUS for the year XX

Luxembourg, xx xx xx

CHIEF EXECUTIVE OFFICER

**Responsible of Business Unit (Senior
Manager)**

EMPLOYEE