Adepa Asset Management S.A.

REMUNERATION POLICY

Phase	Owner	Date
Review	Compliance Officer	February 2021
Technical Approval	Conducting Officers Committee	March 2021
Final Approval	**Board of Directors**	**March 2021**
Next Review		Before 31/12/2022

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1. General

Adepa Asset Management S.A. ("**Adepa**" or the "**Company**") is: (i) a management company established and organized under Chapter 15 of Luxembourg law of 17 December 2010, relating to undertakings for collective investment, as amended, transposing into Luxembourg law, among others, Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and Directive 2014/91/EU amending Directive 2009/65/EC, the "**UCITS Law**"); and (ii) an alternative investment fund manager established and organized under Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended, transposing into Luxembourg law the Alternative Investment Fund Manager Directive 2011/61/EU (the "**AIFM Law**"). Adepa is also regulated through the CSSF Circular 18/698 in relation to the organization of investment fund managers incorporated under Luxembourg law.

The Company establishes, implements and maintains a remuneration policy that is compatible with a sound and efficient management of risks, that encourages such management, and which does not encourage excessive risk-taking, including but not limited to sustainability risk, which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds that it manages nor impair compliance with the Company's duty to act in the best interest of the funds and its investors.

The remuneration policy is aligned with the business strategy, objectives, values and the interests of the Company, funds managed and investors in such funds and includes measures to avoid conflict of interests.

The remuneration policy and practice applies to those categories of employees, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Company or of the funds that it manages.

2. The Company's remuneration policy

The fixed and variable components of total remuneration must be appropriately balanced.

The fixed element represents a sufficiently large proportion of the total remuneration and allows the Company to operate a completely flexible bonus policy, including the possibility to pay no variable remuneration component. In particular, the Company may retain all or part of a bonus where the performance criteria have not been fully met by the employee, the department or the Company in general.

Where remuneration includes **a variable element or a bonus**, awarded based on performance criteria, the remuneration policy is structured in such a way as to achieve a fair balance between the fixed and variable elements. This balance of the various elements of remuneration can vary according to the employee concerned, market conditions and the specific environment in which the Company operates. A maximum limit has been set by the Company for the variable element: it never exceeds the fixed remuneration.

It is also to be noted that the performance of the funds is not used as a basis for the calculation of variable remuneration components or pools of variable remuneration components.

The variable remuneration, including the deferred portion, is paid or vested only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the business unit, the funds and the individual concerned.

The total variable remuneration is generally considerably contracted where subdued or negative financial performance of the management company or of the funds concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements.

3. The Management of Exceptions

Where exceptions to the Company's policy would be applied being in relation with the structure of the remuneration or in relation of the use of fund performance in computing the variable element, the following rules must be applied

3.1. The Structure of the Remuneration

Where a fair balance between the fixed and variable elements could not be achieved or where the management of the funds accounts for more than 50% of the total portfolio managed by the Company, subject to the legal structure of the funds and its rules or instruments of incorporation, the following rules must be applied:

A substantial portion, and in any event at least 50%, of any variable remuneration component consists of units of the funds concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this point.

The instruments referred to in this point are subject to an appropriate retention policy designed to align incentives with the interests of the Company and the funds that it manages and the investors of such funds. This point applies to both the portion of the variable remuneration component and the portion of the variable remuneration component not deferred.

A substantial portion, and in any event at least 40%, of this variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the investors of the funds concerned and is correctly aligned with the nature of the risks of the funds in question.

The period referred is at least three years; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60% of the amount is deferred;

The employees are required to undertake not to use personal hedging strategies or remuneration and liability related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

The variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements laid down in this Policy.

The Company's Board of Directors reserves the right to demand that employees return all or part of a bonus awarded for performance recognized on the basis of information which has since proven to be fraudulent.

3.2. Performance Measurement

Where remuneration would vary with performance levels, the following rules must be applied:

The total remuneration is calculated by combining the evaluation of the employee's own performance with that of the relevant operational department concerned and as to their risk and the results of the Company as a whole when assessing individual performance, taking into account financial and non-financial criteria.

The aim of the remuneration policy is to align the employees' personal objectives with the long term goals of the Company. In evaluating the components of performance-related remuneration, the Company considers the long term performance and takes into account the risks associated with that performance.

Performance evaluation is done in a multi-year framework linked to the holding period recommended to the investors of the funds managed by the Company in order to ensure that the assessment process is based on the longer-term performance of the funds and that the payment of elements of remuneration which are linked to performance, are effectively spread out over the length of the economic cycle of the Company.

Performance measurement, where it's used as a basis for the calculation of variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks, associated with the underlying performance, and takes into account the cost of capital used and the liquidity required.

In assessing individual performance, the Company takes into account other criteria, such as compliance with internal rules and procedures, compliance with the Company's control systems and mechanisms, as well as compliance with standards governing client and investor relations.

4. General considerations

Payments relating to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.

The guaranteed variable remuneration is exceptional because it is not consistent with sound risk management or the pay-for-performance principle and is limited to the first year of engagement.

The pension policy is in line with the business strategy, objectives, values and long-term interests of the Company and the funds that it manages. The Company did not implement a discretionary pension benefit.

5. Governance

The remuneration policy sets out steps aimed at avoiding conflicts of interest. Procedures followed to determine remuneration amounts are clear, documented and transparent within the Company. Each employee, manager or director concerned by the policy has access to this policy to their own personal information.

The Board of Directors sets the remuneration levels for members of the Company's Board of Directors and Conducting Officers Committee. The Board of Directors establishes the general principles governing the Company's remuneration policy and supervises its implementation. This process is governed by the non-executive directors. In establishing this policy, the Board of Directors takes into account all elements pertaining to the Company's strategy, the risk-taking strategy, and the nature, scale and complexity of the Company's activities.

The control functions (risk management, internal controls, Compliance Department) and the Human Resources Department participate in the creation of the remuneration policy.

The remuneration of the senior officers in the risk management and compliance functions is overseen directly by the Board of Directors.

Members of the Board of Directors responsible for the remuneration policy, members of the Conducting Officers Committee and employees involved in the creation and implementation of the remuneration policy, must have the necessary expertise and must be operationally separate from the departments being monitored. This will ensure that they are in a position to make an independent judgement on the suitability of the remuneration policy, including the consequences in terms of risks and risk management.

The Company's Conducting Officers Committee is responsible for the implementation of the remuneration policy, defining the procedures which are then submitted to the Board of Directors for approval

The implementation of this remuneration policy is subject, at least once a year, to an internal, centralised and independent analysis by control functions (primarily by the Compliance Officer), in order to verify compliance with the policies and procedures established by the Board of Directors. The results of this analysis will be reported to the Board of Directors. A copy of this report will be made available to the CSSF.

Functions participating in control procedures are independent from the operational departments being monitored, have a suitable level of authority, and are compensated in line with the achievement of objectives associated with their role, independently of the performance of the operational sectors being monitored.

Relevant staffs are made aware of the policy and procedures in relation to remuneration matters as well as any changes to these, by Management. Employees have access to general remuneration policy related principles that are relevant to them. They are informed in advance of the criteria used to calculate their remuneration and of the evaluation process. The Company ensures that the evaluation process and the remuneration policy are documented and transparent for staff affected.

6. Disclosure

All useful information concerning the remuneration policy or any updates of it, are disclosed to relevant staff by the Company in a clear and easily understandable way. The Company will choose the disclosure method which seems most appropriate (separate declaration concerning the remuneration policy, regular publication in the annual financial statements, etc.).
The Company discloses the following information:

a) The decisional process followed to establish the remuneration policy, including the role of relevant stakeholders.
b) The link between remuneration and performance.
c) The criteria used to measure performance and the taking into account of risk.
d) The performance criteria giving entitlement to variable elements of remuneration.
e) The main parameters and the rationale for annual bonus formulation and non-cash benefits.

7. Supervision

The adoption of a strong remuneration policy is considered by the Company to be an element of corporate governance. Therefore, the evaluation of this policy is an integral part of the supervisory review process.

The external auditor reports any material weaknesses noted during the analysis of the implementation of the remuneration policy. The summary report prepared by the external auditor includes an appraisal of the rules in place.

Legal and Regulatory References:

- 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 and associated implementing regulation (“SFDR”).
- Law of 17 December 2010 on undertakings for collective investment in transferable securities, as

amended (“UCITS Law”).

- Law of 12 July 2013 on alternative investment fund managers, as amended ("AIFM Law").
- Commission Delegated Regulation (EU) no. 231/2013 (“AIFMD Level II”).
- CSSF Circular 10/437.
- CSSF Circular 18/698.