

NATAM MANAGEMENT COMPANY S.A. (hereinafter “the MANCO”) is a public limited liability company (Société Anonyme) organized under the laws of the Grand Duchy of Luxembourg and under the on-going supervision of the Luxembourg regulatory for the financial sector, the Commission de Surveillance du Secteur Financier (the “CSSF”).

The MANCO is authorized as an alternative investment fund manager (“AIFM”) subject to the law of 12 July 2013 on Alternative Investment Fund Managers (the “AIFM Law”) and Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended.

The MANCO draws the investors’ attention to its policies covering the following areas:

- Exercise of voting right
- Management of conflict of interest
- Complaint handling
- Remuneration policy

REMUNERATION POLICY (Extract)

0. INTRODUCTION

In accordance with:

- the Regulation 10-4 of the CSSF transposing the European Directives 2010/43/UE
- the section 5.5.9 of the CSSF circular 18-698
- the Article 12 of the AIFM Luxembourg law dated 12 July 2013
- ESMA Guidelines 2013/232

the MANCO has adopted 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 covers the remuneration of the following persons (the Identified Staff):

- individuals who are members of the governing bodies of the MANCO;
- senior managers;
- risk takers and control functions;
- 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.

The 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.

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 units or shares of the managed funds, made to the benefits of identified categories of staff.

1. RESPONSIBLE PERSONS

The remuneration policy is defined by the Board of the MANCO and validated by the general meeting of the shareholders. The Board of the MANCO is responsible for the implementation of the remuneration procedure, the CEO must control that the procedure is respected and must notify the Board of the MANCO for any breach or violation they should be aware during the normal course of their assessment procedure.

2. SUPERVISION AND REVISION OF THE REMUNERATION POLICY

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

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

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. Any change or update of the policy will be submitted to the Board of the MANCO for approval.

3. REMUNERATION COMPONENTS AND PROPORTIONALITY PRINCIPLE

The MANCO intends to pay to the identified staff a fixed and a variable remuneration as mentioned at the following paragraph 5. In addition to the negotiated remuneration, the MANCO may offer to its employees various optional advantages (e.g. company car, cell phone, ticket restaurant, car park).

In light of its size, nature and scope, the MANCO will not apply the sections XII.III, XII.IV, XII.V and X.II of ESMA Guidelines 2013/201.

- Set-up of an Internal Remuneration Committee
 - The payment of variable remuneration in instruments related mainly to the Fund managed
 - Deferral requirements
 - Retention periods
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- Ex-post incorporation of risk (Malus)

4. CONTROL FUNCTIONS

The CCO in agreement with the Parent Company, Banca Finnat, shall assist the CEO in determining the overall remuneration strategy applicable to the management company, having regard to the promotion of effective risk management.

The CCO in agreement with the Parent Company will assess how the variable remuneration structure affects the risk profile of the management company. The compliance function will analyse how the remuneration structure affects the management company's compliance with legislation, regulations and internal policies.

The internal audit function will periodically carry out an independent audit of the design, implementation and effects of the management company's remuneration policies.

Staff engaged in control function (i.e. Risk Management, Internal Audit and Compliance Function) shall only be compensated in accordance with the achievement of the objectives linked to their functions and shall be independent from the performance and results of the business areas they controls.

The remuneration of the senior officers in the risk management and compliance function will be directly supervised by the Conducting Officer in charge of the supervision of the related controls function and by the latter reported to the Managing Director or, in case of conflict of interests, directly by the CEO of the MANCO, under the ultimate supervision of the Remuneration Committee of the Parent Company.

5. FIXED REMUNERATION

Member of the boards: The member of the Board of the MANCO are entitled to receive an annual lump sum (payable on a quarterly basis on arrear) which may not exceed the amount of Euro 20.000. The Chairman of the Board of the MANCO is entitled to receive up to three times the amount due to the member of the board in reason of his work of conducting of the board meeting.

Senior managers and employees: The fixed remuneration of the Senior Managers and of the staff is negotiated at the beginning of the relation with the MANCO, on the basis of the individual role, including responsibility, job complexity, performance and local market conditions.

Fixed remuneration can be reviewed annually in the contest of an annual performance assessment of the employees.

6. VARIABLE REMUNERATION

The MANCO intends to pay a variable remuneration (“the Bonus”) to better gain the manager and employee loyalty, in the long term perspective, sharing with them the corporate goals.

According to the directives of the Sole Shareholder, Banca Finnat Euramerica S.p.A., the MANCO has foreseen to the possibility to pay the Bonus to the achievement of certain corporate financial results (determined as net of the tax and before the calculation of the Bonus) taking into consideration the following elements:

- the payment of the Bonus mainly, but not only, concerns the key persons (considering the direct impact of their personal job performance with the global performance of the company);
- as the business model of the MANCO does not foresee the service of portfolio management on day to day basis (in fact the services provided by the MANCO to its clients only encompass the duties of risk monitoring and oversight on the delegated functions) and does not distribute directly its own funds (the distribution activity in each jurisdiction where the funds are duly notified according to the relevant rules and regulations, is always delegated to local distributors through an appointed Main Distributor), the staff of the MANCO does not include any employees (such as the “investment managers” or “funds sellers”) whose personal performances may have been valued in relation to those of the managed funds.

Bonus can be only in the form of cash.

In accordance with Par. 8 ESMA Guidelines 2016/411, despite the MANCO being part of a credit institution group the MANCO shall adopt the group remuneration guidelines to the extent that such policies do not conflict with the sectorial guidelines applicable to management companies.

According to BFE Group Policy, the maximum amount of the Bonus Pool available to the MANCO, in order to pay variable remunerations to identified staff of the MANCO, shall not exceed the 20% of the gross profit.

7. REMUNERATION OF THE DELEGATED CHARGED OF THE PORTFOLIO MANAGEMENT FUNCTION

The business model adopted by the MANCO 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, according with the rules set in the Due Diligence procedure, put in place by the MANCO, 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 the AIFM law 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.

ANNEXES

- **Articles of Incorporation**
- **Annual Report**