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1. INTRODUCTION

NATAM Management Company Luxembourg S.A (the MANCO) licensed by the CSSF as Management Company under UCITS law 2010 and AIFM law 2013, has implemented a Remuneration policy in compliance with the following legal and regulatory requirements:

- Directive 2011/61/EU (AIFMD Directive), art. 13
- Directive 2014/91/EU (UCITS V Directive), art. 1 (2)
- Luxembourg Law of 12 July 2013, Annex II
- Sez. 5.5.9 of CSSF Circular 18-698
- Circular CSSF 10/437,
- ESMA/2016/411 Guidelines.

In addition the MANCO, as subsidiary of Banca Finnat Euramerica S.p.A. (“BFE” or the “Parent Company”), is required to conform its remuneration systems to the guidelines set out by BFE (as shared from time to time and as far as applicables to the internal regulations that must prevail) ensuring, in any case, compliance with corporate objectives and values, long-term strategies and prudent risk management policies.

The Remuneration Policy determines remuneration in a clear, documented and transparent way and 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.

Pursuant to the Article 13 of AIFMD Directive and its implementing regulation and Article 1(2) of UCITS V Directive, the MANCO has adopted, for those categories of persons, 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 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.

Staff members shall be informed in advance of the criteria that will be used to determine their remuneration and of the appraisal process (if any). The appraisal process and the remuneration policy shall be properly documented and transparent to the individual staff members concerned.

Without prejudice to confidentiality and data protection provisions, relevant information on the remuneration policy and any updates in case of policy changes shall be disclosed in a clear and easily understandable way. Such disclosure may take the form of an independent remuneration policy

statement, a periodic disclosure in annual financial statements or any other form.

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.

In accordance with the BFE directives, this remuneration policy guarantees gender neutrality, ensuring that, for the same activity carried out, the staff have an equal level of remuneration.

For this purpose, the MANCO may define internally the methods of analysis most suited to its own organizational reality to conduct a check aimed to confirm compliance with gender remuneration equality and highlighting any situations susceptible to corrective.

The results of the verification and any corrective measures (if any) are reported in a specific document to be submitted for approval to the BOD

With regard to the ways in which the remuneration policy ensures gender neutrality, the BOD of each company annually provides adequate information to its Shareholders' Meeting.

2. RESPONSIBLE PERSONS

The remuneration policy is defined by the Board of Directors of the MANCO (the BOD) and validated by the general meeting of the shareholders.

The BOD is responsible for the implementation of the remuneration procedure, the General Manager must control that the procedure is respected and must notify the BOD and the Remuneration Committee of the Parent Company (see par. 6 below) for any breach or violation they should be aware during the normal course of their assessment procedure.

3. 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 BOD 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 BOD for approval.

4. REMUNERATION COMPONENTS AND PROPORTIONALITY PRINCIPLE

The MANCO may pay to the identified staff fixed and variable remuneration according to the procedures set out hereafter.

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).

The MANCO doesn't foresee to grant discretionary pension benefits.

In light of its size, the internal organization, the nature, scope and complexity of the activities, the BOD assessed that proportionality principle may apply to its remuneration framework and -- in light of the above -- the MANCO shall in particular disapply the following rules:

- set-up of an Internal Remuneration Committee
- the payment of variable remuneration in instruments related mainly to the Funds managed
- deferral requirements
- retention periods
- ex-post incorporation of risk (Malus)

5. CONTROL FUNCTIONS

Control functions shall assist the General Manager (GM) in determining the overall remuneration strategy applicable to the management company, having regard to the promotion of effective risk management.

The risk management function will assess how the variable remuneration structure affects the risk profile of the management company.

The compliance function will analyze 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 GM or, in case of conflict of interests, directly by the GM of the MANCO, under the ultimate supervision of the Remuneration Committee of the Parent Company.

6. FIXED REMUNERATION

Member of the boards: The member of the Board of Directors 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 BOD is entitled to receive up to three time 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, based on 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.

7. VARIABLE REMUNERATION (or THE BONUS)

7.1 INTRODUCTION

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, 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 “distributors”) 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.

7.2 THE REMUNERATION COMMITTEE OF THE PARENT COMPANY

The Parent Company is required to defines the guidelines and the general rules that the companies of BFE Group have to implement, as applicable, in certain fields (such as: corporate governance model, incentive systems, risk policy, internal control system, related parties and transaction in conflict of interest etc.).

In the framework of its duties, BFE has created a remuneration committee having the following mission:

- to carry out proactive and advisory functions with regard to the remuneration of the managing directors, of the other directors who hold particular positions and of the managers with strategic responsibilities and relevant personnel referred to in the remuneration policies;
- to submit proposals to the board for the remuneration of the Managing Directors and other directors who hold particular positions, monitoring the application of the decisions

adopted by the board itself;

- to assess, on periodically basis, the criteria adopted for the remuneration of managers with strategic responsibilities and relevant personnel, supervise their application on the basis of the information provided by the managing directors and formulate general recommendations on the matter to the board of directors;
- to make proposals to the Board of Directors regarding the incentive system deemed most appropriate (stock option plans and other share-based plans) and to monitor the evolution and the application over time of the plans approved by the shareholders' meeting on the proposal of the Board of Directors.

In the light of these specific goals the Remuneration Committee of the Parent Company is required to verify the fix remuneration of the CEO and the principles that determines the variable remuneration of the MANCO before the approval of the Parent Company's Board.

7.3 CONDITION TO PAYMENT OF THE VARIABLE REMUNERATION

The MANCO will pay a variable remuneration on the achievement of both the following set of conditions:

- 1. Conditions at BFE Group level.** on annual basis the Parent Company sets the general condition, at the group level, for the assignment of the variable remuneration, typically in terms of net results achievement, Group Equity Tier 1 and Group Return on Risk Adjusted Capital minimum levels. The annual BFE Group conditions are communicated by the Parent Company to the Board of the MANCO for implementation, within the month of March of each year. The conditions defined by BFE Group for the year 2018 are set out below:

- a) achievement of a positive net result both at Group and MANCO level;
- b) Group Common Equity Tier 1 capital ratio of 20% or greater;
- c) Positive Group Return on Risk Adjusted Capital

- 2. Condition at the MANCO level.** Conditions applicable at MANCO level are predetermined and will not vary from year to year and will be those verified from that moment on. As an example, the conditions defined by BFE Group for the year 2019 are set out below:

- a) achievement of the 50% of the budget (before tax)

If all the conditions under 1) and 2) will not be achieved any bonus will be paid.

7.4 DETERMINATION OF THE TOTAL VARIABLE AMOUNT

According to BFE Group Policy, the maximum amount of the Bonus Pool available to NATAM in order to pay variable remunerations to identified staff of the MANCO (as indicated under par. 6.5) shall not exceed the following thresholds.

Minimum % of budget target to be reached	Max. Bonus Pool
50%-110% of the Budget Target	24% of the gross profit, until 100% of the budget, before the application of the incentive system
>110% of the Budget Target	36% of the gross profit exceeding 100% of the budget, before the application of the incentive system.

Without prejudice to these maximum limits, the effective amount of the bonus pool will be conditioned to the achievement of the objectives set at the Par. 7.6 below.

The Parent Company CEO reserves the right to reduce the above mentioned percentages if the budget target will be reached as a result of joint ventures with a third entity and or shareholders agreements.

If the sum of individual bonuses calculated according to Par.7.6 exceeds the aforementioned percentage, all bonuses will be reduced proportionally.

7.5 RECIPIENTS OF THE VARIABLE REMUNERATION

Two different categories of recipients of the Variable Remuneration have been identified by the MANCO:

- Top managers (currently only the Chairman/Conducting Person, General Manager, Risk Manager/Conducting Person: also considered as “risk takers”, namely the category of staff who have a material impact on the MANCO’s risk profile).
- Other employees.

7.6 AMOUNT OF THE INDIVIDUAL BONUS AND OBJECTIVES

TOP MANAGERS AND MIDDLE MANAGERS

OBJECTIVES

In consideration of their broad skills and activities, the goal it is represented by the achievement of three main business objectives, both short and long term, each of which has a specific weight in the determination of the bonus pool:

- a) substantial respect of the budget (at least 85%), as approved on yearly basis** (this component, which will be weighted 40%, intends to encourage the achievement of the short-term financial targets that, from year to year, seem reasonable compared to the various final results.
- b) an increase of 10% in the gross profit (revenues minus cost, before tax and bonuses) compared to the average of the three previous years:**
This component, weighted at 35%, has the purpose to empathize the long-term growth objectives and the adoption of optimization measures independent of extemporaneous events that, from year to year, can affect the contingent results.
- c) objective linked to the quality of the work and the performances of NATAM. The objective is achieved in the absence of:**

- i. relevant remarks relevant formalized for the reference period by the Auditors in the MANCO « management letter » or in the vehicle’s « management letter » if, for the latter, due to negligence of the Manco.
- ii. formalized (and relevant) claims relating to activities under the responsibility of ManCo
- iii. Negative feedback also collected by the parent company from customers even if not formalized
- iv. Reasons for significant dissatisfaction of the Parent Company generated by modus operandi implemented by ManCo in carrying out its business

This component, which determines 25% of the bonus pool, wants to stimulate the adoption of policies and measures that, although not necessarily impacting directly the economic result, may contribute in a virtuous way to the achievement of corporate efficiency, safeguard of reputation and/or are consistent with the values pursued by the MANCO and the Group.

AMOUNT

Without prejudice to the maximum individual limits established by the Parent Company and the maximum Bonus Pool according to Par. 7.4, the individual bonus amount to be paid, out of the available Bonus Pool, for these subject - - if all the above mentioned objectives are achieved -- is represented by a percentage of the gross profit before the application of the incentive system, determined on the basis of the following allocation key:

<i>In case of achievement of the 90% of the budget result</i>			
	GM	Chairman	Middle Managers
	11,5%	9%	3,5%
<i>In case of achievement of more than 110% of the budget result</i> (% applied to the each bracket exceeding the budget result)			
Up to 110%	11,5%	9%	3,5%
From 110% up	16%	14%	6%
<i>In case of not achievement of the three objectives</i>	Each of the three objectives that have not been achieved leads to a reduction in the aforementioned percentages (depending on the weighting of each objective). If none of the three goals is achieved, the Chief Executive Officer of the Parent Company may at his discretion authorize strategic incentives for personnel. These amount will not exceed 7% of the respective gross fixed remuneration The BFE Group conditions (7.3.1) must in any case be fulfilled.		

OTHER EMPLOYEES

OBJECTIVES

The bonus in favor of the “other employees” is generally linked to the quality of the work performed during the year. Specific bonuses may however be linked to the achievement of particular objectives assigned *ad personam*.

AMOUNT

Without prejudice to the maximum individual limits established by the Parent Company and the

maximum Bonus Pool according to Par. 7.4 the General Manager of the MANCO may allocate, in accordance with the Board of the MANCO, the following individual bonuses:

- up to **7% of the gross salary of each employee concerned**, following a **positive assessment** on the job activity carried out, during the relevant year, by the each employee concerned.
- up to **7% of the gross salary of each employee concerned**, at achievement of specific personal objectives as from time to time defined and assigned by the General Manager in advance and in any case within 30th March of each year.

If the payment of these bonus should result in exceeding the maximum percentages set in point 7.4, they will result in the reduction of those of Top Managers and Middle Managers (proportionally unless otherwise determined by the GM of the MANCO).

Notwithstanding the above limitations, in no cases the variable remuneration of each individual employee shall exceed the 75% of the gross salary, which can be raised to 100% for those individuals having recorded exceptional performances.

This rule will apply strictly to those employees who, within the BFE Group, receive remuneration only from the MANCO. On the other hand, for those who receives remunerations from other BFE Group companies (in particular the Chairman/CP and, to a lesser extent, the GM of the MANCO) compliance with the aforementioned individual limit will be verified with reference to the overall fixed remuneration received in scope of the various group entities.

8. CHECK ON THE FULFILMENT and CONFIRMATION TO THE BFE CEO

Within the end of the month of February of each year, the GM will confirm to the BFE CEO the eventual achievement of the conditions and amounts, set in the paragraphs 7.3, 7.4., 7.5 and 7.6, with the purpose to receive the relevant authorization to pay the variable remuneration, after the BOD final approval. The check on the mentioned conditions will be carried out by the GM, under the supervision of the Conducting person responsible of the compliance function.

9. TERM OF PAYMENT

Each individual bonus comprising the Bonus Pool is calculated yearly and accrued with reference to the results as of the 31 December of each year (the “reference year”)

To enhance individual fidelity to the Company, the annual bonus over Euro 4.000 shall be paid in two instalments, as follows:

- **up to Euro 30.000 euros (per person):** within 30 April of the first following year to the reference year of accrual;
- **the amounts exceeding Euro 30.000 (per person)** between 15th November and 30th November of the second following year to the reference year

Bonus installments shall be paid only (i) in case the relationship between NATAM and the recipient

is still effective at the time of each payment installment or (ii) in case of consensual termination, resignation of the employee (whose motivations were however accepted by the company) or dismissal for corporate reasons, in which case the remaining installment of the annual bonus due and still unpaid, shall be immediately paid at the event of termination of the working relationship.

10. EXCLUSIONS FROM VARIABLE REMUNERATION

The adoption of disciplinary measures other than a written warning, determines the immediate exclusion of the recipient from the payment of the Bonus for the reference year. The bonus, or the deferred portion of the bonus, will be reset (or returned if already paid) even in the case of conduct that causes significant losses to the company, or fraudulent behavior to the detriment of the company, or serious violations of the obligations imposed by the relevant legislation such as those similar to sanctions provided for in art. 143 ter of Italian *Testo Unico Bancario*.

11. PERSONAL HEDGING

All kind of strategies put in place by staff and employees aiming to hedge away the risk of a downward adjustment in remuneration are forbidden.

By way of not exhaustive example, staff and employees of the MANCO are forbidden to enter into any insurance contract which compensates them in the event of a downward adjustment in remuneration.

As a general rule, insurance contracts designed to cover personal payments such as healthcare and mortgage instalments may be allowed and shall not constitute a breach of this rule provided that the mortgage coverage concerns health-related circumstances that would render the staff member unable to work in an equivalent position.

The requirement not to use personal hedging strategies or insurance to undermine the risk alignment effects embedded in their remuneration arrangements apply also, where foreseen, to deferred and retained variable remuneration.

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

The MANCO's business model foresees the delegation of the portfolio management function. In this case, the MANCO will check, during the initial and ongoing due diligence, 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 AIFM.

13. REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019

The remuneration component and principle adopted by the MANCO and as above described, should be in line with the business strategy, objectives and values that are consistent with and promote sound and effective risk management and do not encourage risk taking, including Sustainability Risk as described by the regulation (UE) 2019/2088 of the European Parliament and of the council of 27 November 2019.

Despite the above, the overall amount of the Bonus in favor of each Top Manager, as envisaged in the previous paragraphs, will be impacted by a further and specific appraisal performed by the Board of Directors on each Top Manager.

This appraisal will be carried out within the first quarter of the following year with respect to the reference period and it will concern the capacity of the MANCO, as a whole, to attend the ESG & CRS criteria and objectives, set in the MANCO procedures and eventually set by the Board of Directors from time to time.

In this regard, if a member of the Top manager is also member of the Board of director, he will must to abstain from this appraisal and the appointed independent director' will have a casting vote.

The results of the above appraisal will correspond to a “CRS calculation coefficient”, as represented in the following table:

M – Meets Expectation	1
I – Improvement Needed	0,5

The “CRS calculation coefficient” will be used to determine the final amount of the Bonus according the following formula: **Bonus * CRS calculation coefficient = Final Bonus.**