

Remuneration Policy

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I. OBJECTIVES

The purpose of the Policy is to specify the terms and conditions for determining and paying the overall compensation package allocated by AECUS PARTNERS' management body for a given financial year to the employees concerned, this overall envelope including fixed and variable compensation.

The remuneration policy has been put in place in order to:

- actively support the strategy and objectives of AECUS PARTNERS
- ensure the motivation, development and retention of staff
- align the interests of employees with those of clients.

The purpose of the Policy is to define the criteria used for the evaluation of the performance of the persons concerned and the determination of fixed and variable remuneration.

The Policy applies to the following compensation:

- the fixed part of the employee's remuneration that rewards the employee's ability to meet the criteria defined in his or her position in a satisfactory manner
- the variable part of the employee's remuneration which aims to recognise individual performance, contributions and behaviour.

II. RELEVANT STAFF

AECUS PARTNERS has carried out an assessment of its staff and has thus determined which employees are targeted by the Policy (hereinafter the "**Risk Takers**"). It has been decided that employees who do not have a significant impact on the risk profile of the Management Company or the funds managed are not covered by this policy.

The following are therefore concerned:

Functions	
Management	The Chief Executive Officer
	The Managing Director
	The Managing Director
Risk takers	Financial managers (portfolio managers with voting rights on the investment committee)

It is anticipated that any other employee who has a significant impact on the risk profile of the Management Company and/or the funds managed and whose salary is in the same bracket as the Risk Takers will also be considered as a Risk Taker.

To date, no other employee has a significant impact on the risk profile of the Management Company or the funds managed, and receives a significant salary, justifying his or her inclusion in the circle of risk takers.

This list will be updated as staff changes within the Management Company.

III. ACTIVITIES AND REMUNERATION

1. ACTIVITIES

The Policy applies to all of AECUS PARTNERS' activities:

- UCITS funds management
- provision of ancillary services provided for in Article 6(3) of the UCITS Directive or Article 6(4) of the AIFMD.

2. REMUNERATION

The Policy applies to the following compensation:

- the fixed part of the employee's remuneration
- the variable part of the employee's remuneration

Remuneration is individual and negotiated during the employment contract. It may be revised according to the evolution of the employee and the Management Company, within the limits set by the overall remuneration policy. An appropriate balance is established between the fixed and variable parts of an employee's total remuneration.

The practice of guaranteed bonuses not linked to the performance of the employee is prohibited, except in exceptional cases, when hiring an employee, in which case the guarantee is limited to one year from the date of hiring.

The purpose of this remuneration policy is to align the remuneration of employees with sound risk management. The remuneration system put in place includes a fixed remuneration that is sufficiently high to give the possibility of not paying any variable component.

Dividends or similar distributions received by shareholders as owners of units or shares of the Management Company are not covered by the Policy insofar as they do not have a significant effect leading to a circumvention of the regulations relating to the applicable regulations.

Similarly, remuneration in the form of profit-sharing of the Management Company does not fall within the scope of the Policy.

The following are also excluded from the Policy because they do not have an incentive effect on risk management:

- the Company Savings Plan (PEE), Inter-company Savings Plan (PEI) and Collective Retirement Savings Plan (Perco);
- "Article 39" supplementary pension plans;
- the so-called "Article 83" retirement contract.

Exceptional bonuses paid to employees, in particular when these bonuses reward a contribution of business, are excluded from this scheme.

AECUS PARTNERS' policy does not include any discretionary pension benefits.

IV. PRINCIPLES OF THE POLICY

1. BASIS OF THE POLICY

These rules are designed in such a way that the level of total remuneration awarded is in line with the wealth created by AECUS PARTNERS over the long term, and that these rules also allow for an alignment of interests between the Management Company and its clients.

Details of the principles are presented in *Appendix 1*.

2. VARIABLE REMUNERATION ALLOCATION SCHEME

Variable remuneration is awarded taking into account qualitative and quantitative criteria in order to avoid short-term risk-taking.

The remuneration will be defined in the light of:

Quantitative (financial) criteria		Qualitative (non-financial) criteria
Quantitative measures cover a sufficiently long period to properly identify the risk relating to employees' actions (the management company will align the risk and performance measurement horizon with the holding period recommended to investors in UCIs or discretionary management profiles).	<p><</p> <p>Appropriate balance between these 2 criteria</p> <p>></p>	Negative non-financial performance, in particular unethical or non-compliant behaviour, should outweigh good financial performance, and result in a reduction in one's variable remuneration.
Relative criteria (external peers)		Absolute criteria
These are metrics that compare performance with external peers. However, these measures may have the disadvantage of having pro-cyclical consequences.	<p><</p> <p>Appropriate balance between these 2 criteria</p> <p>></p>	<p>These are the measures defined by AECUS PARTNERS on the basis of its own strategy.</p> <p>AECUS PARTNERS' strategy includes the risk profile and risk appetite of the management company and the funds it manages.</p> <p>These performance criteria help to create a long-term incentive and serve in particular to mitigate the risk of remuneration being awarded that would not be justifiable in view of the performance of the management company or the funds managed.</p>
Collective internal criteria		
Results / Benefits		

The criteria applied vary according to the functions performed by the employees within the Management Company. No employee has variable remuneration explicitly indexed to performance fees related to the management of the funds, made directly by the Management Company or by the fund itself for its own benefit, or indexed to its personal turnover.

An annual evaluation process of all employees is carried out by each of the line managers/departments following the organisation in order to assess the results in terms of individual and collective performance. This evaluation is approved by the employee concerned as well as by one of the members of the Management.

It sets quantitative, qualitative and managerial objectives to be achieved at the beginning of the year. It may take into account a multi-year performance.

3. PROVISIONS ON VARIABLE REMUNERATION AND THE PRINCIPLE OF PROPORTIONALITY

Arbitrated Requirements

AECUS PARTNERS applies the principles of proportionality to the following requirements:

Requirements that may be subject to the application of the principle of proportionality	
Payment of part of the variable remuneration in the form of instruments	✓
Retaining the variable remuneration as defined by ESMA	✓
The deferral of part of the variable remuneration, also defined by ESMA	✓
The incorporation of risks a posteriori for variable remuneration	✓
The obligation to create a remuneration committee	✓

Justification of the principle of proportionality

AECUS PARTNERS justifies the application of the principle of proportionality for the following reasons:

Criteria justifying the application of the principle of proportionality	Justifications
Size	Company with less than 50 employees ✓
Internal organisation	Entrepreneurial management company ✓
Nature, scope and complexity of activities	Assets under management of less than €1.25bn Total assets under management of less than €500 million ✓

Payment in the form of instruments, retention and deferral of variable remuneration

AECUS PARTNERS ensures that its financial situation is not adversely affected by the total remuneration awarded for a given year and/or by the variable remuneration paid or acquired during the year.

In accordance with the regulatory provisions, AECUS PARTNERS applies the principle of proportionality for the practical application of this remuneration policy.

In view of the size, organisation, nature and complexity of its activities, AECUS PARTNERS will not apply the principles of payment in instruments, custody of instruments, deferral and malus for annual variable remuneration of less than €200,000. At the start of the activity, it is not planned to pay a remuneration greater than €200,000.

Compensation Committee

AECUS PARTNERS applies the principle of proportionality and has not set up a Compensation Committee.

At the end of the individual interviews, the managers of AECUS PARTNERS determine the amount of the variable component and any bonuses paid to employees.

In accordance with the principle of proportionality, the Directorate conducts the evaluations.

4. INTEGRATION OF SUSTAINABILITY RISK (ART. 5 SFDR)

In December 2019, the European Union published legislation on sustainability reporting in the financial services sector, which came into force on 10 March 2021.

This legislation requires financial market participants and financial advisors to include in their remuneration policies information on how these policies are compatible with the integration of "sustainability risks".

At this stage, AECUS PARTNERS' remuneration policy does not include sustainability risks. On the other hand, a reflection is underway on the nature of the criteria to be taken into account to integrate these risks. The defined sustainability criteria will be integrated into the employee remuneration policy for the next annual target-setting campaign.

For more information on the integration of environmental or social characteristics and sustainable investment objectives into investment policies, please visit the AECUS PARTNERS website: www.aecuspartners.com.

V. INFORMATION

1. INFORMATION FOR EMPLOYEES

AECUS PARTNERS employees are clearly informed in advance of the qualitative and quantitative criteria used to determine the amount of their remuneration as well as the steps and timetable for the evaluation of their performance.

This information may be communicated during annual evaluations, when determining annual objectives or at any time during the financial year. The evaluation criteria are communicated orally and by email to ensure their traceability.

The Remuneration Policy is made available to the AMF and to all employees in the network.

2. INFORMATION FOR INVESTORS

The remuneration policy is available on the AECUS PARTNERS website.

UCITS Annual Report: The annual report shall include the principles of the Policy, the total amount of compensation (fixed and variable), the aggregate amount of compensation broken down by employee category (Risk Takers/Non-Risk Takers) and any changes to the Policy. Annual reports can be sent on request to AECUS PARTNERS.

VI. POLICY ADOPTION, MONITORING AND REVIEW

1. ADOPTION

The Policy is validated by the Management of AECUS PARTNERS and is then re-evaluated annually. The principles of the Policy will be updated in line with regulatory changes.

The Directorate reviews the general principles of the Policy at least once a year and shall also approve any subsequent deviations or significant changes to the Compensation Policy, and carefully review and supervise its effects.

2. MONITORING THE EFFECTIVE IMPLEMENTATION OF THE POLICY

The Management ensures at least annually the effective implementation of the Policy. It is responsible for its implementation and supervises it.

It is responsible for:

- validating the calculation method and the overall amount of the envelope of the variable part to be allocated;
- validating the principles to be applied in terms of salary increases, changes of functions and allocation of the variable part;
- validating the individual amount of the variable part of the remuneration according to the objectives set and the qualitative and quantitative criteria to be applied;
- ensuring that variable remuneration is not the result of instruments or methods that would allow the circumvention of this remuneration policy.

APPENDIX 1: PRINCIPLE OF THE REMUNERATION POLICY

RG AMF	PRINCIPLE
321-125.1°	The remuneration policy shall be consistent and promote sound and effective risk management and shall not encourage risk-taking that would be incompatible with the risk profiles, rules or instruments of incorporation of the UCITS managed by the asset management company.
321-125.2°	The remuneration policy is in line with the economic strategy, objectives, values and interests of the asset management company and the UCITS it manages and those of the UCITS' unitholders or shareholders, and includes measures to avoid conflicts of interest.
321-125.3°	The management body of the asset management company, in the exercise of its supervisory function or, where the management and supervisory functions are separated, the supervisory board of the management company or any other body or person exercising equivalent supervisory functions in a company with a different corporate form shall adopt the remuneration policy, review the general principles of the remuneration policy at least once a year, be responsible for its implementation and supervise it. The tasks referred to in this paragraph shall be performed only by members of the above-mentioned bodies who do not exercise any executive function within the asset management company concerned and are specialised in risk management and remuneration systems.
321-125.4°	The implementation of the remuneration policy shall be the subject, at least once a year, of a central and independent internal evaluation which aims to verify that it complies with the remuneration policies and procedures adopted by the bodies mentioned in 3°.
321-125.5°	Staff engaged in control functions are paid on the basis of the achievement of the objectives related to their functions, regardless of the performance of the operating areas they control.
321-125.6°	The compensation of senior managers in charge of risk management and compliance functions is directly overseen by the compensation committee, where such a committee exists.
321-125.7°	Where the remuneration varies according to performance, the total amount of the remuneration shall be established in the assessment of individual performance by combining the assessment of the performance of the person and the business unit or UCITS concerned and in the light of the risks they take with the assessment of the overall results of the asset management company and taking into account financial and non-financial criteria.

RG AMF	PRINCIPLE
321-125.8°	The performance assessment shall be carried out within a multi-annual framework adapted to the recommended holding period for unitholders or shareholders of UCITS managed by the asset management company, in order to ensure that it relates to the long-term performance of the UCITS and its investment risks and that the effective payment of the performance-dependent components of the remuneration is spread over the same period.
321-125.9°	The guaranteed variable remuneration is exceptional, applies only in the context of the hiring of a new employee and is limited to the first year of employment.
321-125.10°	An appropriate balance is established between the fixed and variable components of total remuneration and the fixed component represents a sufficiently high proportion of total remuneration for a flexible policy to be exercised with regard to variable components of remuneration, including the possibility of not paying any variable component.
321-125.11°	Payments related to early termination of a contract correspond to performance over time and are designed in such a way as not to reward failure.
321-125.12°	Performance measurement, when used as a basis for the calculation of variable components of individual or collective compensation, includes an overall adjustment mechanism that incorporates all types of current and future risks.

APPENDIX 2: PRINCIPLE ON VARIABLE REMUNERATION

RG AMF	PRINCIPLE
321-125 I.13°	<p>Depending on the legal structure of the UCITS and its rules or instruments of incorporation, a significant part of the variable component of the remuneration consists of units or shares of the UCITS concerned, an equivalent holding or shareholding, or equity-linked instruments or equivalent non-cash instruments with incentives as effective as the instruments referred to in this paragraph, unless the management of UCITS represents less than 50 % of the total portfolio managed by the asset management company, in which case the minimum threshold of 50 % shall not apply.</p> <p>The instruments referred to in this paragraph shall be subject to an appropriate retention policy aimed at aligning incentives with the interests of the asset management company and the UCITS it manages and with those of the holders or shareholders of those UCITS.</p> <p>This paragraph applies both to the part of the variable component of the remuneration deferred in accordance with 14° and to the part of the variable remuneration not deferred.</p>
321-125 I.14°	<p>The payment of a substantial portion, and in any case at least equal to 40% of the variable component of the remuneration, shall be deferred for an appropriate period taking into account the recommended holding period for unitholders or shareholders of the UCITS concerned. This share shall be fairly proportionate to the nature of the risks associated with the UCITS in question.</p> <p>The period referred to in the preceding paragraph should be at least three years. Remuneration due under deferral arrangements is acquired on a maximum basis only on a pro rata basis. If the variable component of the remuneration represents a particularly high amount, the payment of at least 60% of this amount is deferred.</p>
321-125 I.15°	<p>Variable remuneration, including the deferred portion, shall be paid or vested only if the amount of the variable remuneration is compatible with the financial situation of the asset management company as a whole and is justified by the performance of the business unit, the UCITS and the person concerned.</p> <p>The total amount of variable remuneration is generally significantly reduced when the asset management company or UCITS concerned has poor or negative financial performance, taking into account both current remuneration and reductions in payments of previously acquired amounts, including through malus or restitution schemes.</p>

RG AMF	PRINCIPLE
321-125 I.18°	<p>The pension policy shall be consistent with the economic strategy, objectives, values and long-term interests of the asset management company and the UCITS it manages.</p> <p>If the employee leaves the asset management company before retirement, the discretionary pension benefits are retained by the asset management company for a period of five years in the form of instruments defined in 13°.</p> <p>In the case of an employee who reaches retirement age, discretionary pension benefits shall be paid to the employee in the form of instruments defined in 13°, subject to a retention period of five years.</p>
321-125 I.18°	<p>Employees are required to commit not to use personal hedging strategies or compensation or liability insurance to counteract the impact of risk alignment embodied in their compensation agreements.</p>
321-125 I.18°	<p>Variable remuneration is not paid through instruments or methods that facilitate the circumvention of the requirements of the legislative and regulatory provisions applicable to asset management companies.</p>