

Luxembourg Investment Solutions, S.A.

5, rue Heienhaff
L-1736 Senningerberg
R.C.S. Luxembourg B148473
(the “**Company**”)

Details of the Company’s
Remuneration Policy
last up-date: December 2016

1. General Principles

- 1.1. The Company has established a remuneration policy which supports its overarching business strategy, which strives for building long-term relationships with customers and employees, and managing the financial consequences of business decisions across the entire economic cycle.
- 1.2. The remuneration policy of the Company (i) is in line with the objectives, values and interests of the Company and the funds managed by the Company and of the investors in such funds, (ii) is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds that the Company manages, (iii) takes also into account the nature, size and scope of the Company and of each fund it manages and (iv) includes measures to avoid conflicts of interest.

2. Company-wide rules

- 2.1. The remuneration for the Company’s employees may be divided in two components:
 - (a) a fixed salary component, encompassing the basic monthly gross salary (and benefits in kind supplied to the employee without consideration of any performance criteria). This fixed component of the remuneration is determined in the employment contract and evolves according to the Luxembourg-specific indexation of salaries or via salary increases for the employee as decided by the management of the Company; and
 - (b) a variable salary component, consisting of additional payments or benefits depending on performance, the details of which are defined in each employment contract. The variable component is determined annually by the management on a discretionary basis further to the Company’s appraisal scheme.

2.2. The remuneration policy of the Management Company notably provides that:

- (a) staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- (b) where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or fund concerned and as to their risks and of the overall results of the Company when assessing individual performance, taking into account financial and non-financial criteria;
- (c) guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of engagement;
- (d) 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;
- (e) the pension policy (where applicable) is in line with the business strategy, objectives, values and long-term interests of the Management Company and the funds that it manages;
- (f) variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements laid down in the UCITS Directive or the AIFMD (as applicable).

3. Identified Staff

3.1. The Company maintains a list of those employees, directors and officers of the Company who qualify as “identified staff” within the meaning of the “Guidelines on sound remuneration policies under the AIFMD” issued by ESMA under document number ESMA/2013/232 and of the “Guidelines on sound remuneration policies under the UCITS Directive and AIFMD” issued by ESMA under document number ESMA/2016/411 (together the “**ESMA Remuneration Guidelines**”).

3.2. The remuneration policy of the Company provides that the remuneration paid by the Company to any person who has been identified by the Company as “identified staff” shall be subject to the following rules:

- (a) the assessment of performance is set in a multi-year framework appropriate 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 their investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- (b) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow

the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;

- (c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes an adjustment mechanism to integrate relevant types of current and future risks;
- (d) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period of at least three years;
- (e) the variable remuneration, including the deferred portion, may be subject to adjustments, including through malus or clawback arrangements.

4. Proportionality

- 4.1. Notwithstanding the above, the Company has set a *de minimis* threshold (expressed as both an amount of variable remuneration and a percentage of variable remuneration over the fixed remuneration) below which the Company has assessed that it would not be proportionate to apply the rules set-out in section 2.2 above.
- 4.2. Identified Staff whose variable remuneration is below such *de minimis* are not subject to the rules set-out in section 2.2 above.

5. Delegates

- 5.1. With respect to the UCITS funds it manages, when delegating investment management functions (including risk management), where the remuneration rules would otherwise be circumvented, the Company will ensure that:
 - (a) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines ESMA/2016/411; or
 - (b) appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines ESMA/2016/411; these contractual arrangements should cover any payments made to the delegates' identified staff as compensation for the performance of investment management activities on behalf of the Company.
- 5.2. With respect to the AIF funds it manages, when delegating portfolio management or risk management activities, the Company will ensure that:

- (a) the entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines ESMA/2013/232; or
- (b) appropriate contractual arrangements are put in place with entities to which portfolio management or risk management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines ESMA/2013/232; these contractual arrangements should cover any payments made to the delegates' identified staff as compensation for the performance of portfolio management or risk management activities on behalf of the Company.

5.3. The Company implements the above rules in accordance with the relevant regulatory practice developed or accepted by the CSSF from time to time (e.g. establishment of gap analysis solely for those delegates who are neither domiciled within the EU nor are affiliated to any EU financial institutions).

6. Governance

- 6.1. The remuneration policy is adopted and regularly reviewed by the Board of directors of the Company.
- 6.2. The Company does not currently have any remuneration committee within the meaning of the ESMA Remuneration Guidelines.
- 6.3. The persons responsible for awarding the remuneration and benefits are indicated in the table below:

Category of Staff	Person(s) or body responsible
Managing Partners	General Meeting of the Shareholders
Managing Directors	General Meeting of the Shareholders
Directors and Managers	Responsible: Managing Directors
Compliance officer and Risk Managers	Responsible: Managing Directors
Employees	Responsible: Managing Directors

*
* *
*