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DYNASTY AM S.A. (the “**Company**”) is a public limited liability company (*société anonyme*) incorporated as a chapter 15 management company in accordance with the law of 17 December 2010 (the “**UCITS Law**”), as amended, and acts as an alternative investment fund manager (“**AIFM**”) within the meaning of the law of 12 July 2013 on alternative investment fund managers (the “**AIFM Law**”). The Company is the Management Company of undertaking for collective investment in transferable securities (“**UCITS**”) subject to the provisions of the UCITS Law, and appointed as external AIFM of alternative investment funds (“**AIFs**”). UCITS and AIFs managed by the Company are collectively named the “**Funds**” in this document.

Introduction

This Policy considers the applicable laws and regulations, including the following regulations which may be amended over time:

- **Circular CSSF 23/841**
- **Directive 2014/65/EU** of the European Parliament and of the Council of 15 May 2014 on Markets In Financial Instruments (MIFID II) and amending Directive 2002/92/EC and Directive 2011/61/EU.
- **Regulation (EU) N° 600/2014** of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MIFIR) and amending Regulation (EU) No 648/2012.
- **CSSF Circular 11/505** of March 11, 2011 details relating to the application of the principle of proportionality when establishing and applying remuneration policies that are consistent with sound and effective risk management as laid down in Circulars CSSF 10/496 and CSSF 10/497 (“CRD III Circulars”).
- As a Management Company:
 - **CSSF Regulation 10-4** transposing the Commission Directive 2010/43/EC of July 1, 2010 laying down implementing measures for Directive 2009/65/EC of the European Parliament and of the Council with regard to organizational requirements, conflicts of interest, business conduct risk management and the content of the agreement between the depositary and the management company.
 - **CSSF Circular 10/437** of February 1, 2010 entitled “Guidelines concerning compensation policies in the financial sector”.
 - **Article 21 of the law of May 10, 2016** transposing Directive 2014/91/EU (inserting Article 111 bis into the law of December 17, 2010 which transposes Directive 2009/65/EC).
 - **Guidelines on sound remuneration policies under the UCITS Directive and AIFMD dated March 31, 2016** (ESMA/2016/411) supplemented by the ESMA Guidelines 2016/575 of October 14, 2016.
 - Circular 23/841 Transposition of the European Securities Markets Authority’s (ESMA) guidelines on remuneration policies and practices (MiFID) – Addition of Appendix V to Circular CSSF 07/307

- As an AIFM:
 - **Appendix II "Remuneration policy" to the law of 12 July 2013** on managers of AIF.
 - **Guidelines on sound remuneration policies under the UCITS Directive and AIFMD dated March 31, 2016** (ESMA/2016/411) supplemented by the ESMA Guidelines 2016/575 of October 14, 2016.

Definitions

Clawback is a contractual agreement in which the employee agrees to return ownership of an amount of remuneration to the Company under certain circumstances. This can be applied to both upfront and deferred variable remuneration.

Control Functions are Company's employees (other than Senior Management) responsible for Risk management, Compliance and Internal Audit.

ESG is Environmental, social, and governance (ESG) investing refers to the set of standards for behaviour used by socially conscious professionals to screen investments based on corporate policies and to encourage companies to act responsibly.

Identified Staff or Material Risk Taker ("MRT"): On a yearly basis, the Senior Management will use qualitative and quantitative indicators to determine who has to be considered as Identified Staff / MRT. Such process will be conducted before any decision is made to distribute variable remuneration to any employee. The assessment will be performed in accordance with information provided in relation to the previous financial period. In this context, the Company defined the following staff categories as Identified Staff / MRT:

- Senior Management
- Risk takers
- Staff engaged in control functions
- Any employee must fulfil 2 of the 3 following qualitative criteria: (i) exercising a key control function, (ii) exercising a key executive function and (iii) being empowered to engage the Company vis-a-vis third parties
- And any employee who has been entitled a various remuneration $\geq$ 100.000 EUR during the previous financial year.

A table summarizing the result of the yearly assessment is provided under **Appendix 1**.

Malus is an arrangement that permits the Company to prevent the vesting of all or part of the amount of a deferred remuneration award in relation to risk outcomes or performances of the Company as a whole, the business unit, the Funds and, where possible, the employee.

Remuneration consists of all forms of payments or benefits made directly by, or indirectly but on behalf of, the Company in exchange for professional services rendered by the Company's employees.

Retention period is a period during which variable remuneration that has already vested and paid out in the form of instruments cannot be sold.

SFDR is *Sustainable Finance Disclosure Regulation*: Sustainability risks are defined as an environmental, social, or governance (ESG) event or condition that, if it occurs, could potentially or cause a material negative value impact.

Supervisory Function is the relevant persons or body(ies) responsible for the supervision of the management company's senior management and for the assessment and periodical review of the adequacy and effectiveness of the risk management process and of the policies, arrangements and procedures put in place to comply with the obligations under the UCITS Directive. In the case of the Company, this is the Board.

Policy's objectives, philosophy & scope

3.1 Objectives

1/ To maintain a policy:

- (i) consistent with sound and effective risk management and which does not lead to excessive risk-taking that could undermine Funds managed by the Company;
- (ii) Considering the principles governing the protection of current and potential customers and investors in the provision of services; and
- (iii) designed to manage and reduce potential or proven conflicts of interest within the Company, including those between Funds managed and their managers.

2/ To bring the Company into compliance with the Regulation mentioned in paragraph 1.

3.2 Philosophy

The Policy describes the basic principles of remuneration and its governance, with indication of the relationship between remuneration and performance. It also includes the criteria for evaluating the employee in relation to the individual and collective objectives set for him/her and the relative importance of the various components of the remuneration.

The foundation of the Company's approach to remuneration is based on 4 principles:

- ***Pay for performance:*** remuneration should be linked to the Company's business units and individual performance.
- ***Promote a culture of appropriate risk management:*** remuneration should promote a culture of risk management consistent with the Company's vision and value and should not encourage unnecessary or excessive risk-taking.
- ***Attract and retain talent:*** people are the Company's competitive advantage, so remuneration should help attract, motivate and retain exceptional people at the Company.
- ***Align employee interests with long-term shareholders' interests:*** for those in positions to influence shareholder results, remuneration should have an equity-based component so that the Company's employees' interests are aligned with shareholders'

long-term interests and so that behaviour consistent with long-term shareholder value creation is encouraged.

The Company employs an enterprise-wide approach to ensure that this Policy promotes sound and effective risk management which does not encourage risk taking that could exceed the Company's levels of tolerated risk (which may, to the extent applicable, include factors relating to Sustainability Risks - SFDR).

Dynasty's philosophy remains to bring our existing salary model further in line with the integration of sustainability risk. Each team within Dynasty AM does contribute to the achievement of Dynasty AM's overall strategy, hence plays a role in the reaching of its sustainability goals.

Employees are trained in sustainable development objectives. At the end of the year, the achievement of these objectives is assessed, among other things, during the annual performance interviews, which constitute a key element in the determination of the annual allocations of variable compensation. This determination remains a discretionary process, in accordance with the current practice of the Global Remuneration Policy.

In light of the broad definition of remuneration provided in the MiFID II Delegated Regulation, Dynasty AM's remuneration policy and practices ensures that the criteria used to assess wage increases and promotions comply with the MiFID II remuneration requirements. For instance, Dynasty AM's career progression management systems is not used to reintroduce quantitative commercial criteria upon which may depend relevant persons' career advancement and having an impact on their (fixed and/or variable) remuneration if this may create conflicts of interests that may encourage such relevant persons to act against the interests of Dynasty AM's clients.

3.3 Scope

This Policy applies to all the Company's employees and complies with the regulatory requirements set out on paragraph 1.

Decision and implementation process

4.1 Role of the Board

The Company's remuneration strategy for officers and employees is subject to the oversight of the Board.

In this context, the Board adopts the Remuneration Policy after consulting the Remuneration Committee and shall notably be responsible for:

- overseeing effective implementation of this Policy so that the Company's remuneration practices and arrangements align with appropriate levels of risk-taking and the Company's business strategies, objectives, values and long-term interests, and the avoidance of conflicts of interest;

- reviewing this Policy so that it is consistent with and promotes sound and effective risk management and does not encourage unnecessary or excessive risk-taking that exceeds the level of tolerated risk of the Company's business;
- reviewing and monitoring the Company's strategy as it relates to remuneration design for employees who are identified as Identified Staff / MRT including a review of the structure of variable remuneration, so that it aligns with appropriate risk-taking; and
- supervising the application of this Policy, including reviewing regulatory reports and required public disclosures on remuneration, changes to the methodology used by the Company to identify the Identified Staff, and internal reports on the effectiveness of the variable remuneration arrangements.

The Board should ensure that the Policy and its implementation will be reviewed on an annual basis at a minimum. Such central and independent reviews should assess whether the overall remuneration system:

- operates as intended,
- and is compliant with national and international regulations, principles and standards.

In addition, this Policy will be subject to a yearly independent review by the internal auditor. Each year, the risk manager will further assess how the variable remuneration structure affects the risk profile of the Company.

In exercising its responsibilities, the Board receives input and assistance from the Remuneration Committee and the Control Functions.

4.2 Role of the Remuneration Committee

The Company decided to set up a Remuneration Committee composed of directors who are not involved in day-to-day management and at least the majority of whom are independent. The Chairman of the Remuneration Committee must be an independent director not involved in day-to-day management

Regarding decision-making by the Remuneration Committee, the adoption of the Remuneration Policy is voted only by non-executive Board members. A preponderant voting right is allocated to the Chairman of the Remuneration Committee.

The composition of the Remuneration Committee is set out in **Appendix 2**.

The Remuneration Committee should:

- be responsible for the preparation of recommendations to the Board, regarding the remuneration of the Senior Management as well as of the highest paid Company's employees;



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- validate the variable remuneration of employees which represents more than 250% of their gross fixed remuneration;
- provide its support and advice to the Board on the Company's Remuneration Policy;
- have access to internal or external independent advice provided by or to Senior Management;
- review the appointment of external remuneration consultants that the Board may decide to engage for advice or support;
- support the Board in overseeing the remuneration system's design and operation on behalf of him;
- devote specific attention to the assessment of the mechanisms adopted to ensure that:
 - (i) the remuneration system properly considers all types of risks and liquidity and assets under management levels, and
 - (ii) the overall remuneration policy is consistent with the business strategy, objectives, values and interests of the Company and the Funds it manages and the investors of such Funds; and
 - (iii) formally review a few possible scenarios to test how the remuneration system will react to future external and internal events, and back test it as well.

The Remuneration Committee meets as indicated in **Appendix 2**.

4.3 Role of the Control Functions

The Company should ensure that Control Functions have an active role in the design, ongoing oversight and review of the Policy for other business areas. They should also assist in determining the overall remuneration strategy applicable to the Company, having regard to the promotion of effective risk management.

The Risk Management function should assess how the variable remuneration structure affects the Company's risk profile.

The Compliance function should analyse how the remuneration structure affects the Company's compliance with legislation, regulations and internal policies.

The Internal Audit function should periodically carry out an independent audit of the design, implementation and effects of the Policy.

Application of the proportionality principle

According to the applicable Regulations and the Company's self-assessment in **Appendix 3**, the Board decided to apply the proportionality principles at the institutional level but not at the individual level.

In this context, the Company decided to discard the payment process requirements and not paying part of the variable remuneration in financial instruments and / or deferred for Identified Staff whose variable remuneration is < 100.000 EUR. Indeed, this quantitative criterion is based on the criteria issued by the CSSF such as described in CSSF circular 22/797.

For the employees whose variable remuneration is ≥ 100.000 EUR, the total of this variable compensation is paid following the diagram below:

Type of remuneration	Allocation by type of remuneration	Immediate Payment (represents 60% max. of the variable remuneration)	Deferred Payment (represents 40% min. of the variable remuneration)
Cash	50%	30%	20%
Instrument	50%	30%	20%

The Remuneration Committee may decide a new allocation each year in accordance with the ESMA Guidelines

Remuneration

6.1 Structure and components

Remuneration consists of all forms of payments or benefits made directly by, or indirectly but on behalf of, the Company in exchange for professional services rendered by the Company's staff. Remuneration can be divided into:

- fixed remuneration (payments or benefits without consideration of any performance criteria),
- and variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, equity, or equity-linked instruments).

Ancillary payments or benefits, which follows from a general and non-discretionary policy of the Company and do not represent incentive effects in terms of risk assumption, are not covered by this Policy.

Fixed remuneration represents a sufficiently high part of overall remuneration to allow real flexibility in the payment of variable remuneration and in particular the possibility of paying no variable remuneration.

The increase in fixed remuneration as well as decisions relating to the promotion of employees must consider for performance in terms of risk and compliance.

The Company does not provide employees with supplementary pension policy.

The Company provides a supplementary health insurance for its employees (DKV).

The Company requires staff not to use personal hedging strategies or remuneration- and liability related insurance.

The Company ensures that the organisational measures adopted regarding the launch of new products or services appropriately take into account its remuneration policy and practice and the risks that these products or services may pose. In particular, before launching a new product, the Company assessed whether the remuneration features related to the distribution of that product

comply with the Company's remuneration policies and practices and therefore do not pose conduct of business and conflicts of interest risks. This process is appropriately documented by the Company.

As part of its product governance framework, Dynasty AM has integrated a systematic remuneration review in the product approval process.

Before launching a new product, the Compliance and Risk Management functions are consulted to verify that:

- The remuneration structure does not create misaligned incentives encouraging product pushing or mis-selling;
- Any link between variable remuneration and product distribution is subject to a documented qualitative assessment;
- The commercial targets associated with the product remain compatible with the profile and interests of the defined target clients;
- Any exceptional remuneration scheme linked to a product is assessed and approved by the Remuneration Committee where applicable.

These checks form part of the Company's internal controls to ensure full alignment with MiFID II and ESMA Guidelines.

6.2 Remuneration's characteristics by function of staff

Remuneration of the Board

The remuneration of the Directors will be fixed by the Company's shareholders, which may either fix the remuneration of the Directors one by one or allocate a global envelope to the Board.

If the shareholders decide to allocate a global envelope to the Board, the envelope will be allocated between all Directors on the basis of the time dedicated to their functions and of their respective responsibilities and expertise.

The remuneration of the Board will not be linked to the short-term results of the Company.

The remuneration of the Directors is currently exclusively made of a fixed part and it is defined in the agreement signed with the Company. This remuneration is paid to the independent Director as a fee and to the non-independent Directors as part of their fixed remuneration.

Remuneration of the Senior Management and internal Control Functions

The Senior Management and the Control functions:

- are independent from the business units they oversee,
- have appropriate authority,



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- and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

In order to avoid conflicts of interests with respect to their role in the design and/or overseeing of the remuneration policy and practices of the Company, the design of the remuneration policy and practices applicable to Risk and Compliance functions, management body and senior management of the Company does not compromise their objectivity and independence.

In addition to a fixed remuneration, the Identified Staff belonging to these categories may be entitled to receive a variable remuneration after an internal assessment. The maximum variable remuneration will vary depending on the functions of the relevant Identified Staff.

Variable remuneration of the Senior Management shall not exceed 400% of the fixed gross remuneration. If the variable remuneration were to exceed 250% of the fixed gross remuneration, this variable component of remuneration should be preapproved by the general meeting of the shareholders of the Company.

Variable remuneration of the Risk and Compliance Officers shall not exceed 100% of the fixed gross remuneration.

Remuneration of the Internal Auditor is exclusively based on a fixed amount set by contract.

Remuneration of the rest of the staff

The remuneration of the rest of the Identified Staff and other employees will be determined by the Senior Management and is composed of a fixed and a variable part. The variable remuneration shall not exceed 400% of the fixed gross remuneration.

If the variable remuneration were to exceed 250% of the fixed gross remuneration, this variable component of remuneration should be validated by the Remuneration Committee.

6.3 Remuneration's payment

Generalities

Annual bonuses are paid after the end of the performance year, generally at the beginning of the following year.

Variable remuneration cannot be paid through instruments or methods that facilitate circumvention of requirements established in the law of May 10, 2016 transposing the UCITS V Directive and in Appendix II of the law of July 12, 2013 transposing the AIFMD.

Deferral period

For the payment of the variable components of the remuneration (which are constituted in cash and in instruments), the Company decided to apply a deferral period of 3 years which coincides with the holding period recommended to the investors of the Funds managed by the Company.

The deferral period always starts at the moment the upfront part of the variable remuneration is paid out and it ends when the last variable remuneration has vested.

A *pro rata* vesting will be applied. This means that 1/3 (one-third) of the deferred remuneration will be paid at the end of each year n+1, n+2 and n+3 (“n” is the moment at which performance is measured to determine the variable remuneration).

Type of instruments

Employees should only be remunerated using instruments if it does not trigger interest misalignment or encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant Funds.

The identified staff should receive instruments related mainly to the Funds in relation to which they perform their activities, provided that no excessive concentration in the holding of the instruments is created.

Retention period

The Company decided to apply a retention period of 6 months.

Ex post risk adjustments

Dynasty AM considers including ex-post adjustment criteria of the variable remuneration in its remuneration policy and practices in order to further discourage relevant persons to disregard client’s interests or favour their own interests (for instance, by investing in products with higher short term returns but presenting more risks in the long term or not suitable to the client’s investment horizon) in order to attain short-term performance objectives.

Ex-post adjustment criteria allows Dynasty AM to further align the interests of the Company and of relevant persons with that of clients by adjusting variable remuneration if a case of misconduct appears after the remuneration has been awarded or paid-out.

Once an initial variable remuneration component has been awarded to the employee, and an upfront part has already been paid, the Company is still able to adjust, by way of a reduction, the variable remuneration as time goes by and the outcomes of the employee’s actions materialize.

In this context, Dynasty AM considers appropriate ex-post adjustment mechanisms such as the application of malus (i.e. the reduction of value of all or part of deferred variable remuneration based on ex-post risk adjustments before it has vested) (to both the cash and the instruments portions of deferred remuneration) and clawbacks (i.e. the return of ownership of an amount of variable remuneration paid in the past or which has already vested to the institution under certain conditions).

:

- Evidence of misbehaviour or serious error by the employee (e.g. breach of code of conduct, if any, and other internal rules, especially concerning risks);
- Whether the Funds and/or the Company and/or the business unit subsequently suffers a significant downturn in its financial performance;



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- Whether the Funds and/or the Company and/or the business unit in which the employee works suffers a significant failure of risk management;
- Significant changes in the Company's overall financial situation.

A clawback should operate in the case of established fraud or misleading information.

implicit adjustments

When the variable remuneration takes the form of instruments, the final payout to the employee will depend partly on market prices due to fluctuations during the deferral or retention period.

Performance assessment

7.1 Remuneration assessment criteria

To determine variable remuneration of the Staff, the following criteria are considered:

- Achievement of the objectives;
- Seniority and professional experience;
- Commitment and individual effort;
- Reputational criteria;
- Long term profitability;
- Sustainable Development.

Achievement of the objectives

On an annual basis, the Managers (N+1 of the employee) hold a meeting (i) to assess the performance of each employee during the year, (ii) to define the parameters of evaluation for the next year, and (iii) to fix quantitative and qualitative objectives for each employee.

Quantitative objectives defined as:	Qualitative objectives defined as:
- Earnings to the Company - Efficiency /cost saving - Long term profitability - Adequate performance	- Compliance - Value, ethics and sustainability follow up - Team work/leadership - Customer satisfaction - Learning attitude - Risk governance

Quantitative and qualitative objectives represent respectively 70% and 30% of the objectives' achievement scoring.

The Company maintains measures enabling it to effectively identify where the Identified Staff fails to act in the best intérêt of the client and to take remedial action.

The identified Staff are clearly informed of the criteria that will be used to determine the amount of their remuneration, the weight attributed to each, the consequences of not meeting one or the other and the steps and timing of their performance reviews. The criteria used to assess the performance of relevant persons are accessible, understandable and recorded.

The Company avoids creating unnecessarily complex policies and practices (such as combinations of different policies and practices, or multi-faceted or multi-layered schemes, which increase the risk that Identified Staff's behaviour will not be driven to act in the best interests of clients, and that any controls in place will not be as effective to identify the risk of detriment to the client). This may potentially lead to inconsistent approaches and hamper proper knowledge or control of the policies by the compliance function. The Appendix 5 sets out illustrative examples of remuneration policies and practices that create risks that may be difficult to manage due to their complexity, and that give strong incentives to sell specific products.

Seniority and Professional experience

To assess the experience criteria, the Managers will review:

- Theoretical and practical knowledge and experience;
- Specific skills and technical knowledge (e.g. banking, fund management, economic, finance, marketing, IT, accounting, regulatory, investment firm business strategy, risk management, compliance, audit, legal).

Commitment and individual efforts

To assess the commitment and individual efforts, the Managers will review:

- The availability of the relevant employee;
- His/her team spirit;
- Effectiveness in following internal procedures
- Ability to work in a changing environment and address new challenges.

Reputational criteria

The reputation criteria can notably be assessed based on any evidence that the employee has not been transparent, open and cooperative in his dealings with supervisory or regulatory authorities or with his hierarchy;

Long term profitability

To assess the profitability, the Managers will analyse:

- The employee's influence on the Company's profits;
- The employee's profitability.

Sustainable Development

To assess the experience criteria, the Managers will review :

- The employee's engagement on ESG and SFDR topics;
- Creation of long-term value for the Company.

employees are trained of the goals of sustainable development. At the end of the year, the achievement of these objectives is assessed, among other things, in the annual performance interviews, which constitute a key element in the determination of the annual allocations of variable compensation. This determination remains a discretionary process, in accordance with the current practice of the Global Remuneration Policy.

Identification of behaviours not aligned with the best interest of the client

In accordance with Article 24(1) of MiFID II and the ESMA Guidelines on remuneration policies, Dynasty AM monitors staff conduct to ensure it is consistent with the duty to act in the best interest of clients.

The following indicators may trigger further review:

- A high number of client complaints;
- Excessive portfolio turnover without proper justification;
- Outlier performance against sales targets not supported by qualitative assessment;
- Alerts from Compliance, Risk or Client Service functions.

Where such behaviours are identified, the Company reserves the right to take corrective actions including;

- Reduction or cancellation of variable remuneration (malus);
- Clawback of previously awarded remuneration;
- Temporary or permanent exclusion from promotion or salary review processes;
- Disciplinary action in accordance with internal procedures.

7.2 Link between performance and remuneration

In accordance with the principles set out in the AIFM and UCITS directives as well as the implementation texts, the amount of the variable remuneration must be determined in correlation with the results of the performance assessment for each employee.

The allocation of the variable remuneration envelope among all eligible staff is based on the importance of the function and the activity carried out as well as performance scorings assigned to the employees.

The Managers consider the overall scoring, and its evolution over time, in order to propose the remuneration. When setting the variable, the Managers must ensure, ex ante, that the proposed variable remuneration does not exceed 100% of the fixed remuneration of the employee, except in exceptional cases as mentioned above.

The amount of the variable portion is determined considering the following parameters:

- the employee's multi-year assessment, including regarding risk and compliance promotion aspects;
- the scoring of all other employees (scoring allocation);
- the budget available for variable remuneration based on the performance of the Company.

In order to ensure consistency and objectivity in the allocation of variable remuneration, the Managers will be required to include a justification taking account of objective criteria and reasons in a table for any salary increase and variable remuneration attributed (**Appendix 4**). With regard to the justification of the variable remuneration awarded in this table, the supporting documents may include, among other things, a review of consistency with regard to performance (including performance relating to the risk objective and compliance), risks and the seniority of the employee in question.

Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the Company.

The assessment of the individual performance considers both financial and non-financial criteria. Individual merit increases to fixed remuneration are determined by employee's performance and employee's position within the identified range for the employee's job. Employee performance and remuneration are reviewed annually.

In line with the MiFID II framework and ESMA Guidelines on remuneration, the Company ensures that salary increases and career progression decisions are not based solely on commercial performance or sales results.

Promotions and merit-based salary adjustments take into account:

- The employee's adherence to internal procedures and regulatory obligations;
- Conduct that reflects the Company's values, including fair client treatment and ethical behaviour;
- Cooperation with Compliance and Risk functions, and responsiveness to their recommendations;
- Any concerns raised regarding the employee's actions vis-à-vis client interests or risk alignment.

Where conduct or performance raises doubts about the alignment with the client's best interest or regulatory expectations, the Company may decide to postpone or withhold promotions or increases.

Delegated functions

When the Company delegates some of its functions such as portfolio management or risk management, the Company must ensure that delegates apply an equivalent remuneration policy within the meaning of the ESMA Guidelines or Directive 2013/36/EU CRD IV.

Gift and Entertainment

A conflict of interest may arise where an employee receives or offers a gift or entertainment that constitutes an inappropriate incentive to act in a certain way.

Dynasty AM S.A. does not permit the offering or acceptance of gifts or entertainment by a Relevant Person unless it is reasonable, proportionate and for a legitimate business purpose. Where applicable, the Relevant Person must obtain pre-approval for gifts and entertainment and approval will not be granted by the CEO or Compliance Officer where it is seen to give rise to an actual or potential conflict of interest, is inappropriate in nature or otherwise breaches any of the Company's policies.

Dissemination of the Policy

The following elements concerning the Policy will be published in the Funds' financial statements or in the form of an independent declaration:

In accordance with UCITS V directive,

- The total amount of remuneration for the financial year, broken down into fixed and variable remuneration, paid by the Company to its staff, and the number of beneficiaries, as well as, if applicable, any amount paid directly by the UCITS itself, including any performance fees;
- A description of how the remuneration and benefits were calculated;
- The results of the examinations as regards the variable remuneration paid, including any irregularity that may have occurred;
- Any significant modification of the remuneration policy adopted.

In accordance with AIFMD,

- The total amount of remuneration for the financial year, broken down into fixed remuneration and variable remuneration, paid by the Company to its staff, and the number of beneficiaries, and where applicable, profit-sharing for carried interests paid by the AIF;
- The aggregate amount of remuneration, broken down between senior managers and Company's employees whose activities have a significant impact on the AIF's risk profile.

Prospectuses and annual reports of UCITS and AIFs will specify the list of elements made available to the public and how to obtain it.

The Policy is available to the Company's employees and published on the Company's website. Any modification will be communicated as soon as possible.

Appendix 1 : Identified staff / Market Risk Takers

Identification criteria:

- Members of the Board of Directors
- Conducting Persons
- Company's employees in Control Functions (Risk, Compliance, Internal Audit)
- Portfolio Managers

In addition, if they have a significant impact on the risk profile, other employees who, in view of their overall remuneration, are in the same remuneration bracket as general management and market risk takers are included in the identified staff category, such as high-income staff who do not yet belong to the above categories and have a significant impact on the risk profile. In this context, the Company considers the following quantitative criteria:

- Any employee must fulfil 2 of the 3 following qualitative criteria: (i) exercising a key control function, (ii) exercising a key executive function and (iii) being empowered to engage the Company vis-a-vis third parties
- Any employee who has been entitled a variable remuneration ≥ 100.000 EUR during the previous financial year.

Appendix 2 : Remuneration Committee

The Remuneration Committee is made up of the Chairman and Independent board member and reports to the overall Board of Directors.

The Remuneration Committee meets at least once a year.

Appendix 3 : Proportionality principles: Company's self-assessment

According to the applicable Regulations, the Board decided to apply the proportionality principles at the institutional level but not at the individual level.

This decision is based taking into account the following criteria:

Company's size:

- 13 employees

Company's business nature:

- The Company receives remuneration from Funds (USITS and AIF) receiving its management services. Such remuneration is fixed by service agreement, disclosed in the Prospectus/Offering Memorandum, and calculated independently by the Central Administration of the relevant Fund.
- All Fund managed by the Company pursue a similar medium to long-term buy and hold investment strategy within the same asset class.
- The Company does not use complex derivative instruments, nor enters into complex transactions such as SFTRs.
- The Company is not authorized to provide the investment service of dealing on own account or underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis.
- The services provided by the Company leave no room for an employee to act on behalf of an investor.

Company's business size:

- Assets Under Management ("AUM") are below EUR 1.2 billion as of December 31, 2020.
- The Company manages 1 UCITS, 1 AIF and 2 discretionary portfolios.

Complexity of the business:

- The Company is not part of a group of companies rendering crossed services. It provides its services on a "stand alone "basis, with the assistance of delegates remunerated in accordance with service contract.
- The Funds managed are not distributed in a wide range of jurisdictions.
- The remuneration principles are fairly standards and in line with market practice, to the best of the knowledge of the Senior Management.

Fund's Risk Profile:

- The liquidity profile of the funds managed by the Company provides that assets that cannot be readily converted to cash.

Appendix 4 : Assessment supporting document for Manager

Employee's Name	Performance Assessment Criteria	Comments / Scoring by Criteria	Weight of each Criteria	Global Scoring	Remuneration Proposal
Mr / Mrs	Achievement of the objectives <i>(Quantitative aspect: 70% / Qualitative aspect: 30%)</i>		60%		
	Seniority and professional experience		10%		
	Commitment and individual effort		10%		
	Reputational criteria		10%		
	Long term profitability		10%		
Mr / Mrs	Achievement of the objectives <i>(Quantitative aspect: 70% / Qualitative aspect: 30%)</i>		60%		
	Seniority and professional experience		10%		
	Commitment and individual effort		10%		
	Reputational criteria		10%		
	Long term profitability		10%		

Appendix 5 :Illustrative examples of remuneration policies and practices that create conflicts that may be difficult to manage

1. Certain remuneration features (for example, the basis of pay, running performance-based competitions for relevant persons) involve higher risk of potential damage to clients than others (specifically those that include features which may have been designed to affect the behaviour of relevant persons, especially the sales force). Examples of high-risk remuneration policies and practices that will generally be difficult to manage, and where it would be difficult for a firm to demonstrate compliance with MiFID II, include:

2. Incentives that might influence relevant persons to sell, or ‘push’, one product or category of product rather than another or to make unnecessary/unsuitable acquisitions or sales for the investor: especially situations where a firm launches a new product or pushes a specific product (e.g. the product of the month or “in-house products”) and incentivises relevant persons to sell that specific product. Where the incentive is different for different types of products, there is a high risk that relevant persons will favour selling the product that results in higher remuneration instead of another product without appropriate regard to what is in the client’s best interests.

a. Example: A firm has remuneration policies and practices linked to individual product sales where the relevant person receives different levels of incentives depending on the specific product or category of products they sell.

b. Example: A firm has remuneration policies and practices linked to individual product sales, where the relevant person receives the same level of incentive across a range of products. However, at certain limited times, to coincide with promotional or marketing activity, the firm increases the incentive paid on the sales of certain products.

c. Example: Incentives that might influence relevant persons (who may be remunerated solely by commission, for example) to sell unit trusts rather than investment trusts – where both products may be equally suitable for clients - because sales of unit trusts pay substantially higher commissions.

3. Inappropriate requirements that affect whether incentives are paid: remuneration policies and practices which include, say, a requirement to achieve a quota of minimum sales levels across a range of products in order to earn any bonus at all is likely to be incompatible with the duty to act in the best interests of the client. Conditions which must be met before an incentive will be paid may influence relevant persons to sell inappropriately. For example, where no bonus can be earned on sales unless a minimum target is met for each of several different product types, this may impact on whether suitable products are recommended. Another example is where a reduction is made to a bonus or incentive payments earned because a secondary target or threshold has not been met.



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- a. Example: A firm has relevant persons who sell a range of products that meet different client needs, and the product range is split into three 'buckets' based on the type of client need. Relevant persons can accrue incentive payments for each product sold, however at the end of each monthly period no incentive payment is made if they have not reached at least 50% of the sales target set for each 'bucket'.
- b. Example: A firm sells products with a range of optional 'add-on' features. The relevant person receives incentive payments for all sales, with an additional payment if the client purchases an add-on feature. However, at the end of each monthly period no incentive payment is made if they have not achieved a penetration rate of at least 50% of products sold with an add-on feature.
4. Variable salaries where the arrangements vary base pay (up or down) for relevant persons based on performance against sales targets: in such cases, the relevant person's entire salary can become – in effect – variable remuneration.
- a. Example: A firm will reduce a relevant person's basic salary substantially if he or she does not meet specific sales targets. There is therefore a risk that he or she will make inappropriate sales to avoid this outcome. Equally, relevant persons may be strongly motivated to sell by the prospect of increasing basic salary and associated benefits.
5. Remuneration policies and practices which create a disproportionate return for marginal sales: where relevant persons need to achieve a minimum level of sales before incentive payments can be earned, or incentives are increased, the risk is increased. Another example would be schemes that include 'accelerators' where crossing a threshold increases the proportion of bonus earned. In some cases, incentives are payable retrospectively based on all sales rather than just those above a threshold, potentially creating significant incentives for relevant persons to sell particular products in particular circumstances.
- a. Example: A firm makes accelerated incentive payments to relevant persons for each product sold during a quarterly period as follows:
- 0-80% of target no payments
 - 80-90% of target 50€ per sale
 - 91-100% of target
 - 101-120% of target 75€ per sale 100€ per sale
 - >120% of target 125€ per sale

This example can also apply where the relevant person receives an increasing share of commission or income generated.

b. Example: A firm has the same accelerated scale as the firm in the foregoing example, but the increase in payments per sale is applied retrospectively to all sales in the quarter, e.g. on passing 91% of target the incentive payments accrued to date at the rate of €50 per sale are increased to €75 per sale. This creates a series of 'cliff edge' points, where one additional sale required to reach a higher target band causes a disproportionate increase in the incentive payment.