

## Remuneration Policy

Kredietrust Luxembourg S.A. (hereinafter defined as “KTL Luxembourg” or “KTL” or “the company”) has established a remuneration policy (the “**Remuneration Policy**”), in the context of its specific business which is managing undertaking for collective investment on transferable securities (“UCITS”) and alternative investment funds (“AIFs”).

The principles and provisions set out in the Remuneration Policy apply to the whole staff of KTL Luxembourg “**KTL Staff**” (including Material Risk Takers).

KTL updates its remuneration policy based on EU directives and related guidelines.

The current Remuneration Policy is compliant with Directive 2011/61/UE – “AIFMD”, ESMA final “Guidelines on sound remuneration policies under the AIFMD”, Directive 2014/91/EU – “UCITS V Directive” and ESMA final “Guidelines on sound remuneration policies under the UCITS Directive and AIFMD” published on the 31<sup>st</sup> of March 2016.

### **Regulatory Principles:**

The Remuneration Policy is both consistent with, and promotes, sound and effective risk management. It does not encourage risk-taking that exceeds the risk appetite of the company.

The Remuneration Policy reflects KTL objectives for good corporate governance as well as sustained and long-term value creation for the funds it manages and their shareholders.

The Remuneration Policy sets out principles applicable to all employees including the remunerations of the senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions, whose objectives are:

- To ensure that the remuneration is in line with the applicable laws and regulations,
- To comply with KBL epb Group Remuneration Policy practices which aim to ensure that remuneration is in line with the business strategy, objectives, values and interests of KBL epb Group,
- To comply with sound practices linked with the specificity of its business sector, the funds it manages and in the best interest of the investors of those funds.

### **Remuneration Principles:**

KTL Luxembourg applies a proper balance between fixed and variable remuneration, aligned with relevant responsibilities, risk impact and level of the specific function, for the relevant business sector and region.

The Fixed Remuneration of Material Risk Takers represents a sufficiently high proportion of the Total Remuneration to compensate these staff, in line with the level of expertise and skills required, for the relevant business sector and regions.

The Variable Remuneration element, including the deferred portion (if applicable), is paid or vests only if it is sustainable and justifiable in the context of the financial situation of KTL as a whole, and further justified

according to the overall results of KTL Luxembourg, its performance, as well as the performance of the individual concerned.

As a result, KTL Luxembourg is able to reduce Variable Compensation to zero where and when necessary.

### **The Variable Compensation:**

The Variable Compensation for performance has an individual component reflecting non-financial performance criteria, such as compliance with internal rules, risk standards and procedures, as well as compliance with the company's standards which govern relationships with clients and investors, as well as proper ethical behaviour.

KTL has a performance-based culture and as such rewards its employees through variable pay. This is designed to attract, retain and motivate its staff without encouraging the taking of inappropriate risk.

Therefore, employees are not receiving bonus or variable salary on the sole criteria of performance on the fund managed. Excessive risk taking to qualify for variable salary can as such be avoided.

KTL Luxembourg can operate a Variable Compensation deferral scheme for employees.

### **Delegation of activities:**

KTL Luxembourg ensures that 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 under the AIFM Law and the UCITS Law, or
- That appropriate contractual arrangements are entered into to ensure there is no circumvention of the remuneration rules with respect to payments to identified staff within the delegate.

The portfolio management and distribution functions are delegated to entities that are credit institutions/investment firms supervised by their local regulator and subject to equivalent requirements on remuneration.

A paper copy of the Remuneration Policy is available free of charge to the shareholders upon request.