

Dynamic Asset Management Company (Luxembourg) S.A. **REMUNERATION POLICY**

Preamble

Dynamic Asset Management Company (“**the Company**”) is a Luxembourg *société anonyme* under the supervision of the Commission de Surveillance du Secteur Financier and authorised to operate as an undertaking for collective investment in transferable securities (“**UCITS**”) with the ability to provide collective portfolio investment services in accordance with chapter 15 of the law of 17 December 2010 on collective investment schemes, as amended (“**Law of 2010**”), and registered as an AIF manager pursuant to the law of 12 July 2013.

This remuneration policy covers both fixed and variable components. It applies to the various categories of staff including senior management, risk-takers, supervisors and any employee who, in light of his or her total remuneration, is in the same pay bracket as the senior management and risk-takers whose work has a substantial impact on the risk profiles of the Company or the investment funds that it manages.

This procedure applies on an individual and consolidated basis.

These provisions do not apply to fees and commissions received by intermediaries or external service providers in the case of subcontracting. Equally, where remuneration is fixed, this procedure does not apply.

This Policy complies with:

- ESMA guidelines on sound remuneration policies in virtue of UCITS directive 2016/411, ESMA guidelines 2016/575, the law of 12 May 2016, and the guidelines of CSSF circular 10/437.

1. General information

The Company drafts, implements and upholds a remuneration policy that is consistent with sound and effective risk management, that encourages such management, that does not encourage risk-taking on a level incompatible with the risk profiles, regulations or instruments of incorporation of the investment funds

that it manages, and that does not undermine the Company's obligation to act in the best interests of the investment fund(s).

The remuneration policy reflects the business strategy, targets, values and interests of the Company, funds and investors, and includes measures to avoid conflicts of interests.

Principle of proportionality

Based on the criteria set out in CSSF circular 10/437 and UCITS directive 2016/411, namely the nature, size and specific reach of its business, the Company has decided to adopt the principle of proportionality.

Applying the principle of proportionality allows the Company to counter certain requirements of the law of 10 May 2016 enacting directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, namely:

- Issuing some of the variable remuneration in the form of financial instruments;
- Retention policy;
- Delaying some of the variable remuneration;
- Ex-post risk adjustment.

2. Structure of the remuneration policy

Where remuneration includes a variable component or performance-related bonus, the remuneration policy is structured in such a way as to strike a fair balance between the fixed and variable components. The Board of Directors approves the Senior Management set-up and, de facto, the Senior Managers' remuneration. This includes bonuses, which are capped at 20% of fixed remuneration.

The Company ensures that it maintains a careful balance between a sound financial position, and the payment or vesting of variable remuneration.

This fair balance of remuneration components may vary according to the employee concerned, market conditions, and the specific circumstances in which the Company conducts its business. The Company's remuneration policy sets a cap on the variable component, which is specific to each department and position.

A suitable balance is struck between the fixed and variable components of total remuneration. The fixed component represents a sufficiently large proportion of total remuneration and allows the Company to pursue a completely flexible bonus policy, specifically including the possibility of not paying any variable component.

In particular, the Company is able to withhold bonuses in part or in full if performance criteria have not been met by the employee concerned, the operational department concerned, or the Company as a whole. Variable remuneration is paid or vested only if it is compatible with the financial position of the Company as a whole (position encompassing the Company's sustainability) and if it is justified by the performances of the operational unit, investment fund and individual concerned.

The total amount of variable remuneration will be considerably reduced if the Company or fund concerned delivers mediocre or negative financial performances.

Variable remuneration will not be paid through instruments or methods that facilitate the circumvention of legal requirements.

Employees undertake not to use any personal hedging strategies or insurance related to remuneration or liability to offset the impact of risk alignment as it is written into the remuneration policy.

Payments linked to the early termination of a contract relate to long-term performance and are drawn up in such a way as to avoid rewarding failure.

Guaranteed variable remuneration is exceptional, applies only when a new staff member is recruited, and is limited to the first year of employment.

The Company's board of directors has the power to require employees to repay some or all of the bonuses awarded for performances judged on the basis of data subsequently proven to be fraudulent.

The Company periodically updates the structure of its remuneration policy to ensure that it is adapted to the Company's development.

3. Performance measurement

Where remuneration varies according to performance, its total amount is calculated by combining the appraisal of the performances of the employee and operating department concerned, and the risks incurred, with the results of the Company as a whole when appraising individual performance, taking into account financial and non-financial criteria.

The aim of the remuneration policy is to align employees' personal goals with the Company's long-term interests. When assessing the components of performance-based remuneration, the Company considers the long term and takes into account associated risks.

Performance appraisal is part of a long-term approach reflecting the recommended holding period for investors in the fund(s) managed by the Company, to ensure that it concerns investment funds' long-term performance and that actual payment of performance-based remuneration is staggered over the same period.

Where it is used as a basis for calculating the variable components of individual or collective remuneration, performance measurement includes an overall adjustment mechanism factoring in all types of present and future risks attached to the underlying performances, and takes into account the cost of capital employed, and the liquidity required.

As well as financial criteria, the Company considers the following when determining individual performance:

- the availability of the staff member concerned;
- his or her team spirit;
- hitting of targets set by senior management;
- efficiency in following internal procedures;
- ability to work in a changing environment, and rise to new challenges
- adherence to internal procedures

4. Governance

The remuneration policy includes measures to avoid conflicts of interest. The procedures followed within the Company to determine remuneration are clear, documented, and transparent internally.

The board of directors sets the remuneration of members of the Company's executive bodies and senior management. It establishes the general principles of the Company's remuneration policy, and oversees its implementation. In establishing this policy, the board of directors takes into account all factors relating to corporate and risk-taking strategies, and to the nature, scale and complexity of the Company's business. In performing its supervisory role, it regularly checks that the Company's relevant policy and procedures are adequate.

Control functions (Risk Management, Internal Control, Compliance) and the Human Resources department help to draft the remuneration policy. Outside experts may also be involved.

The remuneration of senior managers responsible for risk management and compliance functions is supervised directly by the board of directors.

The members of the board of directors who are responsible for the remuneration policy, and staff involved in drafting and implementing the remuneration policy, have the necessary expertise and are functionally separate from the operating departments in question. They are able to form an independent judgment as to the suitability of the remuneration policy, including its repercussions in terms of risk and risk management.

The Company's management board adopts the remuneration policy in its supervisory role. It is responsible for implementing and supervising the policy. Senior management establishes procedures, which it submits to the board of directors for approval. The general principles are re-examined at least once a year.

At least once a year, the implementation of this remuneration policy is the subject of an independent, centralised and internal review by the control functions to check compliance with the policies and procedures laid down by the board of directors. The control functions report the results of this review to the board of directors. A copy of the report is made available to the CSSF.

Variable remuneration is not paid through instruments or methods that facilitate the circumvention of requirements established in the remuneration policy.

Staff involved in these control procedures are independent of the operational departments that they oversee, enjoy a suitable degree of autonomy, and are paid for reaching targets set on the basis of their position, regardless of the performances of the operating sectors that they oversee.

Senior management brings the requisite remuneration policy and procedures, and any changes thereto, to the attention of staff concerned. Employees have access to the general principles of the remuneration policy by which they are covered. They are given prior notice of the criteria used to determine their remuneration, and of the appraisal procedure.

The Company ensures that the appraisal procedure and remuneration policy are documented and transparent for all staff concerned.

5. Disclosure

The Company discloses all useful information regarding the remuneration policy and any updates to staff concerned in a clear and easily understandable way. The Company will choose the means of communication that it deems most suitable (independent statement regarding the remuneration policy, periodic publication in the annual financial statements, or other).

The Company sets out the following information:

- a) the decision-making process used to determine the remuneration policy, including the role of stakeholders concerned;
- b) the link between remuneration and performance;
- c) the criteria used to measure performances and risk-taking;
- d) performance criteria for the award of variable components of remuneration;
- e) the main parameters of and justification for formulae used to determine annual bonuses and non-cash benefits.

6. Supervision

The Company considers the adoption of a sound remuneration policy to be part of internal governance. As such, its assessment forms an integral part of the prudential supervision process.

The statutory auditor reports to the board of directors on any material weaknesses identified during the inspection of the remuneration policy's implementation. The statutory auditor's report contains a judgment of the rules in place.

References:

Directive:

2014/91/EU

ESMA guidelines 2016/575

Law:

Law of 10 May 2016

Law of 17 December 2010

Circular:

Circular 18/698

CSSF circular 10/437