Remuneration Policy

Of

Alpha Value Management LTD

Dated: December 2020

Contents

Updates and amendments to the Policy

Date of change	***Brief description of change***	***Changed by***	***Sign off***
18.10.2018	*Annual review*	*Gianella Giordano*	
07.11.2019	*Annual review*	*Gianella Giordano*	
01.03.2021	*Annual review – SFRD Regulations*	*Paul Rostkowski*	

Part A – Introduction

This document contains the remuneration policy of the Company including the guiding principles for remuneration, the remuneration structure, the governance and the disclosure. The Policy is based on and compliant with the AIFMD, the ESMA "Guidelines on sound remuneration policies under the AIFMD".

Document History and Information

Document Information

Document owner	**Fund Administration Manager**
Author/Reviewer	**Paul Rostkowski**
Latest approval date	**March 2021**
Version	**4.0**

Document draft history

Date	Version	Status	Reviewers	Action/Comment

Change Mechanism

Any requirement for change or clarification should be addressed to the document owner, as defined in this policy, who will log the issue in an issue log (appendix IV). Issues must be collected via the Issues Log until the regular policy review date, at which point all identified issues with respect to this policy must be considered and addressed as part of the policy review and update process.

Urgent issues must be addressed as soon as possible and where necessary through the normal governance process for acceptance before being communicated. This shall be at the discretion of the risk and compliance function.

Policy governance

The Policy contents follow the rules regarding ESMA Final Report titled "Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD" (31 March 2016 | ESMA/2016/411). Furthermore, the table below outlines the roles and responsibilities of the stakeholders responsible for governance of this Policy.

Responsibility	Structure	Duties and Responsibilities
Ownership	AVM Ltd Board of Directors	The AVM Ltd Board of Directors is responsible for policy ownership. This includes ensuring that the policy remains up to date, is effective within the organization and that changes are communicated to those that are required to implement the policy operationally.
Approval	AVM Ltd Board of Directors	The Board must approve this policy and the respective minimum standards.
Review	AVM Ltd Board of Directors, Risk Management Function, Compliance Officer	It is the responsibility of the AVM Ltd Board of Directors, Risk Management Function and Compliance Officer to review this policy on at least an annual basis. Where appropriate, the policy must be adapted in view of any significant changes.
Supervision & Operational Implementation	AVM Ltd Board of Directors, Risk Management Function, Compliance Officer	The AVM Ltd Board of Directors, Risk Management Function and Compliance Officer are ultimately responsible for the application and requirements of this policy as well as operational implementation of the policy. Furthermore, they are responsible for understanding the principles of this policy and ensuring adequate information is made available to them to ensure they are

		confident that functions are being managed in-line with the requirements as set out by this policy

In the event of a breach of this policy, the AVM Ltd Board of Directors should be notified immediately and they should then escalate the notified breach appropriately where necessary.

1. Definitions

AIF	Alternative Investment Fund - collective investment undertakings, including investment compartments thereof, which: (i) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (ii) do not require authorisation pursuant to Article 5 of Directive 2009/65/EC
AIFMD	directive 2011/61/EU of the European Parliament AND Of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
AIF Regulation	(EU) no 345/2013 of the European Parliament and of the council of 17 April 2013 on European venture capital funds and of regulation (EU) no 346/2013 of the European parliament and of the council of 17 April on European social entrepreneurship funds
AUM	Assets under Management
ESMA Guidelines	ESMA Final Report titled "Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD" (31 March 2016 | ESMA/2016/411)
The Company	means Alpha Value Management Limited
The Board	the board of directors of the Company being the body with ultimate decision-making authority in the Company, comprising the supervisory and managerial functions.
Identified Staff	categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose

professional activities have a material impact on the Company's risk profile or the risk profile of the UCITS that it manages.

Non-Identified Staff	All members of staff which are excluded from the definition of Identified Staff and which definition, therefore, applies to staff members that hold a non-executive/non-managerial role.
Management Body	means the body with ultimate decision-making authority in a management company, investment company or depositary, comprising the supervisory and the managerial functions, or only the managerial function if the two functions are separated. Where, according to national law, the management company, investment company or depositary has in place different bodies with specific functions, the requirements laid down in this Directive directed at the management body or at the management body in its supervisory function shall also, or shall instead, apply to those members of other bodies of the management company, investment company or depositary to whom the applicable national law assigns the respective responsibility;
Remuneration	all forms of payments or benefits of any type paid by the Company, any amount paid directly by the UCITS itself, including performance fees, and any transfer of units of the UCITS in exchange for professional services rendered by the Company's Identified Staff
Supervisory Function	the relevant persons or body or bodies 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. For those management companies that, given

	their size, internal organisation and the nature, scope and complexity of their activities or their legal structure, do not have a separate supervisory function, the supervisory function should be understood to be the members of the management body... The members are mentioned in ***Appendix I*** of this policy.
UCITS	an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations
UCITS V Directive	directive 2014/91/EU of the European Parliament and of the council of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions, as amended and as may be further amended, consolidated or substituted from time to time
UCITS Regulations	the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended and as may be further amended, consolidated or substituted from time to time and any regulations or notices issued by the Authority for the time being in force

2. General Background

The UCITS V Directive and the AIFMD requires Alpha Value Management Limited (the "Company") to have in place remuneration policies and practices for those certain categories of staff of the Company whose professional activities have a material impact on the risk profile of the UCITS/AIF under management (the "Identified Staff"). This remuneration policy (the "Policy") takes into account of the European Securities Markets Authority ("ESMA") Consultation Paper "Guidelines on sound remuneration policies under the UCITS V Directive" (the "Consultation Paper") and ESMA's Guidelines on sound remuneration policies under the UCITS Directive and AIFMD which were subsequently published on 14 October 2016 (the "Guidelines").

3. Purpose

This document sets out the remuneration policy of the Company, including the principles governing how the Company remunerates its members of staff and recognised "Identified Staff".

It does not set down specific monetary remuneration for individual staff members, as each remuneration package remains primarily the result of negotiation between a staff member and the Company. Rather, through adoption and implementation of the policies contained in this document, the Company seeks to demonstrate how it complies with the remuneration related provisions of the UCITS V Directive and AIFMD.

4. Objective

The objective of the remuneration requirements is to ensure that UCITS management companies and AIFM such as the Company have in place remuneration policies that:

- are consistent with and promote sound and effective risk management principles to ensure common, uniform and consistent application of the provisions on remuneration in the UCITS V Directive and AIFMD;
- ensure that practices do not encourage excessive risk taking as compared to the investment policy of the relevant UCITS/AIFS, the risk profile of the fund rules which govern the relevant UCITS/AIFS and to act in the best interest of clients and to develop, implement and maintain a culture of ensuring the client's best interests are met;
- are in line with the business strategy, objectives, values and interests of the Company; and
- enable the Company to align the interests of the UCITS/AIFS and their investors with those of the "Identified Staff" and ''Non-Identified Staff'' that manage such UCITS/AIFS, and to achieve and maintain a sound financial situation.

This Policy together with an implementation process and ongoing monitoring serve as tools which the Company uses to implement and comply with best practice and to eliminate and mitigate against behaviours which could lead to failing to act in the client's best interest

5. Adoption, Review and Monitoring

This remuneration policy has been adopted by the members of the Board of Directors (the ''Board'') of the Company in its Supervisory Function with expertise in risk management and remuneration and any revisions to the remuneration policy require approval of such members disclosed in ***Appendix I*** to this policy. This policy will also be reviewed by the Risk Management Function, Compliance Officer and the Board.

The Board will review the Policy and the implementation of procedures on an annual basis for the Company. The annual review of the Policy is intended to ensure the effectiveness of the Policy and the effectiveness of any policy and arrangements in place with any of the Company's delegates.

The annual review will also consider the implementation of the Policy for compliance with regulatory requirements and that it operates as intended (in particular, that all agreed plans/programmes are being covered; that the remuneration pay-outs are appropriate, and that the risk profile and long-term objectives and goals of the Company are adequately reflected).

Where periodic reviews reveal that the remuneration system does not operate as intended or prescribed, the Board will ensure that a timely remedial plan is put in place.

Additionally, the Board will request at least annual assurance from relevant delegates that the remuneration arrangements in place within their companies are equivalent and that the implementation of the remuneration arrangements is in compliance with regulatory requirements. In order to avoid conflicts of interest monitoring should not be carried out by an individual subject to the same scheme.

The implementation of this policy will at least annually be subject to central and independent internal review by the Company's compliance officer, for compliance with and adherence to this policy

6. Framework

Under the UCITS V Directive and AIFMD, the Company is required to establish and apply remuneration policies and practices for its Identified Staff that are consistent with and promote sound and effective risk management and that neither encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS/AIFs it manages, nor impair compliance with the Company's duty to act in the best interests of the UCITS/AIF. In addition, under 14.2 (170) of ESMAs Guidelines, the Company shall be required to make accessible the remuneration policy to all its staff members as well. Internally, the staff shall be required to know the contents of this policy and sign their agreement on the acknowledgement sheet at the end of this policy. A copy of the signed acknowledgement sheet shall be kept in the general company policies files.

(i) Identified Staff

The Company is responsible for identifying the members of staff who fall within the definition of "Identified Staff". The term "Identified Staff" is broadly defined in the UCITS V Directive and AIFMD and includes but not limited to:

- senior management;
- executive and non-executive members of the management body of the management company e.g. CEO, directors, executive and non-executive partners;
- those in control functions (other than senior management) responsible for risk management, compliance, internal audit and similar functions within the Company;
- any staff responsible for heading the investment management, administration, marketing or human resources (as applicable);
- risk takers – staff who can exert material influence on the management company or on the UCITS/AIF it manages;
- staff whose total remuneration takes them into the bracket of senior management and risk takers, whose professional activities have a material impact on the management company's risk position or those of the UCITS/AIF it manages; and
- categories of staff of the entities to which investment management (including risk management) activities have been delegated whose professional activities have a material impact on the management company's risk position or those of the UCITS/AIF it manages

Accordingly, the Company has determined that the following staff members would fall within the definition of "Identified Staff":

- Members of the Board of Directors
- Designated Persons responsible for the Company's managerial functions
- The Money Laundering Reporting Officer (''MLRO'')
- The Compliance Officer
- CEO

- Investment Committee
- Risk Management Function

Names of Identified Staff are disclosed in ***Appendix I*** of this policy.

(ii) Non-Identified Staff

The company shall refer to all the other employees not falling in the definition of Identified Staff as being Non-Identified Staff and shall be referred to where applicable in this policy.

The remuneration principles set out in articles (a) to (r) of *Remuneration principles* below apply in principle and where applicable to the non-identified staff.

It must be understood that non-identified staff as mentioned in ***Appendix II*** are paid a fixed monthly salary agreed as per employment contract. The only discretional amount is a performance bonus paid once annually in December and identified as a separate line item in their payslip. Generally, this bonus never exceeds the monthly salary of the respective non-identified staff person and is exclusively based on the punctuality of the individual, time spent after hours (if necessary) to comply with necessary deadlines, respect shown towards immediate superiors, peers and management in general, accuracy and precision shown in the particular tasks, respect towards dress code and general compliance with the best practices of the company.

(iii) Collaborators

In addition to the Company staff (Identified & Non-Identified) that are covered by an employment contract, the company also uses the services of collaborators who are hired to performed specific jobs such as research and advisory. Collaborators perform there contracted tasks at fixed amounts or at a fixed percentage rate, however they are excluded from any risk-taking or decision making which has a degree of risk associated with it.

(iv) Remuneration principles

In accordance with Article 14(b)(1) of the UCITS V Directive and Appendix 7 of the Investment Services Rules for AIFs, the Company must comply with the following principles regarding remuneration applicable to its Identified Staff in a way and to the extent that is appropriate to the Company's size, internal organisation and the nature, scope and complexity of its activities:

a) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, constitutional documents and/or offering document, rules or instruments of incorporation of the UCITS/AIFS it manages;

b) the remuneration policy is in line with the business strategy, objectives, values and interests of the Company and the UCITS/AIFS it manages and of the investors in such funds, and includes measures to avoid conflicts of interest;

c) the remuneration policy is adopted by the Board of the Company in its Supervisory Function and that body adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees, their implementation. The tasks referred to in this point shall be undertaken only by non-executive members of the Board who have expertise in risk management and remuneration.

d) the implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the Board of the Company in its Supervisory Function;

e) 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;

f) the remuneration of the senior officers in the risk management and compliance functions is overseen directly by the remuneration committee where such a committee exists;

g) 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 UCITS/AIFS 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;

h) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS/AIFS managed by the Company in order to ensure that the assessment process is based on the longer term performance of the UCITS/AIFS and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;

i) guaranteed variable remuneration is exceptional, generally occurs only in the context of hiring new staff and is generally limited to the first year of engagement;

j) 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;

k) 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;

l) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components include a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

m) subject to the legal structure of the UCITS/AIFS and its fund rules or instruments of incorporation, a substantial portion, and in any event at least 50 per cent of any variable remuneration component consists of units or shares of the UCITS/AIFS concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this subparagraph, unless the management of the UCITS/AIFS accounts for less than 50 per cent of the total portfolio managed by the Company, in which case the minimum of 50 per cent does not apply.

The instruments referred to in this subparagraph shall be subject to an appropriate retention policy designed to align incentives with the interests of the Company and the UCITS/AIFS it manages and the investors of such funds. The Member States or their competent authorities may place restrictions on the types and designs of those instruments or prohibit certain instruments as appropriate. This subparagraph shall be applied to both the portion of the variable remuneration component deferred in line with subparagraph (n) and the portion of the variable remuneration component not deferred;

n) at least 40 per cent, of the variable remuneration component is deferred over a period which is appropriate in view of the holding period recommended to the investors of the UCITS/AIFS concerned and is correctly aligned with the nature of the risks of the UCITS/AIFS in question. The period referred to in this subparagraph shall be at least 3 years; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60 per cent of the amount shall be deferred;

o) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the business unit, the UCITS/AIFS and the individual concerned. The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Company or of the UCITS/AIFS concerned occurs, taking into account both current compensation and reductions in pay-outs of amounts previously earned, including through malus or clawback arrangements;

p) staff are required to undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements; and

q) Variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements laid down in the UCITS/AIFS Directive.

Non-Executive Directors

The non-executive Director, as mentioned in ***Appendix I*** of this policy, receives a fixed fee set at industry standard and is reimbursed for appropriate expenses associated with his role. The basic fee of an Independent Non-Executive Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Company's complexity, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on Independent Non-Executive Board members' fees.

Executive Directors

The executive Directors, as mentioned in ***Appendix I*** of this policy, also receive a fixed fee set at industry standard and are reimbursed for appropriate expenses associated with their role.

None of the Directors receive performance-based remuneration therefore avoiding a potential conflict of interest.

On the basis that none of the directors, the designated persons, CEO, MLRO or the Compliance Officer receive any element of variable payment, they fall outside the scope of the application of the pay-out process requirements referred to under point *(iii) Proportionality* below.

The Board will keep the requirement to establish a remuneration committee under close review in light of the threshold set out in section 7 of ESMA's Guidelines included under point *(iii) Proportionality* below. Taking into account the above factors, the Board considers that in light of its internal organisation and the nature, scope and complexity of its activities that it is currently appropriate to not apply for this requirement as detailed in *(vi) Conclusion* below.

(v) Proportionality

The principles above are to be complied with by the Company in a way and to the extent that is appropriate to the Company's size and the size of the UCITS/AIFS it manages, the Company's internal organisation and the nature, scope and complexity of its activities. See further below.

In assessing proportionality the Company will consider the following:

- Size
- Value of the Company's capital
- AUM of the UCITS/AIFS
- Number of staff
- Liabilities of the Company and UCITS/AIFS
- Number of branches
- Risk appetite/exposures
- Internal organisation and legal structure of the Company and UCITS/AIFS
- Listing on regulated markets of the Company or the UCITS/AIFS
- Where aggregate set of UCITS/AIFS leads the UCITS/AIFS to become more complex or systemically important
- Nature, scope and complexity
- Authorisation in place
- Investment policies and strategies managed
- National or cross border/EU vs Non-EU
- Management of multiple product types
- Identified Staff
- Percentage of variable vs fixed remuneration
- Size of obligations they may undertake

In terms of the requirement to establish a remuneration committee, the Company will consider the above criteria. ESMA's Guidelines section 11.2 (57) provides examples of management companies which may not need to establish a remuneration committee, for instance, where the AUM of the UCITS under management does not exceed EUR 1.25 billion and not having more than 50 employees, including those dedicated to the management of AIFs and the provision of services mentioned under Article 6(3) of UCITS V Directive.

ESMA's Guidelines provide that management companies which fall outside of the examples provided, should not automatically be required to set up a remuneration committee. For this purpose, a management company that is above the aforementioned threshold should be considered significant in terms of its size. In order to decide whether or not a remuneration committee should be established, it will need to assess whether or not it is significant in terms of its internal organisation and the nature, scope and complexity of its activities.

ESMA's Guidelines do not include guidance on the possibility of not applying certain specific requirements on the pay-out process rules (i.e. the requirements on variable remuneration in instruments, retention, deferral and ex post incorporation of risk for variable remuneration and where it is possible to apply lower thresholds whenever minimum quantitative thresholds are set for the pay-out requirements, e.g., the requirement to defer at least 40% variable remuneration). ESMA considers that these scenarios should remain possible in certain situations and has written a letter to the European Commission, European Council and European Parliament on 31 March 2016 seeking further legal clarity on the application of the principle of proportionality to the disapplication of the pay-out process requirements.

(vi) Delegation

ESMA's Guidelines require that entities to which investment management (including risk management) are delegated, are subject to the requirements on remuneration in a manner which is proportionate as outlined above. Alternatively, the Company shall ensure that any delegate must be subject to equivalent remuneration rules in their home state or have in place documented contractual arrangements in order to ensure that there is no circumvention of the remuneration rules.

The Company will put in place appropriate procedures (as required) to ensure there is no circumvention of the remuneration rules in accordance with the investment management agreement in advance of the effective date of ESMA's Guidelines and reflecting any legislative or other clarification issued by the European institutions in relation to the disapplication of the pay-out process rules referred to under point *(iii) Proportionality* above.

When appointing delegates, agents or service providers external to the Company in connection with the Company's performance of investment management activities on behalf of a UCITS/AIF, due consideration will be given to ensuring that none of the Identified Staff have any material interest in or are in any way linked to such third parties. Where such a link or interest is identified, the Board will review the arrangements in accordance with the Company's policy on conflicts of interest but will also give consideration to ensuring that any such arrangements proposed to be entered into are not incompatible with, or could not be seen to be circumventing, the remuneration requirements under UCITS V Directive or AIFMD. Members of the Board who may be affected by proposals concerning remuneration or the application of this Policy or proposed amendments to it will be required to abstain from voting on such proposals.

7. Company Organisation and Activities

(i) Authorisation

The Company is a Maltese Management Company authorised by the Malta Financial Services Authority pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities and Management Companies Regulations) Regulations, 2011 (as amended) which transpose Council Directive 85/611 EEC (as amended) and as AIFM Licence Holder pursuant of the AIFMD- Directive 2011/61/EU.

(ii) Activities

The Company manages three umbrella fund structures as follows.

Invictus SICAV plc

UCITS Umbrella fund structure with 2 sub-funds. Invictus Global Bond Fund and Sol Invictus Absolute Return Fund. The sub-funds investment objectives and activities are set out in their respective Supplement. Complex investments are rare. The sub-funds are graded as mid-tier risk. Total AUM is around €15 million.

Sunshine Fund (Malta) SICAV ltd

AIF Umbrella fund structure with four sub-funds. Global East Investment Fund, The Multi Asset Fund, The Alba Fund and The Blue Harmon Global Strategy Fund. The sub-funds investment objectives and activities are set out in their respective Supplement. Complex investments are rare. The sub-funds are graded as mid-tier risk. Total AUM of around €38 million.

Pangea SICAV plc

NAIF Umbrella fund structure with two sub-funds. Pangea High Yield Fund and Pangea Private Equity Technology Development Fund. The sub-funds investment objectives and activities are set out in their respective Supplement. Complex investments are rare. The sub-funds are graded as mid risk. Total AUM of around €8 million.

(iii) Internal Organisation

The internal organisation can relate to the following:

- legal structure of the Company or the UCITS/AIFS that it manages;
- the complexity of the internal governance structure of the Company;

- whether the Company itself is listed on a regulated market; and
- whether the UCITS/AIFS under management are listed on a regulated market.

As noted above, the Company has a simple structure. It is a private limited liability company and is not listed or traded on a regulated market. It has one branch (3 employees) and no subsidiaries, it operates from Malta and has circa 14 employees.

The Company acts as manager of one umbrella UCITS, one umbrella AIF and one umbrella NAIF as detailed in point *(ii) Activities* above.

The internal governance of the Company is not considered to be complex. Further details are set out in the Company's Business Plan / Programme of Activity.

The sub-funds within each umbrella managed by the Company can invest in a wide variety of different strategies and instruments, however in the main it is equity and debt instruments, derivatives such as forwards, futures and options and other funds, in accordance to its respective constitutional documents. None of the sub-funds are listed on a regulated market.

Accordingly, the Company views the UCITS/AIFS it manages as non-complex funds.

(iv) Nature, scope and complexity of activities

The nature, scope and complexity of activities can relate to the following;

- the type of authorised activity;
- the type of investment policies and strategies of the UCITS/AIFS that the Company manages;
- the national or cross-border nature of the business activities; and
- and whether the Company also manages AIFs

The Company acts as a UCITS/AIFS management company, all investment decisions are done by the portfolio managers as mentioned in ***Appendix I*** of this policy. Therefore the Company's employees are involved in the trading of investments or the decision making regarding the Funds' investment strategies. The Company's role is to provide compliance, risk and operational services to the Funds on the platforms. The Company holds a full AIFM license. Currently, the Company does not pay bonuses other than that mentioned in page 7 of this policy [or any form of variable remuneration].

As set out above, the investment policies and strategies of the Funds are not considered to be complex.

The Company operates cross border through its Italian branch.

(v) Size of the Firm and the UCITS/AIFS it manages

The size criterion can relate to the following:

- value of the Firm’s capital;
- the value of assets under management (including any assets acquired through the use of leverage) of the UCITS/AIFS that the Firm manages;
- liabilities or risks exposure of the Firm and the UCITS/AIFS it manages; and
- the number of staff and branches or subsidiaries of the Firm.

The Company is a small limited company. Turnover for 2018 was €1.9 million, gross profit €1.4 million. Capital at end of 2020 was €200,000.

The Company’s liabilities are all less than 1 year, and are almost exclusively trade and other payables. They are comfortably covered by cash held in bank. The sub-funds under management are graded principally at mid-level risk for investors.

The Company operates in Malta in which there are 14 full time staff and two executive directors who are also based in Malta. The Company has a branch in Italy with 3 full time employees.

(vi) Proportionality Principle

In order to identify whether a remuneration committee is expected to be set up, the factors mentioned in (iii) and (v) above need to be considered. When assessing whether or not the Company is significant, the Company must consider the cumulative presence of all the three factors (i.e. its internal organisation, the nature, scope and complexity of its activities and its size or the size of the UCITS/AIFS it manages). A management company which is significant only with respect to one or two of the three above factors is not be required to set up a remuneration committee.

Without prejudice to the foregoing, specific (non-exhaustive) elements to be taken into account when determining whether or not to establish a remuneration committee are:

- whether the management company is listed or not;
- the legal structure of the management company;
- the number of employees of the management company;
- the management company’s assets under management;
- whether the management company is also an AIFM;
- the provision of the services mentioned under Article 6(3) of the UCITS V Directive.

(vii) *Conclusion*

Taking all of the above into account (i.e. its size, internal organisation nature, the scope and complexity of its activities), the Board of Directors requested to the MFSA by way of a derogation to not apply for the Pay Out Process Rules requirements of payment of variable remuneration in instruments, retention, deferral and ex post incorporation of risk for variable remuneration. The Board is satisfied that those dis-applications are reconcilable with the risk profile, risk appetite and the strategy of the Company and of the funds managed.

Similarly, for the same reasons, the Company has also requested to the MFSA by way of derogation to not establish a Remuneration Committee. The MFSA approved and granted this derogation on the 2**5th March 2020** for a period of two (2) years expiring on the **1st April 2022**.

The company will carry out **at least annually,** a central and independent review for compliance with remuneration policies and procedures adopted by the management body in its supervisory function. The company will also examine how each remuneration principle (not relating to the pay-out process and the remuneration committee) is applied in view of the proportionality assessment (i.e. fully applied, fully disapplied, proportionately applied). This will be duly documented, including concise notes describing how the application selected is considered appropriate by the company.

This policy was drafted and approved by the Board of Directors and will be tabled in the next board meeting held sometime in March 2021.

8. Disclosure

The general principles of the Company's remuneration policy and the specific provisions for Identified Staff are disclosed internally and documented in this procedure. The Company's remuneration policy is accessible to staff members to whom it applies. Staff members are informed in advance of the criteria that are used to determine their remuneration and of the appraisal process. The appraisal process and this remuneration policy are properly documented and transparent to the individual staff members concerned.

In addition pursuant to the UCITS V Directive requirements and AIFMD, the following disclosures are required in the following documents:-

<u>Prospectus of UCITS/Offering Document of AIF</u>

The prospectus of each UCITS/Offering memorandum of each AIF managed by the Company is required to include either:

a) the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists; or

b) a summary of the remuneration policy and a statement to the effect that the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee where such a committee exists, are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request.

It is proposed that a summary of the remuneration policy and a statement to the above effect will be disclosed in the prospectus of each UCITS/Offering memorandum of each AIF and that such details will be made available on www.avm.com.mt

Key Investor Information Document (KIID) of UCITS

The KIID of each UCITS managed by the Company is required to include a statement to the effect that the details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request.

Annual Reports

The annual report of each UCITS/AIF managed by the Company is required to disclose the following additional information:

a) the total amount of remuneration for the financial year, split into fixed and variable remuneration paid by the Company and by the UCITS/AIF to its staff, and the number of beneficiaries, and where relevant, any amount paid directly by the UCITS/AIF itself, including any performance fee;
b) the aggregate amount of remuneration broken down by categories of employees or other members of staff as referred to in Article 14a(3) of the UCITS Directive;
c) a description of how the remuneration and the benefits have been calculated;
d) the outcome of the reviews referred to in points (c) and (d) of Article 14b(1) of the UCITS Directive including any irregularities that have occurred;
e) Material changes to the adopted remuneration policy.

9. Sustainable Finance Disclosures Regulation ("SFDR")

The Company views its remuneration policy to be consistent with the integration of sustainability risks. Indeed, there is no component of the Company's remuneration structure which is geared towards creating an incentive or bias towards excessive risk taking to the detriment of environmental, social or governance matters and/or sustainability generally ("ESG Factors").#

Also, the Company's remuneration structure has been designed to:

(i) align our incentives as manager with investors' long-term interests and the long-term success of the portfolios we manage; an

(ii) (ii) to promote a sound and effective risk management culture to protect value, in both cases, without any incentive or bias towards risk taking which could have a material impact on ESG Factors.

Appendix I

Supervisory Function -	Raffaella Maroglio
	Kenneth Schembri
	Alberto Lotti
The Board -	Raffaella Maroglio (executive)
	Kenneth Schembri (executive)
	Alberto Lotti (Non- Executive)
Portfolio Managers -	Raffaella Maroglio
	Giorgio Saronne
MLRO -	Kenneth Schembri
Compliance Officer -	Karl Cremona
CEO -	Raffaella Maroglio
Risk Management Function -	Kenneth Schembri (CRO)
Investment Committee-	Raffaella Maroglio
	Giorgio Saronne
	Roberto Lorenzini

Appendix II

Fund Administration -	Paul Rostkowski
	Guillaume Anciaux
	Audrienne Stivala
Trade Desk -	Federico Ponzio
	Andre Meira
	Daniel Galea
	Carlo Corradin
	Domenico Chiappara
Back Office -	Francesca Garavaglia
	Roberta Calleja
	Jordan Giachino
	George Lourdhusamy
Finance -	Kenneth Schembri
	Roman Szumlakowski

Appendix III

Acknowledgement Sheet

I, the undersigned confirm to have read and understood the contents of this Remuneration Policy.

Name & Surname **Signature**

Paul Rostkowski	
Audrienne Stivala	
Guillaume Anciaux	
Federico Ponzio	
Andre Meira	
Daniel Galea	
Francesca Garavaglia	
Carlo Corradin	
Jordan Giachino	
Roberta Calleja	
Domenico Chiappara	
Kenneth Schembri	
Giorgio Saronne	
Raffaella Maroglio	
George Lourdhusamy	
Roman Szumlakowski	

Appendix IV – Issues Log