

Remuneration Policy Statement

The purpose of this Remuneration Policy Statement is to provide to investors details on the Generali Investments Luxembourg S.A. (“GIL”) Remuneration Policy which is in accordance with Directive 2009/65/EC which applies to all UCITS Funds under its management and Directive 2011/61/EU for Alternative Investment Funds (AIFs) under its management, together referred as “**the Funds**”. In accordance with current best practice and the relevant Luxembourg regulatory framework such as Directive 2014/91/EU of 23 July 2014 (UCITS V), Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial sector (Recital 5 UCITS V), ESMA guidelines on sound remuneration policies and practices in the asset management sector, Regulation (EU) 2019/2088 on sustainability-related disclosure in the financial services sector (SFDR), GIL, as Management Company subject to Chapter 15 of the law of 17 December 2010 and AIFM subject to the Law of July 12, 2013, applies remuneration which is consistent with effective risk management, on the basis of the following policy statement. A paper copy of the Remuneration Policy Statement is available free of charge upon request.

1. Purpose and scope of the Remuneration Policy

The Remuneration Policy of Generali Investments Luxembourg S.A. has been designed in order to be consistent with and to promote sound and effective risk management including sustainability risks and does not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Funds managed.. It aims at mitigating incentives practices which may encourage employees to take unnecessary risk. The Policy applies to all GIL Employees, including a specific category of staff, the “Identified Staff” whose activities have a material impact on the risk profiles of GIL or the Funds under its management. Taking into account the clear distinction between operating and control functions, the skills and independence requirements of members of the management body, the role performed by internal committees, including the remuneration committee, the safeguards for preventing conflicts of interests and the internal reporting system and the related parties’ transactions rules, the following categories have been considered “Identified Staff”:

Executive and Non Executive members of the governing body:

- Chief Executive Officer and Non-executive Director including the Chairman;

Member of the Senior Management:

- Head of Portfolio Management (portfolio management activity to be terminated before end of third quarter 2023)
- Head of Funds Administration & Oversight.

Head of Control Functions:

- Head of Risk Management
- Head of Compliance
- Head of Audit.

2. Measures implemented in order to promote sound and effective risk management, align the interests of the individuals and GIL and avoid excessive risk taking

The Remuneration Policy of GIL has been designed to:

- Be in line with the business strategy, objectives, values and interests of GIL;
- Not encourage excessive risk taking as compared to the investment policy of the Funds which are managed by GIL; and
- Enable GIL to align the interests of the Funds and their investors with those of the identified staff that manages such Funds, and to achieve and maintain a sound financial situation.

3. Description of the structure of remuneration

GIL recognizes and rewards its employees with an opportunity to share in GIL's overall success.

The Company's Remuneration Policy is designed to attract, retain and motivate staff without promoting inappropriate risk-taking, and is consistent with the objectives outlined in the business strategy through an appropriate balance between variable and fixed component, a proper connection with the remuneration of individual and Company performance and a system of performance evaluation consistent with the risk profile defined. The remuneration includes a fixed and variable component:

- a) **Fixed remuneration:** Fixed remuneration is defined as base salary plus any benefits GIL provides to its employees. (For the purposes of the Remuneration Policies and the applicable regulatory framework, the benefits are considered within the fixed component of the remuneration - see point c) here below) Base salary levels (including benefits) are set with reference to market benchmarking data, which are reviewed regularly. The fixed remuneration represents the most important part of the sums allocated by GIL to the given employees per financial year.
- b) **Variable remuneration:** The variable component aims to address the performance of resources towards business objectives through the connection between incentives and objectives of the Group, Company or Business / Function and/or the Funds and individuals both from a quantitative and qualitative point of view and to the creation of value on a medium-long term horizon consistent with the risk profile defined for the Company. Variable component payment for all eligible staff, apart from the control functions, is subject to the achievement of a minimum performance threshold (Gate) both at Group level and at Company level.
- c) **Benefits:** Benefits can vary in type and value depending on national and individual agreements and personnel categories. These benefits can include supplementary pension treatment, life/disability insurance, health care, company cars, luncheon vouchers, financial facilitations, and Directors' and Officers' Liability Insurance. In cases of international mobility or relocation, additional benefits such as housing and education for children may be provided.

The total variable remuneration will be distributed to eligible employees after Board of Directors' approval, based on the recommendations rendered by the Remuneration Committee.

The measurement of performance used to calculate the variable remuneration includes a comprehensive adjustment mechanism to integrate all relevant types of risk, including, among others, the relevant environmental, social and governance (ESG) aspects, in order to avoid excessive risk taking with regard to direct or indirect sustainability risks.

The Remuneration Committee will base its opinion on the appropriateness of the variable remuneration (in general and specific individual cases) according to the parameters set in the Remuneration Policy and in compliance with the prevailing local regulation.

4. The Responsibilities of the Remuneration Committee

The Remuneration Committee meets at least on an annually basis or on request by at least one of the participants, and periodically reviews the general principles of the Remuneration Policy of GIL.

The Remuneration Committee has an independent role, operating as an overseer and a maker of recommendations to the Board of Directors for its consideration and final approval. The Remuneration Committee has no management function or decision-making power.

The role of the Remuneration Committee is to:

1. Advise the Board of Directors/Conducting Officers on any amendments to be implemented in the Remuneration Policy and on new elements of remuneration/payment for employees of GIL falling within the scope of the policy;
2. Review the ongoing appropriateness, effectiveness, and relevance of the Remuneration Policy, ensuring alignment with the company's strategy, investor interests, shareholder interests, and regulations;
3. Consistently apply the Remuneration Policy throughout the company at all employee levels;
4. Notify the Conducting Officers if the Remuneration Committee believes that the Remuneration Policy needs to be amended or is not being implemented correctly. Such notification must be precise, detailed, and reasoned;
5. Consider and make recommendations to the Board of Directors regarding the remuneration of Conducting Officers, risk takers, and control functions, taking into account the Remuneration Policy.