

fundcraft HoldCo S.à r.l.
fundcraft Services S.à r.l.
fundcraft Management S.à r.l.

Remuneration/Compensation Policy

(EXTRACT)





Annexes are not published



Introduction

The Remuneration Policy sets guidelines for the compensation of the employees of fundcraft HoldCo S.à r.l., fundcraft Services S.à r.l., fundcraft Management S.à r.l. It underpins the performance culture required by fundcraft's corporate strategy. The aim is to retain well-qualified employees and gain new, highly skilled staff.

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 management body in its supervisory function.

In the context of the measures taken to ensure the implementation of this policy, the Board of the concerned fundcraft's entity takes into account the nature, the size as well as the specific scope of the activities. As per the CSSF Circular 10/437, the CSSF will take into account the size of the financial undertaking, the nature and the complexity of its activities when monitoring compliance with that said circular.

Applicable regulation

Term	Description
Guidelines concerning the remuneration policies in the financial sector	Circular CSSF 10/437 (Guidelines concerning the remuneration policies in the financial sector)
CSSF circular 18/698	Section 5.5.9. Remuneration policy
Law of 12 July 2013 on alternative investment fund managers	ANNEX II Remuneration policy describes the organisational requirements for the AIFM in particular ESMA/2013/232 and ESMA/2016/579 ESMA Questions and answers on the application of the AIFMD (ESMA34-32-352)
Guidelines on sound remuneration policies under AIFMD	

fundcraft Services S.à r.l. qualifies as Specialised PFS and is authorised as registrar agent, administrative agent, client communication agent and domiciliation agent. As such, the Company is subject to the prudential supervision of the Luxembourg supervisory authority of the financial sector - Commission de surveillance du secteur financier ("CSSF"). According to the Circular CSSF 10/437 (Guidelines concerning the remuneration policies in the financial sector) the Company is required to establish and implement a remuneration policy which is consistent with and promotes sound and effective risk management and does not encourage risk-taking.

fundcraft Management S.à r.l. qualifies as an AIFM in accordance with the AIFM Law. In this role, fundcraft Management S.à r.l. shall provide risk management, portfolio management and marketing services for different regulated and non-regulated alternative investment funds. As such, the AIFM is subject to the prudential supervision of the Luxembourg supervisory authority of the financial sector - Commission de surveillance du secteur financier ("CSSF").



According to the AIFM Law and the Guidelines, the Company is required to establish and implement a remuneration policy which is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, management regulations or instruments of incorporation of the funds it manages.

Purpose of the Policy

The Remuneration Policy transposes the legal requirements and provides guidelines for the determination of all compensation components that can be part of an employee's overall compensation.

It sets forth standardised, objective criteria that can be applied across functions, seniority, and performance levels allowing to determine compensation ranges for new hires, as well as internal promotion, advancement, or role-change cases.

The compensation system is in line with the market environment and must be competitive.

It comprises the Base Salary, a variable short-term component related to achieving annual targets, which is normally paid out in cash, the "Bonus", and a long-term compensation component in the form of a Management Incentive Plan, referred to as "ESOP".

Governance

The governance of the Remuneration policy is set forth in the Charter of the Appointment and Compensation Committee of fundcraft HoldCo S.à r.l. annexed to this policy in Annex I.

The governing bodies of the subsidiaries of fundcraft HoldCo S.à r.l., adopt and review yearly the general principles of the compensation policy during their board meetings and are responsible for its implementation. 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 management bodies in their supervisory functions.

The compensation of the conducting officers, senior officers in the risk management and compliance functions as well as further "Identified Staff" (listed in Annex V) of fundcraft Management S.à r.l. is further directly overseen by the board of managers (Board). Their compensation requires yearly documented approval by the Boards. The compensation of the Board members of fundcraft Services S.à r.l. and fundcraft Management S.à r.l. requires yearly documented approval by its shareholder, fundcraft HoldCo S.à r.l.



Base Salaries

The Base Salary is determined according to the employee's Function and skill set / experience (the "Level") and is annually reassessed and adjusted, if appropriate.

Board members receive at maximum only a fixed remuneration (and no variable component) for their mandate within the Company.

Salary comparison studies and recognised job evaluation systems are used to check the appropriateness of salary levels and to ensure internal and external comparability.

Salary increases

Salaries may, from time to time, be increased by the Companies for one or multiple employees.

Individual performance-based salary increases

Salaries of individual employees may be increased based on their performance as determined in their yearly performance review cycle.

The yearly performance review covers the employee's performance in relation to her/his

- a. job description (technical assessment)
- b. Level (behavioural & cultural assessment)

A salary increase as a result from the yearly performance review is possible if the employee at least meets the expectations of the technical as well as the behavioural and cultural assessments. The possible salary increase is capped at the amount of the bonus granted for the past period.

A performance-related salary increase that puts an employee's salary outside the determined salary range based on his/her function and Level requires AC Committee approval

Individual promotion-related salary increases

From time to time, and not necessarily bound to the yearly performance review cycle, the Company may decide to "promote" employees meaning that the Level of the employee is changed. With this change of Levels, the salary is defined based on the new salary range (combination of Level and Function) the employee falls under.

The decision to promote an employee is at the discretion of the line manager and subject to approval by the executive team of the Company, provided that the salary increase remains within the ranges described in Annex II.



Regular country-based salary increases (inflation offset)

As the Company operates and acts as an employer in different countries, employees' salaries may be subject to inflation in the country they work in.

The Company may be required by local employment law to index the salaries of all employees in that country in line with the inflation rate. An indexation of such sort does not require AC Committee approval.

In countries where employment law does not enforce such indexations or other mechanisms to adjust country-, region-, or industry-wide salaries, the Company may decide to increase its employees' salaries collectively for all employees based in that country to offset the impact of inflation. Any such salary increase requires AC Committee approval.

A country-based salary increase automatically leads to the same indexation for the salary ranges outlined in Annex I.

AC Committee approval

The AC Committee approval process for salary increases is executed as follows :

1. HR collects adequate justification for the proposed salary increase for an employee. In case of country-based salary increases, an impact analysis of the salary increase on the Company's budget and cash position needs to be prepared.
2. The information is provided to the AC Committee via email
3. The AC Committee the provided justifications (and the impact on the Company's budget and cash position) and either approves or rejects the salary increase proposal within 24 hours after receipt of the email
4. Following the AC Committee's decision provided via email, the proposal
 - I. is approved for execution by HR (Approval)
 - II. is rejected and therefore not allowed to be executed (Rejection)
5. HR communicates the respective decision to the requesting parties

Bonuses

The Company offers to its employees a variable short-term component related to achieving annual targets, which is normally paid out in cash, the "Bonus".

The bonuses are not linked to the financial performance of the managed funds.



Repayment

It is understood and agreed that the Company may require employees to repay all or part of the bonuses that have been awarded for performance based on data which was subsequently proven to be fraudulent (CSSF Circular 10/437, para 2.8).

Based on our current organization and roles in the company, the employer is however not expecting to determine discretionary bonuses based on data collected from the employees. In such a context the criteria of fraudulent data and repayment would not be deemed applicable.

SFDR

SFDR requires financial market participants to integrate information on the consistency of their remuneration policy with the integration of sustainability risks, in accordance with Art. 5 of the SFDR. fundcraft has identified the integration of sustainability risks in governance structures and executive remuneration as a material ESG issue. The group's Remuneration Policy does not create incentives for taking excessive sustainability risks.

As a summary:

fundcraft has split the remuneration into a base salary, evenly paid out on a monthly basis, and a variable component paid as a bonus (if applicable) once a year. The base salaries for all employees are based on the individual's role and the level of responsibility for the upcoming term. It is contractually fixed, reviewed at least once a year and typically only significantly adjusted if there is a role change. The Bonus is relative to individual objectives under consideration of the Company's overall achievements which are decorrelated from the financial performance of its clients' alternative investment funds. The amount is defined in advance at the beginning of the term in accordance with the upcoming term's objectives and expectations for the overall performance of the Company. The Bonus never exceeds 20 percent of the base salary. Any unethical behaviour infringing internal policies is investigated and actioned for possible disciplinary measures.

In addition to the cash-based remuneration, fundcraft offers long-term incentives in the form of equity-related compensation. This way, employees are more focused on sustainable value creation and the avoidance of inappropriate risk-taking or short-term profit maximisation at the expense of long-term value generation for fundcraft, its clients, and sustainability. A Good and Bad Leaver policy for the long-term incentive is in place.