

Compensation Policy

1. Preamble

Swiss Rock Asset Management ("SRAM") is an investment management company ("Fund Management Company") under Swiss law. It is also licensed to manage investment portfolios in accordance with mandates given by investors on a discretionary, client-by-client basis.

As such, SRAM is also an alternative investment fund manager under Chapter 2 of the Luxembourg Law of July 12, 2013 on Alternative Investment Fund Managers ("AIFM"). Indirectly, SRAM, in its activity as fund manager of two self-initiated Luxembourg Sicavs, is thus subject to the applicable Luxembourg regulatory provisions for the establishment of remuneration schemes, as defined below:

- UCITS Directive 2014/91/EU ("UCITS V"), ESMA Guidelines on sound remuneration policies (ESMA/2016/575), dated October 14, 2016.
- Directive 2011/61/EU on Alternative Investment Fund Managers ("AIFMD"), implemented in the Luxembourg AIFM Law of July 12, 2013, as amended from time to time.
- ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232), dated 03 July 2013 and as amended on 14 October 2016 (ESMA/2016/579).
- Final report on ESMA guidelines on sound remuneration principles under the UCITS Directive and AIFMD (ESMA/2016/411), dated March 31, 2016 ("Guidelines").

In connection with the management of Undertakings for Collective Investment in Transferable Securities ("UCITS") and Alternative Investment Funds ("AIF"), hereinafter collectively referred to as "Funds", as well as the management of investment portfolios in accordance with mandates given by investors on a discretionary, client-by-client basis, the "Remuneration Policy" sets forth principles that indirectly apply to the remuneration of identified employees of Swiss Rock Asset Management AG in their capacity as fund managers of Luxembourg Sicav sub-funds:

- Senior Management
- Risk carrier
- Control functions
- All employees receiving total compensation that falls within the compensation group of senior management and risk takers whose professional activities have a material impact on the risk profiles of the management company or the funds they manage
- Employees engaged in front-office duties and sales, and/or employees engaged directly or indirectly in activities related to discretionary portfolio management or non-core activities such as providing investment advice and/or receiving and routing orders (including employees responsible for oversight of the funds of such activities).

This document is consistent with the application of the provisions of European and Luxembourg laws and regulations relating to compensation and corporate governance. The following principles are applied in a manner and to an extent appropriate to SRAM's size, internal organization and the nature, scope and complexity of SRAM.

2. Philosophy

The policy is consistent with and promotes sound and effective risk management. It does not encourage risk-taking that is inconsistent with the risk profiles, rules or charters of the funds it manages, nor does it interfere with SRAM's compliance with its duty to act in the best interests of the funds and their investors. It is consistent with the business strategy, objectives, values and interests of SRAM and the funds it manages and the investors in those funds, and includes measures to avoid conflicts of interest.

The "Compensation Policy" aims to align compensation with prudent risk-taking and underpins the performance culture required by the corporate strategy and is part of HR policy. The aim is to retain well-qualified employees and attract new, highly qualified staff. The compensation system is based on the market environment and must be competitive. The individual total compensation takes into account the employee's professional skills, commitment and personal performance. The pension policy must also be consistent with the business strategy, objectives, values and long-term interests of the management company. SRAM employees may not use personal hedging strategies or compensation- and liability-related insurance to undermine the risk alignment effects embedded in the compensation arrangements.

3. Overview of the remuneration structure

The compensation policy and lived practice comprises fixed compensation and may include variable compensation based on an annual performance assessment, usually paid in cash and, if applicable, as (partial) deferred compensation in cash. In addition, there are legally required contributions to state and company pension plans as well as legally required risk insurance (including accidents, disability) and other benefits. Fixed and variable components of total compensation are in reasonable proportion to each other and allow the option of not paying a variable compensation component.

▪ Fixed compensation

The basic salary is determined depending on the employee's function and skills and is reassessed annually and adjusted if necessary. Salary comparison studies and recognized job evaluation systems are used to check appropriateness and ensure internal and external comparability. The fixed component of compensation is intended to represent a substantially high proportion of total compensation, allowing SRAM to pursue a fully flexible bonus policy.

▪ Variable compensation

The variable bonus is usually paid in cash. It is paid on the basis of the actual performance of individuals or teams (performance-related compensation) in relation to the targets set and the annual results of Swiss Rock Asset Management AG. As SRAM operates a fully flexible bonus policy, the variable compensation can decrease in case of negative performance, but in some cases it can also decrease to zero.

Quantitative and qualitative performance is always also assessed on the basis of the competencies required for the function performed, such as expertise, entrepreneurship, task performance, collaboration and leadership. The percentage weighting between individual or team performance and the share in the success of the business unit depends on the position and responsibility of the function holder.

The variable remuneration (as well as the pension policy) is not linked to the performance or value of the assets under management of the managed funds (UCITS and AIF) in order to prevent short-term performance from becoming the basis for the variable remuneration components. Personal performance is assessed annually as part of the Company-wide implemented employee appraisal process (Management by Systems "MbS").

For individuals responsible for control functions, performance targets are set so that it is not tied to the performance of the monitored business unit, specific products or transactions.

The prerequisite for participation in variable remuneration is a certain level of target achievement as well as an employment contract that has not been terminated at the end of the fiscal year and a regular monthly salary. Even employment levels of less than 100% are generally permissible for the allocation of variable salary components. This promotes gender- and age-neutral compensation and life-appropriate forms of work.

In particular, SRAM is able to withhold bonuses in whole or in part if the performance criteria are not met by the individual concerned, the team concerned or the Company as a whole. SRAM may also withhold bonuses if the Company's situation deteriorates significantly, in particular if it can no longer be assumed that the Company is or will continue to be able to conduct its business as a "Going Concern".

As a matter of principle, fully guaranteed variable compensation is not paid. Exceptions to the rule may be made in connection with the hiring of new employees. In any case, such guaranteed variable compensation is limited to the first year of employment. Payments in connection with the early termination of a contract reflect the performance rendered over time and are designed in such a way that failure is not rewarded.

4. Governance

The "Remuneration Policy" complies with the principle of proportionality as provided for in the Guidelines and has therefore been designed to be appropriate to the size and internal organization, as well as the nature, scope and complexity of SRAM's activities. As a consequence of the application of the proportionality principle, SRAM is not required to

- To pay at least 50% of the variable remuneration through shares in funds
- To defer 40% of the variable component of identified employees;
- to install and maintain a compensation committee.

Therefore, SRAM's Board of Directors establishes the general principles of the policy in cooperation with Swiss Rock Asset Management's Human Resources Department. In its supervisory role and in accordance with the Compensation Policy, it monitors the compensation of identified employees.

SRAM's Board of Directors is also responsible for approving and maintaining the "Compensation Policy", monitoring its implementation and reviewing it at least annually. SRAM's Compliance function is responsible for keeping the document up to date and may propose necessary changes to SRAM's Board of Directors. This document shall be reviewed annually by SRAM's Compliance Officer and submitted to SRAM's Board of Directors for approval.

At the level of SRAM's activities in the management of the sub-funds Swiss Rock (Lux) Sicav as well as Swiss Rock (Lux) Dachfonds Sicav, no special compensation committee is established. Services and their compensation are assessed and compensated within the framework of the Swiss fund management and asset management activities. The compensation policy is not primarily controlled by the managing director or other senior managers.

5. Review of remuneration policy

SRAM will review the "Compensation Policy" on a regular basis. A review will also take place if significant changes occur in the market environment that may affect SRAM's ability to achieve the best possible result.

6. Disclosure

Investors can find more details at the following links:
<https://www.swiss-rock.ch/unternehmen/Governance/>

In addition, they can request additional information free of charge by writing to the following address:

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