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R.C.S. Luxembourg: Section B, number 221.009*

REMUNERATION DISCLOSURE

Luxembourg, January 2018

INTRODUCTION

AFFM S.A. (hereafter the “Company”), is a management company established in accordance with Chapter XV of the law of 17 December 2010 on undertakings for collective investments, as amended (the “2010 Law”).

The Company has applied a remuneration policy (the “Policy”) which implements remuneration principles and practices as provided by applicable regulation, promoting sound and effective risk management and not encouraging risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds under management (the “Funds”) nor impairs compliance with the management company’s duty to act in the best interest of the Funds and the investors in the course of the service provided.

In addition, the Policy is in line with the business strategy, objectives, values and long term interests of the Company and ensures that all measures to avoid conflicts of interest are implemented.

PRINCIPLES

In compliance with the 2010 Law , European regulations and ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “Applicable Regulation”), the remuneration framework defined according the Policy is based on the following principles:

- decision-making process, by virtue of which the Board of Directors of the Company, supported by the senior managers, defines, approves and reviews remuneration levels, package structures and processes in place;
- merit, in order to ensure a clear-cut link between the service rendered and the managerial quality demonstrated, through:
 - flexibility in compensation to be achieved through the use of a variable component of compensation that is linked to the results achieved;



- attention to key resources and senior management, whose target compensation is set in relation to the most competitive levels in the market of reference;
- alignment with the medium-/long-term strategies, within a framework of rules of reference aimed at proper control of current and prospective business risks, and the maintenance of an adequate level of liquidity and capitalization;
- equity, for the purpose of harmonizing remuneration through correlation of the person's fixed compensation and the weight of position covered by the person;
- external competitiveness of the total annual compensation with respect to levels expressed by competitors in the reference market and in Europe, for the purpose of attracting and retaining the best managerial and professional resources on the market;
- sustainability, for the purpose of keeping the charges arising from the application of the Policy at levels compatible with the business plan objectives, through:
 - selective adjustments to fixed compensation;
 - the use of objective parameters for the definition of compensation;
 - the identification of appropriate caps on the size of the adjustments and regulation mechanisms with regards to the amounts to be set aside to finance the total bonus pool in relation to the Company's profitability;
- focus on identified staff, referring to those 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 risk profile of the Company or the Funds.

PROPORTIONALITY

When defining the Policy and implementing the provisions whereof the applicable regulation, the following circumstances and characteristics of the business were taken into consideration:

1. the Company is a small size entity both in terms of capital, staff and asset under management
2. the Company primarily manages one single UCITS: it also manages one single AIF, whose size however constitutes not a significant part of the Company's assets under management
3. the Company has no branches or subsidiaries, and its entire organisation is simple, lean, not complex hence ensuring appropriate governance and transparency
4. the Company and the Funds are not listed on a regulated market
5. The Company has outsourced the investment management and central administration activities for the Funds under management



6. the UCITS Fund is limited to distribution in mainland Europe, United Kingdom and Singapore, while the AIF Fund is not registered for public distribution but only eligible for private placement.

Given the above considerations, the following requirements were not applied based proportionality principle:

- certain granularity of remuneration disclosure requirements;
- some provisions with respect to the pension policy;
- payment of variable remuneration by means of financial instruments;
- retention periods;
- deferral requirements;
- malus/clawback provisions.

The Company will review any provisions which have been misapplied on at least an annual basis to ensure that the disapplication continues to be appropriate in light of the size, internal organisation, nature and scope of the activity of the Company as well as consistent with applicable provisions.

Furthermore, the Company ensures that its delegates are subject to regulatory requirements on remuneration that are equivalent to those defined in the Policy.

REMUNERATION

In promoting sound and effective risk management and not encouraging excessive risk-taking with respect to the risk profiles, management regulations or instruments of incorporation of the Funds, the remuneration set by the Company are composed of **fixed remuneration** received in cash on a periodic basis, based on the competences of the employees of the Company and guaranteed irrespective of their performance and **variable remuneration**, linked to risk and therefore tied to quantitative and qualitative performance measures on an individual basis as well as on a collective basis in accordance to predefined financial as well as non-financial criteria.

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 when performance criteria are not met by the individual concerned, the business unit concerned or the financial undertaking seen as a whole.