

Remuneration Policy

of

European and Global Investments Limited

10th March 2021

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Definitions

AIF	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.
AIFM	means alternative investment fund manager.
AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as may be amended, consolidated or substituted from time to time.
AIFM Regulations	the European Union (Alternative Investment Fund Managers) Regulations, 2013 as amended and as may be further amended, consolidated or substituted from time to time.
Central Bank	Central Bank of Ireland.
ESMA Guidelines	ESMA Final Remuneration Guidelines titled "Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD" (ESMA 2016/579).
Firm	means European and Global Investment Limited.
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 Firm's risk profile or the risk profile of the UCITS or AIF that it manages.
Management Body	the board of directors of the Firm being the body with ultimate decision-making authority in the Firm, comprising the supervisory and managerial functions.
Remuneration	all forms of payments or benefits of any type paid by the Firm, any amount paid directly by the UCITS or AIF itself, including performance fees, and any transfer of units of the UCITS or AIF in exchange for professional services rendered by the Firm's Identified Staff.
Supervisory Function	the members of the Management Body responsible for the supervision of the Firm's senior management (if any) 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 Regulations.
UCITS	an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations.
UCITS Directive	Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) 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 Central Bank for the time being in force.

UCITS V Directive

Directive 2014/91/EU as may be amended, consolidated or substituted from time to time.

Remuneration Policy

1. General

For the purposes of this policy, the board of directors of the Firm shall be deemed to constitute the Management Body of the Firm in its Supervisory Function (as such terms are defined herein).

2. Purpose

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

The Firm has established this remuneration policy to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

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 Firm. Rather, through adoption and implementation of the policies contained in this document, the Firm seeks to demonstrate how it complies with the remuneration related provisions of the UCITS Regulations and the AIFM Regulations.

3. Adoption and Review

This remuneration policy has been adopted by the non-executive members of the Management Body of the Firm in its Supervisory Function with expertise in risk management and remuneration and any revisions to the remuneration policy require approval of such members.

On at least an annual basis, the non-executive members of the Management Body in its Supervisory Function with expertise in risk management and remuneration shall carry out a review of the general principles of this policy and are responsible for, and will oversee the, implementation of such principles.

The implementation of this policy will at least annually be subject to central and independent internal review by Aoife Connolly for compliance with and adherence to this policy.

4. Framework

Under the UCITS Regulations and the AIFM Regulations, the Firm 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 (to include sustainability risk taking, which is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investments in the UCITS and AIF funds under 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 Firm's duty to act in the best interests of the UCITS/AIFs.

(i) *Identified Staff*

The Firm 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 Regulations and the AIFM Regulations and includes:

- senior management;
- risk takers;
- control functions;
- employees in same remuneration bracket, whose professional activities have a material impact on the Firm's risk profile or of the UCITS/AIFs it manages; and

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

- Members of the Board of Directors;
- Designated Persons, comprising staff of the Firm, who perform certain managerial functions for the Firm.

(ii) *Remuneration principles*

In accordance with Regulation 24B(1) of the UCITS Regulations and Regulation 14(2) and Schedule 2 of the AIFM Regulations, the Firm 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 Firm's size, internal organisation and the nature, scope and complexity of its activities in a manner which is consistent with the ESMA Guidelines:

- (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, rules or instruments of incorporation of the UCITS and AIFs it manages;
- (b) the remuneration policy is in line with the business strategy, objectives, values and interests of the Firm and the UCITS and 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 Management Body of the Firm 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 Management Body 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 Management Body of the Firm 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;
- (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/AIF concerned and as to their risks and of the overall results of the Firm 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/AIF managed by the Firm in order to ensure that the assessment process is based on the longer term performance of the UCITS/AIF 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/AIF and its fund rules or instruments of incorporation, not less than 50 per cent, or where the management of UCITS/AIFs accounts for less than 50% of the total portfolio managed by the management company, a substantial portion of any variable remuneration component consists of units or shares of the UCITS/AIF concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with incentives that are as effective as any of the instruments referred to in this subparagraph. The instruments referred to in this subparagraph shall be subject to an appropriate retention policy designed to align incentives with the interests of the Firm and the UCITS/AIFs it manages and the investors of such funds. The Central Bank may place restrictions on the types and designs of those instruments or prohibit certain instruments as appropriate;
- (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/AIF concerned and is correctly aligned with the nature of the risks of the UCITS/AIF 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 Firm as a whole, and justified according to the performance of the business unit, the UCITS/AIF and the individual concerned. The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Firm or of the UCITS/AIF concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;
- (p) the pension policy is in line with the business strategy, objectives, values and long-term interests of the Firm and the UCITS/AIF that it manages. If the employee leaves the Firm before retirement, discretionary benefits shall be held by the Firm for a period of five years in the form of instruments referred to in subparagraph (m). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments referred to in point (m), subject to a five year retention period;
- (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 Directive or the AIFM Directive.
- (ii) *Guidance*

As at the date of this policy, the Central Bank has not issued any guidance on the manner in which the provisions of the UCITS Regulations relating to remuneration are to be implemented by Irish UCITS management companies or Irish AIFMs. However, the Firm has given consideration to guidance available from other regulators and to the letter dated 31 March 2016 from ESMA to the European Council, European Parliament and European Commission (the "ESMA Letter") where it has deemed it appropriate to do so.

(iii) *Proportionality*

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

(iv) *Delegation*

In accordance with paragraph 16 of the ESMA Guidelines, the Firm will ensure that where it has delegated investment management functions (including risk management) to a delegate investment manager, (a) the Identified Staff of any such delegate are subject to regulatory requirements on remuneration which are equally as effective as those applicable under the ESMA Guidelines or (b) contractual arrangements are in place between the Firm and such delegate in order to ensure that there is no circumvention of the remuneration rules set down in the ESMA Guidelines.

The Firm shall maintain a separate record of the remuneration regime applicable to each of its delegate investment managers. Where the delegate investment manager is subject to remuneration rules which are considered equally as effective as those applicable under the ESMA Guidelines, this shall include the relevant regulatory regime under which the delegate investment manager is authorised. Where the Firm has appointed a delegate investment manager which is not subject to regulatory requirements on remuneration which are equally as effective as those applicable under the ESMA Guidelines, the Firm shall maintain a record of the overview provided by the delegate investment manager of its remuneration regime, including any justification as to why its remuneration regime does not circumvent the provisions of the ESMA Guidelines..

5. Firm Organisation and Activities

The Firm is authorised by the Central Bank as a UCITS Management Company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and as an alternative investment fund manager pursuant to the European Union (Alternative Investment Fund Managers) Regulations, 2013 (as amended).

(i) *Authorisation*

The Firm is authorised by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) as a UCITS Management Company and to carry out collective portfolio management.

(ii) *Activities*

The Firm manages three UCITS umbrella fund structures and one umbrella AIF as follows:

Plurima Funds (UCITS)

Umbrella fund structure with about 10 sub-funds. Sub-Funds represent various strategies and levels of complexity ranging from plain equity or bond funds to fund of funds and those with exchange traded and OTC derivatives and debt instruments. The derivatives invested in are general forward, futures and some options. Complex investments are rare. The Sub-Funds are generally graded as mid risk, with some higher risk funds. Total AUM of around €206,811,804 at end December, 2020.

Diadema International Funds (UCITS)

Umbrella fund structure with three active Sub-Funds. The others invest primarily in debt and debt-related securities, equity and equity-related securities and collective investment schemes. They may also invest directly or indirectly up to a maximum of 10% of its net asset value in debt and debt-related securities with a rating below BBB or issued by countries in emerging market economies. They may invest in assets denominated in any currency with a total or partial hedging of the currency exposure into the base currency. The Sub-Funds may use derivatives in order to cover risks or to enhance management efficiency. The investments undertaken in practice are not complex. Funds are graded mid risk. Total AUM €23,082,173 as at end December, 2020.

The Apuano Funds (UCITS)

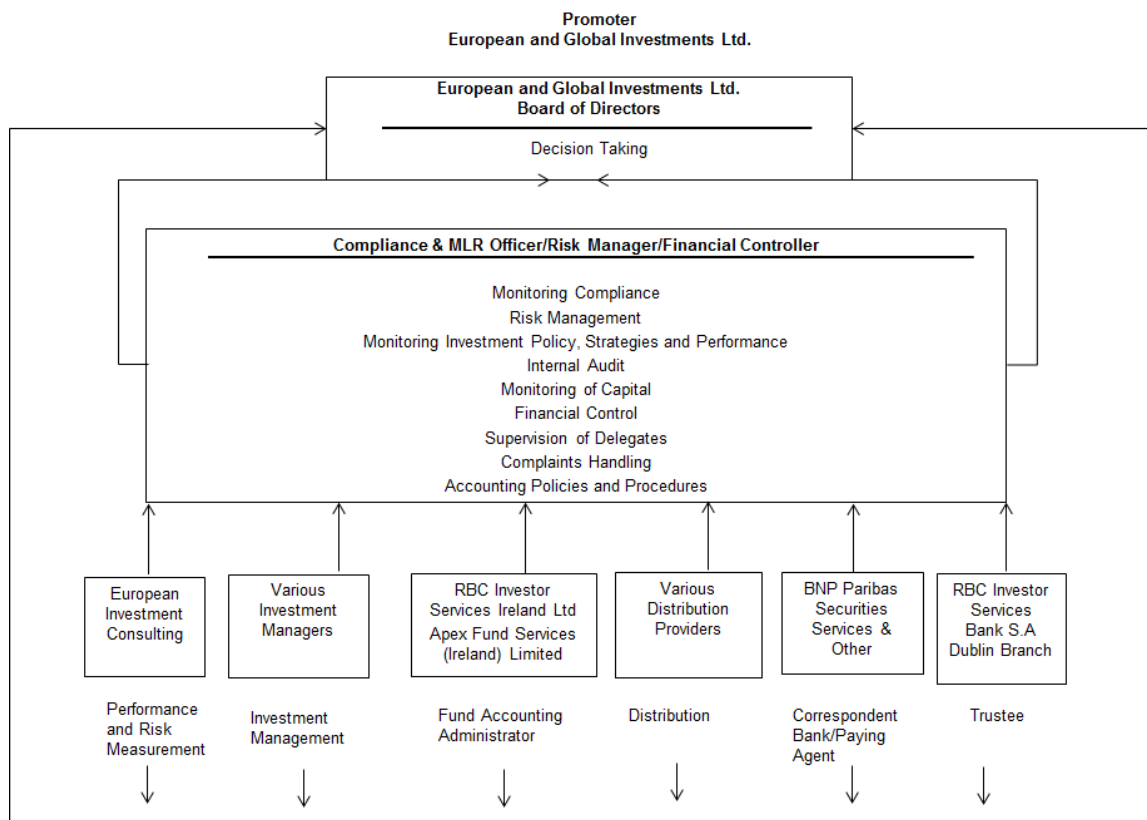
Umbrella Funds Structure with one active Sub-Fund. This Fund is currently operating at a medium/high level of risk, with investments in equities, futures and forward contract. Total AUM \$27,699,193 as at end December, 2020.

Praude Funds ICAV (AIF)

Umbrella Fund with one active Sub-Fund. This Fund is currently operating at medium level of risk, with investment in bonds and some private placements. Total AUM €48,746,650 as at end February 2021.

(iii) *Organisational Structure*

The Firm’s organisation chart is shown below.



6. Proportionality Principle

As noted above, the Firm must comply with the remuneration principles set out in the UCITS Regulations and the AIFM Regulations in a way and to the extent that is appropriate to its size and the size of the UCITS it manages, its internal organisation and the nature scope and complexity of its activities. Accordingly, some firms can determine to meet the remuneration requirements through very sophisticated policies whereas others can do so in a simple and less burdensome way. The application of the proportionality principle may lead on an exceptional basis and taking into account specific facts to the disapplication of some remuneration principles for Identified Staff if that is reconcilable with the risk profile, appetite and risk strategy of the Firm and the UCITS/AIFs it manages.

In considering in what way and to what extent the Firm must comply with the remuneration principles set down in the UCITS Regulations and the AIFM Regulations that is appropriate to its size and the size of the UCITS/AIFs it manages, its internal organisation and the nature scope and complexity of its activities, we have considered it of assistance to have regard to the ESMA Guidelines, the ESMA Letter and the guidance of regulatory authorities.

In assessing what is proportionate, the focus is on the combination of all the mentioned criteria (size, internal organization and the nature, scope and complexity of the activities) and, as this is not an exhaustive list, of any other relevant criteria.

(a) Size of the Firm and the UCITS 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 Firm is a small limited company. Turnover for 2020 was €6 million, loss of €34,000. Capital at end of 2020 was €314,000.

The Firm manages three UCITS umbrella funds and an AIF whose total AUM is circa. €302 million as at end December, 2020

The Firm's liabilities are almost exclusively trade creditors, and consist of management fees and performance fees already received and due to be paid onto underlying portfolio managers. They are comfortably covered by cash held in bank. The Sub-Funds under management are graded principally at mid-level risk for investors.

The Firm operates in Dublin in which there are two part time and two full time staff. There are also two directors based in Italy.

(b) Internal Organisation

The internal organisation can relate to the following:

- legal structure of the Firm or the UCITS/AIFs that it manages;
- the complexity of the internal governance structure of the Firm;
- whether the Firm itself is listed on a regulated market; and
- whether the UCITS/AIFs under management are listed on a regulated market.

As noted above, the Firm has a simple structure. It is a private limited liability company and is not listed or traded on a regulated market. It has no branches or subsidiaries, it operates from Ireland only and has circa 4 employees.

The Firm acts as manager of three umbrella UCITS, two of which are structured as unit trusts and the third is a corporate entity. It also acts as AIFM of one umbrella QIAIF.

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

The Sub-Funds within each umbrella managed by the Firm 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. None of the Sub-Funds are listed on a regulated market.

Accordingly, the Firm views the UCITS and AIF it manages as non-complex funds.

(c) *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 Firm manages; and the national or cross-border nature of the business activities.

The Firm acts as a UCITS management company and as AIFM, however it outsources all investment decisions to underlying portfolio managers. Therefore, the Firm's employees are not involved in the trading of investments or the decision making regarding the Funds' investment strategies. The Firm's role is to provide compliance, risk and operational services to the Funds. Currently, the Firm does not pay bonuses 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 Firm does not operate cross border. While it did have a UK branch, this has now closed.

In order to identify whether a remuneration committee is expected to be set up, the factors mentioned in (a) to (c) above need to be considered. When assessing whether or not the Firm is significant, the Firm must consider the cumulative presence of all the three factors (i.e. its size or the size of the UCITS it manages, its internal organisation and the nature, scope and complexity of its activities). 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 Directive and Article 6(4) of the AIFM Directive.

(d) *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 has decided to disapply 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 Firm and of the funds managed.

In reaching this determination, the Board of Directors have had regard to each of the criteria which is listed above under "Proportionality Principle" and the recommendations put forward by ESMA in the ESMA Letter and is satisfied that this approach aligns the interests of its Identified Staff with those of the Firm, the UCITS/AIF and the underlying investors in the UCITS/AIF under management. Objective evidence supporting the grounds on which the relevant Pay-Out Process Rules have been dis-applied shall be made available on request to the Central Bank.

Similarly, for the same reasons, the Firm has not established a Remuneration Committee.

The Firm may, however, decide to apply any of those principles in any particular case, as noted below in paragraph 7.6.

7. Remuneration Components

As set out above, the only "Identified Staff" of the Fund are the members of the Board of Directors of the Fund and the Designated Persons who perform certain managerial functions for the Fund.

The Board of Directors of the Firm receive a fixed fee only and do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The basic fee of the Board members 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 Firm's complexity, the extent of the responsibilities and the number of board meetings. No pension contributions are payable.

Similarly, the Designated Persons receive fixed remuneration only.

8. Disclosure

The general principles of the Firm's remuneration policy and the specific provisions for Identified Staff are disclosed internally and documented in this procedure. The Firm'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 requirements set out in the UCITS Regulations and the AIFM Regulations, the following disclosures are required in the following documents:-

Prospectus

The prospectus of each UCITS and AIF managed by the Firm 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 and AIF and that such details will be made available on www.egifunds.com

Key Investor Information Document (KIID) of UCITS

The KIID of each UCITS managed by the Firm 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 Report of UCITS

The annual report of each UCITS and AIF managed by the Firm is required to disclose certain information, to include the following:

- (a) the total amount of remuneration for the financial year, split into fixed and variable remuneration paid by the Firm 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 whose actions have a material impact on the risk profile of the UCITS or any AIF it manages.