

Global Funds Management S.A. - Remuneration Policy Disclosure

Global Funds Management S.A. (“GFM”) is a Luxembourg based management company whose business strategy consists in offering a qualitative and cost efficient platform for managing investment funds in line with the Luxembourg regulatory requirements. GFM has established a Remuneration Policy which is appropriate to its size, activities, objectives, values and long-term interests.

The Remuneration Policy promotes sound and effective risk management and it does not encourage excessive risk-taking. In terms of organizational structure, GFM has delegated most functions, including the Portfolio Management (being delegated to professional investment managers), to professional and renowned external service providers. The Remuneration Policy is therefore not based on the performance of the investment funds under its management, but rather on managing the risks deriving from the delegation of functions in a responsible way.

GFM applies a conservative approach and it does not positively consider individual risk taking linked to the performance, but instead it prefers to encourage proper risk management as defined in its mission and in individual job descriptions. The Remuneration Policy is applicable to all staff members of GFM, including its Conducting Officers and all other employees of the company.

The Remuneration Policy is in line with the applicable laws and regulations, and in particular with the EU and Luxembourg provisions addressed to management companies and Alternative Investment Fund Managers, the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD and the applicable CSSF regulatory instruments concerning the remuneration policies in the financial sector. Additionally, it also takes into account Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector.

Remuneration Governance

GFM Board of Directors is responsible for the establishment, approval, maintenance and compliance oversight of the Remuneration Policy. The Board of Directors is supported the GFM Compensation Committee for its implementation. The latter will ensure compliance and review the establishment of the principles of the Remuneration Policy and its implementation at least on an annual basis.

The GFM Compensation Committee comprises of directors of GFM and is chaired by the independent chairman of the Board of Directors of GFM.

All compensation proposals are subject to approval by the Nomura Group Compensation Committees on European and Global level. These Committees approve group Compensation policies. They review any bonus decisions on business division, regional and individual basis.

Principles of GFM Remuneration Policy:

- The Policy is proportionate to the nature, size, internal organization, scope and complexity of GFM activities.
- The general compensation structure is determined by the Compensation Policy of Nomura Group.
- The total compensation at GFM comprises base salary and benefits (together fixed remuneration) and variable discretionary bonus payments (variable remuneration) according to the principles listed in the GFM Remuneration Policy.

- Both fixed and variable remunerations are in line with the business strategy, objectives and values of GFM, and more broadly of the Nomura Group. GFM offers base salary levels appropriate not to make the staff dependent on earning bonus. GFM may consider allocating rather conservative variable remuneration to its staff as defined in the Remuneration Policy, reflecting its business model and limited individual impact on operational results. However, the GFM Board of Directors does not consider the bonus payments as substantial.
- Compensation decisions at GFM are based on merit (set of technical, behavioural and social skills which enable the employee to perform work) reflecting the individuals' performance during the past year.
- The market median, resulting from local salary survey is GFM's benchmark with regard to base salary & benefits.
- Base salaries are reviewed annually in a structured way. The review process is aligned to the Nomura Group's financial year end and follows the annual performance review process. Bonus payments are decided annually at the end of Nomura Group's financial year. The bonus pool is approved by Nomura Group based on the quality of service delivered during the past year. Proposals on individual bonus amounts are left to the discretion of the Directors (except bonus amounts for the Directors themselves).

Due to the nature of GFM business, the performance evaluation does not refer to any quantitative criteria or to any objectives related to the maximization of assets, sales, profit or income. This applies to the Directors and the Conducting Officers in the same way as to any other GFM staff.

GFM does not employ any staff falling into the Control functions or Human Resources categories with the exception of the Risk Manager. The variable remuneration of the Risk Manager is in accordance with the achievements of the objectives linked to this functions rather than the performance of the business area being controlled. His/her remuneration is also designed in a way to avoid conflict of interests and it is overseen by the GFM Board.

Proportionality principle

The Directors, the Conducting Officers and GFM staff are currently considered as minor risk takers considering the size, internal governance structure, nature, scope and complexity of GFM's business activities as well as considering their own possibilities to on-board risks on behalf of GFM and their own amounts of variable compensation.

In case this assessment changes due to whichever reason (e.g. variable remuneration exceeds pre-defined level, risk exposure of the function increases, etc.), GFM will ensure that for any future material risk taker concerned, a proportion of the variable remuneration is deferred over a pre-defined number of years. Furthermore a defined percentage the variable component would consist of instruments (applied to both the upfront and deferred part of the variable remuneration).

GFM Remuneration Policy periodical review

The Control functions have an active role in the design, ongoing oversight and review of the remuneration policies for other business areas taking into account current and future risks exposure for remuneration impact analysis purposes and for remuneration methodologies implementation. The GFM Risk Officer assesses how the variable remuneration structure affects the GFM's risk profile. The Compliance function regularly reviews the Remuneration Policy to ensure that the remuneration principles are aligned with the regulatory requirements. The Internal Audit function periodically carries out an independent audit of the design, implementation and effects of the Remuneration Policy.

Remuneration Policy availability

The Remuneration Policy is available free of charge to investors at GFM's registered office or by writing to:

- Global Funds Management S.A., P.O. Box 289, L-2012, Luxembourg; or to
- info-GFM@nomura.com .

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