PRIME
Fund Solutions

Remuneration Policy

I. Introduction

PRIME Fund Solutions AG ("PFS") is an AIFM (Alternative Investment Fund Manager) within the meaning of the Act on Alternative Investment Fund Managers of 19 December 2012 (AIFMG[1]) and a management company within the meaning of the Act on Certain Undertakings for Collective Investment in Transferable Securities of 28 June 2011 (UCITSG[2]). PFS therefore manages funds in accordance with both the EU Directive on Undertakings for Collective Investment in Transferable Securities (UCITS) and the EU Directive on Alternative Investment Funds (AIF). This document reflects the requirements pursuant to Art. 36 AIFMG and the UCITS Directive 2009/65/EC (the "UCITS Directive") as amended by Directive 2014/91/EU (the "UCITS V Directive"). This Remuneration Policy takes into account the ESMA "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" in the version dated 31 March 2016 (ESMA/2016/411).

PFS's remuneration policy applies to the company itself and its identified employees (the "Identified Employees") and is designed to support PFS's corporate objectives and values, including prudent risk management, by aligning the remuneration of employees with the interests of the client and the collective investment schemes and thus ensuring compliance with the policy.

II. Remuneration Committee

Due to its size, PFS has not yet established a remuneration committee at the level of the Board of Directors.

III. Governing body

The Board of Directors (supervisory function) is responsible for the adoption and maintenance of PFS's remuneration policy and oversees its implementation. The remuneration policy is monitored by the Chairman of the Board of Directors. The Board of Directors must ensure that the implementation of PFS's remuneration policy is reviewed at least once a year.

IV. Control department

The Control Department plays an active role in the design, ongoing monitoring and review of remuneration policies for other business units. In close cooperation with the management body, the Control Department will contribute to the definition of the remuneration strategy applicable to PFS, taking into account the promotion of effective risk management. Employees in the Control Department are those responsible for risk management, compliance, internal control and similar tasks.

Employees in the control department do not receive variable remuneration, but fixed remuneration.

V. Conflicts of interest

The policy is designed to prevent conflicts of interest between PFS and the interests of the AIF/UCITS ("funds") it manages and investors. It specifies how these conflicts are to be taken into account when determining remuneration, including by exercising discretion when determining any bonus amounts to

[1] Act of 19 December 2012 on Alternative Investment Fund Managers, LGBl 2013/49
[2] Law of 28 June 2011 on certain undertakings for collective investment in transferable securities, LGBl 2011/295

be paid.

VI. Approach to defining identified employees

The policy sets out in detail how the list of identified employees is compiled, including managers, risk takers and control functions that have a material impact on the risk profiles of the PFS or the UCITS/AIFs it manages.

PFS has identified the relevant employee groups. In detail, these are

a) members of the management body of the PFS who are involved in the management and members of the management body who are not involved in the management: CEO and managing partners.

b) Management

c) Employees who are at the forefront of portfolio management, administration, marketing and human resources

d) Other risk takers, such as: Employees whose professional activities - individually or collectively as members of a group (e.g. a unit or part of a department) - have a material impact on the risk profile of PFS or a client/fund it manages, including individuals who are in a position to enter into contracts/positions and make decisions that have a material impact on the risk positions of PFS or a client/fund it manages. Materiality of influence means whether the activities of the other employees have a potentially material effect on the results and/or balance sheet of PFS and/or on the results of the clients/funds it manages.

e) Employees of outsourcing companies whose services have a material impact on the risk profile of a UCITS/AIF.

The PFS ensures that the remuneration requirements are complied with, taking into account the size of the company, the complexity of the business activities and their risk content.

VII. Remuneration regulation

Remuneration is geared towards long-term value creation in the interests of customers and shareholders, long-term sustainability and consideration of the inherent risks of PFS. The development of an attractive remuneration environment, which aims to retain talented employees and ensure a high level of motivation, is also taken into account.

The annual appraisal process is an important management tool. The annual appraisal ensures that a formal review of the remuneration components is carried out at least once a year.

7.1. Types of remuneration

The term remuneration includes:

a) all forms of payments or benefits paid by PFS,

b) all amounts paid by the client and the fund itself, including carried interest and

c) all transfers of units of the fund in exchange for professional services provided by identified employees of PFS.

Payments, excluding reimbursements of costs and expenses, made directly by the client/fund to PFS in favour of the categories of employees concerned for the professional services provided, which would

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otherwise lead to a circumvention of the provisions on remuneration concerned, shall be regarded as remuneration.

At PFS, no payments are made directly by the client/fund to any of the aforementioned categories of employees.

7.2. Remuneration of the members of the Executive Board and the Board of Directors

The remuneration of the members of the Executive Board corresponds to their powers, duties, expertise and responsibilities. The Executive Board will not determine its own remuneration. The Board of Directors will determine and monitor the remuneration of the members of the Executive Board. The remuneration of managers and employees who receive the highest total remuneration within PFS is also approved and monitored by the Board of Directors.

The members of the Board of Directors only receive a fixed remuneration.

7.3. Severance payments

Severance payments in the form of "golden parachutes" are not granted to employees who leave PFS and lead to high payouts without any adjustment to earnings and risk.

Any such payments will reflect the results achieved over time and will be designed so as not to reward failure. This does not exclude payments in connection with the early termination of a contract due to changes in the strategy of PFS or the clients and funds it manages or in the event of mergers and/or acquisitions.

The PFS has stipulated that severance payments may not exceed 3 gross monthly salaries.

VIII. Risk orientation of the variable remuneration

At present, no variable remuneration components are agreed or remunerated at PFS. The following explanations will therefore only apply as soon as the Board of Directors introduces other remuneration components for the relevant employee categories. This requires the approval of the Annual General Meeting. The respective details are then to be worked out by the Remuneration Committee, if available, otherwise by the Board of Directors.

The PFS will adopt written rules for the award process and ensure that records are kept of the determination of the total pool of variable remuneration.

The profitability of PFS and its business units and the clients/funds it manages is measured on the basis of net income, including all direct and indirect costs associated with the activity. IT costs, research expenses, legal fees, marketing costs and costs for outsourced activities are taken into account. The remuneration pools may not be adjusted "retrospectively" to the remuneration requirements.

The quantitative ex ante risk adjustments made are based on existing measures that are used within the PFS for risk management purposes.

Qualitative risk adjustments are made in the event of breaches of obligations, breaches of risk limits and internal control problems.

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IX. Payout procedure

Ex-post risk adjustments are provided to ensure that the incentives remain fully aligned with the risk. This can only happen if part of the remuneration has been withheld. Retention is defined on the basis of various elements:

a) the time horizon of the retention

b) the retained portion of the variable remuneration

c) the speed at which the withheld remuneration is drawn (time of drawing)

d) the period between the grant and the payment of the first amount withheld and

e) form of the retained variable remuneration.

X. Outsourcing

If portfolio or risk management activities and their implementation rules are delegated, the PFS will ensure the following:

a) the entities to which portfolio or risk management activities are delegated are subject to regulatory requirements relating to remuneration that are as effective as those applicable under these guidelines; or

b) appropriate contractual arrangements are in place with the entities to which portfolio or risk management activities are delegated to ensure that there is no circumvention of the provisions on remuneration under this Directive; these contractual arrangements include any payments made to the identified employees of the delegated entity as compensation for the provision of portfolio or risk management activities on behalf of the PFS.

XI. Contact details

Further information on the remuneration policy is available free of charge on request from PRIME Fund Solutions AG.

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