

HOW SUSTAINABILITY IS COVERED IN UBP AM'S REMUNERATION POLICY

March 2021

The Remuneration Policy of UBP Asset Management (Europe) S.A. (hereinafter UBP AM) is designed to comply with the regulatory requirements in Luxembourg. It outlines the governing principles for remuneration as provided by UCITS V, AIFMD and SFDR regulations. It was reviewed in 2021.

The Remuneration Policy promotes sound and effective risk management and discourages excessive risk-taking by staff identified as material risk-takers ("Identified Staff") while exercising their duties. It does this in particular by taking into consideration UBP AM's business strategy and interests, and by aligning the interests of the funds it manages and those of the investors in such funds with those of the Identified Staff, while maintaining a sound financial position and avoiding any conflicts of interest.

To ensure that these risks, and opportunities with respect to sustainability, are taken into account by all our business lines, the remuneration structure discourages excessive risk-taking with respect to sustainability and is linked to risk-adjusted performance. In parallel it provides motivation for developing responsible investment and sustainable practices. In this respect, our objective is to provide more transparency, in both qualitative or quantitative terms, on these factors and to promote sound and effective sustainability practices and sustainability risk management.

UBP's Executive Committee has therefore set a series of sustainability key performance indicators (KPIs) which aim to promote responsible investment and corporate social responsibility (CSR). The remuneration of Executive Committee members is dependent, among other factors, on the achievement of these KPIs. Similarly, the remuneration of all members of UBP's Responsible Investment Committee and Corporate Social Responsibility Committee is linked to the successful implementation of UBP's Responsible Investment and CSR policies as defined by the Executive Committee.

In addition, all our investment professionals, investment advisors and institutional salespersons must comply with a "sustainability" objective of increasingly integrating sustainability into their business activities. This includes for instance complying with UBP's Responsible Investment policy, gradually improving managed portfolios' ESG characteristics, promoting sustainable solutions to our institutional clients, and including sustainability considerations in the development of new products. Those staff members' annual variable remuneration is influenced by whether or not this objective has been achieved.

The Identified Staff to which the remuneration framework described in the Policy applies include the following:

- Category 1:
 - Members of the Board of Directors with an executive status entitling them to variable remuneration
 - The Executive Committee Members, even though they do not receive variable remuneration
- Category 2 – Those responsible for independent monitoring functions:
 - The Compliance Officer
 - The OPC Compliance Manager
 - The Head of Risk Management
 - The Head of Fund Services and Quality Management

Investors can find more details in the annual reports of UBP AM and in the Remuneration Policy, which includes an explanation of how salaries and benefits are calculated as well as a list of those responsible for allocating salaries and benefits. It is available free of charge at the registered office of UBP AM:

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