

REMUNERATION POLICY STATEMENT
RAM ACTIVE INVESTMENTS (EUROPE) S.A.



Current Version	14 December 2023
Previous version	April 2023

I. Background

RAM Active Investments SA and RAM Active Investments (Europe) SA

RAM Active Investments (Europe) SA (“**RAM Luxembourg**” or the “**Management Company**”), a full subsidiary of RAM Active Investments SA (“**RAM Switzerland**”), is authorized by CSSF in Luxembourg as a UCITS management company pursuant to the European Communities UCITS (Undertakings for Collective Investment in Transferable Securities) Directive 2009/65/EC (“UCITS Directive”), as amended by Directive 2014/91/EU. RAM Luxembourg and RAM Switzerland¹ are hereinafter referred to as “**RAM Group**” and apply the RAM Group Remuneration Policy. The Remuneration Policy Statement is a lighter version of the RAM Group Remuneration Policy approved by RAM Luxembourg’s board of directors for disclosure on the website.

RAM Luxembourg complies with the following remuneration requirements:

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“Disclosure Regulation”);
- The UCITS Directive;
- ESMA guidelines on sound remuneration policies under UCITS (“ESMA Guidelines”);
- The remuneration policy approved and adopted by RAM Switzerland (hereinafter the “RAM Group Policy”).

RAM Luxembourg ensures that any appointed delegates shall ensure the application of the UCITS remuneration rules in a proportionate manner as set forth above or, alternatively, are subject to equally effective remuneration policies under their home authorization.

Mediobanca Group and RAM Group

RAM Group is part of Mediobanca Group, an Italian Banking Group regulated by the Bank of Italy and supervised by ECB. Mediobanca Group is subject to the application of Directive 2013/36/EU, as amended (“CRD Directive”).

Mediobanca may not apply CRD provisions to the staff of an asset management company belonging to the Mediobanca Group, identified as Material Risk Takers for the Mediobanca Group, if these staff perform activities exclusively for the asset management company.

Mediobanca shall in any event ensure that the remuneration policies drawn up by an asset management company in compliance with the sector regulations applicable to it are consistent with the remuneration policy drawn up by the Parent Company and the guidelines provided by the Mediobanca Group with particular regard to the principle of gender neutrality, the link with the risks of the Mediobanca Group, the compatibility with the capital and liquidity levels of the Mediobanca Group and the medium-long term orientation of the Mediobanca Group.

II. Proportionality with respect to UCITS V Remuneration Requirements

RAM Luxembourg complies with applicable remuneration principles in a way and to the extent that is appropriate to its size, internal organization and the nature, scope and complexity of its activities, and as required by mandatory laws.

The board of directors of RAM Luxembourg applies the remuneration principles proportionally to the specific characteristics of the Management Company always within the framework of the rules applied to the group. Considerations of proportionality may result in partial application or disapplication by RAM Luxembourg of part of all pay-out process rules defined in UCITS directive and ESMA Guidelines (hereafter the “Pay-out Process Rules”) for RAM Group Identified Staff (as defined below).

¹ On 24th October 2023, RAM Active Investments (Europe) SA has been sold by RAM Active Investments SA and acquired by its sister company, Mediobanca Management Company SA. (2, Boulevard de la Foire Kansallis House, L1528 Luxembourg).

In order to ensure transparency, the details of the self-assessment are described below:

A. Size of RAM Luxembourg (figures as of 31 December 2022)

- o Assets under management for UCITS: 1 652 760 727 €
- o Number of employees: 5 Full Time Equivalent
- o No subsidiary

B. Other proportionality elements (additional non-exhaustive factors have been taken into account to confirm the presumption created by the size analysis)

Internal organization → RAM Luxembourg is a management company with the license of a management company subject to Chapter 15 of the Law of 17 December 2010 relating to undertaking for collective investments (“UCITS Management Companies”), i.e. Articles 6.2 and 6.3 of the UCITS Directive. RAM Luxembourg is internally governed with the exception to some functions which are outsourced to RAM Switzerland in Geneva and to other group related or external entities in- and outside Europe. Additionally, the senior management of RAM Group owns a stake in the firm, this would favour the partial application or disapplication of some or all of the Pay-out Process Rules on the grounds of proportionality in respect of the senior management, such as the requirement on ex-post incorporation of risk. In terms of internal organization, RAM Luxembourg is not listed on a regulated market, same for all its UCITS

- **Nature, scope complexity of activities** → RAM Luxembourg currently manages 3 UCITS which implement a small number of investment strategies, including equity and fixed income, and invest in several regions and industry sectors. Its AuM is approximately 1 652 760 727 € as at 31 December 2022. The UCITS that it manages are all open-ended and the majority of them are non-complex as they are managed with non-sophisticated portfolio management techniques and use vanilla instruments. The investment strategies of the sub-funds incorporate sustainable characteristics in various degrees. The majority of them have limited use of leverage within the strict UCITS leverage limits (please refer to the relevant fund Prospectus or KID for further information) and their global exposure is measured by the commitment or VaR approach. All of these funds are monitored for risk by RAM Group’s Risk Management Function. They are subject to numerous investment restrictions and guidelines in accordance with UCITS rules and with their prospectuses. The portfolios are characterized by strict investment restrictions requiring considerable diversification, and the firm strives to limit the volatility of its portfolios. The UCITS sub-funds are registered for public distribution in various countries inside and outside of the European Union.

RAM Luxembourg benchmarks its size against other competitors. It takes into consideration the number of staff being smaller than most of its competitors in the market and the absence of subsidiaries.

Based on the self-assessment, it is deemed possible to partially apply or don’t apply in full the UCIT pay-out rules because there is little evidence to demonstrate that RAM Luxembourg should be considered complex or big-scale. Taking account these principles of proportionality, RAM Group shall not apply the pay-out rules referred to in section *Variable Remuneration Payment Structure* to a RAM Group Identified Staff provided that the relevant staff member’s total remuneration is less than the materiality threshold stipulated in the RAM Group Remuneration Policy.

III. Remuneration governance

RAM Luxembourg’s board of directors

RAM Luxembourg’s board of directors is responsible for i) the application of the RAM Group Remuneration Policy which is aligned with the Remuneration Policy Statement, ii) the approval of the RAM Identified Staff mapping and the assessment of proportionality.

Sustainability integration

For the sake of transparency and consistency with the Disclosure Regulation, incentive mechanisms are not designed to create risks to the environment or the society. Should any sustainability conflict be detected, the incentive mechanism will be modified to avoid any risk into the sustainability factors.

As part of the performance evaluation process in connection with the remuneration and incentivization policy, the Mediobanca Group and RAM devote special and increasing attention to the achievement of environmental, social and governance (ESG) objectives. Quantitative measurable ESG indicators may be considered.

The RI Committee (with expert members from RAM Luxembourg and RAM Switzerland) deals with ESG aspects at product and group level. This Committee meets on a regular basis and analyses the key sustainability elements from different angles.

Remuneration Committee

There is a RAM Group Remuneration Committee, constituted and organized as determined by the Board of directors of RAM Switzerland, which is composed of three non-executive members, the majority of whom shall be independent (from which a President is appointed).

In particular the Remuneration Committee shall ensure consistency between the policy and the business and interests of RAM Group and hence the funds it manages and the investors; review and assess the remuneration principles on an annual basis; review, prepare and make recommendations to the board of directors of RAM Switzerland for the distribution of an overall bonus pool for both, RAM Group employees (including “RAM Group Identified Staff”, as defined below) of each division within RAM Group, and those who are classified as *Material Risk Takers* at the Mediobanca Group level; review and make proposals for any necessary amendments to employee social benefit plans; conduct regular benchmarking activities; interact and liaise on a regular basis with Mediobanca’s Group Central Functions to ensure sound and consistent overall governance.

Control functions

Control functions within the meaning of this principle include all senior officers responsible for quantitative or qualitative risk management or risk control, legal, compliance, actuarial, internal audit or internal control systems. Remuneration schemes for control functions should not create incentives that may lead to conflicts of interest within these functions. The calculation of variable remuneration of these employees should be dependent on objectives linked to their specific functions and not on the performance of the business units, specific products, or transactions these functions monitor. The total remuneration of the control functions must be sufficient in order to attract qualified and experienced persons. The independence of the control functions of RAM Luxembourg is guaranteed by functional reporting to the board of directors of RAM Luxembourg. This governance system ensures that remuneration decisions are made independently and objectively. According to the CSSF Circular 10/437 *Guidelines concerning the remuneration policies in the financial sector* the implementation of the remuneration policy shall be subject, at least on an annual basis, to central and independent internal review by control functions for compliance with policies and procedures defined by the board of directors.

IV. General remuneration principles and elements of remuneration

A. Scope and principles

RAM Luxembourg, within the framework of RAM Group, acknowledges the Mediobanca Group Remuneration Policy as approved at the annual general meeting of Mediobanca, and approves and adopts the RAM Group Remuneration Policy. In the event of conflicting provisions, those of the Mediobanca Group Remuneration Policy applying to Mediobanca Group’s companies operating in the UCITS asset management sector prevail for applicable provisions.

Consistently with the RAM Group Remuneration Policy, RAM Luxembourg aims to:

- Ensure that remuneration is in line with the business strategy, objectives, values and interests of the own Management Company, RAM Group and the undertakings for collective investment in transferable securities (hereafter “UCITs”) RAM manages and the investors of such UCITs;
- Discourage risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation of the UCITs managed by RAM Luxembourg;
- Ensure consistency with and promotion of sound and effective risk management to avoid excessive risk taking;

- Avoid or manage conflicts of interest and sustainability risks

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;

V. Identified Staff²

A. Scope of the RAM Group Identified Staff under the UCITS Directive

All Luxembourg employees who could potentially have a substantial material impact on the risk profile of RAM Group and/or the UCITS funds managed are identified in the list below. These employees shall be considered “*RAM Group Identified Staff*” and shall be mapped in line with the criteria set out in UCITS Directive and ESMA Guidelines.

The criteria adopted to identify RAM Group Identified Staff are both qualitative and quantitative. They are linked to the role covered by the employee, control units and the total remuneration of the individual.

The *RAM Group Identified Staff* comprises the following employee categories:

- The members of the RAM Group Executive Committee;
- The heads of investment management business units within RAM Group;
- UCITs managers;
- RAM Group senior staff members who carry out independent control functions, e.g. functions of compliance, risk management and finance controlling; and
- Any RAM Group employee receiving total remuneration that takes them into the same remuneration bracket as senior management and key risk takers.

The performance-based remuneration of *RAM Group Identified Staff* is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking. This is ensured by the specific pay-out rules referred to below in Section VI which are applicable to the variable remuneration of RAM Group Identified Staff and subject to the application of the proportionality principles.

B. Pay mix

A RAM Luxembourg employee’s total compensation may consist of four elements:

- **Fixed remuneration** (mainly determined on the basis of the function of the employee, reflecting professional experience, responsibility and job complexity),
 - **Variable remuneration** (mainly determined on overall performance, the performance of the employee’s business division or entity, the performance related to sustainability objectives and the employee’s individual performance). RAM does not pay variable remuneration through vehicles or other methods employed aiming at artificially evading the provisions of the *UCITS Directive* and *the Guidelines on sound remuneration policies under the UCITS Directive*,
- **Benefits** (mainly consist in pension and insurance schemes) and
- **Stock option or stock programs** (available to some employees).

Overall total compensation is appropriately structured between fixed and variable remuneration and RAM Group operates operating in a fully flexible variable remuneration policy. .

² Definition in the Guidelines on sound remuneration policies under the UCITS Directive: *categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the management company’s risk profile or the risk profiles of the UCITS that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company, whose professional activities have a material impact on the risk profiles of the UCITS that the management company manages*

VI. Gender Pay Gap (GPG) and remuneration policy neutrality (equal pay)

Gender neutrality principles are applied to ensure equal treatment regardless of gender and any other form of diversity, basing evaluation and remuneration criteria exclusively on professional ability. The Mediobanca Group and RAM Group are committed to offering remuneration in line with the market, which reflects each employee's role, capabilities, contribution to company performance objectively measured, and professional experience, thus guaranteeing that the principle of equal opportunities is applied in practice.

With reference to inclusion, the Mediobanca Group and RAM Group guarantee that all their collaborators are treated without distinction, exclusion, restriction or preference, whether direct or indirect, based on their: age, gender, sexual orientation, civil status, religion, language, ethnic or national origins, physical or mental disabilities, state of pregnancy, maternity or paternity (including as a result of adoption), personal convictions, political opinions, and/or trade union affiliation or activities.

The Mediobanca Group and RAM pursue the appropriate balance between genders at all levels, focusing in particular on senior and management positions where the gender gap is most felt. Analyses of the gender neutrality in the Remunerations Policy are performed.

VII. Variable Component Structure

A. Structure

Component	Purpose and link to strategy
Annual Bonus (variable pay)	<p>Determination of the annual discretionary bonus plan and the correlation between risks and performance is achieved via a process which has the objective of rewarding staff based on RAM's performance, with the restriction of maintaining adequate capital stability, liquidity profile, profitability and RAM's future risks.</p> <p>The RAM Switzerland board of directors, having received the recommendation of the Remuneration Committee, is responsible for defining the annual discretionary bonus plan.</p>

B. Guaranteed remuneration

RAM Luxembourg does not provide guaranteed variable remuneration except exceptionally one-off payments in very specific case scenarios limited to the first year of engagement.

C. Retention payment

Retention payments are permitted only under exceptional circumstances wound down or undergoing a major reorganization and for retention of key Identified Staff on risk and/or value preservation grounds upon decision of the RAM Group boards of directors.

A. Variable Remuneration Payment Structure

The Variable Remuneration Payment structure depends on the status of the employees (whether or not they are considered RAM Group Identified Staff and/or Mediobanca Group Material Risk Takers).

In line with market practice and the practice of the Mediobanca Group, a minimum threshold has been introduced for the variable component below which no deferral mechanisms are applied.

B.1 RAM employees with awarded variable remuneration below the threshold determined by the Remuneration Committee including those employees falling in the definition of RAM Group Identified Staff and/or Mediobanca Group Material Risk Takers are paid respectively 100% in cash up front.

B.2 RAM employees awarded with variable remuneration above the threshold determined in RAM Group Remuneration Policy, shall receive 30% of the variable remuneration deferred pro rata with a three-year vesting period. The variable remuneration is paid in cash.

B.3 Taking account of the principles of proportionality applicable in the UCIT Directive requirements, RAM shall not apply the UCIT pay-out rules. However, the variable remuneration scheme provides for a deferral of a portion of any variable remuneration awarded of a RAM Group Identified Staff should the given member of staff's total remuneration be more than a higher threshold in the given financial year.

B. Early termination – severance

RAM Luxembourg ensures that all severance payments made to Identified Staff :

- (1) reflect sustainable performance achieved over time and
- (2) ensure that they do not reward failure
- (3) are in line with RAM Group Remuneration Policy regarding termination and severance payments

VIII. Good conduct and compliance

As part of the performance evaluation process related to the remuneration and incentive policy, RAM requires that variable remuneration be subject to, among other factors, individual good conduct and compliance with material legal and regulatory rules, including those relevant within the RAM Code of Ethics.

IX. Malus conditions and clawback clauses

Malus condition clauses applicable to RAM Group Identified Staff: RAM Group ensures that any deferred component of variable remuneration, under vesting (both cash and/or Instruments) of RAM Group Identified Staff, is paid only provided that:

- 1)The financial situation of RAM Group as a whole is sustainable; and
- 2)The employee has not taken excessive positions of risk over the period negatively impacting RAM Group.
- 3)The employee has not served notice for resignation (except if he/she resigns for Good Cause as defined above).
- 4)The employee has not been given notice of termination of employment for Good Cause (as defined above);
- 5)The employee has not committed any material compliance breaches (i.e. has not been subject to disciplinary measures) under the terms, inter alia, of the RAM Code of Ethics and other internal regulations and no losses of 40% or more of the RAM Group's AUM incurred as a direct result of the intentional or negligent act or behaviour of the employee.

X. Calculation of variable remuneration - the bonus pool - correlation between risk and performance

A. RAM Group Identified Staff

1.The distribution of a bonus pool for RAM Group Identified Staff is dependent on the following indicators or "gateways" being met:

- Positive operative profit delivered at RAM Group level
- Capital adequacy requirement at RAM Group level

The RAM Switzerland board of directors, at the RAM Chief Executive Officer's proposal and with the RAM Remunerations Committee in favour, may authorize payment of a bonus pool for RAM Group Identified Staff for retention purposes even if the gateways have not been met. The possibility of paying a retention bonus pool is assessed in the light of the reasons why the individual gateways were not met, and the impact of the individual indicator on RAM's capital adequacy, liquidity and profitability. The distribution of a bonus pool for RAM Group Identified Staff is dependent on the following indicators or "gateways" being met.

2. Calculations of variable remuneration and divisional bonus pools:

Upon the closing of year-end financial results, the bonus pool and hence variable remuneration payable to RAM Group Identified Staff is calculated based on quantitative (formula based) and qualitative objectives determined by RAM Group Executive Committee. The proposal for the bonus pool shall be presented to the RAM Switzerland board of directors Switzerland by the RAM Group Remuneration Committee for final approval.

3. Assessment of individual quantitative (formula based) and qualitative performance objectives for the definition of the annual bonus. For staff belonging to the business units, the assessment reflects:

The main aspects of assessment are based on qualitative objectives and a broader appraisal regarding compliance with regulations, control of costs and efficient management of areas. In particular, for staff employed in the accounting, administrative and control areas the following aspects are considered: all obligatory, supervisory and market disclosure requirements being complied with, all the accounting processes and related electronic procedures being managed efficiently and accurately and compliance with tax requirements. For staff employed in the internal control units (Compliance and Risk Management), continuous monitoring and control of the RAM Group's processes and operations, carried out independently and autonomously to prevent risk situations developing and ensure irregular behaviour is picked up swiftly; continuous assessment of compliance with the regulations in the form of appropriate audit plans, updates to internal guidance, training of internal units, business and non-business; correct development of models, methodologies and metrics with which to measure market, credit and operational risks, producing adequate reporting for monitoring processes and accurate analysis of new products and their risk profiles. In practice, this means that remuneration of control functions is not directly determined by the performance of the business. This is to ensure there are no conflicts of interests and the objectivity of members of the control functions is not compromised.

In addition to this, the control functions will provide feedback to the board of directors on relevant breaches of RAM Group's internal policies, procedures and conduct. The board of directors will consider the feedback from the control functions in its annual review of determining an individual's variable remuneration.

Disclosure

The Management Company provides adequate information on the policies and remuneration and incentive schemes adopted in accordance with the provisions of current legislation.

The fund prospectuses and KIDs contain an adequate summary of the staff remuneration and incentive policies and practices, referring to the Management Company's website for more detailed information, including the criteria and methods of calculation of remuneration and other benefits and the persons responsible for determining the remuneration and the allocation of other benefits.

A paper copy or other durable medium containing such information is available to investors, free of charge upon request.

Entry into Force

*Approved by the Management Company's board of directors on **14 December 2023**. This remuneration policy shall apply to full annual performance periods and the first applicable year shall be for the performance period of FY 2023.*