

Remuneration Principles

1. GENERAL

AS Trigon Asset Management („**Trigon**“) is a public limited companies governed by the laws of the Republic of Estonia. For the conduct of its business activities Trigon is licensed by the Estonian Financial Supervision Authority as a fund management company whose operations are governed by Directive 2009/65/EC, as amended by Directive 2014/91/EU and the Investment Funds Act in force in the Republic of Estonia (together referred to as „**Regulations**“). Trigon is managing funds qualifying as undertakings for collective investments in transferable securities („**UCITS funds**“). Resulting from the applicable Regulations Trigon has established implements and maintains remuneration policy for remuneration principles and practices.

The purpose of the remuneration policy is to describe the remuneration principles and practices within Trigon and for such principles and practices:

- (i) to be consistent with, and promote, sound and effective risk management that neither encourages risk taking which is inconsistent with the risk profiles or rules of the UCITS funds;
- (ii) to be in line with the business strategy, objectives, values and interests of Trigon and the UCITS funds;
- (iii) to provide a framework for remuneration to attract, motivate, develop and retain staff who contribute to the value creation of Trigon and UCITS funds in order to achieve the objectives of Trigon and the UCITS funds while aligning risks taken by staff with the interests of Trigon and the UCITS funds; and
- (iv) to appropriately manage conflicts of interest in order to prevent such from adversely affecting the interests of Trigon or the UCITS funds.

Trigon has designed its remuneration principles and practices in a way and to the extent that is proportionate to the combination of its size, its internal organization and the nature, scope and complexity of its activities, to appropriately align the risks faced and provide adequate and effective incentives to its employees, in line with the relevant proportionality provisions of the Regulations and ESMA guidelines on sound remuneration policies under the UCITS Directive and AIFMD (ESMA/2016/411). Proportionality also operates within Trigon with respect of the different categories of staff for some of the specific requirements with the aim to manage the risks their activities entail. The remuneration policy applies as of the first full performance period of Trigon that falls within the scope of the Regulations.

The remuneration policy applies to those categories of staff who individually or collectively through their professional activities have a material impact on Trigon’s profile or of the UCITS funds („**Identified Staff**“) and the policy covers all aspects of remuneration inclusive of fixed and variable types of remuneration.

The Supervisory Board of Trigon is responsible for adopting the remuneration policy and for its annual review. The Supervisory Board bears the ultimate responsibility for the adequacy and proper implementation of the remuneration policy, also for identification of the Identified Staff to whom this the remuneration policy applies and deciding on remuneration to the Identified Staff while ensuring that the remuneration practices are adequate and suitable as to the Regulations, the financial situation of Trigon and the interests of the UCITS funds. As part of this process the Supervisory Board will seek input from the compliance function. The Supervisory Board members are responsible for ensuring that remuneration of the control functions does not affect their objectivity and that no individual can decide over its own remuneration.

Having regarded to relevant proportionality criteria and principles a separate remuneration committee is not established in Trigon.

The implementation of the remuneration policy is, at least annually, subject to independent internal review for compliance by the compliance function.

2. IDENTIFIED STAFF

The Identified Staff comprises of:

1. Senior management such as the members of Management Board;
2. Risk takers such as fund managers;
3. Employees in control functions such as employees responsible for risk and compliance functions;
4. Staff members receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of Trigon or of the UCITS funds.

Members of the Management and Supervisory Board do not receive separate compensation for their services in the governing bodies.

3. GUIDELINES FOR REMUNERATION

When deciding on remuneration practices for the Identified Staff members the following objectives are followed:

- A proper balance of variable and fixed remuneration;
- Adequate practices for measurement of performance;
- A structure of variable remuneration to ensure it makes the best possible attempt to align remuneration with proper risk management and interests of Trigon and UCITS funds.

The remuneration package is divided into:

a) **Fixed remuneration** on a monthly basis in the form of base salary and one or more non-pay benefits. Fixed salary intends to provide consistent cash-flow to the Identified staff and aims to promote a long-term relationship between the Identified staff and Trigon. Fixed remuneration is set on individual basis with consideration to the role of the individual, including responsibility and position profile, achievements, qualification and expertise and market standards in respect of the relevant positions. Trigon takes into account that fixed and variable components of total remuneration should be appropriately balanced. The fixed component represents a sufficiently high proportion of the total remuneration to ensure that the variable component of the remuneration can be operated in a fully flexible manner, including the possibility of there being zero variable remuneration in a particular year.

b) **Variable remuneration.** Trigon operates discretionary annual variable remuneration arrangements to certain categories of its employees to honor and encourage value creation for Trigon and UCITS funds through results as well as behavior. Paying variable remuneration is based on a combination of assessing:

- the performance of the individual (including qualitative and quantitative criteria);
- the fee generation of the products and business unit or UCITS funds concerned;
- the overall results and financial situation and stability of Trigon and UCITS funds.

Relevant financial (quantitative) and non-financial (qualitative) criteria is taken into account when assessing individual performance. The appropriate combination and balance between the quantitative and qualitative criteria depend on the tasks and responsibilities of the Identified Staff member. The assessment period for the Identified Staff member's performance takes place annually. After the assessment period Trigon decides on variable remuneration component for relevant Identified Staff members (award process).

The remuneration level of Identified Staff in the control functions should allow Trigon to employ qualified and experienced personnel in these functions and is not linked to the

performance of the investment teams that they support. The investment teams are not involved determining the remuneration of the Identified Staff in the control functions. The Identified Staff engaged in control functions are compensated according to the achievements of their objectives linked to their functions in addition to the management company wide business result criteria.

Quantitative financial measures to be used with regards of variable remuneration are based on the fee generation of the UCITS funds that the respective person is managing or supporting. Fee generation of the UCITS funds depend on raised assets and alpha generation of the products.

Qualitative measures include experience in the sector and help provided in servicing the clients and keeping the high satisfactory levels of the customers. In addition the achievement of strategic targets, adherence to risk management policy, team work, motivation and cooperation with other business units and with control functions is considered.

Negative non-financial performance, in particular unethical or non-compliant behavior, should override any good financial performance generated by an employee and should diminish the Identified Staff member's variable remuneration.

The variable remuneration is paid only if it is sustainable according to the financial situation of Trigon as a whole, and justified according to the performance of the relevant business unit, the UCITS funds and individuals concerned. The variable remuneration shall generally be considerably contracted where poor or negative financial performance of Trigon or of the UCITS funds, serious misbehavior, serious error or fraud by the employee occurs.

Up until Trigon managed UCITS funds represent more than 50% of the total assets under management, variable remuneration is paid in cash.

Trigon does not pay pension benefits to its employees. Variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements laid down in the applicable Regulations. Employees 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.

4. DISCLOSURE

In the event of significant changes to the remuneration principles the present document will be updated and the updated version will be disclosed on the web page www.trigoncapital.com. No separate announcements will be made in relation to changes in the remuneration policy, unless required by the Regulations.

A paper version of the remuneration principles is available to investors upon such request.