

Monocle asset management	Compensation policy	Reference: II - 4 Version: 1.0
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Responsibility	
Person responsible for the procedure	Charles Monot
Service	General Management
Relay correspondent	Mimoza Bogeska

Objective of the procedure
<p>The objective of the remuneration policy is to promote sound and efficient risk management, by not encouraging risk-taking that is incompatible with the prospectuses/statutes or other constitutive documents of the funds managed and with the interests of the clients to whom MONOCLE AM (hereafter the "Management Company") provides an investment service.</p> <p>MONOCLE AM's remuneration policy (hereinafter the "Policy") is consistent with the economic strategy, objectives, values and interests of the Management Company, the funds and the clients, and includes measures to avoid conflicts of interest.</p> <p>It takes into account the nature, scope and complexity of MONOCLE AM's business.</p>

List of tools/ applications used	
Tools	N/A
Applications	N/A

1st level controls	Archiving (yes/no)	Location
MONOCLE AM	Yes	Dropbox

Management of procedure updates				
Version	Date	Status	Author	Nature of changes
1.0	30/03/2021	Validated	MONOCLE AM	Validation

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1. Objectives

The purpose of the Policy is to specify the methods for determining and paying the overall remuneration package allocated to MONOCLE AM employees for a given financial year.

The remuneration policy has been put in place to :

- Actively support the strategy and objectives of MONOCLE AM;
- Ensure the attractiveness, development and retention of staff;
- Align the interests of employees with those of customers.

The Policy applies to the following compensation:

- Fixed remuneration ;
- Variable compensation.

MONOCLE AM ensures that the level of salaries is consistent with the level of qualifications, expertise and responsibilities, so that variable remuneration is not a determining factor in the salary, and thus allows the management company complete flexibility in deciding whether or not to grant variable remuneration to its employees.

2. Identified Personnel

The remuneration policy concerns all MONOCLE AM employees, including Identified Personnel. Identified Personnel" are those employees who may have a significant impact on the risk profile of the UCITS/FIAs managed and/or of the management company, as well as any employee likely to have a significant influence on the service provided and/or the behaviour of the company, including staff in direct contact with clients, sales teams and staff involved in handling complaints and building client loyalty

	Functions concerned
Identified Personnel	<ol style="list-style-type: none"> 1. Responsible executives and portfolio managers ; 2. RCCI 3. Financial managers 4. The development manager 5. Sales people

It is anticipated that any other employee who has a significant impact on the risk profile of the company or the UCITS managed and whose salary is significant will also be considered as Identified Personnel.

This list will be updated as and when personnel changes within the Management Company.

3. Activities and remuneration concerned

1) The activities concerned

All of MONOCLE AM's activities are covered by this policy:

- Collective management activities ;
- The provision of ancillary services provided for in Article 6(3) of the UCITS Directive or Article 6(4) of the AIFM Directive.

2) Remuneration concerned

The Policy applies to the following compensation:

- The fixed part of the employee's remuneration ;
- The variable part of the employee's remuneration.

Dividends or similar distributions received by shareholders as owners of units or shares of MONOCLE AM are not covered by the Policy.

Similarly, remuneration in the form of profit-sharing is not covered by this Policy.

Finally, the following are also excluded from the Policy as they do not provide an incentive for risk management

- The Company Savings Plan (PEE), Inter-company Savings Plan (PEI) and Group Retirement Savings Plan (Perco),
- Article 39" supplementary pension plans,
- The so-called "article 83" pension contract.
- Exceptional bonuses paid to employees, in particular when these bonuses reward a business contribution, are excluded from the present system.

Fixed remuneration of employees

The fixed remuneration is individual and negotiated at the time of the employment contract. It may be revised according to the development of the employee and the Management Company, within the limits set by the overall remuneration policy.

MONOCLE AM ensures that the level of salaries is consistent with the level of qualifications, expertise and responsibilities, so that variable remuneration is not a determining factor in the salary, and thus allows the management company complete flexibility in deciding whether or not to grant variable remuneration to its employees.

Variable compensation for employees

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In addition, all MONOCLE AM employees - with the exception of the Chairman Charles Monot - may be eligible for variable compensation, which complements - in a balanced manner - the fixed part of their compensation.

The amount allocated to all employee remuneration (increase in fixed salary and variable remuneration) is defined according to the company's overall results and in compliance with the maintenance of the management company's equity and regulatory limits.

The practice of guaranteed bonuses not linked to the employee's performance is prohibited when an employee is hired, except in exceptional circumstances - in which case the guarantee is limited to one (1) year from the date of hiring.

The criteria for the allocation of variable compensation are detailed in section 4.2.

4. Policy Principles

These rules are designed to ensure that the level of total remuneration awarded is in line with the wealth created by MONOCLE AM over the long term, and to promote an alignment of interests between the Management Company and its clients.

1) Principle of proportionality

In view of its workforce and the volume of assets under management, MONOCLE AM invokes the principle of proportionality at the level of the management company and employees.

MONOCLE AM will not apply the principles of payment in instruments, retention of instruments, deferral and malus for annual variable remuneration below €200,000 gross.

Criteria justifying the application of principle of proportionality	Justifications	
Size	Company with less than 50 employees	<input checked="" type="checkbox"/>
Internal organization	Entrepreneurial management company	<input checked="" type="checkbox"/>
Nature, scope and complexity of activities	<ul style="list-style-type: none"> - Outstanding amounts under €1.25bn - Total outstandings of less than €500m 	<input checked="" type="checkbox"/>

Requirements that may be subject to the application of the principle of proportionality :		
The payment of a portion of variable compensation in the form of instruments		<input checked="" type="checkbox"/>
Retention" of variable compensation as defined by ESMA		<input checked="" type="checkbox"/>
Deferral" of a portion of variable compensation, also defined by ESMA		<input checked="" type="checkbox"/>
Incorporation of ex-post risks for variable compensation		<input checked="" type="checkbox"/>
The obligation to create a compensation committee.		<input type="checkbox"/>

Compensation Committee

The Management Company has set up a Remuneration Committee. This committee, a non-statutory body, is responsible for ensuring the implementation of the remuneration policy in compliance with regulatory requirements. It is composed of Mr. Charles MONOT and Mrs. Mimoza BOGESKA, respectively Chairman and Managing Director of the Company, and of Mr. Jean-Bernard QUILLON, a third party member, to guarantee independence in the implementation of this policy.

2) Criteria for the allocation of variable compensation

The allocation of variable compensation is decided by the Compensation Committee on a discretionary basis and within the regulatory limits.

It is specified that no employee has variable compensation explicitly indexed to performance fees related to the management of UCITS/FIAs.

No variable compensation is guaranteed.

Details of the principles are set out in Annex 1.

3) Terms of payment of variable compensation

Variable compensation is paid in the form of a cash bonus, where applicable.

4) Transparency of the remuneration policy with regard to the integration of sustainability risks (article 5 SFDR)

Under Article 5 of Regulation (EU) 2019/2088, MONOCLE AM is required to disclose whether its remuneration policy is appropriate for the integration of sustainability risks.

To date, MONOCLE AM's remuneration policy does not specifically integrate sustainability risks.

5. Information

1) Information for employees

The remuneration policy is communicated to all employees when they are hired and each time it is updated.

2) Information for holders

Website: The remuneration policy is available on the MONOCLE AM website.

Annual report of the UCIs: The annual report mentions the principles of the Policy, the total amount of remuneration (fixed and variable), the aggregate amount of remuneration broken down by categories of employees (Risk Takers / Non-Risk Takers) and any modification of the Policy. The annual reports can be obtained on request from MONOCLE AM.

6. Adoption, monitoring of implementation and review of the Policy

1) Adoption

The Policy is validated by the Remuneration Committee.

The Committee shall review the general principles of the Policy at least once a year, which shall be updated in the light of regulatory developments.

The Committee must also approve any subsequent material deviation or change to the Compensation Policy.

2) Monitoring the effective implementation of the Policy

The Remuneration Committee is responsible for the effective implementation of the Policy and carries out a review at least annually