

Universal-Investment-Luxembourg S.A. (“Universal-Investment”) is subject to the prudential requirements applicable to management companies as regards the structuring of its remuneration system. Universal-Investment has detailed the structure of its remuneration policy in a remuneration guideline that aims to ensure a sustainable remuneration system that takes into account sustainable corporate governance. This remuneration guideline is compatible with the risk management process established by the Management Company, is conducive to this and does not encourage the assumption of excessive risks (including sustainability risks) that are incompatible with the risk profiles and the management regulations or articles of association of the funds it manages, nor does it prevent the Management Company from dutifully acting in the best interests of the Fund. While transposing AIFMD requirements, Universal-Investment takes into consideration its size, internal organization as well as scope and complexity of its transactions which lead to the conclusion that the remuneration proportionality principle is not applied.

The remuneration includes fixed and variable remuneration elements. The remuneration guideline is in line with the business strategy, risks (including sustainability risks), goals, values and interests of the Management Company and the funds it manages and the investors in such funds and includes measures to avoid conflicts of interest. The remuneration guideline was adapted to the applicable regulatory requirements with the support of external advisory. Universal-Investment’s remuneration methodology policy is examined once a year by the Management Board of Universal Investment (“the Board”) and its Compensation Committee for its suitability and compliance with all statutory provisions.

The variable bonus pool is based on quantitative and qualitative criteria determined by the Board, as well as on the earnings of Universal-Investment. The variable bonus pool is then assigned to the various business areas/business departments of Universal-Investment and the individual employees, taking their performance into account.

The distribution of the variable bonus pool to all eligible members is based on (i) the importance of their role and the activity carried out, and (ii) the performance notes (assessment score for the objectives, risk assessment score, values and overall assessment) assigned to the employees concerned.

Other criteria that are taken into account when determining variable remuneration are external benchmarks (if available). Universal-Investment can decide not to pay out any variable remuneration if Universal-Investment, the operational department concerned or the person concerned have not met the performance, risk management and/or compliance criteria.

When it comes to the achievement of goals determined as part of the personal performance assessment, the focus is in particular on sustainable business development and the protection of the Company and the funds from excessive risks (including sustainability risks). Above all, no incentives to take excessive risks (including sustainability risks) should be created. The aim of the remuneration system should be the controllability of the operational risk components of the Company and the funds, combined with an increase in efficiency as well as work and product quality through clearly structured processes, automation and defined responsibilities. In particular, the variable remuneration elements are not linked to the performance of the investment funds managed by Universal-Investment.

It is ensured that the fixed and variable remuneration components are appropriate and balanced. The share of the fixed component in the total remuneration is sufficiently high that flexible bonus payment is guaranteed, including the option of not paying variable remuneration.

The Management Board and the Supervisory Board have a final right to decide on the allocation of variable remuneration. The members of the Management Board and the Supervisory board of Universal-Investment can be found under the following link <https://www.universal-investment.com/en/Corporate/Structure-and-Management/>. In addition to the aforementioned remuneration elements, employees of Universal-Investment can receive voluntary employer benefits in kind, other such benefits and retirement benefits.

On an annual basis, Risk Controlling and Compliance outline a list of identified staff. Those employees who can exert a decisive influence on the risk and business policy of Universal-Investment and its funds are identified as identified staff. The Board analyses the pre-assessment and determines the identified staff and/or risk takers for the respective fiscal year. Specific rules apply to this category of staff in regard to pay out rules for bonuses. Yet these specifications can be deviated from in individual cases as part of the examination of individual proportionality. This is generally the case if the variable remuneration component is less than 50% of the fixed remuneration. The following variable compensation pay out rules generally apply to identified staff: deferral, compensation in the form of instruments, ex-post risk adjustment mechanism. The variable remuneration is paid out over a period of several years in order to ensure that the payment of the remuneration is based on the long-term performance of the managed investment funds and their investment risks. The variable remuneration for all identified staff - provided it exceeds a certain exemption limit - is paid out in arrears over several years. For these employees, at least 40 percent of the variable remuneration must be deferred for a minimum three-year period. During this period, the deferred portion of the remuneration is risk-dependent, and also dependent on questions of sustainability, i.e. it may be reduced if the employee or Universal-Investment makes negative profit contributions (penalty test). At the end of the waiting period, the deferred remuneration portion becomes proportionally vested and is paid out on the respective payment deadline.

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