

Carmignac UK LTD (“Carmignac UK”)

Remuneration Policy

Approved by	Carmignac UK Board of Directors
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1. GENERAL PROVISIONS

Carmignac UK is authorised by the Financial Conduct Authority as a MIFIDPRU firm. It is a part of the Carmignac group.

The remuneration policy of Carmignac UK is designed to ensure that Carmignac UK complies with the principles and requirements of the MIFIDPRU remuneration code set out in SYSC 19G of the FCA handbook and other relevant guidance.

Since Carmignac Gestion Luxembourg and Carmignac Gestion have delegated investment management to Carmignac UK, the remuneration policy is also designed to be equally effective as the minimum rules required to be applied to employees of Carmignac Gestion Luxembourg or Carmignac Gestion in accordance with the European and Luxembourg legislative framework in the area of compensation and governance as defined by the Law of May 10, 2016 (transposing Directive 2014/91/EU of the European Parliament and of the Council of July 23, 2014 (the "UCITS V Directive"), and the ESMA "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" of March 31, 2016 (the "Guidelines").

The remuneration policy promotes a sound and effective management of risks and does not encourage excessive risk-taking.

It is consistent with the goals and interests of Carmignac UK, Carmignac Gestion Luxembourg and Carmignac Gestion, the mutual funds managed by Carmignac Gestion and Carmignac Gestion Luxembourg and investors in their UCITS to avoid conflicts of interest.

The remuneration policy is in line with the corporate strategy of Carmignac UK and the Carmignac Group as a whole, its objectives, values and long-term interests, such as sustainable growth prospects, and complies with the principles governing the protection of clients and investors in the course of services provided.

This remuneration policy has several objectives:

- It defines the rules of the fixed and variable compensation based on the principles contained in the UCITS Directive and the MIFIDPRU remuneration code.
- It requires taking into account, when determining the variable compensation, the combination of the evaluation of individual performance, the general economic situation of the management company and the results of the group. The evaluation of individual performance is based on quantitative (financial) and qualitative (non-financial) criteria.
- It provides a structured compensation system. It is based on a long-term vision.
- It includes the remuneration policy in the management of the group's financial risk while encouraging the employees concerned to promote the sustainable success and stability of the group.

APPLICATION OF CERTAIN RULES

Under MIFIDPRU certain rules apply according to whether a firm is categorised as a small non-interconnected firm ("SNI"), non-SNI or extended non-SNI. Carmignac UK has determined that it is a non-SNI firm but not an extended non-SNI firm.

In compliance with the obligation to apply remuneration rules which are equally effective to the minimum rules applicable to employees of Carmignac Gestion Luxembourg and Carmignac Gestion, Carmignac UK

has incorporated equivalent pay out process rules (regarding deferral, payment in units and retention) in this Policy and has arranged for the Carmignac Group Compensation Committee to play a role in relation to Carmignac UK's remuneration policy similar to that of a MIFIDPRU remuneration committee, subject always to the oversight of Carmignac UK's board.

2. SCOPE OF APPLICATION

This remuneration policy is applicable to all staff of Carmignac UK. Pursuant to the Guidelines and for the purposes of delegation by Carmignac Gestion Luxembourg and Carmignac Gestion to Carmignac UK, it is also designed to be equally as effective as the remuneration policy applicable to Carmignac Gestion Luxembourg and Carmignac Gestion. In the event of any material inconsistency between this remuneration policy and that of Carmignac Gestion Luxembourg, Carmignac UK reserves the right to comply with the more onerous requirement.

Specific provisions are laid down for categories of staff whose professional activities have a significant impact on the risk profile of the management company or mutual funds they manage ("Material Risk Takers" or "MRTs").

The list of MRTs will be adopted by the Board of Directors on the proposal of the Carmignac Group Compensation Committee and will be reviewed annually.

3. COMPENSATION STRUCTURE

This remuneration policy aims to align compensation with good risk management, the business strategy, objectives and long-term interests of Carmignac UK, the avoidance of conflicts of interest and responsible business conduct. The compensation system in place is in line with the strategic objectives of the company and consists of:

- A balance between fixed compensation and variable compensation
- Performance measurement

This remuneration policy concerns the fixing of compensation in its main components:

- The fixed portion: fixed compensation and benefits
- The variable portion

The sum of the fixed and variable portions is the total compensation.

4. BASIC SALARY

The fixed component represents a sufficiently high proportion of the total compensation for a fully flexible policy to be exercised in respect of the variable components of the compensation, in particular the possibility not to pay any variable component.

5. VARIABLE COMPENSATION

5.1. PRINCIPLES APPLICABLE TO ALL STAFF AND MAXIMUM RATIO

A variable component supplements the fixed component.

The variable remuneration rewards the performance of staff members who reach the targets that have been set for them by the Company.

The variable portion is determined and paid during the first quarter of year N+1, in respect of the performance assessed for year N.

Carmignac UK's Board of Directors sets an appropriate maximum ratio or ratios between the variable and the fixed component of the total remuneration of its staff for each performance year. Different ratios may be set for different groups of staff. When setting the ratios, the Board takes into account a range of factors including:

- Carmignac UK's business activities and associated prudential and conduct risks; and
- the role of the individual employee and, in the case of MRTs, the impact that different categories of staff have on the risk profile of Carmignac UK and the assets it manages.

When setting the maximum ratio, the Board considers all potential scenarios, including that Carmignac UK exceeds its financial objectives. The maximum ratio therefore reflects the anticipated ratio in the most positive scenario where performance significantly exceeds expectations.

The ratios will be reviewed on an annual basis and, in exceptional circumstances such as unexpected and extraordinary market conditions, the maximum ratios set may be reviewed by Carmignac UK's Board of Directors in the course of a performance year.

5.2. DETERMINATION OF THE AMOUNT OF VARIABLE COMPENSATION

The total amount of variable compensation is determined based on the results of Carmignac UK and/or Group during the previous financial year, ensuring that the level of equity remains sufficient.

It is then distributed among the different departments depending on the evaluation of their performance and, within each department, depending on the evaluation of individual performance.

5.3. INTEGRATION OF SUSTAINABILITY RISKS

Further to Carmignac UK's commitments and initiatives in terms of responsible investment, and in accordance with the regulation in force, the general management takes into consideration sustainability risks when determining the pool of the variable remuneration allocated to all staff members.

5.4. EVALUATION PROCESS

Individual performance is assessed through an evaluation procedure where the employee evaluates his own performance and is evaluated by the managers of his team.

Individual performance is reviewed through the performance evaluation process, which assesses how employees achieve the quantitative and/or qualitative targets related to their function, and which takes individual behaviour into account to discourage, in particular, short-term risk-taking.

For Management, the targets are defined by the Carmignac Group Compensation Committee and the Board of Directors, in its oversight function, and shared with the interested parties.

For employees, it is their superiors who evaluate the overall performance of each employee based on their individual results and behaviour.

The evaluation of individual performance leads, in particular, to the fixing of variable compensation.

The determination of the amount due to each employee takes qualitative criteria into account, i.e. the sustainability of the actions carried out by the employee and their medium and long-term interest for the company, the personal involvement of the employee and the achievement of the assigned tasks.

Performance is assessed in view of the performance of the person and business unit concerned, as well as those of Carmignac UK.

Depending on the position held, quantitative criteria will also be applied.

The achievement of the qualitative and/or quantitative criteria set will determine the variable compensation paid to each employee.

5.5. RULES APPLICABLE TO THE EMPLOYEES CONCERNED

Each year, the Group Compensation Committee shall submit to Carmignac UK's Board of Directors a list of the employees concerned with all information that the Board deems necessary to validate the scope of application of the following provisions.

The specific terms of compensation of the employees concerned are adopted each year by Carmignac UK's Board of Directors on the recommendation of the Group's Compensation Committee.

5.5.1. Deferred payment of the variable compensation

At least 40% of the variable component of the compensation is deferred for an appropriate period which may not be less than three years.

Deferred compensation will vest no quicker than rateably over the vesting period.

If the variable component of the compensation represents an amount that is particularly high, the payment of at least 60% of this amount is deferred.

5.5.2. Payment in the form of instruments

A sufficient percentage of the variable component of the compensation consists in units of the mutual fund concerned, or in an equivalent participation, or in share-linked instruments or equivalent instruments.

5.5.3. Adjustment of the variable compensation

The variable compensation, including the deferred portion, is only paid or acquired if its amount is compatible with the financial situation of Carmignac UK as a whole and if justified by the performance of the operational unit, of the mutual fund and of the person concerned.

The total amount of the variable compensation for year N may be reduced or cancelled when the manager or mutual funds concerned record a poor or negative performance.

5.5.4. In-year adjustment and Malus

Carmignac UK may apply in-year adjustment or malus to undeclared or unvested variable remuneration of Material Risk Takers in certain circumstances where there is misconduct, material downturn or material failure of risk management. Variable remuneration for this purpose includes guaranteed variable remuneration, and variable remuneration in the form of retention awards, severance pay and buy-out awards.

Clawback

Carmignac may require a Material Risk Taker to repay some or all of any variable remuneration paid within at least the previous three years in certain circumstances in the case of fraud or deliberate misconduct or severe negligence.

Carmignac UK may adopt a policy governing the framework for the application of the application of in-year adjustment, malus and clawback.

5.6. SPECIFIC RULES APPLICABLE

The compensation rules are adopted each year by Carmignac UK's Board of Directors on the proposal of the Group's Compensation Committee.

5.6.1. Compensation of the members of the Board of Directors

The members of the Board of Directors only receive variable compensation attached to the function exercised under the employment contract between them and Carmignac UK, if any, or to their function as executive corporate officers. Their compensation is reviewed by the Group's Compensation Committee.

5.6.2. Compensation of persons exercising control functions

Employees engaged in control functions are compensated based on the achievement of objectives related to their functions, independently of the performance of the operating sectors they control.

The compensation of senior officers in charge of risk management and compliance functions is directly supervised by the Group's Compensation Committee.

5.6.3. Compensation of persons exercising support service functions (excluding MRTs)

An individual annual bonus is granted by management, on the proposal of the supervisor, based on (1) the achievement of targets set on an individual basis and (2) the achievement of targets set for the entire service.

The variable compensation of support managers is granted by management based on the achievement of targets set on an individual basis and the achievement of targets set for their entire service.

5.6.4. Compensation of persons exercising commercial service functions (excluding MRTs)

Regarding sales staff, an individual annual bonus is granted by management, on the proposal of the supervisor, based on (1) the achievement of targets set on an individual basis and (2) the achievement of targets set for the entire service (in particular in terms of inflows).

Regarding private client advisors, an individual annual bonus is granted by management, on the proposal of the supervisor, based on (1) the achievement of targets set on an individual basis and (2) the achievement of targets set for the entire service.

5.7. GUARANTEED COMPENSATION, RETENTION AWARDS; SEVERANCE PAYMENTS AND BUY-OUT AWARDS

Guaranteed variable compensation is awarded exceptionally and, for MRTs, will only be awarded in the context of hiring a new member of staff and will be limited to such MRT's first year of employment.

Retention awards are bonuses which are dependent on an individual remaining in a role until a defined event or for a set period of time. They will be made only rarely and not as common practice.

Carmignac UK may make severance payments relating to the early termination of an employee's contract. The amount of a such a payment will be determined by reference to the employee's role, length of service and any other factors Carmignac UK considers relevant. Such payments must reflect performance achieved over time and be designed in a way that does not reward failure or misconduct.

Remuneration packages for MRTs relating to compensation for, or buy out from, contracts in previous employment must align with the long-term interests of Carmignac UK; and contain provisions on

periods of retention, deferral, vesting and ex post risk adjustment that are no shorter than any corresponding periods that applied to unvested variable remuneration under the previous contract of employment, and which remained outstanding.

5.8. PROHIBITION OF CIRCUMVENTION MEASURES

Staff members are required to undertake not to use personal investment strategies or remuneration- and liability-related insurance to counteract the risk alignment effects incorporated in their compensation agreements.

The variable compensation is not paid by means of instruments or methods that facilitate the circumvention of the requirements of this Directive.

5.9. PENSION

The policy in respect of pensions is in line with the economic strategy, objectives, values and long-term interests of the manager and mutual funds it manages.

6. COMPENSATION OF PERSONS INVOLVED IN THE INVESTMENT MANAGEMENT OF AIF

6.1. PRINCIPLE OF PROPORTIONALITY

In the event that Carmignac UK is the delegated investment manager of one or more AIF, the following elements in particular will be considered for the application of the principle of proportionality: the size of the AIF and the nature, scope and complexity of the activities.

The Carmignac UK Board of Directors in conjunction with the Carmignac Group Compensation Committee will seek to ensure that the practices and compensation policies remain sound and do not encourage risk-taking inconsistent with the strategies in place.

6.2. PERSONS CONCERNED

In the event that Carmignac UK is the delegated investment manager of one or more AIF, the list of MRTs will be decided by the Carmignac UK Board of Directors on the proposal of the Carmignac Group Compensation Committee. This list would then be subject to an annual review.

6.3. SPECIFIC RULES APPLICABLE

The principles laid down in part 5 also cover the compensation of MRTs who may be involved in the investment management of AIF. Furthermore, the fixed and variable compensation would be allocated in accordance with the functions exercised by the person concerned.

7. GOVERNANCE

7.1. IMPLEMENTATION OF THE POLICY

The management body of the manager, in the exercise of its oversight function, adopts and reviews the general principles of the remuneration policy at least annually and is responsible for its implementation.

The implementation of the remuneration policy is subject, at least once a year, to a central and independent internal assessment to ensure that it complies with the compensation policies and procedures adopted by the management body in the exercise of its oversight function.

7.2. CARMIGNAC GROUP COMPENSATION COMMITTEE

The Board of directors of Carmignac Gestion has established a remuneration committee to assist the Group in the exercise of its mission of fixing the principles of its remuneration policy in accordance with applicable rules.

The Carmignac Group Compensation Committee's composition and functions are described in a charter specifically drawn up for this purpose.

The objective of the Carmignac Group Compensation Committee is to make proposals to the Boards of Directors of Carmignac Gestion, Carmignac Gestion Luxembourg and Carmignac UK, in their oversight function, and to review the overall remuneration policy of the Company. In particular, it makes proposals to the Boards of Directors, in their oversight function, concerning the compensation of executive members. It meets at least twice a year.

7.3. MONITORING THE IMPLEMENTATION

The Compliance and Internal Control function ensures that the remuneration policy has been reviewed at least annually by Carmignac UK's Board of Directors and that the associated principles and procedures have been implemented accordingly.

Together, the Compliance and Internal Control function and Carmignac Group Compensation Committee ensure the fair and consistent application of the remuneration policy within the Company, and its compliance with the rules and regulations applicable to matters of compensation and the principles adopted by Carmignac UK's Board of Directors.

8. PUBLICATION

8.1. EXTERNAL PUBLICATION

Carmignac UK will publicly disclose information on the following aspects of its remuneration policy and practices on an annual basis:

Qualitative disclosures

- its approach to remuneration for all employees;
- the objectives of its financial incentives;
- the decision-making procedures and governance surrounding the development of the remuneration policies and practices the firm had adopted under the MIFIDPRU Remuneration Code;
- the types of staff it has identified as MRTs;
- the key characteristics of its remuneration policies and practices including:
 - the different components of remuneration, and whether they are categorised as fixed or variable
 - a summary of the financial and non-financial performance criteria used for the assessment of the performance of the firm, business units and individuals
 - the framework and criteria used for ex-ante and ex-post risk adjustment of remuneration
 - the policies and criteria applied for the award of guaranteed variable remuneration
 - the policies and criteria applied for the award of severance pay

Quantitative disclosures

- the total amount of remuneration awarded to all employees, split between fixed and variable remuneration sub-divided between senior management, other MRTs and other employees. the total amount of guaranteed variable remuneration awards made and the number of MRTs involved, presented separately for senior management and all other MRTs.
- the amount of the highest severance payment awarded to an individual MRT presented separately for senior management and all other MRTs.

8.2. INTERNAL PUBLICATION

Carmignac UK shall ensure that each employee is regularly informed of his level of compensation, the criteria used to assess his performance and the relation between performance and pay.