



Vistra Fund Management S.A. Policies & Procedures	
Reference	
Name	Remuneration Policy
Owner (function)	Board of Directions
Corresponding policy	N/A
Procedure risk rating	High
Last review date	11/01/2023
Next review date	

REMUNERATION POLICY

Summary

1. Scope

2. Structure & main components of the remuneration policy

2. Board of Directors

1. Scope

The remuneration policy (the “Policy”) of Vistra Fund Management S.A. (VFM S.A.) applies to all staff which includes the members of the board of directors of VFM S.A. (the “Board of Directors”), the conducting officers (the “Conducting Officers”), and the directors (the “Directors”) of VFM S.A approved by the Commission de Surveillance du Secteur Financier (the “CSSF”).

The Policy is set-up with regard to the requirements of:

- the CSSF in its Circular 10/437 on guidelines concerning the remuneration policies in the financial sector, issued on February 1st, 2010,
- the Annex II of the July 15th, 2013 Law on alternative investment fund managers (the “AIFMD Law”) and
- the European Securities and Markets Authority’s Guidelines on sound remuneration policies under the AIFMD 2013/232, dated July 3rd, 2013 and
- the 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 (the “SFDR”) and
- The CSSF Circular 18/698 on Authorisation and organisation of investment fund managers incorporated under Luxembourg law, and specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent

In light of the foregoing, it is the view of VFM S.A. that the overall philosophy of this Policy is to discourage excessive risk taking (including sustainability risks as defined below) by the Directors and the Conducting Officers while exercising their duties, and in particular by taking in consideration the interests of the alternative investment funds (the “AIFs”) which VFM S.A. manages and those of the investors in such AIFs. As a consequence, the revenues of the Directors and the Conducting Officers are not linked (directly or indirectly) to the performance of the AIFs managed.

Pursuant to the Article 5 of the SFDR, financial market participants shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks and shall publish that information on their websites. VFM S.A. Sustainability risks as defined in Article 2 SFDR means an environmental, social or governance event or condition that, if it occurs could cause an actual or a potential material negative impact on the value of the investments (the “Sustainability Risks”).

The implementation of the Policy will be reviewed annually by VFM S.A.’s internal auditor. Such review will be incorporated into the report of the internal auditor, which will be submitted to the Board of Directors and made available to the CSSF.

The structure of the Policy shall be updated if necessary to ensure that it evolves to meet the changing situation of VFM S.A.

2. Structure & main components of the remuneration policy

Among other forms of remuneration that are provided by VFM S.A., the staff is eligible for bonuses, which are granted on a discretionary basis only, thus depending both on the performance of VFM S.A. and on the performance of the relevant individual (taking into account for the latter financial and other criteria, such as seniority, years of service, etc.), while also ensuring that the allocation of the variable remuneration does not encourage an excessive assumption of risks, including Sustainability Risks.

The appropriate balance of remuneration components may vary across staff members, depending on their seniority and their personal achievements. The total bonus amount is agreed in principle as of every year end, proposed by the approved Directors and agreed with the Board of Directors. The total bonus amount will never exceed 2 (two) months of gross salary.

With regard to AIFs whose portfolios are managed by third parties, and to whom VFM S.A. has delegated such activities, the latter will see to it that the principles set out in Annex II of the AIFMD Law be adhered to by the said third parties and will enquire before entering into an agreement whether the remuneration policy of such third parties are consistent with the integration of Sustainability Risks within the meaning of SFDR. This requirement shall apply mutatis mutandis to the appointment of an investment advisor by VFM S.A.

Specifically, compliance (or, as the case may be, non-compliance) with these principles will be assessed by VFM S.A. through its oversight function, in accordance with the rules set out in Article 18 of the AIFMD Law.

Guaranteed bonuses might potentially be granted to new hires, i.e. in the event of the recruitment of new Conducting Officers, as well as dedicated staff member, and exclusively in respect of their first year of employment with VFM S.A.

As a matter of principle, the fixed component of the total compensation of each individual, i.e. the salary, will always be larger than the variable component, i.e. the bonus, it being understood that in no circumstances the bonus will exceed 2 (two) months of gross salary.

In the event of the early termination of an employment contract, the individual concerned will only be entitled to their salary, in accordance with the provisions of the employment contract and the relevant labour law regime. In particular, no bonus will normally be granted to any such individual

In accordance with the principle of proportionality referred to above, VFM S.A.:

- will not make arrangements for a substantial portion of the bonuses (such as 50%) to be paid out in the form of units or shares or similar instruments of the AIFs which it manages;
- will not make arrangements for the deferral over a period of time of bonus payments, and
- will not currently set-up a remuneration committee.

3. Board of Directors:

Members of the Board of Directors who are employees of VFM S.A., or of the parent or another entity of the Group are not remunerated for their mandates as Members of the Board of Directors.