

REMUNERATION POLICY

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INTRODUCTION

The Remuneration Policy covers the remuneration of:

- Members of the Board of the Management Company
- Conducting Persons
- Risk takers and control functions

The objective of the policy is to ensure that remuneration practices are in conformity with the CSSF Circular 10/437 and Luxembourg Law 17 December 2010.

The Management Company has adopted, in this policy, principles consistent with a sound and effective risk management and that do not encourage risk taking, which is inconsistent with the risk profiles, rules or instruments of incorporation of the fund NEF and the Management Company.

This policy is also in line with the business strategy, objectives, values and interests of the Management Company and the fund NEF in order to protect the interests of investors and avoid any possible conflict of interest.

STRUCTURE OF REMUNERATIONS

Board Members

The Members of the Board perceive only a fixed remuneration in cash, not linked to fund performance. The remuneration of all Board Members is ratified during the Annual Shareholders Meeting.

Employees (including Conducting Persons)

The remunerations paid by the Management Company to the employees consist of fixed remuneration (contractual remuneration) and an additional variable remuneration. All employees who are not executives or managers are subject to the Banking Convention and the salary is based on the role, experience and position of the employee.

Neither fixed or variable remuneration is connected to quantitative indicators on products performance.

Fixed Remuneration

The fixed remuneration is composed by the remuneration defined in the employment contract, ticket restaurant and by an integrative pension plan.

The Management Company may offer to its employees various optional advantages (e.g. cell phone, company car, preferential current accounts in agreement with a bank).

The remuneration of the Conducting Person who is an employee of another company is fixed and decided by the Board of Directors. The remuneration is paid in cash and not linked to the fund/Management Company performance.

Variable Remuneration

Employees can benefit from variable remuneration payable after the end of the exercise.

This variable remuneration depends on the achievement of specific professional and technical objectives assigned to employees in a multi-year framework. The variable remuneration payable is capped and it may not exceed 50% of contractual remuneration.

The variable part (bonus) to be paid to employees who are not part of the senior management is proposed to the Board by senior management during the first Board meeting held in the calendar year following the year to which the bonus relates. Any bonus for senior management is decided directly by the Board at the same meeting.

The Management Company has also the possibility to pay no variable remuneration component.

The employees engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control.

Annual assessment of Employees

The objectives evaluated for the assignment of the variable remuneration are purely qualitative and are set and evaluated annually. The assessment and the setting of the objectives for the employees who are not part of the senior management takes place at the beginning of the year, before the first Board of Directors. The assessment and the setting of the objectives for the senior management takes place during the same Board meeting. This objectives are proposed for discussion to the Board by the conducting persons during the first meeting of the year.

The variable remuneration is discretionary and will be recognized depending on the number and importance of the objectives achieved in a multiyear framework.

It is possible to decide not to recognize any variable remuneration in the event of considerable negative outcome in the qualitative evaluation.

DELEGATION OF PORTFOLIO MANAGEMENT

The business model adopted by NEAM foresees the delegation of the portfolio management function. When delegating the portfolio management function, the Management Company will check, during the initial and ongoing due diligence that:

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- The entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA guidelines on sound remuneration policies under the UCITS Directive
- Appropriate contractual arrangements are put in place with entities to which investment management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the mentioned guidelines; these contractual arrangements should cover any payments made to the delegates' *identified staff* as compensation for the performance of investment management activities on behalf of the management company.

RESPONSIBILITIES

The responsibility for the definition and adoption of the Remuneration Policy lies with the Board of Directors of the Management Company. The Board reviews at least annually the general principles of the remuneration policy and is responsible for, and oversees, their implementation.

The Board as a whole is also responsible for the decision of the remunerations to be paid to senior managers and to approve the bonuses for the employees.

The senior managers are responsible for the decision of the remuneration and proposition to the Board of the bonuses to be paid to the others employees.

The Compliance function is responsible for reviewing, at least annually, the implementation of the remuneration policy.

MAINTENANCE OF THE REMUNERATION POLICY

The Remuneration Policy will be reviewed at least annually by the Compliance function of the Management Company and any update needed will be reported directly to the attention of the Board.

The policy is maintained electronically and in hard copy at the registered office of the Management Company and is available to all employees.