

**Information Statement on How Our Remuneration Policy is Consistent with  
the Integration of Sustainability Risks (the "Information Statement")  
in respect of REZCO SICAV**

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**Sustainable Finance Transparency**

The European Union has introduced a series of legal measures (the primary one being the Sustainable Finance Disclosures Regulation (Regulation (EU) 2019/2088)) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

**Our Approach to Sustainable Investment**

At Rezco Investment Counsel (Pty) Ltd., we believe that investors, and asset managers that invest on their behalf, have a responsibility to make their investments in a way that effectively supports a sustainable society.

At the core of our commitment to help our clients achieve their financial objectives is a conviction that this can be achieved by investing responsibly.

We value the importance of integrating Environmental, Social, and Governance ("**ESG**") factors into our investment and risk processes and fundamentally believe that this is aligned with the aim of achieving long-term positive financial performance for our investors. We also recognise and value the fact that this will also support the better functioning of companies we invest in, enhancing behaviour in a wide range of markets and industries and having a positive societal impact beyond the financial markets.

**What is a Sustainability Risk?**

In this context a sustainability risk is considered to be an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

**Information on How Our Remuneration Policy is Consistent with the Integration of Sustainability Risks**

*Regulatory Requirements in relation to our Remuneration Policy*

The Company is required to ensure that its remuneration arrangements are such that, from the Fund's perspective, they do not circumvent the remuneration rules set out in the law of 17 December 2010 relating to undertakings for collective investment, as amended, consolidated or substituted from time to time (the "**2010 Law**") and related regulatory guidance. The Company has prepared a remuneration policy (the "**Remuneration Policy**") to outline how it adheres to the remuneration requirements set out in the 2010 Law and to demonstrate how it has established and applies remuneration policies and practices that are consistent with, and promote, sound and

effective risk management. The Remuneration Policy provides a clear direction and policy regarding the Company's remuneration policies and practices consistent with the principles in the 2010 Law.

#### *Scope of Remuneration*

Remuneration, for these purposes, consists of all forms of payments or benefits made directly by, or indirectly, but on behalf of the Company, in exchange for professional services rendered by individuals at the Company who have a material impact on the risk profiles of the UCITS it manages ("**Identified Staff**"). Fixed remuneration means payments or benefits without consideration of any performance criteria. Variable remuneration means additional payments or benefits depending on performance or, in certain cases, other contractual criteria.

#### *Variable Remuneration*

Variable remuneration is an important tool to incentivise staff. It also gives the Company flexibility such that, in years where the Company performs poorly, variable remuneration may be reduced or eliminated and the capital of the Company can be preserved. In some circumstances, however, variable remuneration, if inappropriately structured, can lead to excessive risk taking as staff may be incentivised to keep taking risk to maintain or increase their variable remuneration.

In deciding the mix between fixed and variable remuneration of Identified Staff, the Company is mindful of the need to ensure that the basic pay of staff is adequate to remunerate the professional services rendered taking into account, inter alia, the level of education, the degree of seniority, the level and expertise and skills required. The Company is an asset management business and its revenues are based on the amount of assets it manages and its revenues may therefore be more volatile than other types of businesses. Variable remuneration allows the Company to reduce the risk that its capital base is eroded due to the need to pay fixed remuneration cost should assets under management decline.

#### *Remuneration Process*

The factors that are taken into account in deciding the quantum of the variable remuneration in any given period are as follows:

- achievement against objectives relative to the particular role of the individual and whether the individual exceeded what was expected of them during the year;
- performance of the Fund;
- compliance by the individual with all relevant compliance and risk requirements and other policies and procedures;
- the profit that the Company made during the previous year; and
- other factors as may be determined from time to time by the board of directors of the Company (the "**Board**").

In addition, and specifically in consideration of how the Company integrates the consideration of sustainability risks into the remuneration process, the following factor is also taken into account:

- the extent to which the individual has (i) embodied the principles; and (ii) adhered to the fundamental process based elements that are each contained in the Company's ESG Policy Statement.



It is recognised, in relation to each of the factors listed above (and the last one in particular), that these factors may be considered and applied subjectively to an individual, dependent on their role within the Company.

Finally, as an overriding and discretionary factor, the Company will ultimately be mindful of the need to ensure that the remuneration policy promotes sound and effective risk management, does not encourage risk taking that is inconsistent with the risk profiles of the Fund and is consistent with the Company's approach to the integration of sustainability risks. Variable remuneration awards must in all cases be aligned with the Company's business strategy, objectives, core values, ESG principles and the best interests of the Company.

### **Further Information**

This Information Statement is issued for information purposes only. This Information Statement is not intended as investment advice and is not an offer or a recommendation about managing or investing assets and should not be used as the basis for any investment decision. The information contained herein is current as of the date of issuance and is subject to change without notice. We do not make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors. No risk management technique can guarantee the mitigation or elimination of risk in any market environment. Past performance is not a guarantee or a reliable indicator of future results and an investment could lose value. All investments involve risk, including the possible loss of capital.

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Rezco Asset Management (Pty) Ltd is part of the Rezco group.

Rezco Asset Management (Pty) Ltd is authorised in South Africa and regulated by the Financial Sector Conduct Authority (FSCA).