

PIMCO GLOBAL ADVISORS (IRELAND) LIMITED (THE "MANAGER")

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Ireland

REMUNERATION POLICY

Policy Statement

PGAIL's remuneration policy is designed to ensure that compensation plans are consistent with and promote sound and effective risk management; do not encourage excessive risk taking; include measures to avoid conflicts of interest; and are in line with the firm's business strategy, objectives, values and long-term interests.

Overview

In accordance with its obligations under Directive 2009/65/EC, as amended (the "**UCITS Directive**") as implemented in Ireland by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as may be amended, consolidated or substituted from time to time (the "**UCITS Regulations**"), and its obligations under Directive 2011/61/EU on Alternative Investment Fund Managers (the "AIFM Directive"), as implemented in Ireland by the European Communities (Alternative Investment Fund Managers) Regulations 2013 as may be amended, consolidated or substituted from time to time and EU Commission Delegated Regulation (EU) No. 231/2013 (the "**AIFM Regulations**") the Manager is required to have remuneration policies and practices for those categories of staff ("**Identified Staff**"), including senior management, risk takers, staff responsible for control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or the funds under its management (each a "**Fund**", collectively the "**Funds**"). The remuneration policies must be consistent with and promote sound and effective risk management (and the principles as outlined in Schedule 1 hereto) and not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Manager or the Funds.

Application of the Policy

The Manager has a Board of Directors. The Directors that are not also employees of the PIMCO group receive a fixed fee only and do not receive performance-based remuneration. The Manager has no employees.

The designated person with responsibility for Regulatory Compliance has responsibility for the oversight of compliance with this remuneration policy. It will review the appropriateness of this remuneration policy annually and will ensure that it is operating as intended. It will also review this remuneration policy to ensure that it continues to be compliant with applicable national and international regulations, principles and standards. This remuneration policy shall be reviewed and updated as necessary on at least an annual basis or as and when is required or deemed necessary by the Manager.

Material changes to this remuneration policy will be approved by the Board.

Remuneration Policy Framework

The policy reflects the Manager's objective for good corporate governance and:

- is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Manager or any Funds it manages; and
- is consistent with the Manager's or any Fund's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The policy is consistent with and promotes sound and effective risk management by;

- having a business model which by its nature does not promote excessive risk taking; and
- ensuring that the fixed salary element of those involved in relevant functions reflects the market rate.

In preparing this remuneration policy, the Manager has taken into account the nature, scale and complexity of its business. In determining the range of activities to be undertaken by the Manager, the Manager has given due consideration to the number of Funds it manages, the type of investments made by such Funds, the investment strategies of such Funds, the investment location, the distribution model and the investor base of such Funds. Due consideration has also been given to the resources available to the Manager and the resources and expertise of the various third parties engaged to support the Manager and carry out certain functions on its behalf.

Scope of Remuneration

Remuneration consists of all forms of payments or benefits made directly by, or indirectly, but on behalf of the Manager, in exchange for professional services rendered by staff. This shall include where appropriate:

- (i) all forms of payments or benefits paid by the Manager;
- (ii) any amount paid by the Funds, including any portion of performance fees; and/or
- (iii) any transfer of units or shares of any Funds;
in exchange for professional services rendered by the Identified Staff.

For the purpose of item (ii) above, whenever payments, excluding reimbursements of costs and expenses, are made directly by the Funds to the Manager for the benefit of the relevant categories of Identified Staff, for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they shall be considered remuneration for the purpose of this policy.

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.

Identified Staff

The provisions of this remuneration policy apply only to Identified Staff. Pursuant to the term as defined in ESMA's Guidelines on sound remuneration policies under the UCITS Directive, applicable from 1 January 2017 (ESMA/2016/575) and ESMA's Guidelines on sound remuneration policies under the AIFMD, applicable from 22 July 2013 (ESMA/2013/232) (the "**Guidelines**"), Identified Staff are staff members who have a material impact on the Manager's risk profile, as follows:

categories of staff, including senior management, risk takers, Control Functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the management company's risk profile or the risk profiles of the UCITS/AIFs that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company, whose professional activities have a material impact on the risk profiles of the UCITS/AIFs that the management company manages

For the above purposes, "**Control Functions**" means:

staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within a management company (e.g. the CFO to the extent that he/she is responsible for the preparation of the financial statements).

For the above purposes, "**remuneration bracket**" means:

the range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories.

The following categories of staff, unless it is demonstrated that they have no material impact on the Manager's risk profile or on a Fund it manages, should be included as the Identified Staff:

- directors;
- senior management;
- staff responsible for Control Functions;
- staff responsible for heading the investment management, administration, marketing, human resources;
- other risk takers – such as staff members who acting individually or as part of a group can exert material influence on the Manager's risk profile or on a Fund it manages;

Additionally, staff whose remuneration takes them into the same bracket as senior managers and risk takers but who do not fall into one of the categories above must be assessed to determine whether they have a material impact on the risk profile of the Manager or of a Fund it manages and should be included as Identified Staff.

A list of the Manager's Identified Staff shall be maintained by the Manager. It should be noted that the inclusions of persons in this list relate specifically to their role within the Manager and their remuneration (if any) received directly by the Manager and shall not affect any other role or remuneration such persons may otherwise receive from entities connected with the Manager, delegates of the Manager or otherwise.

Risk Management Function

The remuneration of those engaged in the performance of the risk management function reflects the achievement of the objectives linked to the risk management function, independently of the performance of the business areas in which they are engaged.

The method of determining the remuneration of a compliance officer and other persons in the compliance function do not affect their objectivity and are not likely to do so as their remuneration is not linked in any way to the performance of the Funds.

Remuneration principles

It is primarily the responsibility of the Manager to assess its own characteristics and to develop and implement remuneration policies and practices which appropriately align the risks faced and provide adequate and effective incentives to its Identified Staff.

When establishing and applying the total remuneration, inclusive of salaries and discretionary pension benefits for Identified Staff, the Manager shall comply with the general principles set out in Schedule 1 in a way and to the extent that is appropriate taking into account its size, internal organisation and the nature, scope and complexity of its activities.

Investment Management Delegates

The Manager has the facility to appoint delegates to carry out investment management functions (including risk management) on its behalf.

In accordance with the Guidelines, where the remuneration rules would otherwise be circumvented, the Manager will seek to ensure that affected delegates (i.e. those entities to which investment activities have been delegated) are subject to regulatory requirements on remuneration that are "*equally as effective*" as those applicable under the Guidelines or that appropriate contractual agreements are in place to ensure that the delegation arrangements do not circumvent the remuneration requirements contained in the Guidelines.

Remuneration Committee

It is noted that the requirement for the Manager to establish a remuneration committee pursuant to the UCITS Regulations and AIFM Regulations applies to an entity that is significant in terms of its size or the size of the Funds that it manages, its internal organisation and the nature, scope and complexity of its activities" This criteria is to be assessed in accordance with the Guidelines.

The Manager shall establish such a committee if it determines that it meets this criteria.

Remuneration Disclosure in the Annual Accounts

The UCITS Regulations and the AIFM Regulations provide that the annual report of the relevant Fund shall include the total amount of remuneration for the financial year, split into fixed and variable remuneration paid by the management company and by the investment company to its staff, and the number of beneficiaries, and where relevant, any amount paid directly by the Fund itself, including any performance fees or carried interest.

The ESMA UCITS and AIFMD Q&A's specify that the remuneration based disclosure will also apply to the staff of a delegate of the Manager to whom portfolio management or risk management activities have been delegated. ESMA has clarified that the disclosure may be provided on an aggregate basis (i.e., by means of a total amount for all the delegates of the Manager in relation to the relevant Fund).

The Manager shall include the remuneration related information in the annual report of the relevant Fund in accordance with the regulatory requirements.

Role of the Designated Person

The Directors have collective responsibility for this Policy. The Designated Person with responsibility for Regulatory Compliance will assist in ensuring that this Policy is acted upon and complied with, subject to the overall monitoring and oversight by the Board. If any issue arises in connection with this Policy, such issue will be escalated in accordance with the Manager's Escalation Procedures & Exception Reporting, as set out in its Programme of Activity.

27 October, 2020