

Remuneration policy

Remuneration Policy and Compliance with ESMA guidelines for sound remuneration policies under AIFMD and Article 5 of the Sustainable Finance Disclosure Regulation (SFDR - EU/2019/2088).

ESMA Remuneration Policy Guidelines require AIFM's to ensure alignment of remuneration policies with the promotion of sound and effective risk management and which does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the AIFs they manage.

SFDR requires financial market participants to include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks.

Disapplication of certain ESMA guidelines.

IForUT FML has not applied a number of ESMA guidelines as is deemed appropriate and provided for in the ESMA guidelines themselves. The reasons for the disapplication of these guidelines is on both legal grounds and also on the basis of proportionality.

The size and complexity of the AIFM is small relative to its peers and its risk is low because of the nature of its activities which is confined to managing forestry investments either through direct ownership or investments in similar pooled investment entities without the use of any form of derivative instruments.

With regard to the payment of variable remuneration through instruments in the funds under management, these are not legally permitted under the constitution of the Trust Deed of the AIFs which are restricted to Revenue authorised pension funds and charities and other tax exempt investors only (EUT). It is also, therefore, not possible to apply the recommendations on retention, deferral or ex-post incorporation of risk for variable remuneration.

Because of proportionality a specific remuneration committee has not been established but remuneration and remuneration policies are reviewed by the Board of Directors of the AIFM as a whole.

Oversight

It is the responsibility of the Board of Directors to design, approve and oversee remuneration policy. It should be in line with business strategy and objectives and not encourage excessive risk taking. It should also be aligned to the interests of the AIFs under management.

The policies are reviewed and approved on an annual basis by the Board and all or part of the policy is reviewed externally on a periodic basis.

The Board has decided that, in determining the proportion of fixed and variable salary, it is in the long term interest of the funds under management to ensure the majority of remuneration is in fixed pay format. It is the view of the board that this reflects the long term nature of the assets under management and also does not encourage undue risk taking.

Variable pay given to staff is based on identified key tasks and parameters at the start of each year. Criteria are linked with annual performance objectives. These criteria are consistent with promoting sound and effective risk management and do not encourage risk taking which is inconsistent with the objectives of the AIFs under management.

