

# Beresford Funds ICAV

## Remuneration policy

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## **The ICAV**

Beresford Funds ICAV (the “ICAV”) is an open-ended umbrella investment company with segregated liability between funds. The ICAV has been authorised by the Central Bank as an Undertaking for Collective Investments in Transferable Securities (UCITS) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (“the UCITS Regulations”).

The ICAV’s sole objective is the collective investment of its fund in instruments permitted by the UCITS regulations and to give the members of the UCITS the benefit of the results of the management of its funds. This policy has been drawn up to further the objective of the ICAV.

The ICAV shall be managed and its affairs supervised by its Directors.

For details on each of the Directors please refer to section 2 of the Prospectus, available to download at <http://www.fundweblibrary.com/individual/ireland/en/BERESFORD>

### **1. The Policy**

The ICAV has established this remuneration policy (the “Remuneration Policy”) to ensure that the ICAV has in place remuneration policies and procedures which are in compliance with the regulatory requirements in accordance with UCITS V Directive (Directive 2014/91/EU) (“UCITS V”) and the European Securities and Markets Authority (“ESMA”) Guidelines on sound remuneration policies under the UCITS Directive (ESMA/2016/575) (the “ESMA Guidelines”) to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of the ICAV’s activities, and to integrate sustainability risk as required by the EU Sustainable Finance Disclosure Regulation (“SFDR”).

It is the ICAV’s policy to maintain remuneration arrangements that are consistent with, and promote, sound and effective risk management and do not encourage risk-taking that is inconsistent with the risk profile of the ICAV, that do not impair compliance with the ICAV’s duty to act in the best interests of its shareholders, and reflect the integration of sustainability risks on a qualitative basis. The ICAV’s Remuneration Policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times.

The Remuneration Policy has been adopted by the Board who have expertise in risk management and remuneration and any revision to the Remuneration Policy requires approval of the Board. In addition, the Remuneration Policy will be reviewed on an annual basis by the Board to assess whether its overall remuneration system operates as intended and is compliant with the remuneration policies as set out in UCITS V.

### **2. Scope**

For the purposes of the Remuneration Policy and any related remuneration policies and practices, ‘remuneration’ consists of all forms of fixed and variable (which should be performance-based and risk adjusted) remuneration paid to identified staff as defined in the ESMA Guidelines (“Identified Staff”) and includes all payments and benefits, whether monetary or non-monetary paid to those Identified Staff.

### **3. Persons subject to the Policy**

The ICAV applies the provisions of the Remuneration Policy to its Identified Staff as defined within the ESMA Guidelines.

The ICAV holds responsibility for identifying the members of staff who fall within the definition of Identified Staff for the purposes of the Remuneration Policy. The ICAV will ensure that any such staff which are directly remunerated by the ICAV and fall into this category are subject to this policy.

To ensure this policy is not circumvented, the ICAV will ensure that any entities to which it delegates any key functions will have a remuneration policy in place that is equally or more effective than those applicable under the ESMA guidelines.

### **4. Remuneration of Identified Staff**

The ICAV's Independent Non-Executive Chairman and Non-Executive Directors, who are not employed by any of the Investment Managers or any affiliate of the said Investment Managers, will accept a fee in accordance with the ICAV's Instrument of Incorporation and the Prospectus. The fees paid to the Non-Executive Directors are not performance-related fees but are subject to an agreed fee schedule. The remaining Directors have agreed to waive this fee.

Where persons have been seconded to the ICAV by another entity, the secondees are subject to their employers' remuneration policy which the ICAV has determined to be as effective as required under the ESMA Guidelines. They will not receive additional remuneration for any such secondment.

### **5. The Investment Managers – Irish Life Investment Managers Limited and Setanta Asset Management Limited (the "Investment Managers")**

The Investment Managers are each subject to regulatory requirements on remuneration which the ICAV views as equally effective as those applicable under UCITS V.

The Investment Managers are both investment firms authorised under the Markets in Financial Instruments Directive II ("MiFID II"), and complies with the requirements of MiFID II 2014/65 and the MiFID II Delegated Regulation 2017/575. The ICAV has determined the remuneration policies in place are equally as effective as those applicable under UCITS V. The Investment Managers have each provided a copy of their remuneration policies to the Compliance Officer of the ICAV.

The Investment Managers' Remuneration Policies require that an individual Employee's remuneration must be consistent with and promote sound and effective risk management and not encourage risk-taking that exceeds the Investment Managers' level of tolerated risk. The risk-limiting features of the Policies include (amongst other things) the application of non-financial metrics, such as an assessment of an Employee's compliance with the Investment Managers' Sustainability Risk Policies, where applicable.

The Investment Managers' Remuneration Policies require the Investment Managers to carry out an assessment of an individual's performance, when assessing and determining variable remuneration. This assessment is based on both quantitative criteria and qualitative criteria. The qualitative criteria used include, among others, an assessment of whether the relevant individual employee has complied with the Firm's sustainability policies, including the Sustainability Risk Policy. A negative assessment of overall compliance by an individual employee with the Sustainability Risk

Policy may result in a reduction in the variable remuneration amount which would otherwise have been awarded to that individual.

Staff employed by the Investment Managers are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control. A service level agreement is in place between the ICAV and the respective Investment Managers to document arrangements in respect of remuneration.

## **6. Proportionality Principle**

In drawing up the Remuneration Policy, the ICAV has taken account of the size, internal organisation as well as the nature, complexity and scope of the activities of the ICAV.

### Size

The assets under management (“AUM”) of the ICAV are €6,023,918,110 as at 30 December 2020. As a SMIC UCITS ICAV, the ICAV has no notable outstanding liabilities and the risk exposure of the ICAV is in line with UCITS permitted restrictions. The ICAV has no direct employees and only directly remunerates the non-executive members of the Board of Directors. There are no subsidiaries or branches of the ICAV.

### Internal Organisation

The ICAV’s legal structure is that it is incorporated in Ireland as an “Irish Collective Asset-Management Vehicle” under the Irish Collective Asset-Management Vehicle Act, 2015. This structure is specifically designed for Collective investment Schemes and, as such, represents a relatively simple corporate structure.

The internal governance structure of the company is non-complex. The Board of Directors will meet as required. At a minimum the Board will meet 4 times for quarterly reviews and twice to approve the annual and half-yearly statements respectively. The work of the Board is supported by:

- the Company Secretary
- the Compliance Officer
- the Money Laundering Reporting Officer
- The Designated Person(s)
  - Support staff for designated persons

The only parties directly remunerated by the ICAV are the non-executive Directors. The remaining parties are seconded by the Investment Manager or companies that form part of the group of companies to which the Investment Manager belongs. They are remunerated by the respective companies. None of these companies are remunerated, directly or indirectly, by the ICAV for the secondments provided. The ICAV is not listed on regulated markets.

### Nature, Scope & Complexity of Activities

The ICAV is authorised as an “investment company” under the UCITS Regulations. It has no authorisation and does not intend to apply for additional services as listed in Article 6(3) of the UCITS Directive.

The Funds do not use exotic derivatives or derivatives capable of complex price behaviour. None of the investment policies and strategies of the Funds collectively or separately are complex.

The ICAV conducts limited cross-border, EU only, business activities. A small number of the Funds are passported to a small number of EU jurisdictions. There is no intention to market the Funds outside of the EU.

The ICAV does not manage any AIFs.

The ICAV does not consider any remuneration issues arise in relation to compensation of employees as only the non-Executive Directors are remunerated by the ICAV and this amount is an agreed schedule of fees. The ICAV has no direct employees.

The ICAV does not contribute to any pensions.

The ICAV will not make any severance payments which are not performance based and risk adjusted. Any such severance payments will be related to performance achieved over time and designed in a way that does not reward failure.

In the event any variable remuneration arrangements come into existence, the ICAV will ensure that any persons to whom such an arrangement applies will be prohibited from using personal hedging strategies or insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

On the basis of the foregoing, the ICAV considers that the Remuneration requirements can be satisfied with a relatively simple and less burdensome method.

The ICAV does not propose to establish a remuneration committee due to the relatively non-complex corporate structure, small size, lack of employees and non-complex investment strategies. The ICAV considers that it is not significant in terms of internal organisation and the nature, scope and complexity of the ICAV’s activities.

## **6. Disclosure**

The general principles of the Remuneration Policy and the specific provisions for Identified Staff are disclosed internally and documented in this procedure.

In addition, pursuant to the UCITS V requirements, the following will be disclosed:

### Prospectus of the ICAV

The Prospectus of the ICAV will contain a summary of the remuneration policy and will be made available on: <http://www.fundweblibrary.com/public-sector/ireland/en/BERESFORD/> together with a copy of this remuneration policy.

### Key Investor Information Document (KIID) of UCITS

The KIIDs of the sub-funds include a statement to the effect that the details of the up-to-date Remuneration Policy are available by means of a website – including a reference to that website – and that a paper copy will be made available free of charge upon request. The KIIDs of the ICAV are available at: <http://www.fundweblibrary.com/public-sector/ireland/en/BERESFORD/>.

### Annual Report of UCITS

The annual report of the ICAV is required to disclose the following additional information:

(a) the total amount of remuneration for the financial year, split into fixed and variable remuneration paid by the ICAV (including any performance fee paid for the benefit of any Identified Staff), and the number of beneficiaries;

(b) the aggregate amount of remuneration broken down by categories of employees or other members of staff as referred to in Article 14a(3) of Directive 2209/65/EC – Undertakings for Collective Investment in Transferable Securities Iv (recast) (UCITS IV)

(c) a description of how the remuneration and the benefits have been calculated;

(d) the outcome of the reviews referred to in points (c) and (d) of Article 14b(1) of the UCITS V Directive including any irregularities that have occurred; and

(e) material changes to the adopted Remuneration Policy.

### General

The Board may deviate from the Remuneration Policy in individual cases to the extent legally acceptable under applicable law, if justified by extraordinary circumstances subsequent to the approval in a duly convened Board meeting.

The Remuneration Policy does not form part of any staff member's terms and conditions of employment or engagement and is implemented and subject to amendment at the Board's sole discretion in accordance with Section 2 above.

Records relating to this Remuneration Policy must be kept for a period of at least 5 years.