

Davy Fund Services

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J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange, the London Stock Exchange and Euronext. In the UK, Davy is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request.

Davy Asset Management is regulated by the Central Bank of Ireland.

Davy Investment Fund Service is regulated by the Central Bank of Ireland.

About Davy Fund Services

Established in 1926, Davy is Ireland's leading provider of stockbroking, wealth management, asset management and financial advisory services. Employing over 460 people, we offer a broad range of services to private clients, corporations and institutional investors. Our activities are organised around five interrelated business areas: Asset Management, Capital Markets, Corporate Finance, Private Clients and Research.

Davy established its first regulated fund in 1997 and, as a result, we are very familiar with all aspects of managing and administering these structures. The range of assets managed within these vehicles varies depending on the fund's investment profile. In many cases, investments are confined to specific asset classes for example the commercial property sector, both domestically and overseas, while others follow a broader allocation incorporating quoted equities, private equity, hedge funds, debt securities and other alternative asset classes.

The following entities are directly involved in our fund services offering:

J&E Davy (Trading as Davy)

Davy is an investment firm specialising in providing investment management services to both in-house and third party Collective Investment Schemes ('CIS'). The firm is also authorised to provide a number other key services to funds such as promotion, distribution and listing. Davy is a lead Sponsor for investment funds wishing to list on the Irish Stock Exchange and is one of only three Sponsors to be represented on the Stock Exchange's Investments Funds Listing Committee.

Davy Asset Management

Davy Asset Management is an investment firm which focuses on providing investment management services to both in-house and third party CIS including UCITS ('Undertakings for Collective Investments in Transferable Securities') and Non-UCITS. Davy Asset Management has expertise in managing a broad range of asset classes including quoted equities, private equities, hedge funds, debt and real estate. Assets are managed through a range of regulated structures - UCITS and Non UCITS (including QIFs ('Qualified Investor Funds')). Davy Asset Management can also act as a Promoter and Distributor of funds.

Davy Investment Fund Services

Davy Investment Fund Services is a Non UCITS management company and acts as a Manager to several funds. This service is offered to those who wish to establish investment funds in Ireland. Where appointed as a Manager to a fund, our specialists will appoint the key service providers to act on behalf of the funds including investment managers, sponsors for listing purposes, custodians, administrators, promoters and distributors.

Regulatory Oversight and Control

All three of the entities listed above are licensed and regulated by the Central Bank of Ireland. J&E Davy and Davy Asset Management are authorised as Investment Firms under the European Communities (Markets in Financial Instruments) Regulations 2007 ('MiFID'). MiFID is an EU-wide Directive that sets out the regulatory framework for financial services firms operating in the EU. The Central Bank of Ireland is responsible for prudential and conduct of business regulation and supervision of investment firms in Ireland.

In addition to external regulatory supervision a range of internal independent oversight functions are in place, including:

- A Compliance Team consisting of 12 employees, many with a background in the fund/ investment management industry;
- A Compliance Committee chaired by a non-executive director; and
- An Audit Committee chaired by a non-executive director.

2 Services

2.1 Investment Management Services

Davy as your Investment Manager

All regulated funds in Ireland are required to appoint an investment manager who is authorised by the Central Bank of Ireland. Davy is an experienced investment manager and is appointed to act as an investment manager to a number of investment funds. Davy manages a wide range of alternative asset classes including real estate, private equity, life settlements and hedge funds.

The duties we perform can be outlined as follows:

- Liaise with Legal Advisors in drafting Prospectus and engage in the regulatory approval process;
- Source and agree procedures with the appointed Custodians and Administrators;
- Manage investments in line with objectives and restrictions outlined in the Prospectus;
- Liaise with Investment Advisor on asset acquisitions and disposals;
- Liaise with independent asset valuers;
- Annual filing/audit of fund for the Central Bank of Ireland.

Third Party Investment Advisor

In many cases a third party Investment Advisor will be appointed to advise the Investment Manager on potential opportunities. This commonly occurs where the fund invests in alternative assets such as real estate, private equity and hedge funds. While the Central Bank of Ireland does not seek an Investment Advisor to be a regulated entity, their appointment is subject to the Investment Manager retaining full discretionary powers in relation to decisions concerning a fund. The appointment of an Investment Advisor is subject to certain notification requirements set out by the Central Bank of Ireland.

2.2 Management Company Services

Unit Trusts are the second most common form of fund structure used in Ireland. A unit trust is constituted by a trust deed entered into between a management company and a trustee. A unit trust does not have a separate legal personality and therefore contracts for services, such as custodial and fund administration, are entered into by the management company on behalf of the trust or a particular sub-fund of the trust. A non-UCITS management company must have minimum capital of €125,000 and two Irish resident directors, and is subject to the Central Bank's approval process. Davy Investment Fund Services is authorised by the Central Bank of Ireland as a non-UCITS management company and can fulfil these services for third party investment managers.

Davy Investment Fund Services may also be able to assist investment managers in meeting their requirements under the Alternative Investment Fund Managers Directive (AIFMD).

2.3 Distribution Services

Davy currently manages client assets with a total portfolio value of €6.5 billion. In terms of cross asset expertise, the portfolio includes a wide range of quoted and unquoted securities, debt instruments, property related assets as well alternative assets such as private equity and hedge funds.

Given the value of funds under management and our experience across a broad range of asset classes, we are uniquely positioned to undertake fund distribution within the Irish market.

2.4 Funds Listing

Davy is the leading sponsoring broker to investment funds and one of the leading listing agents for asset-backed securities, debt securities and derivative securities on the Irish Stock Exchange. We have expert knowledge of the listing rules having worked on the listing of a wide range of securities, ranging from plain vanilla to hedge funds, and from asset-backed debt to straight corporate debt, in a variety of domiciles. We have close relationships with the main service providers and professional advisers, with whom we can facilitate introductions.

2.5 UCITS Platform

Davy Asset Management acts as the promoter and distributor of the Skyline Umbrella Fund plc (the 'Platform'). The platform provides entities and individuals with an established structure to create a UCITS ('Undertakings for Collective Investment in Transferable Securities') compliant sub-fund.

The Platform caters for those who are seeking a solution to a client need or market-led request for a UCITS offering, where the outlay of resources associated with launching and maintaining a fully fledged in-house UCITS may not be viable.

Those seeking to set up a sub-fund on the Platform must meet certain conditions set out by the Board of Directors of the Platform and the appointed Investment Manager must be approved by the Central Bank of Ireland.

Key Features of the UCITS Platform

- Simple, transparent umbrella structure easily communicated to investors
- UCITS regime understood by and accessible to investors across the EU
- Segregated sub-fund with separate documentation and accounts
- Project management of product launch minimised
- Established Board of Directors and corporate governance regime in situ

Due to investment restrictions imposed on UCITS this may not be the most appropriate structure for all fund providers. Davy can discuss alternative structures with you in the context of your requirements.

The Skyline Umbrella Fund plc is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland.

3 People & Contacts

If you require further information, please contact:



Tom Berrigan

Tom has been with Davy for 13 years and has considerable experience in the investment management industry as well as an extensive knowledge of the regulated funds business. He is a director of a number of Irish regulated investment funds and continues to provide advice to clients seeking to establish regulated fund structures with a particularly emphasis on the alternative asset sector.

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Carol O'Sullivan

Carol has been a Director in the Investment Funds and Debt Listing Department of Davy since 2001. She was previously a Director in the Listing Department of ABN AMRO, Dublin, which she joined from the Corporate Finance Department of Davy. She is a graduate of Trinity College Dublin, holding an honours BBS degree. She has advised on a wide variety of transactions across a range of asset classes and fund structures.

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Michael Humphreys

Michael is a Director at Davy's London office with particular experience in structuring asset holdings and tax optimised transactions. He is a Chartered Financial Analyst, a Chartered Accountant and a taxation expert and has implemented a wide range of transaction structures with and on behalf of institutions, corporations and high net worth clients.

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