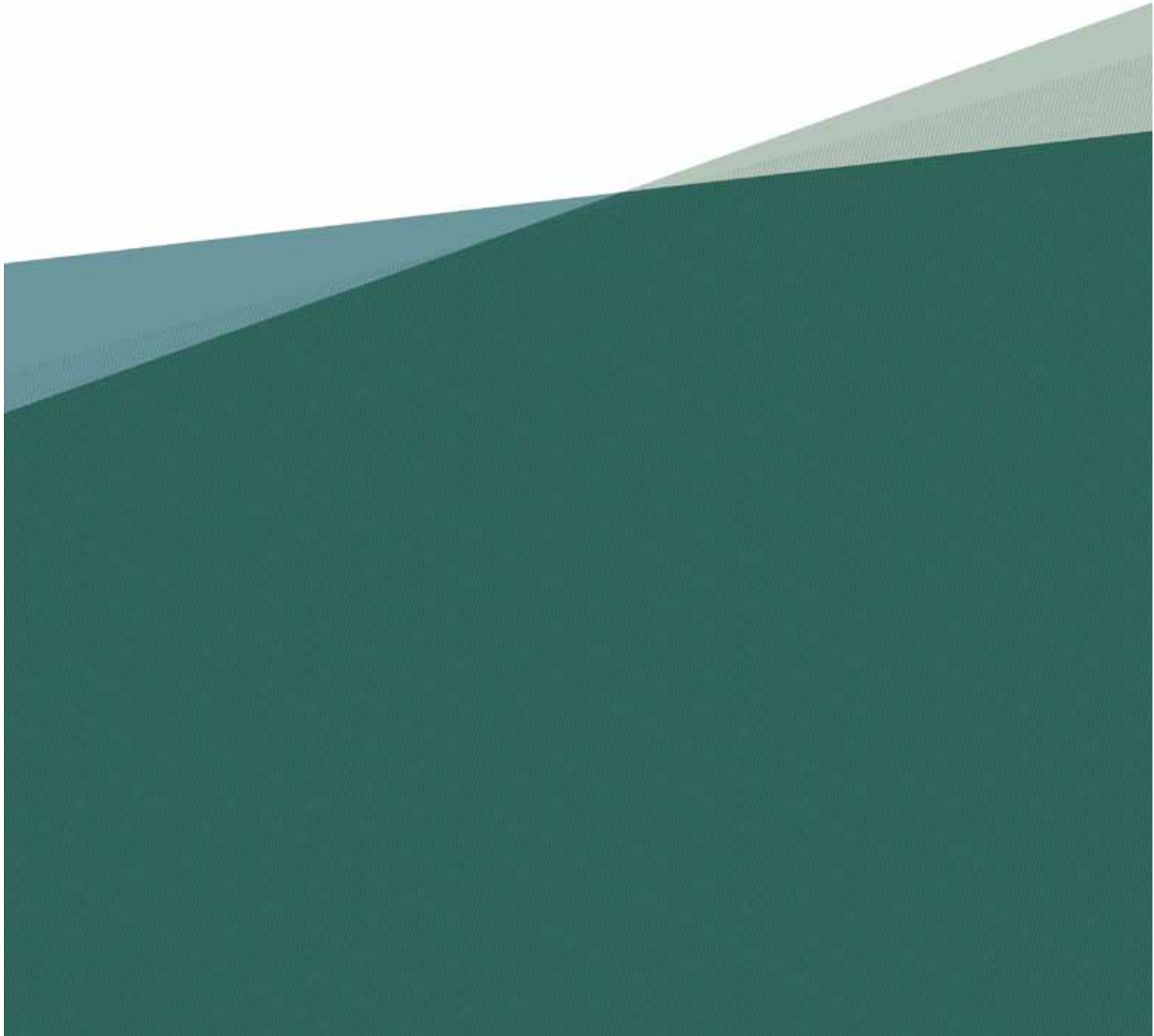


Listing on the Irish Stock Exchange

Investment Funds



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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.

The Irish Stock Exchange

The Irish Stock Exchange (the 'ISE' or 'Stock Exchange') is widely regarded as the leading location in the world for the listing of offshore investment funds. To date, over 2,800 funds and sub-funds are listed and an ISE listing continues to prove a popular choice for a wide range of fund promoters.

Davy

Davy is recognised as Ireland's leading institutional and corporate securities firm. Our commitment to a proactive broking service, and the highest standards of service has resulted in the company being repeatedly voted Ireland's number one broker by both domestic and overseas institutions.

Our Funds Listing Team comprises a group of professionals who are expert in the listing requirements of the Stock Exchange and their application to a wide variety of fund types. We offer both technical and listing advice on the structuring of investment funds and faultless execution to our clients. We are one of only three sponsors to be represented on the Stock Exchange's Investment Funds Listing Committee, the body charged with approving all listing rule updates and changes of policy.

As the leading sponsoring broker of investment funds in Ireland, we work with a large international blue chip client base. Our long-established market position means we can introduce our clients to industry service providers with whom we have worked over the years. Conscious of the continuing obligations of listed funds, and supported by customised data systems, we also provide a thorough and professional service to maintain our clients' listings.

As sponsoring broker, we:

- take responsibility for dealing with the Stock Exchange on all matters relating to the approval of funds for listing, clarifying technical points and seeking derogations from the listing rules, where necessary;
- lodge formal applications with the Stock Exchange to list funds;
- provide advice on all strategic issues relating to the establishment of an offshore fund including matters relating to the domicile, structure, board composition and Stock Exchange requirements;
- liaise with other advisors to the fund including asset managers, the fund's legal counsel, administrators and accountants to draft the offering document / listing particulars for the fund that complies with the rules and regulations of the Stock Exchange.

2.1 Assess Suitability of the Fund

The first step is to approach a sponsoring broker, such as Davy, who will act as the fund's advocate with the Stock Exchange and advise the fund promoter on the application of the Stock Exchange's rules. Davy's initial task is to assess whether the fund can satisfy the suitability criteria set down by the Stock Exchange:

- **Passivity:** The fund must be a passive investor.
- **Transferability:** Shares must be freely transferable, although transfer restrictions may be imposed if a transfer were to have certain specified adverse consequences for the fund or all of its shareholders.
- **Investment Manager:** This refers to the person(s) appointed by the fund to manage its assets on a discretionary basis for which the Stock Exchange has a set of automatic suitability criteria. If the investment manager meets just one of these criteria, it is deemed suitable by the Stock Exchange. If the investment manager manages a minimum of US\$100 million, on a discretionary basis; or is regulated in the conduct of investment management business by an accepted regulatory authority, or is a blue chip investment house; or if such a house has put its name on the fund, then the investment manager is judged suitable. The Stock Exchange also takes account of the nature of the fund's investors so that if the minimum subscription is at least US\$1 million or if the investors are professional investors, as defined by the Stock Exchange, then the investment manager will also be deemed suitable. If none of these criteria can be met, then a submission demonstrating the experience of the investment manager, outside of these criteria, can be made to the Stock Exchange seeking approval.
- **Custody:** The fund must appoint a suitably experienced and expert custodian, independent of the investment manager or adviser, to safekeep all of its assets. A prime broker, of specific standing, may also serve as custodian. Certain exceptions are permitted in respect of derivative investments.
- **Directors:** The directors must collectively have appropriate, relevant expertise and experience. Non-Irish domiciled funds must appoint two directors who are independent of the investment manager, adviser or their affiliates. All directors must be natural persons.
- **Net Asset Value:** An entity, independent of the custodian, must be appointed to calculate the fund's net asset value.
- **Investment Restrictions:** The listing rules set down diversification requirements to which the fund must adhere, principally that the fund may not invest more than 20% of its gross assets in any one issuer or expose more than 20% of its gross assets to any one counterparty, other than a counterparty meeting certain Stock Exchange criteria.
- **Investors:** If the fund is domiciled in an unregulated jurisdiction, as defined by the Stock Exchange, the minimum initial subscription must be at least US\$100,000. Where more than 20% of the fund's gross assets are exposed to those counterparties meeting certain Stock Exchange criteria, shareholders must be professional investors, as defined by the Stock Exchange.
- **Financial Information:** If the fund has commenced trading prior to listing, the Stock Exchange requires that financial information be provided. If the financial information provided is audited, the audit report must be unqualified. If the fund has not commenced trading, there is no such requirement. The preferred option is to apply for listing before commencing operations, avoiding the time and expense of gathering the relevant financial information. Alternatively, a listing may be timed to coincide with the availability of a fund's annual audit, which is valid for listing purposes for a period of 18 months from the date to which it is prepared.
- **Super Sophisticated Fund:** If the fund has difficulty in meeting certain ISE suitability requirements, the ISE's Super Sophisticated Fund category may be an alternative solution, provided the investment manager is regulated and investors are sophisticated, with a high net worth. Please contact Davy for additional information.

2.2 Prepare Listing Application

Davy will provide a detailed set of proposed amendments to the offering document, usually to the fund's legal counsel, in order to prepare listing particulars ('LPs'). A LPs is similar to an offering document, but with the inclusion of specific listing language and disclosures from the fund's constitutional documents. It is the basis of the fund's listing application, together with supporting documentation, such as material contracts, which Davy collates.

The LPs may be stand-alone or may be combined with the fund's offering document. A separate LPs may be preferred where a trading fund seeks a listing, as it must include in its LPs the financial information referred to above.

2.3 Approval Process

When the first draft of the LPs is ready, Davy will make the first formal submission to the Stock Exchange. The Stock Exchange takes five working days to revert with comments. Davy will assist in addressing these comments. Each further draft of the LPs takes two to three days to review. Approval for listing may be obtained within three to six weeks of the initial submission to the Stock Exchange. The Stock Exchange has agreed shorter turnaround times for Irish regulated funds.

2.4 48 Hour Submission

At least 48 hours prior to the listing date, Davy coordinates and files a formal listing application on behalf of the fund with the Stock Exchange. This includes the official listing application form, responsibility statements and a copy of the final LPs, all signed by the fund's directors. By this time all listing fees must have been paid to the Stock Exchange. Non-trading funds must confirm in writing to Davy the issue / allotment of shares prior to the listing date.

2.5 Listed

On the listing date the share price of the fund will appear on the Daily Official List and on the Stock Exchange's web site, www.ise.ie where the Stock Exchange will also post brief information about the fund, including contact details.

FIGURE 1: Steps to Listing

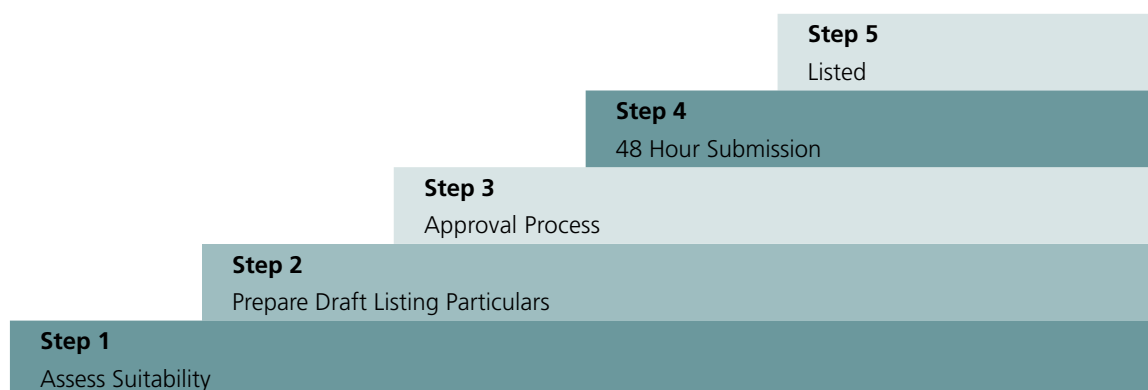


TABLE 1: Listing fees charged by the Stock Exchange for listing a fund

	EU Fund (€)	Non-EU Fund (€)
Initial Application Fee	2,000	2,180
Administration Charge (payable upon application)	300	300
Annual Fee (payable in advance)	2,000	2,180
Formal Notice Fee	550 (excl. VAT)	550 (excl. VAT)

Fees as at March 2013

The Stock Exchange listing fees must be paid by the fund in advance of the listing date.

In the case of umbrella funds coming to list, the initial fee applies to the umbrella as a whole, regardless of the number of sub-funds. Sub-fund(s) that are listed subsequent to the initial listing application for the umbrella are charged a subsequent application fee, of €950 in the case of an EU fund and €1,040 in the case of a non-EU fund, per LPs, rather than per sub-fund. However, annual fees are charged per sub-fund, payable in advance, on the scale outlined in Table 2.

TABLE 2: Umbrella Fund Stock Exchange Listing Fees

	EU Fund (€)	Non-EU Fund (€)
Per sub-fund up to five sub-funds	2,000	2,180
Per sub-fund over five and up to 10	1,210	1,320
Per sub-fund over 10	800	880

Fees as at March 2013

The Stock Exchange may also charge a discretionary fee, to be agreed in advance, for the review of complex structures.

Davy's fees for acting as Sponsoring Broker are available upon request.

3 Continuing Obligations

NAV per share

- Every listed fund ('Fund'), is required to calculate its Net Asset Value per share ('NAV') at least every calendar quarter. The NAV should be notified to the Stock Exchange immediately upon calculation, quoting the Sedol Code of each class of shares / series of shares in issue (send to nav@ISE.ie or autonav@ISE.ie).

Audited Annual Financial Statements

- The Stock Exchange requires audited annual financial statements for the listed fund (and the master fund, in the case of a master / feeder structure) to be filed within six months of the end of the period to which they relate. Funds with a 31st December year-end must, therefore, file their accounts by 30th June.
- The annual financial statements must contain a commentary, signed by the directors or the investment manager, on the Fund's activities during the period under review and must also contain an analysis of the Fund's portfolio.
- A Davy Checklist to guide you through the Stock Exchange content requirements is available from investmentfunds@davy.ie.

Unaudited Interim Reports

- Unaudited interim reports for the listed fund (and master fund, if applicable) must be filed with the Stock Exchange within four months. Funds preparing their interim reports as of 30th June must, therefore, file their interims by 31st October.
- The interim report must contain a commentary on the period outlining the past, present and future prospects of the Fund.
- A Davy Checklist to guide you through the Stock Exchange content requirements is available from investmentfunds@davy.ie.

Disclosure of Shareholdings of Interested Parties

- As required by Market Abuse regulations, the Fund must notify the Central Bank of Ireland ('Central Bank') and the Stock Exchange, of the interests of any of the directors, Persons Discharging Managerial Responsibilities ('PDMRs') and, where applicable, persons closely associated with them, in the listed shares of the Fund. The initial purchase and subsequent transactions must be notified to the Central Bank and the Stock Exchange within five business days (shareholder to Fund within four business days and Fund to Central Bank and Stock Exchange within one further business day), by completing a **PDMR form**. The most recent net asset value should be used as the subscription price when completing the Form.
- Transactions by an investment manager (the entity and **not the employees**) must be notified to the Stock Exchange by means of an announcement, ideally within five business days, but no later than the date the NAV is finalised.
- Please contact Davy for further guidance on the notification of interests and for a copy of the PDMR form.

Interested Shareholder	PDMR Form	Announcement	Five Business Days
Directors, PDMRs & their Associated Persons	✓	✗	✓
Investment Manager	✗	✓	✓
Controlling Unitholder	✗	✓	✓

- The Fund is also required to maintain a list of persons who have access to inside information. This list should include the identity of any person with access to inside information, the reason why they are on the list and the date on which the list was created and updated. It is important to note that this list must be 'maintained', i.e. updated regularly, with any relevant amendments. This list must be available to the Stock Exchange for inspection immediately upon request.

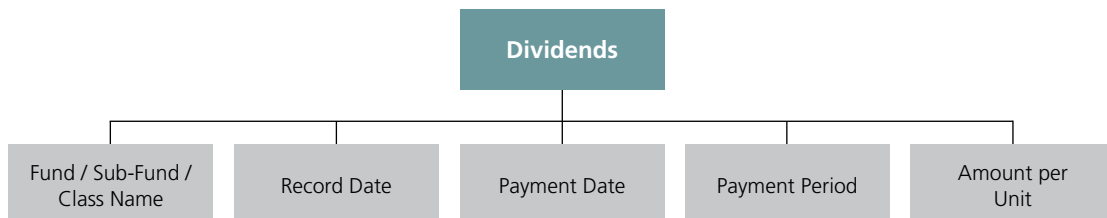
Controlling Shareholder

- Where the shares carry voting rights, a listed fund must notify the Stock Exchange of the holdings of:
 - *any person who is entitled to exercise, or to control the exercise of, 30% or more of the rights to vote at general meeting of a fund; or*
 - *any person who is able to control the appointment of directors who are able to exercise a majority of the votes at the board meetings of the fund.*
- The Controlling Unitholder notifications should apply to **all classes** of a listed fund and not just to the listed classes of a listed fund.
- The Controlling Unitholder disclosure is not applicable to open-ended Irish funds regulated by the Central Bank of Ireland.

Dividends

- If the Fund pays a dividend, details of the payment amount, the record date, the period covered and the payment date must be notified immediately to the Stock Exchange.

FIGURE 2: Notification requirements when a fund pays a dividend



Issue of New Series

- The issue date, issue price and designation of each new series of shares must be notified to the Stock Exchange immediately as such new series is issued.
- Davy will then apply to the Stock Exchange for a Sedol Code and for the new series to be admitted to listing.

Closed-ended Funds

- A closed-ended fund must notify the Stock Exchange without delay of all holdings, other than those of a director or investment manager, of 10% or more of the fund's listed securities that carry a right to vote at general meeting.
- The obligation to publish a prospectus shall not apply to the listing of shares that, over a 12-month period, equate to less than 10 per cent of the number of shares of the same class already admitted to trading on the same regulated market.
- Under the requirements of Article 9 of the Transparency Directive which was implemented into Irish law on 13th June 2007, the notification requirement to the issuer will be triggered when the percentage of the shareholder's acquisition or disposal results in the shareholder holding a proportion of voting rights in the issuer that reaches, exceeds or falls below the following thresholds:

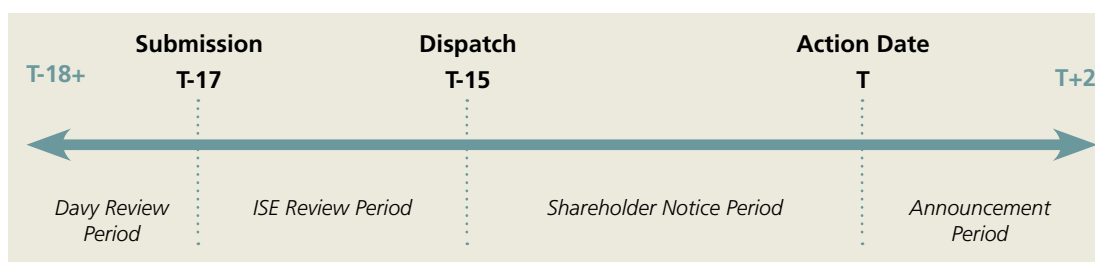
*5%, 10%, 15%, 20%, 25%, 30% (or one-third),
50% and 75% (or two-thirds)*

- The Transparency Directive also requires closed-ended funds to file their annual and half-yearly accounts within four and two months respectively of the end of the relevant financial period. The accounts must remain publicly available for at least five years.
- Closed-ended issuers must also include a responsibility statement in both the annual and half-yearly accounts along with the name and functions of the individuals making the statements.
- Two management statements must be published by closed-ended issuers during each financial year containing information on material events and transactions during the relevant period and on the financial position and performance of the issuer. This requirement applies only to share issuers but not to those share issuers that publish quarterly financial reports.

General Notifications

- A listed fund must notify the Stock Exchange of any changes to the structure, operation, investment policy or service providers of the fund (and where applicable, the master fund). Any material changes will require prior Stock Exchange approval.

FIGURE 3: Circular Timeline



- All shareholder circulars, even those of a routine nature, should be submitted in advance to Davy for review.
- Please consult Davy for further guidance regarding the Stock Exchange notification requirements so that we may advise you on the contents of the announcement and decide whether to announcement needs prior Stock Exchange approval.

4 Reasons to List a Fund on the Irish Stock Exchange

An Irish listing remains popular...

The long-standing reputation of the Irish Stock Exchange has meant that an ISE listing has remained a popular choice for a wide variety of funds. As a sponsoring broker, fund promoters often ask us why an Irish listing is so popular and why they should list their fund on the Stock Exchange.

Enhances credibility...

Whether markets are on an upturn or downturn, the challenge to fund promoters is always to attract investors to buy into their funds. In a competitive industry, the means of doing this are ever changing. An Irish listing is a speedy, efficient, cost-effective and consistent way of enhancing the attractiveness of a fund in the market place. By consistent, we mean that the Irish fund listing process has adapted to industry needs over the years and remained as an appealing marketing tool for promoters.

Offers transparency...

In today's market, the desire amongst investors for transparency and credibility is paramount. The listing rules govern, amongst other things, the suitability of the parties to a fund and a fund's investment diversification and financial reporting regime.

The investment manager of a listed fund is only deemed suitable if one of a number of requirements are met, demonstrating either the experience, regulation or blue chip background of the investment manager or, alternatively, a sophisticated investor base. A suitably regulated and experienced custodian must be in place to provide safekeeping of all of the fund's assets and an entity independent of the custodian must be in place to calculate the net asset value of the fund. On a non-Irish domiciled fund, the board of directors must include or comprise of two individuals who are independent of the investment manager and any investment advisor.

The Stock Exchange largely defers to the Central Bank's requirements for Irish funds. The disclosure and compliance required by the Stock Exchange's listing rules, for which a fund's directors take ultimate responsibility, offer transparency and a comfort factor to investors not necessarily available in unlisted funds.

Assists marketing...

There are a number of technical reasons for listing a fund on the Stock Exchange, all of which can lead to the widening of a fund's distribution base. Institutional investors are often prohibited, whether for internal or external reasons, from investing in unlisted securities. An Irish listing affords a promoter the opportunity of accessing this substantial pool of investors. A listing also satisfies the requirement imposed on certain institutions to have their securities 'marked to market', that is, to be able to refer to a quoted market price for their securities.

Exchange Traded Funds ('ETFs') regulated in Ireland as a UCITS, can use an ISE listing to secure admission to trading on the London Stock Exchange. This passport provides a cost effective and timely route to liquidity on the London market.

A listing may also assist the geographical marketing of a fund, as the regulatory authorities in certain jurisdictions require investment in listed securities. For instance, the Stock Exchange has been categorised as a recognised stock exchange by the Commission des Opérations de Bourse in France. As Ireland is a member of both the OECD and the EU, an Irish listing also carries an associated layer of prestige.

And has cost benefits...

A Stock Exchange listing provides an inexpensive, independent method of publishing NAVs. This is of particular benefit to multi-class and umbrella UCITS funds, which are obliged to publish their NAVs at least fortnightly.

In a cost benefit analysis it would be very difficult to argue that where investors need, or potentially need, a listing that the benefits do not outweigh the costs. A listing is achievable within a three to six week time frame, sometimes faster, and at very reasonable costs. On an on-going basis, the principal obligations of listed funds are not onerous and serve to place information about the fund into the public domain efficiently, through the RNS on the London Stock Exchange and Reuters, supporting a strong corporate governance culture.

5 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 O'Sullivan 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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Davy Asset Management is regulated by the Central Bank of Ireland.

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

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