

The DAVY logo is a red square with the word "DAVY" in white, uppercase letters.

DAVY

A large teal circular graphic is centered on the page, partially overlapping the text and the background image.

LISTING ON EURONEXT DUBLIN

INVESTMENT FUNDS

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SECTION

01

INTRODUCTION



THE IRISH STOCK EXCHANGE TRADING AS EURONEXT DUBLIN

The Irish Stock Exchange trading as Euronext Dublin (the ‘Stock Exchange’) is widely regarded as the leading location in the world for the listing of investment funds. To date, over 1,500 funds and sub-funds are listed and the Stock Exchange continues to prove a popular choice for a wide range of fund promoters.

The Stock Exchange provides two markets on which investment funds can list, the Main Securities Market (“MSM”) and the Global Exchange Market (“GEM”). The MSM is the regulated market of the Stock Exchange and GEM is a Multilateral Trading Facility (“MTF”), an exchange regulated market. The key differences between the two markets are:

	MSM	GEM
Market status under MiFID	Regulated Market	MTF - Exchange regulated market
Prospectus Directive, Eligible for EU passport, Transparency Directive	Yes – For close ended fund No – For open ended fund	No
Statutory Audit Directive	Yes	No
Market Abuse Regulations	Yes	Yes, with effect from 3rd July 2016

In March 2018, Euronext completed its 100% acquisition of the Irish Stock Exchange. It joined Euronext’s federal model and operates under the name Euronext Dublin, with Ireland becoming one of the six core countries of Euronext. The transaction creates a leading global player in debt and fund listings, combining the listing experience of the Stock Exchange with the traded market expertise of Euronext.

DAVY

Davy is recognised as Ireland's leading institutional and corporate securities firm.

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 impeccable execution to our clients.

As a 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.

SECTION

02 STEPS TO LISTING



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 Sponsor with the Stock Exchange and advise the Fund 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. Investment Managers approved under the Alternative Investment Fund Managers Directive ("AIFMD") will automatically be suitable. There are no specific suitability requirements for Investment Managers not authorised by the Central Bank of Ireland ("Central Bank") or not approved under AIFMD. An Investment Manager must, however, have appropriate and adequate expertise. The Stock Exchange will consider regulatory status, funds under management, prior experience and investor type.
- **Depositary:** The Fund must appoint a suitably experienced and expert Depositary, independent of the Investment Manager, to safekeep all of its assets. Depositaries approved under AIFMD will be automatically suitable. The suitability requirements for non-AIFMD depositaries and those not approved by the Central Bank place greater emphasis on a depositary's regulatory status. A prime broker, of specific standing, may also serve as Depositary. 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 Depositary, must be appointed to calculate the Fund's Net Asset Value ("NAV"). It must be calculated on at least an annual basis.
- **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.

2.1

- **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 to provide financial information. 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 Stock Exchange suitability requirements, the Stock Exchange'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.
- **Settlement:** The shares must be eligible for electronic settlement or some other equally efficient means of settlement.

2.2 PREPARE LISTING APPLICATION

Once we receive confirmation of the market on which the Fund is seeking to list, 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'). LPs are 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. ISIN, FISN and CFI codes must be obtained before the initial submission can be filed with the Stock Exchange. The Fund must apply to the relevant National Numbering Agent directly for these codes. Irish domiciled funds can obtain these codes via the Stock Exchange's online portal, ISEDirect.

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 up to five working days to revert with comments. Davy will assist in addressing these comments. Each further draft of the LPs submitted to the Stock Exchange takes two to three business 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 APPROVAL SUBMISSION

On the business day prior to listing, 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. 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 website, www.ise.ie, where the Stock Exchange will also post brief information about the Fund, including contact details.

FIGURE 1: Steps to Listing



2.6 FEES

- **Stock Exchange fees:** The Stock Exchange listing fees must be paid by the Fund in advance of the listing date. The listing fees charged by the Stock Exchange, as at May 2018, are set out in the table below:

TABLE 1: Listing fees

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

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 Annual 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

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

SECTION

03

CONTINUING
OBLIGATIONS



NAV PER SHARE

- Every listed fund is required to calculate its NAV at least on an annual basis. The NAV should be notified to the Stock Exchange immediately upon calculation, via ISEDirect, the Stock Exchange's online portal, quoting the Sedol Code of each class of shares / series of shares in issue.

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 close of business (Irish time) on 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.

DISCLOSURE OF SHAREHOLDINGS OF INTERESTED PARTIES

- As required by Market Abuse regulations, the Fund must notify the 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 three business days by completing a PDMR 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, via Investmentfunds@davy.ie, for further guidance on the notification of interests and for a copy of the PDMR form.

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 fund.
 - The Controlling Unitholder disclosure is not applicable to open-ended Irish funds regulated by the Central Bank.

Interested Shareholder	PDMR Form	Announcement	Five Business Days	Three Business Days
Directors, PDMRs & their Associated Persons	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Investment Manager	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Controlling Unitholder	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

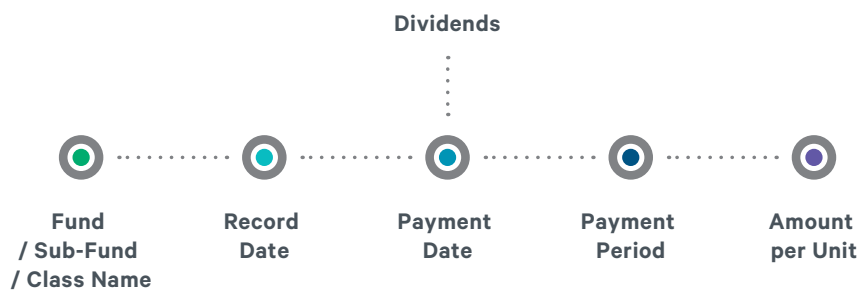
INSIDER LIST

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 Central Bank for inspection immediately upon request.

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

Closed-ended funds can opt to list on either MSM or GEM.

MSM:

- The Stock Exchange's listing rules require that a closed ended fund announces, without delay, any proposed or actual material change in the general character or nature of the operation of the Fund.
- 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 20 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, the notification requirement 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 Fund 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 three months respectively of the end of the relevant financial period. The accounts must remain publicly available for at least ten years.
- Closed-ended Funds 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.

GEM:

The requirements of the Prospectus Directive and Transparency Directive do not apply to closed ended funds seeking to list on GEM. The Stock Exchange's listing rules require that a closed ended fund complies with all of the continuing obligation requirements of GEM.

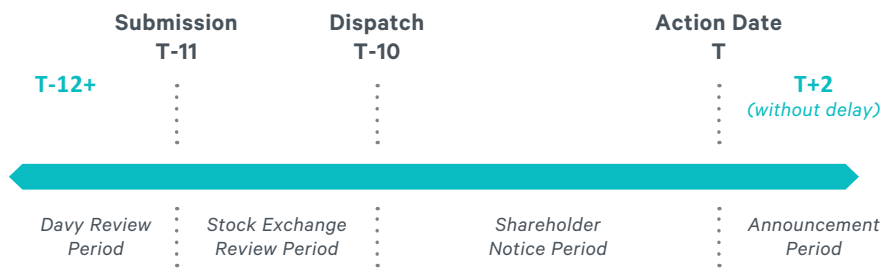
In addition to the general continuing obligations of the GEM the following apply to closed ended funds seeking to list their shares on GEM.

- A listed fund must issue a half-yearly report each year. It must be made available to unitholders and the Stock Exchange as soon as possible after the accounts have been approved and in any event within four months of the end of the financial period to which they relate. The half yearly report shall consist of figures and an explanatory statement relating to the company's activities and profits and losses during the relevant six-month period.
- A listed fund must notify the Stock Exchange without delay if it acquires or disposes of its own shares, either itself or through a person acting in his or her own name but on the issuer's behalf.
- A listed fund must notify the Stock Exchange, without delay, of any information disclosed to it regarding a change in a percentage of a shareholder's voting rights if the percentage of voting rights which he holds as shareholder, or through his direct or indirect holding of financial instruments or a combination of such holdings reaches, exceeds or falls below one of the thresholds of 20%, 25%, 30%, 50% and 75%.
- Under the requirements of the Stock Exchange listing rules, in contrast to the MSM, the notification requirements will be triggered if the percentage of voting rights that they hold reaches, exceeds or falls below the following thresholds: 20%, 25%, 30%, 50% and 75%.

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.
- 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.

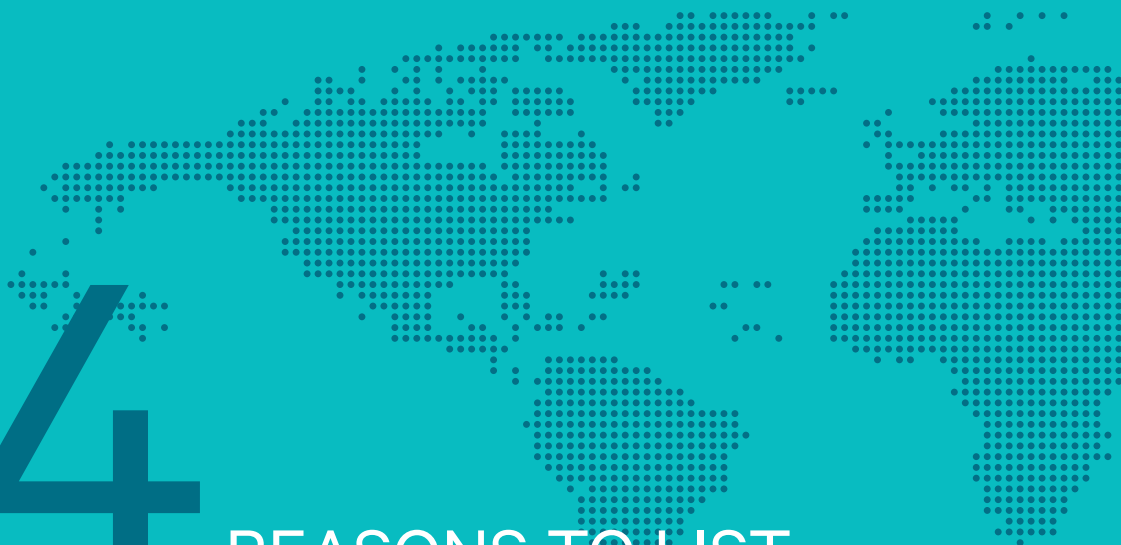
FIGURE 3: Circular Timeline



SECTION

04

REASONS TO LIST
A FUND ON THE
STOCK EXCHANGE





An Irish listing remains popular

The long-standing reputation of the Stock Exchange has meant that a Stock Exchange 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.

Investment Managers approved under AIFMD will automatically be considered suitable. For non- AIFMD investment managers, the Stock Exchange will consider regulatory status, funds under management, prior experience and investor type. A suitably regulated and experienced depositary must be in place to provide safekeeping of all of the Fund's assets and an entity independent of the depositary 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.

Article 23 of the AIFMD outlines the disclosure requirements that apply prior to investment and on an ongoing basis. Alternative Investment Fund Managers ("AIFMs") which list Alternative Investment Funds ("AIFs") on the Stock Exchange can utilise the Stock Exchange website and its Company Announcements Office to comply with the AIFMD transparency requirements. The listing provides a cost efficient mechanism for the publication of documents such as the prospectus, investor updates, annual reports and net asset values.

Exchange Traded Funds ("ETFs") regulated in Ireland as a UCITS, can use a Stock Exchange 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.

Examples include:

- Funds listed on the Stock Exchange are eligible for inclusion in UK Self Invested Pension Plans (“SIPPS”).¹
- Japanese tax rules can provide a more favourable treatment to Japanese individuals that invest in listed funds.²
- Chinese Qualified Domestic Institutional Investors must invest in stocks or investment funds which are listed on a stock exchange such as the Stock Exchange or the securities must be regulated by a financial regulator which has signed a Memorandum of Understanding with the China Securities Regulation Commission and China Banking Regulatory Commission.³



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.

¹ [www.moneyadvice.service.org.uk/en/articles/self-invested-personal-pensions and www.gov.uk/personal-pensions-your-rights/overview](http://www.moneyadvice.service.org.uk/en/articles/self-invested-personal-pensions-and-www.gov.uk/personal-pensions-your-rights/overview)

² www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-japanguide-2017.pdf

³ www.dechert.com/files/Publication/c4624930-6644-4705-bc85-209df8962160/Presentation/PublicationAttachment/100af02a-a629-442b-829f-25bdd8cdd95e/Newman.pdf

SECTION

05

PEOPLE &
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Niamh has been with Davy for over 14 years and has considerable experience in the listing of funds and debt securities. She has advised on a wide variety of transactions and has extensive knowledge in the area of regulatory compliance including the Prospectus Directive, Transparency Directive and Market Abuse Regulations. Niamh holds an honours BBS degree from Dublin City University. She is a Qualified Financial Adviser and member of the Institute of Banking and has completed the Professional Certificate in Stockbroking.

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David has over seven years' experience in the finance industry. He has previously worked with a number of top tier Irish law firms advising on the listing of both funds and debt securities and the providing of advice on EU directives and regulations applicable to listed securities such as the Prospectus Directive, Transparency Directive and Market Abuse Regulations. David previously worked as an intraday proprietary trader and a consultant engineer. David holds a Master's in both Sustainable Energy Engineering and Corporate Finance. He is a member of the Institute of Banking and completed the Professional Certificate in Stockbroking from the Institute of Banking and is a Chartered Tax Advisor and an associate member of the Irish Taxation Institute.



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PAUL BOLAND

Paul has been active in the financial services industry since 1999. He has previously worked as vice president of fund accounting with Citco Fund Services (Ireland) Ltd managing a number of key client relationships, and more recently, worked in the area of regulatory compliance with consultancy firm KB Associates advising asset managers on fund structures, regulatory and operational issues. He has also worked as a freelance finance writer for a number of years. Paul holds a first class honours Master's in Financial Services from UCD, is a holder of the Chartered Banker designation, and is a licentiate of the Institute of Banking in Ireland.

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