

Excellence in Alternative Investments

Ireland *knows* Investment Funds

ALTERNATIVE INVESTMENTS

why? Ireland™
excellence · innovation · reach

ifia

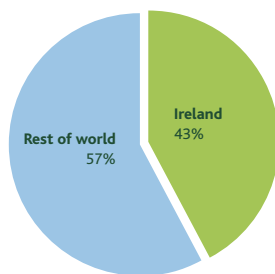
IRISH FUNDS
INDUSTRY
ASSOCIATION

Why Ireland for Alternative Investments?

- » **Global leader for the servicing of alternative investments**
- » **Unrivalled expertise in servicing complex funds**
- » **Regulated fund service providers**
- » **Internationally recognised jurisdiction – EU, Eurozone, OECD, IOSCO and FATF membership**
- » **Market driven alternative investment product solutions**
- » **The most favourable tax environment for investment funds**
- » **Fund distribution to seventy countries**
- » **An effective and robust regulatory framework with efficient fund and promoter approval**
- » **Fast-track authorisation available for Qualifying Investor Funds (QIFs)**
- » **Streamlined fund re-domiciliation process that enables a fund to maintain its performance history**
- » **Leading the drive for greater efficiencies through alternative investment fund processing standardisation**
- » **Efficient listing on the Irish Stock Exchange, the leading stock exchange for investment fund listing**
- » **English-speaking, common law jurisdiction with a proactive business culture**
- » **Located in an optimum time zone to ensure global coverage**

Ireland - the Centre of Excellence for Alternative Investments

Irish Administered Alternative Investment Funds



Source: HFM Week Survey & IFIA, October 2010

Ireland is a jurisdiction that is synonymous with alternative investments. After all, over 40 per cent of global hedge funds are serviced in Ireland¹, making it the largest hedge fund administration centre in the world and Europe's leading hedge fund domicile.

As the global hedge fund sector faces increasing regulation, greater investor expectations and increased competition to attract new capital, the domiciliation and servicing of investment vehicles is becoming increasingly important. Ireland, as a regulated and internationally recognised jurisdiction with unrivalled expertise and experience in alternative investments, thus offers a compelling set of advantages for alternative investment fund managers.

Ireland was the first regulated jurisdiction to provide a regulatory framework specifically for the alternative investment fund industry and remains at the forefront in preparing for, and reacting to, regulatory and market developments. The Irish funds industry's responsiveness and adaptability enables clients to bring innovative products to market quickly, supported by the most developed regulatory, product and service infrastructure available. In addition, through a new streamlined re-domiciliation process, hedge funds can relocate with minimum disruption to the world's most advantageous fund domicile.

Over 40 per cent of global hedge fund assets are serviced in Ireland...

¹ Based on analysis of the 15th HFMWeek Survey & IFIA data, October 2010. Total estimated Irish administered AIF assets as of Q4 2010 = Eur 985 billion, Source: IFIA



1 Experience

For over twenty years Ireland has been a leading regulated domicile for internationally distributed investment funds, dealing with the widest range of fund types from traditional 'long only' to more complex fund structures. International fund promoters are attracted to Ireland due to its open, transparent and well regulated investment environment, its strong emphasis on investor protection, its efficient tax structure and dynamic and innovative business culture.

2 Expertise

With over 3,400 professionals employed exclusively in the servicing of alternative investments, the Irish funds industry has developed a centre of excellence that drives innovation and thought leadership. Irish expertise in alternative investments spans a wide range of services including fund administration, transfer agency, custody, legal, tax and audit services, stock exchange listing, compliance and consultancy services.

3 Thought Leadership

Irish service providers are recognised for their professionalism, responsiveness and client focussed service, which defines Ireland as the international investment fund centre of choice.

Thought leadership is the cornerstone on which the industry is built, evidenced by the important contribution Ireland makes to developing international industry practices. The Irish funds industry plays a key role in leading and responding to regulatory developments at EU and national level, including for example intensive engagement with all the relevant parties to have the more problematic requirements of the AIFMD addressed to be more pragmatic and appropriate.

Moreover, the Irish Funds Industry Association (IFIA), in conjunction with the Alternative Investment Management Association (AIMA) has published a revised Guide to Sound Practices for Hedge Fund Administrators. The publication provides guidance to hedge funds, investors and other service providers as to how sound practice has emerged in the field of hedge fund administration and valuation.

Most notably, in the area of valuations, the revised Guide represents a significant step forward in providing a road-map to both industry professionals and investors in recommending governance, control and risk mitigation processes.²

² A copy of the Guide to Sound Practices for Hedge Fund Administrators is available at http://www.irishfunds.ie/news_guide_to_sound_practices_hedge_fund_administrators.htm

4 Innovation

The Irish funds industry recognises that technology is key to effectively satisfying increasing regulatory, reporting and efficiency demands. With a total automation rate of 86 per cent, Ireland is leading the drive for greater efficiencies through fund processing standardisation.

The Irish industry has identified an opportunity for greater automation, improved governance and control, mitigation of operational risk and global thought leadership through the automation and standardisation of certain processes within the hedge fund industry. Led by industry representatives, the extension of the existing functionality around SWIFT SHARP messaging to the hedge funds space to create improved data communications and standardisation of fund metrics will reduce risk and improve efficiency. Specifically, SWIFT SHARP will automate data flows between custodians and transfer agents, and other institutions and intermediaries, using existing messaging frameworks in the area of fund of hedge fund trading, order execution and confirmation.

5 Regulatory Excellence

The Irish regulatory environment for investment funds is founded on the principles of openness, transparency and investor protection. Ireland has an excellent reputation as a location for robust and efficient regulation, which facilitates market and product developments while protecting investor interests. The Central Bank's rules on counterparty risk and prospectus disclosure are considered prudent and the Irish regulatory framework provides for independent, regulated administration and trustee/custodian functions.

Pre-authorisation is required for all Irish domiciled funds and their promoters with the requirement for independent resident directors providing further protection of investor interests. Furthermore, the Central Bank takes a pro-active, constructive approach to regulating the environment for investment funds and regularly engages with the industry to find regulatory solutions that allow for new market and product developments. The Central Bank has built up significant expertise and experience in approving more sophisticated fund strategies.

The Central Bank also has clear processes and certain timeframes for fund and promoter approvals – timeframes which it continuously meets and often exceeds. Typically, an investment fund can be authorised in six to eight weeks. The Central Bank operates an 'open door' policy and is willing to meet with fund promoters and work through practical solutions.

Wherever your fund is domiciled, it can be serviced out of Ireland.

6 Tax Efficiency

Ireland offers a highly efficient, clear and certain tax environment for investment funds. Irish investment funds are exempt from Irish tax on their income and gains, irrespective of where their investors are resident. No withholding taxes apply on income distributions and redemption payments made by an Irish fund to non-Irish resident investors. Depending on the tax status of an investor in their home jurisdiction (for example, a tax exempt pension fund) an Irish fund can also be structured as a tax transparent vehicle resulting in the retention of the tax benefits (e.g. reduced withholding taxes) enjoyed by investors through direct ownership. An Irish Qualifying Investor Fund (QIF) may also hold investments through Special Purpose Vehicles (SPVs) to improve tax efficiencies. Furthermore, Ireland has an extensive and growing network of double taxation treaties with nearly sixty countries, providing access to favourable tax reclaim rates.

7 International Reach and Recognition

Ireland is a major hub for cross-border fund distribution and Irish funds are sold in seventy countries across Europe, the Americas, Asia and the Pacific, the Middle East and Africa. Moreover, a total of 388 fund promoters from over 50 countries have chosen Ireland as a domicile for their investment funds.³ When including non-Irish domiciled funds administered in Ireland there are over 852 fund promoters who have chosen Ireland to domicile and/or service their funds. Furthermore, the Irish Stock Exchange is the leading stock exchange globally for the listing of investment funds.

Ireland is an internationally recognised jurisdiction with membership of the EU, Eurozone, OECD, FATF and IOSCO. Ireland does not operate a banking secrecy regime and with openness, transparency and regulation as the pillars of the industry, Ireland leads the global industry in compliance with internationally agreed tax standards, further evidenced by volunteering for a peer review by the G20 and OECD countries. Ireland cooperates with all EU states on the basis of the European directives and has signed Memoranda of Understanding with China, Dubai, Hong Kong, Isle of Man, Jersey, South Africa, Switzerland, Taiwan and the USA.

Ireland is a modern, international, open economy where business is conducted with Asia in the morning, the Americas in the afternoon and Europe throughout the day. Almost all of the world's major fund service providers have a presence in Ireland, combining local excellence with global reach.

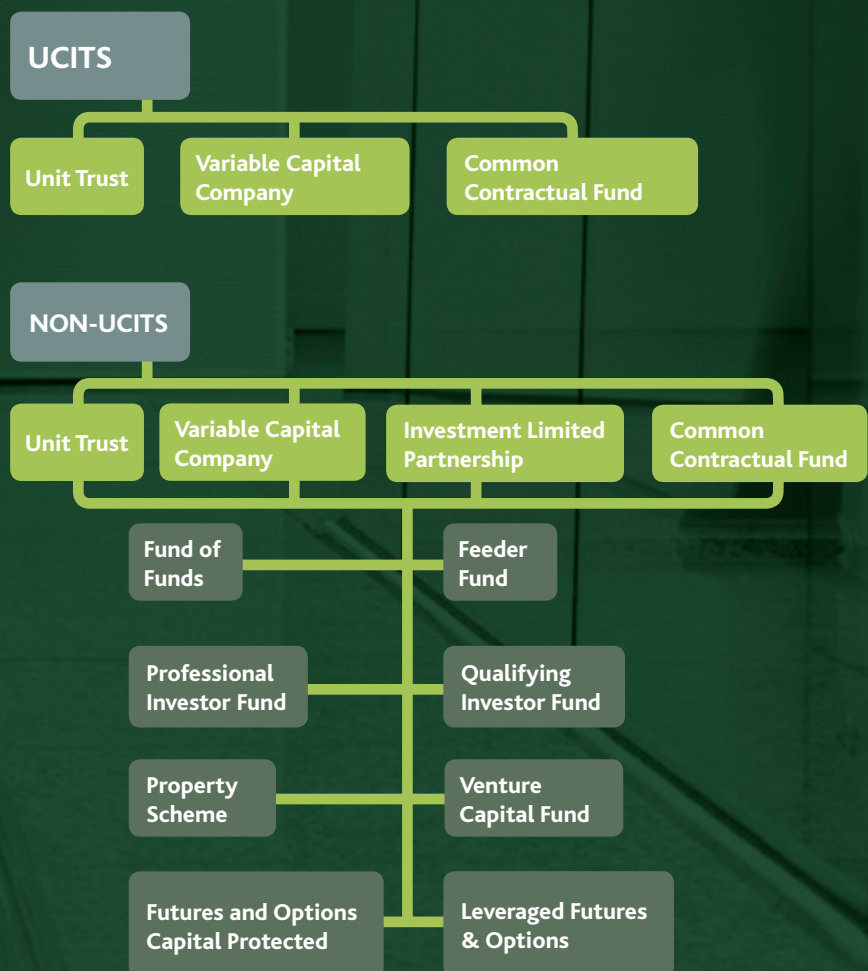
852 fund promoters from over 50 countries have chosen Ireland to domicile and/or service their funds.

Domiciling Alternative Investment Funds in Ireland

Ireland offers a wide range of fund structures to suit all requirements. In addition to UCITS, the European retail fund passport product, Ireland offers non-UCITS regulated funds, such as the Qualifying Investor Fund, which provide greater investment flexibility for sophisticated investors.

Irish funds are most commonly set up as companies and unit trusts but can also be structured as investment limited partnerships or as Common Contractual Funds (CCFs) to facilitate tax transparent asset and pension pooling.

Investment Structures



Re-domiciling Investment Funds to Ireland

The efficient re-domiciliation of foreign investment funds is provided for in the Irish legislative framework. New provisions introduced in the Companies (Miscellaneous Provisions) Act 2009 facilitate streamlined, efficient fund re-domiciling to Ireland. The new rules provide a simplified process designed to address and minimise the challenges currently experienced when re-domiciling a fund. The new re-domiciling framework ensures minimal disruption to day-to-day management and distribution of the funds with no change in the tax status of the underlying investors.

Some of the key advantages of the new regime include:

- » The ability to retain the fund's performance track record post migration
- » The avoidance of potential adverse tax consequences for investors that might otherwise arise under a merger of an offshore fund with a new onshore fund
- » The avoidance of a charge to transfer taxes that might otherwise arise from the transfer of assets under a fund merger
- » Prevention of the administrative burden of moving assets to a new fund
- » Upon authorisation, qualification is assured for the tax exemptions available for Irish regulated investment funds
- » Simultaneous authorisation (by the Financial Regulator) and registration (by the Companies Registration Office) to avoid delays and ease the administrative burden
- » No requirement for a general meeting of shareholders of the migrating company in Ireland

Some of the practical steps involved in the re-domiciliation of corporate structures include:

- » **Step 1:** A single filing of registration documents is made with the Companies Registration Office (CRO)

in Ireland. This filing includes a copy of the migrating company's corporate and constitutive documents; a statutory declaration from a director of the migrating company relating to matters such as solvency of the migrating company and compliance with the laws of its current domicile; and information on matters such as the proposed registered office in Ireland.

- » **Step 2:** An application is made simultaneously to the Central Bank for authorisation of the migrating company either as a UCITS or non-UCITS investment company, depending on the migrating company's investment policies.
- » **Step 3:** Where appropriate, notification issues from the Central Bank to the CRO and the migrating company that it proposes to authorise the migrating company to carry out business in Ireland. Upon receipt of this notice, the CRO may issue a certificate of registration of the migrating company by way of continuation as a body corporate under Irish law and, simultaneously, the Central Bank authorises the migrating company.
- » **Step 4:** The migrating company applies to be de-registered in its home domicile, and notifies the CRO and the Central Bank within three days of having been de-registered.

The new re-domiciling framework ensures minimal disruption to day-to-day management and distribution of the funds with no change in the tax status of the underlying investors.

The Qualifying Investor Fund (QIF)

With approximately €153 billion in assets, the Irish Qualifying Investor Fund (QIF) is a well established, regulated investment fund vehicle that addresses the flexibility and speed to market requirements of sophisticated investors. The QIF has the characteristics and flexibility of typical hedge fund products while authorised and regulated by the Central Bank and already meeting many of the pending regulatory standards being agreed at EU level, such as those in the AIFMD.

The QIF is a specialist investment fund targeted at sophisticated, qualifying institutional investors, who must meet minimum subscription and financial resources requirements. The main advantage of the QIF is the removal of the Central Bank's general conditions relating to investment policies and borrowing, thereby enabling sophisticated investors to use this structure for a wide range of investment strategies. As such, the QIF offers excellent flexibility in terms of the range of eligible assets and is the preferred structure used in the regulated alternative investment sphere. Some of the many different types of funds that can be structured as a QIF include:

Alternative Investment Funds, including Hedge Funds

Sovereign Wealth Funds

Property / Real Estate Funds

Venture Capital / Private Equity Funds

Emerging Markets Funds

Infrastructure Funds

Capital Protected or Guaranteed Funds

Single Country or Regional Funds

Single Asset Funds

Fast-track QIF Approval

Since February 2007, QIFs can be authorised by the Financial Regulator within 24 hours of receipt of completed documentation. In order to gain approval for a QIF, the fund promoter must be authorised by the Financial Regulator. If the QIF is filed no later than 3pm on the day before the proposed date of authorisation, it will be authorised by close of business on the day of authorisation, provided that all the documentation is in order. The key requirements of a QIF have recently been brought into line with the requirements of the AIFM Directive:

- » To qualify as a QIF, a fund must have a minimum initial subscription requirement of €100,000 per investor, or equivalent in other currencies.

Qualifying Investors

- » (a) An investor who is a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive); or
- » (b) An investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the scheme; or
- » (c) An investor who certifies that they are an informed investor by providing the following:

- Confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or
- Confirmation (in writing) that the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the scheme.

The rules governing QIFs are set out in the Central Bank's Non-UCITS Notice NU 24 available at www.financialregulator.ie

The Professional Investor Fund (PIF)

A hedge fund may also be established as a Professional Investor Fund (PIF). Authorised by the Financial Regulator, a PIF has a minimum subscription of €100,000 or more and it allows greater flexibility than a retail fund in the application of borrowing and investment restrictions.

The rules governing PIFs are set out in the Central Bank's Non-UCITS Notice NU 12 available at www.financialregulator.ie

Appointment of a Prime Broker

Hedge funds established as PIFs and QIFs are permitted to use a prime broker and there is no limit on the extent to which assets may be passed to a prime broker. The prime broker will typically be appointed as a sub-custodian by the trustee/custodian of the hedge fund. Key requirements in relation to the use of a prime broker include:

- » The level of exposure a fund may have to a prime broker may not exceed the equivalent of 140 per cent of its indebtedness (in the context of a PIF), although this is unlimited for QIFs, the most predominant type of hedge fund established
- » The prime broker must agree to return the same or equivalent securities to the fund
- » The arrangement must incorporate a legally enforceable right of set off
- » The prime broker must be regulated, have the equivalent of €200 million shareholders' funds and have a minimum credit rating of A1/P1

The rules regarding the appointment of prime brokers are contained in Guidance Note /04, Professional Collective Investment Schemes-Appointment of Prime Brokers and Related Issues.

The Alternative Investment Fund Managers Directive (AIFMD)

The Alternative Investment Fund Managers Directive (AIFMD) will create a new regulatory framework for alternative investment funds in Europe. Key elements of the new Directive include:

- » The registration of all EU managers of alternative investment funds
- » Increased transparency and disclosure of AIFMs and the funds they manage to supervisors, investors and other key stakeholders

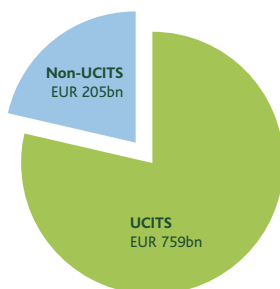
- » The regulation of systemic risks which may build up in alternative investment funds
- » New rules for key service providers, including depositaries and administrators
- » All regulated entities must be subject to governance standards and have robust systems in place for the management of risks, liquidity and conflicts of interest
- » An EU passport which will permit EU-based AIFMs to market funds to professional investors throughout the EU subject to compliance with regulatory standards
- » Restrictions on the use of leverage
- » Restrictions on non-EU funds – access to the EU market for third country funds will be subject to regulatory requirements

Many of the significant challenges raised by industry in relation to the AIFMD have been addressed during the finalisation of the Directive, which is leading to a regulatory environment broadly similar to and reflective of the regime already in place in Ireland. While the Irish funds industry continues to be at the forefront of efforts to respond effectively to the challenges created by the AIFMD it is clear that the Irish QIF and PIF are ideally suited as funds which can be passported throughout Europe under the provisions of the AIFMD.

UCITS and Alternative Investments

UCITS (Undertakings for Collective Investment in Transferable Securities) are a harmonised European retail fund product that can be sold globally and within the European Union on a passporting basis. UCITS offer a robust and consistent level of investor protection and regulatory compliance combined with a high level of acceptance by regulators worldwide and can be marketed to both retail and institutional investors. With 80 per cent of the assets of Irish domiciled funds held in UCITS structures, Ireland is the fastest growing of the major cross-border UCITS domiciles.⁴

Irish Domiciled Funds
Breakdown in assets between
UCITS & Non-UCITS



Source: Central Bank of Ireland, December 2010

Benefits of UCITS:

- » UCITS – a global brand distributed in over sixty countries
- » Transparent, tried and tested regulation
- » Focus on risk management and investor protection
- » Flexibility to accommodate alternative investment strategies, e.g. leverage and short exposure
- » Continuous evolution – UCITS I/UCITS III and UCITS IV (2011)

UCITS and Alternative Investment Strategies

The UCITS III package, implemented in 2003, provides investment managers with the opportunity to structure many alternative investment strategies within the framework of the UCITS product. UCITS III offers extended financial instrument scope which has seen significant convergence of the alternative industry with the long-only funds industry. Investors may opt for the traditional long-only investment approach packaged as a 'non-sophisticated' investment e.g. equities and bonds or use derivatives in a 'sophisticated'

⁴ Based on statistical data from the EFAMA Quarterly Statistical Release, Quarter 4 2010

manner with leverage i.e. seeking enhanced absolute returns (increased product offerings can provide a more sophisticated fund approach e.g. fund of funds, index funds, Exchange Traded Funds (ETFs) and derivative funds).

Why Domicile an alternative strategy UCITS III fund in Ireland?

- » 80 per cent of Irish domiciled funds are UCITS
- » Largest administration centre in the world for alternatives (over 40% of global alternative investment fund assets are serviced in Ireland)
- » Unrivalled expertise in servicing complex financial instruments
- » Robust, constructive regulation driven by an approachable, pragmatic Financial Regulator
- » Over 20 years of experience as a UCITS domicile
- » The responsibilities of the trustee – provides an extra level of investor protection
- » Legal/product/tax/audit expertise

Types of Derivatives that can be used in UCITS

All types of derivatives used, such as:

Exchange traded futures & options

FX forwards & currency swaps/options

Swaps

CDS

CFDs

Put & Call options

Warrants

Embedded Derivatives

Structured Notes

...and combinations of all the above

Types of Products and Strategies used in UCITS

Products

Fixed Income

Equity

Hybrid

Commodities (indirectly)

Indices

Derivatives

EPM Techniques

Strategies

Long-short

Absolute Return

Arbitrage

Algorithmic

Macro

Structured

Short strategies


Replication

Convertible Bond

Synthetic ETFs

Fund of funds





Investment funds seeking to domicile in Ireland must obtain authorisation from the Central Bank and undergo a two stage process in which the promoter and the fund itself, including details of the service providers, are approved. The Central Bank will only consider approval of the fund once the promoter approval has been granted, which must be taken into consideration in terms of timing. However, if a promoter is authorised in another jurisdiction and meets the principal criteria required by the Central Bank, the Central Bank will undertake the fund approval process in parallel with the promoter approval.

The Central Bank provides standard application forms for the approval of the fund, promoter and the fund's investment advisor/manager on its website at www.financialregulator.ie

1 Promoter Approval

The promoter is the party responsible for lodging the application for fund authorisation with the Central Bank and will appoint a legal/regulatory counsel to draw up the agreements establishing the fund liaising with the Central Bank throughout the course of the authorisation process. A fund promoter can be the same entity as the investment manager. To obtain promoter approval, a promoter must submit a standard application providing details of:

- » The type of funds it intends to promote
- » Shareholders holding 10 per cent or more (whether directly or indirectly) of the capital or voting rights of the promoter
- » Background description of the applicant
- » The value of assets under management and the number of clients
- » Latest audited financial statements
- » Regulatory status in applicant's domicile country
- » The proposed service providers
- » Proposed distribution network for retail funds only
- » Proposed intention of promoter to act as investment manager/advisor to the proposed fund
- » Any other relevant information
- » References

The Central Bank must be satisfied as to the promoter's expertise, integrity and adequacy of financial resources and the promoter must have minimum shareholders' funds of €635,000. Fast track approval of one week is available for fund promoters.

The Financial Regulator provides standard application forms for the approval of the fund and the promoter and the fund's investment advisor/manager on its website www.financialregulator.ie

2 Fund Approval

Once the promoter and investment manager have been approved, the next step is approval of the fund documentation. To obtain approval, the promoter of an investment fund must submit a standard application to the Central Bank comprising of the following information:

The proposed name of the fund

A draft of (a) the memorandum and articles of association or (b) the trust deed or (c) the partnership agreement, a draft prospectus, incorporating the Central Bank's requirements (depending on whether it is a non-UCITS fund, retail fund or a fund for sophisticated investors)

Details of the custodian/trustee and management company (if applicable) and administration company (if applicable)

Details of the proposed directors of the fund (if an investment company, including their curriculum vitae)

Details of the investment manager, advisor, distributor or placing agent of the fund

Details of all agreements entered into by the fund, including investment management/advisory agreements, management agreement, administration and distribution agreements

Details of the fund and company secretary (company only)

An application for authorisation of an investment fund is made by lodging fund documentation, in draft form, with the Central Bank. QIFs can be authorised within 24 hours while other funds can typically be approved within six to eight weeks.



Establishing an Alternative Investment Management Operation in Ireland

Ireland is becoming increasingly attractive to international fund managers seeking to set up large scale operations, including investment management as well as middle and back office functions. Ireland offers a proactive and robust regulatory environment which protects the interests of investors while providing efficient regulation. Fund managers setting up in Ireland can avail of a highly favourable tax environment, including a 12.5 per cent corporate tax rate. Alternative investment managers are attracted to Ireland due to its English-speaking, high quality business friendly environment as well as the wealth of product expertise and highly developed support infrastructure available in Ireland.

Investment management activities conducted in Ireland are authorised under the Markets in Financial Instruments and Miscellaneous Provisions Act (2007). Authorisation under this legislation allows the investment manager to conduct investment management activities in Ireland for Irish collective investment schemes. This authorisation, subject to local rules, may also facilitate the provision of these services to collective investment schemes domiciled elsewhere.

Fund managers setting up in Ireland can avail of a 12.5 per cent Corporate tax rate and an English-speaking, high quality business environment with a wealth of fund expertise.

Servicing Alternative Investment Funds in Ireland

A fund does not need to be domiciled in Ireland to avail of the Irish fund industry's excellent fund administration support services. In fact, over half of the funds serviced in Ireland are non-Irish domiciled. The promoters of these funds have chosen Ireland simply on the basis of the local expertise in fund servicing solutions available in Ireland.

The €914 billion of non-Irish domiciled investment fund assets serviced in Ireland is testament to the quality of the alternative investments service infrastructure available in Ireland. Ireland is home to sixty-six world-class fund service providers and many more professional advisory firms which collectively form an industry of over 11,000 people and provide a range of services to non-domiciled alternative funds which include:

Fund listing

Fund administration and transfer agency

- Valuations
- Shareholder register
- Subscriptions/redemptions
- Distribution of dividends/income
- Calculation/payment of performance fees
- Settlements
- Tax returns
- Record keeping
- Administration of Special Purpose Vehicles

Compliance and risk management

Tax and audit services

Depository and custodian/trustee services

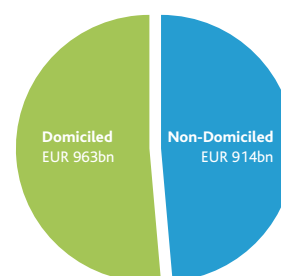
Consultancy services

Corporate governance support services

Technology services and business solutions

Total Assets under administration in Ireland

Domiciled versus Non Domiciled



Source: Central Bank of Ireland, IFIA Dec 2010

Non-Irish domiciled Funds

If a fund is not domiciled in Ireland, then it will not be subject to Irish regulatory requirements. However, fund administrators domiciled in Ireland are regulated by the Central Bank which ensures a high standard of service in a regulated environment. Fund administrators must be authorised by the Central Bank either under the Investment Intermediaries Act (1995), or the Markets in Financial Instruments and Miscellaneous Provisions Act (2007). Furthermore, there are no Irish tax consequences of administering non-domiciled funds in Ireland. Similarly, a fund listed on the Irish Stock Exchange that is not domiciled in Ireland does not give rise to any Irish tax implications.

Listing on the Irish Stock Exchange

The Irish Stock Exchange ("ISE") is recognised worldwide as the leading centre for listing investment funds with over 3,000 funds/subfunds listed. The demand for the ISE's listed product is investor driven and it appeals to managers all around the globe. The ISE lists various types of fund structures from every major fund domicile and currently there are funds managed out of 40 plus countries admitted to its regulated market.

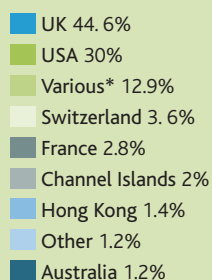
Why list an alternative investment fund on the ISE?

Increased distribution possibilities

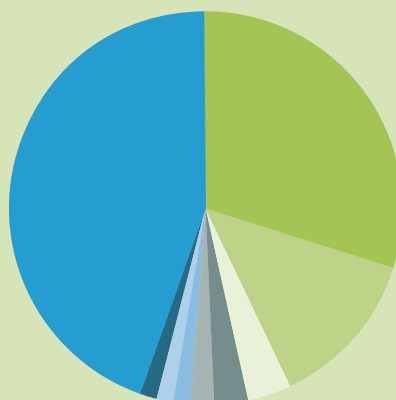
A listing on the ISE increases a fund's potential investor base. An ISE listing gives the fund a 'listed' security status on an EU regulated exchange which improves the marketability of the fund. Status as a fund listed and admitted to a regulated market appeals to investors as often legal, regulatory or internal mandate requirements restrict their exposure to unlisted securities.

Irish listed Investment Funds – Location of Manager

Percentage of ISE-listed Funds by Investment Manager's Country of Origin



Source: ISE



Irish Stock Exchange Listings

Total Investment Fund Listings (Jan 2011)

Funds incl. Sub-Funds 3,031

Fund Classes 7,513

Source: ISE

*Various

Austria	Kazakhstan
Bahamas	Luxembourg
Bermuda	Malta
British Virgin Islands	Mauritius
Cayman Islands	Netherlands
Canada	Norway
Cyprus	Pakistan
Denmark	Portugal
Egypt	Singapore
Finland	South Africa
Germany	Spain
Gibraltar	Sweden
Indonesia	Taiwan
Ireland	Thailand
Isle of Man	UAE
Italy	Vietnam
Japan	

Enhanced transparency

A listing ensures a level of transparency to investors on the operations of the fund. A listed investment fund's net asset value (NAV) is published on the ISE's website and, together with all announcements and circulars, is fed to various data vendors such as Thomson, Reuters and Bloomberg. This dissemination satisfies the requirement for NAV publication applicable to all UCITS investment funds in a cost efficient manner. A fund, by virtue of an ISE listing, ensures that it meets current investor demands for transparency including notification of any critical events.

ISE represents best practice

The ISE's listing rules represent best practice within the investment funds industry and these are updated regularly to take account of changes within the industry. ISE monitoring of compliance with these regulatory best practice

standards ensures an investor can take additional comfort from an ISE listing. The ISE has a world class trading and post-trade infrastructure and can work with issuers and expert Irish advisers to facilitate time to market for new product launches.

Efficiency

The ISE has a dedicated team with specialist knowledge that reviews applications within strict turnaround times, providing a service that minimises the time and effort required for an EU Regulated Market listing. All funds regulated by the Central Bank benefit from revised listing conditions which eliminate duplication of Central Bank rules and are subject to a faster review process of one to two business days depending upon product. The same document can be used for both authorisation and listing and both processes can run simultaneously.

Cost effective

An ISE listing is a cost efficient way of adding significant value to a fund offering. The ISE listing fee for EU domiciled investment funds is €1,900 for the initial application with a €1,900 annual fee per fund/sub-fund. There is a sliding scale of fees applicable to umbrella funds which results in significantly reduced listing costs. The costs of issuing ISIN codes, NAV disseminations and listing additional classes are included in the listing fee. The notification of the fund's NAV is a practical way of complying with UCITS publication of NAV requirements.

How to list on the ISE

The fund prepares the listing particulars and this undergoes a short review process. When the content of the document is agreed and conditions are satisfied, the fund can list. Once listed the fund is subject to ongoing obligations such as the filing of annual accounts. A locally based listing sponsor appointed by the directors of the fund will assist with both initial listing and ongoing obligations.

Does listing on the ISE create any other Irish regulatory or tax implications?

No. Non-Irish funds which choose to list on the ISE are not subject to the Central Bank's regulation by virtue of their listing. They will however be subject to the listing requirements and on-going obligations of the ISE, as a market authority. The ISE operates under delegated authority from the Central Bank which is the competent authority under EU law. Furthermore, a fund listed on the Irish Stock Exchange that is not domiciled here does not give rise to any Irish tax implications.

why? Ireland™

excellence · innovation · reach

Excellence

Unrivalled expertise and experience in establishing and servicing funds with the widest range of investment strategies, our professional, can-do and pragmatic approach will make the difference. A robust regulatory environment that has provided the template for openness, transparency and product development while setting the standard for efficiency, certainty and accessibility.

Innovation

At the forefront of thought leadership and innovation, devising product solutions through responsiveness and adaptability to client needs and leading on alternative investment fund processing standardisation. The first jurisdiction in Europe to provide a regulatory framework specifically for the alternative investment fund industry and the leader in developing market guidance on the administration of hedge funds.

Reach

Home to the world's major fund promoters and fund service providers with distribution opportunities to the widest range of market places. Internationally recognized with an extensive network of tax treaties and regulatory agreements and the leading centre for the listing of investment funds.

The experience, scale and global reach of a leading international fund jurisdiction together with the innovation, thought leadership and vibrancy that got us here!

Ireland *knows* Investment Funds.

That's why! Ireland

About the IFIA

The Irish Funds Industry Association (IFIA) is the representative body for the funds industry in Ireland with administrators, custodians, managers, transfer agents, fund promoters and professional advisory firms involved in the international fund services industry in Ireland, amongst its members.

The objective of the IFIA is to support and complement the development of the international funds industry in Ireland, ensuring it continues to be the location of choice for the domiciling and servicing of investment funds. Through its work with governmental and industry committees and working groups, the IFIA contributes to and influences the development of Ireland's regulatory and legislative framework. The IFIA is also involved in defining market practice through the development of policy and guidance papers and the promotion of industry-specific training.

For further information and a full list of IFIA members' contact details and services provided, please log onto www.irishfunds.ie

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