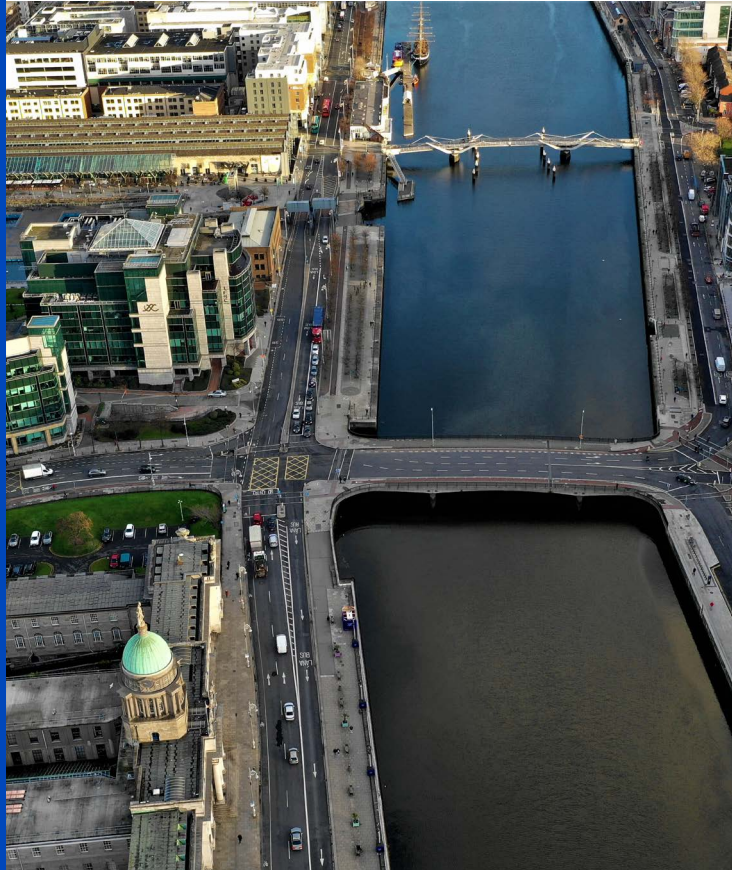


IRELAND

Undertakings for Collective Investment in Transferable Securities ICAV Structure



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Executive summary of Walkers

Walkers is a leading global finance centre law firm with ten offices worldwide. Walkers provides legal, corporate and fiduciary services to investment funds, investment fund managers, financial institutions, capital markets participants, FORTUNE 100 and FTSE 100 global corporations and middle market companies from our offices in Bermuda, the British Virgin Islands, the Cayman Islands, Dubai, Guernsey, Hong Kong, Ireland, Jersey, London and Singapore.

Walkers in Ireland

Walkers' Irish office provides integrated Irish legal, tax and listing services to our domestic and international client base and has a strong presence in Dublin.

We focus on excelling in specific practice areas only. We do not take on instructions for areas which are outside

our expertise. Walkers are a "full service" law firm for financial services clients. Within our Dublin office we have the following core financial services practice areas:

- Asset finance
- Asset management & investment funds
- Corporate & commercial
- Derivatives
- Employment
- Finance & capital markets
- Insolvency & dispute resolution
- Listings (debt)
- Real estate
- Regulatory & compliance
- Taxation
- Walkers Professional Services

Our strategy is to be a market-leading niche corporate and financial services firm. Our senior lawyers have been recommended in the main legal rankings including:

Chambers and Partners
Global Leading Firm
– 2024



Chambers and Partners
Europe Leading Firm
– 2024



The Legal 500
Top Tier Firm – 2024



IFLR 1000
Top Tier Firm
– 2023



Finance Dublin
Deals of the year
– 2023



Expert Guides
Women in Business Law
– 2023



Preqin Top Hedge Fund
Law Firm
– 2023



International Tax
Review



Who's Who Legal

In addition to our own client advisories and bulletins, we regularly contribute to external publications with market insight and updates including:



Across the globe. Around the clock.



Walkers combines leading expertise and experience in Irish law, with the international strength of a global law firm. Our technical ability and wealth of experience across 10 jurisdictions, draws on the knowledge and expertise of our partners internationally, each of whom regularly provides global legal solutions to FORTUNE 100 and FTSE 100 global corporations and financial institutions, and differentiates Walkers as a leading international law firm from our domestic competitors.

Our Dublin office is closely integrated with our other offices, where, in addition to Irish law, we also advise on Cayman Islands, Bermuda, British Virgin Islands (BVI), Dubai International Financial Centre, Jersey and Guernsey law matters.

Our global presence means we are always accessible to our clients in all time zones.

Strength in depth

Over 410+ lawyers worldwide and a total staff headcount of 1,161

Culture of diversity

50 nationalities working across our 10 offices, offering our clients 24/7 support in multiple languages

Innovative and award winning

Widely recognised as an innovative market leader and winner of numerous prestigious awards

International presence

10 international offices and the ability to provide advice in 6 laws

Market leading

Walkers is a global, integrated and market leading financial services law firm acting for leading financial institutions, FORTUNE 500 and FTSE 100 corporations

Globally trusted

Acting as advisors to 85 of the top 100 global financial institutions

Asset management and investment funds team

Walkers has one of the most experienced investment funds teams in the Irish market. Each team member has joined Walkers from top tier legal firms in Ireland or internationally. Our team also benefits from having obtained extensive in-house experience from leading asset management firms and investment fund service providers. Walkers also offer a suite of integrated services for our clients, providing Irish legal and tax advisory solutions as well as global corporate and regulatory services.

Our extensive legal and industry experience enables us to provide advice on all aspects of Irish investment funds including:

- fund structuring, establishment and ongoing management whether structured as an undertaking for collective investment in transferable securities (“UCITS”) or an alternative investment fund (“AIF”);

- establishment of fund service providers including alternative investment fund managers (“AIFMs”), UCITS management companies and Super ManCos (combined UCITS management companies and AIFMs) and Mega ManCos (an enhanced version of the SuperManCo, allowing for additional ‘MiFID top up’ permissions);
- asset management and investment funds regulation;
- fund restructurings and distressed funds;
- fund re-domiciliations;
- terminations and liquidations;
- financing arrangements;
- marketing and distribution; and
- ongoing legal, tax and regulatory advice.



The team is easy to approach, with in-depth knowledge of the industry and local regulations.”

— Legal 500 EMEA



The funds team is exceptional in its deep understanding of the intricacies of asset management and investment funds.”

— Legal 500 EMEA



Clients say that the lawyers have a “depth of technical knowledge combined with business awareness.”

— Chambers Europe

Relevant transaction experience

Walkers has comprehensive experience in advising clients on all matters related to Irish investment funds as well as UCITS management companies, AIFMs, investment firms and other regulated financial service providers. Set out below are some examples of UCITS structures that we have led and other relevant experience:

- advising 2 of the top 5 largest Super ManCos in Ireland by AUM;
- advising global asset managers on the establishment of UCITS umbrella funds across different asset classes, including UCITS master-feeder and fund of funds structures;
- advising UK, US, European and other global managers on the establishment of complex, alternative and/or structured UCITS seeking to replicate their offshore products within the UCITS regime;
- advising Morgan Stanley on the cross border merger of its UCITS money market platforms between Ireland and Luxembourg, the largest European cross border fund merger at that time;
- advising a number of US, Irish, UK, Dutch, Scandinavian, South American and South African firms on re-domiciliations and/or schemes of amalgamation transferring funds from other jurisdictions into Ireland, including a number of re-domiciliations from Cayman, Jersey and Guernsey to Ireland as UCITS and QIAIFs, where Walkers co-ordinated the transactions between our Cayman, Jersey, Guernsey and Irish offices;
- advising a number of global asset managers in relation to successfully obtaining their UCITS management company and/or AIFM authorisations from the Central Bank of Ireland (the “Central Bank”);

- advising UCITS management companies and AIFMs on the passporting of their management company licenses into other EU jurisdictions;
- advising leading asset managers in relation to the pre-contractual and periodic disclosures of a range of ESG multi-manager funds and fund of funds falling within the scope of Article 8 and 9 of SFDR; and
- advising a number of investment firms and asset managers, more broadly in relation to their obligations under sustainability related amendments to the AIFMD, UCITS and MIFID II frameworks and the findings set out by the Central Bank in its industry letter relating to its supervisory expectations of regulated firms regarding climate and other ESG issues.

Regulatory Engagement and Experience

Our experience in advising clients on the establishment of a broad range of investment fund structures in Ireland and on their operations here has helped to create a strong working relationship with the Central Bank. Nicholas Blake-Knox was elected in 2022 for a three-year term to the Council of Irish Funds, the industry representative body for the Irish investment funds and asset management industry. A number of our team work closely with the Central Bank as current and previous members of various Irish Funds Steering and Working Groups including the UCITS Product Steering Group, the Legal and Regulatory Working Group, the ESG Policy, the Brexit Steering Group, the AIF Regulation & Innovation Working Group, the Tax Working Groups, the AML Working Group and the Distribution Groups.

Members of the Walkers team have also been involved in engagement with the Central Bank in respect of policy formation and have also contributed to legislative proposals. We have represented clients in relation to PRISM inspections and other supervisory engagement processes. Members of our team have also represented the asset management industry at European level including in relation to ESMA consultations..

Walkers also has a dedicated Regulatory practice group which comprises a team of regulatory specialists who focus on a variety of regulatory matters outside of the core investment funds regulation and can provide specialist advice in areas such as MiFID, AML, GDPR and other specialised regulatory areas. The Regulatory team is one of the largest dedicated regulatory teams in the Dublin market. In relation to AML, a particular focus area of the Central Bank, one of the members of the Regulatory team has previously worked within the Central Bank leading a team responsible for AML inspections.

Listing agent

We have an in-house Irish Stock Exchange listings

department, meaning we can provide both legal and listing services at competitive rates.

Company secretarial services

Walkers can provide high quality, responsive and cost-effective company secretarial services through its affiliate specialist corporate service provider, Walkers Professional Services ("WPS"). WPS operates a streamlined and professional service to meet our clients' deadlines and differentiate ourselves through a commitment to being highly responsive to our clients at all times. The team has extensive experience providing company secretarial services to a full range of entity types in the funds sector. Current clients range from large group structures to single sub-fund structures including, inter alia, MiFID firms, UCITS management companies, alternative investment managers and UCITS and AIFs established as public limited companies or ICAVs. WPS has a strong relationships with a broad range of fund service providers and independent non-executive directors across the industry and can ensure a smooth and seamless launch process or transition. WPS can apply its established and tested, industry leading procedures to ensure that a comprehensive agenda and board pack is prepared in an appropriate timeframe and accurate, comprehensive and timely minutes and matters arising are produced requiring minimal input during the review process. Working in close collaboration with our legal colleagues in Walkers, WPS ensures that corporate governance arrangements of all clients are conducted to the highest standards and ensuring responsiveness to the full ambit of the agreed service offering.

Our company secretarial team will ensure that you will not only have a dedicated resource but also the added comfort of more than one point of contact to ensure that any requests are actioned in a timely manner. WPS is managed by Fiona de Lacy who leads a team with substantial corporate services and SPV management experience with significant expertise in providing company secretarial and accounting services. Anthony Finegan, Chartered Company Secretary, leads our company secretarial team and he brings extensive experience in the provision of company secretarial services to both regulated and unregulated entities.

We have set out below the scope of the company secretarial services that we can offer:

Corporate compliance services

- Provision of Walkers Corporate Services (Ireland) Limited as named secretary of entities;
- Provision of the registered office for entities, including provision of state of the art facilities to host board meetings at the registered office including meeting rooms, telephone conference and video conference facilities;
- Maintain all statutory registers including the electronic

register of directors and secretaries and register of subscriber shareholders in accordance with statutory obligations;

- Assist with the completion and filing of statutory notifications to the Companies Registration Office in respect of any post-registration changes to companies or the Central Bank in respect of ICAVs
- Assist with the general meetings of entities, including ensuring that the annual general meeting is held or dispensed with within the prescribed statutory timeframes, which includes providing notice of such meetings, collating proxy forms and ensuring sufficient votes have been received to hold the meeting;
- Arrange for the appointment and resignation of directors; and
- Assist with the preparation of KYC documents for the entity.

Board meeting support services

- Liaise with all service providers of the entity and the board of directors to schedule and diarise board meetings, usually for the entire calendar year in advance;
- Preparation and finalisation of board meeting agendas;
- Liaise with all service providers of the entity to ensure receipt of all necessary board materials in a timely manner;
- Collation and issue of soft copy board papers within pre-agreed timelines;
- Uploading and collation of electronic board papers on the chosen board paper platform or Walkers in-house portal and/or circulation of same via email to the directors;
- Provision of state of the art facilities to host board meetings at the registered office including meeting rooms, telephone conference and video conference facilities;
- Attendance at quarterly board meetings, ad hoc board meetings, the AGM and any EGMs;
- Preparation and circulation of detailed board minutes and matters arising on a timely basis; and
- Following up with parties responsible for matters arising to ensure that the board actions are appropriately addressed.

Central bank portal administrator service

WPS can also offer a service to administer the Central Bank's online portal system (the "Central Bank Portal") by being appointed as system administrator ("System Administrator"). The following sets out the scope of Central Bank Portal System Administrator services that we can provide:

- Provision of a named individual to act as the Central Bank Portal System Administrator;
- Creation and deletion of user accounts for individuals, ensuring that appropriate level of access is granted to view, submit or sign-off on specific filings or communications;
- Ensuring that the appropriate delegations are in place or terminated for service providers in respect of necessary filings on the Central Bank Portal;
- Issuing reminders to individuals or service providers in a timely manner in respect of upcoming filings that need to be completed; and
- Provision of a Central Bank Portal reporting calendar to the Board to facilitate tracking of all filings and deadlines.

Share trustee services

Fund entities will be required to maintain subscriber shares which will ensure a quorum for any general meetings of the shareholders that may be required or to pass resolutions during the liquidation process after all investors have been redeemed. If required, WPS can provide one/two nominee shareholders to hold the subscriber shares via affiliate specialist shareholder entities who will hold the shares under the terms of a declaration of trust.

Walkers - your trusted ESG partner

The EU sustainable finance framework

- Taxonomy regulation
- Benchmark regulation
- ESG integration into MiFID II
- EU Green Bond Standard
- Corporate Governance
- ESG credit ratings
- Sustainable finance disclosure regulation
- ESG integration into UCITS & AIFMD frameworks
- Corporate sustainability reporting directive
- EU financial products eco-label

Walkers has experience advising asset management and investment firms on the implementation of ESG requirements including under the Sustainable Finance Disclosure Regulation ("SFDR"), the Taxonomy Regulation and more recently the implementation of the regulatory technical standards under SFDR ("SFDR Level 2"). Our work has involved advising asset managers (including those who manage a number of ESG focused multi-manager funds and/or fund of funds) in relation to the completion of prescribed annexes required for the pre-contractual and annual financial statement disclosures for those products falling within the scope of Article 8 and 9 of SFDR. We have advised on specific elements of the ESG strategies of the relevant investment firm/asset manager, delegate investment managers and underlying fund managers to seek to ensure that those strategies cohesively align with the prescriptive pre-contractual and website disclosure requirements of SFDR Level 2. Such projects also take into consideration the ever-evolving guidance emanating from the European Commission, European Supervisory Authorities, ESMA, the Central Bank and other relevant guidance.

In order to complete the pre-contractual disclosures, we consider our client's proposals regarding its investment in "sustainable investments" or "promotion of ESG characteristics" in light of the available legislative requirements and associated guidance, as well as consideration of the principal adverse indicators provided for in Annex 1 of SFDR Level 2 at entity/product level. Accordingly, we are well placed to provide the very latest advice with respect to product classifications and associated investment due diligence/metrics in order to avail of those classifications.

In addition to product orientated ESG work, we further advise investment firms and asset managers, more broadly in relation to their obligations under sustainability related amendments to the AIFMD, UCITS and MIFID II frameworks and the findings set out by the Central Bank in its industry communications relating to its supervisory expectations in respect of regulated firms regarding climate and other ESG issues.

We are seeing an increase in the number of asset managers considering how to integrate ESG criteria in the investment strategies they employ for funds under management. Walkers has extensive experience advising on the impact that these initiatives will have on such asset managers and their investment funds. Should you wish to receive further information on our capacity to assist with the implications of the EU Sustainable Finance Framework on your business please request a copy of our Sustainable Finance brochure.

Walkers has produced an extensive advisory series on ESG matters impacting our clients.

- Ireland ESG Series - Part 1: Disclosures regulation
- Ireland ESG Series - Part 2: BMR amendment
- Ireland ESG Series - Part 3: Taxonomy regulations
- Ireland ESG Series - Part 4: Proposed amendments to UCITS and AIFMs
- Trends in sustainable and finance disclosures
- The rise of ESG and sustainable fund finance in Europe
- EU Sustainable Finance Package - June 2023
- ESAs Report on Greenwashing in the Financial Sector

Ireland as a domicile

Ireland is a globally recognised jurisdiction in which to domicile investment funds. This reputation is in part thanks to the flexible and transparent attitude of the Irish regulator, the Central Bank. The Central Bank's regulatory focus is on robust and effective regulation, facilitating market and product development, while protecting investor interests. The Central Bank is willing to engage in direct discussion with industry members and fund promoters in relation to unique or new proposals surrounding investment funds which are consistent with the above principles of regulation. This approach extends to face-to-face meetings to discuss new investment fund structures and practical solutions to challenges faced by the industry. Walkers' asset management and investment funds group has developed a strong relationship with the Central Bank.

Irish domiciled regulated investment funds benefit from a favourable tax regime. An Irish domiciled UCITS (whether structured as an ICAV, investment company or unit trust) is subject to the Investment Undertaking Tax regime whereby

income and gains derived from its investment portfolio can accumulate within the vehicle free from Irish tax, irrespective of the tax residence of its investors. No Irish stamp, capital or other duties apply on the issue, transfer or redemption of shares in an ICAV or authorised investment company.

In addition, provided that an ICAV (or sub-fund of the ICAV in the case of an umbrella fund), authorised investment company or unit trust does not invest in Irish real estate assets (such as direct acquisitions of Irish real estate or loans secured on and which derive the greater part of their value from Irish real estate) no withholding or exit taxes apply on income distributions or redemption payments made by to non-Irish resident investors or certain exempt Irish resident investors (such as Irish pension funds, Irish charities etc.).

Ireland also has an extensive and growing network of double taxation treaties (with comprehensive double taxation treaties currently signed with 74 countries) that provide, inter alia, access to favourable tax reclaim rates.



ICAV - corporate vehicle

The ICAV is a corporate vehicle that has been tailored specifically for investment fund structuring and provides a stream-lined and cost effective solution.

ICAVs can be established with a single sub-fund (portfolio cell/segregated portfolio) or with multiple sub-funds (portfolio cells/segregated portfolios), each following different investment policies and each having segregated liability status under Irish law so that the assets and liabilities of each sub-fund are ring-fenced.

The ICAV can produce separate audited accounts at sub-fund level, which is of great benefit where it is preferable not to refer to the accounts and details of other sub-funds that may have different strategies and terms.

The constitutional document of an ICAV may be amended without investor approval being required where the depositary certifies that the interests of investors are not prejudiced by the amendment.

A sub-fund of an ICAV may invest in one or more other sub-funds of the same ICAV, subject to certain rules preventing double-charging of management fees.

The ICAV is an "eligible entity" for US tax purposes and can file a "check the box" election to be treated as a partnership (or a disregarded entity if a single shareholder) for US federal income tax purposes.

Board Composition

The ICAV will require a minimum of three directors, including one independent director and two Irish resident directors (one or both of which may be independent) and one director who is an employee of the promoter or the investment manager. All directors appointed to a fund must be authorised and approved by the Central Bank. Each director appointed to the board of the UCITS will have to complete the Central Bank's individual questionnaire in order to satisfy the Central Bank's fitness and probity requirements. This is a detailed online questionnaire, which must be completed, including the provision of supporting information such as a CV, education as well as other professional background details and disclosure of the director's time commitments and other professional commitments. Walkers can provide separate information relating to this process.

Irish undertakings for collective investment in transferable securities

Process for establishing a UCITS

The regulatory approval process typically divides into three parts, namely:

- a UCITS management company authorisation;
- b Investment Manager approval; and
- c UCITS authorisation

UCITS Management Company Authorisation

On the basis that a UCITS management company which is fully authorised by the Central Bank is appointed by the ICAV, pre-approval by the Central Bank of the UCITS management company will not be required. If consideration is being given to establishing a UCITS management company we can provide further information on the authorisation process.

Investment manager approval

In order for an entity (that will not act as UCITS management company to the UCITS) to act as a discretionary investment manager to the UCITS, the proposed investment manager must be approved by the Central Bank. Where the proposed investment manager is located in a third-country it must be an approved jurisdiction prescribed by the Central Bank and deemed to have a comparable regulatory regime.

Investment managers or sub-investment managers which are one of the following EU entities will not usually be subject to an additional regulatory review process by the Central Bank:

- i UCITS management companies authorised under the UCITS Directive;
- ii investment firms authorised under MiFID to provide portfolio management;
- iii credit institutions authorised under the Capital Requirements legislation having the approval to provide portfolio management under MiFID; or
- iv externally appointed AIFMs authorised under the Alternative Investment Fund Managers Directive.

If a proposed discretionary investment manager or sub-investment manager is based outside of the EU (including the UK) the approval process is more involved. We can provide further details in relation to this process if applicable.

Non-discretionary Investment Advisor

Where it is proposed to appoint a non-Irish investment advisor to an investment fund, no Central Bank clearance of the entity is required in connection with its appointment to provide such services to the fund. However the investment

advisor should also submit the investment advisory agreement along with confirmation from the UCITS management company/directors of the investment fund that the investment advisor in question will act in an advisory capacity only and will have no discretionary powers over any of the assets of the investment fund. The confirmation should also provide that the investment advisory agreement does not:

- i provide for any discretionary management powers;
- ii conflict with regulations and conditions applicable to the relevant investment fund.

In addition, to the above from a contractual perspective the investment advisory agreement will need to seek a representation and warranty from the investment advisor that it has all requisite authority, licenses and approval (as applicable) to provide non-discretionary investment advice with respect to the investments of the investment fund. In this regard, where it is proposed to appoint an investment advisor to the investment fund, consideration should be given to any MiFID requirements applicable to the provision of investment advice.

In relation to fees to be paid to a non-discretionary investment advisor, the Central Bank has recently been focused on such appointments and the associated fee arrangements. If such an appointment is contemplated further details on the Central Bank's expectations can be provided.

UCITS ICAV Authorisation

The UCITS authorisation process tends to take 3 to 6 months.

The following is a list of documentation to be submitted to the Central Bank for a UCITS investment fund, together with the party responsible.

- An individual online questionnaire for each of the proposed directors of the fund including two Irish resident directors. (Client / UCITS management company / Directors)
- Letter of Application to the Central Bank for authorisation of the fund. (Walkers)
- The Central Bank's application form for the fund. (Walkers)
- Prospectus for the fund and supplements for each sub-fund. (Walkers / Client)
- Instrument of Incorporation for the fund. (Walkers)
- Management agreement between the fund and UCITS management company. (Walkers / UCITS management company)
- Investment management agreement between the fund, the UCITS management company and the investment manager. (Walkers / Client / UCITS management company)
- Administration agreement between the fund and administrator. (Administrator / Walkers)
- Depositary agreement between the fund and depositary. (Depositary / Walkers)
- An application for authorisation as a UCITS. (Walkers)
- PRIIPs KID and/or the key investor information document (KIID) (Walkers/client/UCITS management company)
- If utilising derivatives, even for hedging, a risk management process from the investment manager. (Walkers / Investment Manager)
- Original and where appropriate, executed versions of the documents listed above must be filed with the Central Bank.

Closing Documents

The following documents will be prepared prior to the application for authorisation of the UCITS and will be included in the bible of documents to be circulated following authorisation:

- Initial launch minutes for the fund. (Walkers)
- Registration certificate and constitution of the fund. (Walkers)
- Engagement letters for directors of the fund. (Walkers)
- Final dated fund prospectus and supplement. (Walkers)
- Execution copies of the management agreement, investment management agreement, administration agreement, depositary agreement and any material contracts. (All Parties)
- Officers' certificate with respect to the incumbency of the officers executing the material contracts on behalf of the fund, the investment manager, the administrator and the depositary. (All Parties)

Once authorised, the sub-fund of the fund can be marketed to investors across the European Union via the UCITS marketing passport and subject to compliance with relevant local law registration requirements, can be registered in other non-EU jurisdictions.

A levy is payable to the Central Bank on an annual basis based on the number of sub-funds in the umbrella (currently the minimum levy is €7,165) and an additional supervisory levy is also payable in the year of authorisation of the umbrella fund (currently €3,000) with additional amounts (€2,000) payable in respect of each new sub-fund approved by the Central Bank.

UCITS Restrictions

(a) Permitted investments

Subject to the investment restrictions which we set out in more detail below, UCITS are permitted to invest in:

1. Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

3. Money market instruments other than those dealt on a regulated market.
4. Units of UCITS and Acceptable AIFs
5. Deposits with credit institutions.
6. Financial derivative instruments.

The Central Bank may request such additional information as may be required in the course of reviewing a specific application. For example, where a UCITS proposes to invest in contracts for difference ("CFDs"), collateralized loan obligations ("CLOs"), contingent convertible securities ("CoCos") or binary options that UCITS may be subject to enhanced scrutiny at the authorisation phase with a view to ensuring that the proposal is appropriate taking into account the overall portfolio of assets proposed.

2. Investment restrictions

Below are the details of the Central Bank's UCITS investment restrictions template.

2	Investment restrictions
2.1	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
2.3	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7	Deposits, or cash booked in accounts and held as ancillary liquidity with any one credit institution, within the meaning of Regulation 7 of the Central Bank UCITS Regulations, shall not exceed 20% of the net assets of a Fund
2.8	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets: investments in transferable securities or money market instruments; deposits, and/or counterparty risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank. The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

3	Investment in Collective Investment Schemes ("CIS")
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS

3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

4	Index tracking UCITS
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5	General Provisions
5.1	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> 10% of the non-voting shares of any single issuing body; 10% of the debt securities of any single issuing body; 25% of the units of any single CIS; 10% of the money market instruments of any single issuing body. <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>

5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <p>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</p> <p>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</p> <p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p>
	<p>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
5.4	<p>UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.</p>
5.5	<p>The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.</p>
5.6	<p>If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.</p>
5.7	<p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <p>transferable securities;</p> <p>money market instruments^{1*};</p> <p>units of investment funds; or</p> <p>financial derivative instruments.</p>
5.8	<p>A UCITS may hold ancillary liquid assets.</p>

* Any short selling of money market instruments by UCITS is prohibited

6	Financial Derivative Instruments ('FDIs')
6.1	The UCITS global exposure relating to FDI must not exceed its total net asset value.

6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/ Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
6.3	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

Other service providers

Administrator and depositary

The ICAV must appoint a Central Bank approved depositary for the safe-keeping of assets and a Central Bank approved administrator which is responsible for maintaining the books and records of the ICAV, calculating the net asset value of the Fund and maintaining the shareholder register

All of the world's leading depositories and administrators are Central Bank approved and have a significant presence in Ireland.

Auditors

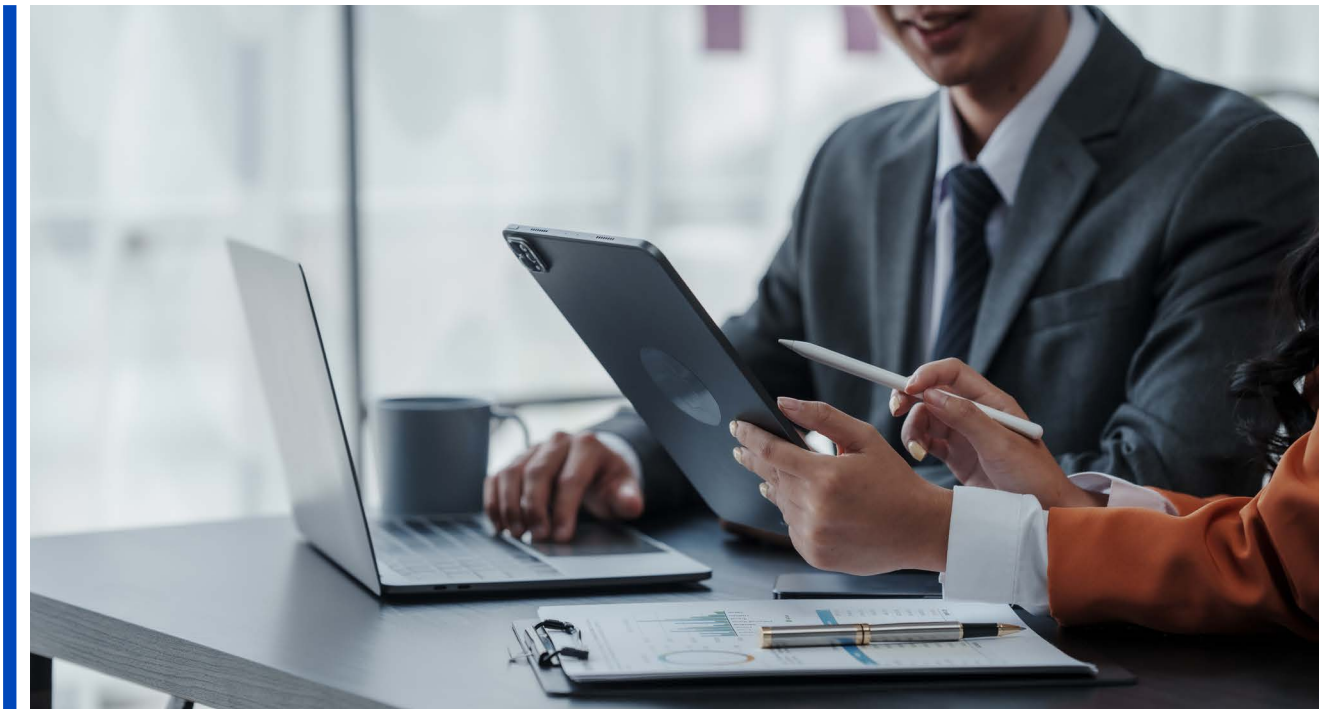
The fund must appoint an auditor to conduct the annual audit that is required for funds in Ireland.

Corporate secretary

The ICAV must appoint a corporate secretary to keep its statutory books, arrange board meetings, organise general meetings etc.

MLRO

The fund must appoint a money laundering reporting officer.



Key contacts

Our Irish based team will work closely with attorneys and professionals across our other offices in Bermuda, the British Virgin Islands, the Cayman Islands, Dubai, Guernsey, Hong Kong, Jersey, London and Singapore to ensure that you consistently receive the highest level of client service.

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