Qualifying Investor AIF Application Form Section 3 Instrument of Incorporation

February 2021

**Instructions Paper**

**SECTION 3 - CONSTITUTIONAL DOCUMENTS**

|  |  |  |  |  |  |  |  |  |  |
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|  | INSTRUMENT OF INCORPORATION | | | | |  | | | |
|  |  | | | | | **Article No.** | | | |
| **3.1** | General | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.1.1 | Provide that the sole object of the ICAV “ shall be the collective investment of its funds in property and giving members the benefit of the results of the management of its funds | | | | |  | | | |
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|  | | | |
| 3.1.2 | Provide that the instrument of incorporation cannot be amended without the prior approval of the Central Bank | | | | |  | | | |
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|  |  | | | | |  | | | |
| 3.1.3 | Provide that the Qualifying Investor AIF shall entrust its assets to the depositary for safe-keeping | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.1.4 | Provide that the AIFM must make available the information required by the AIFMD Regulations | | | | |  | | | |
|  | to prospective unitholders | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.1.5 | Provide that the liability of the members of the ICAV shall be limited to the amount, if any, unpaid | | | | |  | | | |
|  | on the shares respectively held by them | | | | |  | | | |
| 3.1.6 | Provide that the assets of an ICAV shall belong exclusively to the ICAV and no shareholder has | | | | |  | | | |
|  | any interest in the assets of the ICAV | | | | |  | | | |
|  |  | | | | |  | | | |
| **3.2** | Share Capital | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.2.1 | Indicate the type of share | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.2.2 | Note: - Bearer shares are not permitted  - Shares in the ICAV may not have a par value | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.2.3 | Provide that the actual value of paid-up share capital of the ICAV shall at all times be equal to the value of the assets of the ICAV after deduction of its liabilities (Ensure that the wording refers to the ICAV and not to sub-funds/classes***)*** | | | | |  | | | |
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|  | | | |
|  |  | | | | |  | | | |
| 3.2.4 | The share capital of the ICAV shall at all times be equal to the value for the time being of the | | | | |  | | | |
|  | issued share capital of the ICAV | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.2.5 | Share capital is to be divided into a specified number of shares without assigning any nominal | | | | |  | | | |
|  | value to them. | | | | |  | | | |
|  |  | | | | |  | | | |
| **3.3** | Issue / Allotment of Participating Shares | | | | |  | | | |
| 3.3.1 | Provide that shares shall be issued or sold at a price arrived at by dividing the net asset value of the Qualifying Investor AIF by the number of shares outstanding, (such price may be increased by duties and charges) | | | | |  | | | |
|  | | | |
|  | | | |
| 3.3.2 | |  | | --- | | Provide that the Qualifying Investor AIF shall only launch share classes at a fixed price | | | | | |  | | | |
|  | after the initial offer period where it has been confirmed to the Central Bank that existing shareholders in the Qualifying Investor AIF/sub-fund are not prejudiced | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.3.3 | Provide that the Qualifying Investor AIF shall not issue units, or if issued shall cancel such units, | | | | |  | | | |
|  | unless the equivalent of the net issue price is paid into the assets of the Qualifying Investor AIF within a reasonable time which is specified in the prospectus | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.3.4 | If relevant disclose that the Qualifying Investor AIF may provide for the issue of partly paid units | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.3.5 | Provide for the issue of | | | | |  | | | |
| a) | share certificates | | | | |  | | | |
|  | and/or | | | | |  | | | |
| b) | a written confirmation of entry on the register. | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.3.6 | Provide that share certificates must be signed by the depositary | | | | |  | | | |
|  | (This signature may be reproduced mechanically) | | | | |  | | | |
|  |  | | | | | Yes/No | | | |
| 3.3.7 | Does the Instrument of Incorporation provide for subscription in specie? | | | | |  | | | |
|  | If yes, provide that: | | | | |  | | | |
| a) | The nature of assets to be transferred into the Qualifying Investor AIF would qualify as investments of the Qualifying Investor AIF in accordance with the investment objectives, policies and restrictions of the Qualifying Investor AIF | | | | |  | | | |
|  | | | |
|  | | | |
| b) | Assets to be transferred: | | | | |  | | | |
| (i) | must be vested with the depositary; | | | | |  | | | |
|  | or | | | | |  | | | |
| (ii) | arrangements are made to vest the assets with the depositary. | | | | |  | | | |
|  |  | | | | |  | | | |
| c) | The number of shares to be issued must not exceed the amount that would be issued for the cash equivalent; and | | | | |  | | | |
|  | | | |
| d) (i) | The depositary is satisfied that the terms of any exchange will not be such as are likely to result in any material prejudice to the existing shareholders of the Qualifying Investor | | | | |  | | | |
|  | | | |
|  | AIF | | | | |  | | | |
|  | or | | | | |  | | | |
| (ii) | The depositary is satisfied that there is unlikely to be any material prejudice to the existing shareholders of the Qualifying Investor AIF | | | | |  | | | |
|  | | | |
|  |  | | | | |  | | | |
| 3.3.8 | Preferential Treatment | | | | |  | | | |
| a) | Disclose any preferential treatment which unitholders in the Qualifying Investor AIF may obtain | | | | |  | | | |
|  |  | | | | |  | | | |
| b) | Provide a description of how the AIFM ensures a fair treatment of unitholders and | | | | |  | | | |
|  | whenever a unitholder obtains preferential treatment or the right to obtain preferential treatment: | | | | |  | | | |
|  | a description of that preferential treatment, | | | | |  | | | |
|  | the type of unitholders who obtain such preferential treatment and | | | | |  | | | |
|  | where relevant, their legal or economic links with the Qualifying investor AIF or AIFM | | | | |  | | | |
|  |  | | | | |  | | | |
| **3.4** | Redemption/Repurchase of Participating Shares | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.4.1 | Confirm that the Instrument of Incorporation authorises the repurchasing of its own shares by | | | | |  | | | |
|  | the Qualifying Investor AIF | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.4.2 | Provide that shares will be redeemed or repurchased at a price arrived at by dividing the net asset value of the Qualifying Investor AIF by the number of shares outstanding (such price may be decreased by duties and charges) | | | | |  | | | |
|  | | | |
|  | | | |
|  | **Repurchase Charge** | | | | |  | | | |
| 3.4.3 | State the maximum repurchase charge (note: this cannot exceed 5% of net asset value per unit in the case of open-ended Qualifying Investor AIF) or provide that this will be disclosed in the prospectus | | | | |  | | | |
|  | | | |
|  | Note: The maximum charge relating to the redemption or repurchase of units may not be | | | | |  | | | |
|  | increased without an approval on the basis of a majority of votes cast at a general meeting. In the | | | | |  | | | |
|  | event of an increase in the redemption or repurchase charge a reasonable notification period must | | | | |  | | | |
|  | be provided by the Qualifying Investor AIF to enable unitholders redeem their units prior to the implementation of the increase. | | | | |  | | | |
|  | Note: if the fee disclosed in the prospectus is less than the maximum fee permitted here , | | | | |  | | | |
|  | unitholder approval will also be required for an increase in the fee disclosed in the prospectus | | | | |  | | | |
|  | unless the prospectus also provides that a higher fee may be charged. | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.4.4 | Open-ended Qualifying Investor AIFs | | | | |  | | | |
| a) | Disclose that redemption facilities must be provided on at least a quarterly basis | | | | |  | | | |
| b) | Provide that the Qualifying Investor AIF will redeem when requested at least | | | | |  | | | |
| (i) | 10% of net assets on a monthly basis; or | | | | |  | | | |
| (ii) | 25% of net asset on a quarterly basis | | | | |  | | | |
| c) | Disclose that any request for redemption on such dealing day that is above 10%/25% of net assets | | | | |  | | | |
|  | as appropriate, shall be reduced rateably and disclose clearly the procedure for treatment of unsatisfied redemption requests. This must be applied consistently throughout the life of the Qualifying Investor AIF. | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.4.5 | Open-ended Qualifying Investor AIF with limited liquidity | | | | |  | | | |
| a) | Disclose (or insert a cross reference to the relevant section of the prospectus) the frequency of | | | | |  | | | |
|  | redemptions | | | | |  | | | |
| b) | Disclose (or insert a cross reference to the relevant section of the prospectus) the timeframe for | | | | |  | | | |
|  | settlement | | | | |  | | | |
| c) | Disclose (or insert a cross reference to the relevant section of the prospectus) the minimum | | | | |  | | | |
|  | redemption quotas | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.4.6 | Settlement Period | | | | |  | | | |
| a) | Disclose the settlement period of the Qualifying Investor AIF | | | | |  | | | |
|  |  | | | | |  | | | |
| b) | Open-ended Qualifying Investor AIF | | | | |  | | | |
| (i) | Confirm that the period must not exceed 90 calendar days from submission of redemption | | | | |  | | | |
|  | request to the payment of settlement proceeds | | | | |  | | | |
|  | Note: the period in 3.4.6 b(i) can be extended to 95 calendar days for a Qualifying Investor | | | | |  | | | |
|  | AIF which invests in other investment funds, including a Qualifying Investor AIF which | | | | |  | | | |
|  | provides for dealing on a more frequent basis | | | | |  | | | |
| (ii) | Where the Qualifying Investor AIF provides for a period of 95 calendar days for the | | | | |  | | | |
|  | payment of redemption proceeds, disclose a prominent statement highlighting | | | | |  | | | |
|  | the fact that while the Qualifying Investor AIF deals, for example, on a monthly | | | | |  | | | |
|  | basis there may be times when redemption proceeds are paid on a quarterly basis | | | | |  | | | |
|  |  | | | | |  | | | |
| c) | Open-ended with limited liquidity Qualifying Investor AIF | | | | |  | | | |
| (i) | Where a Qualifying Investor AIF offers redemption and/or settlement facilities on a less | | | | |  | | | |
|  | than quarterly basis; or | | | | |  | | | |
| (ii) | Provides for a period of greater than 90 days between the dealing deadline and the | | | | |  | | | |
|  | payment of redemption proceeds; | | | | |  | | | |
| (iii) | Confirm that the Qualifying Investor AIF classifies itself as open ended with | | | | |  | | | |
|  | limited liquidity | | | | |  | | | |
|  |  | | | | |  | | | |
|  | Redemptions in Specie | | | | | Yes/No | | | |
| 3.4.7 | Does the Instrument of Incorporation provide for redemptions in specie? If yes provide that: | | | | |  | | | |
|  | | | |
| a) | |  | | --- | | Redemption in specie is at the discretion of the Qualifying Investor AIF and with the consent of the redeeming shareholder (n/a for exchange traded fund where the original subscription was made in specie) | |  | | | | | |  | | | |
|  | | | |
| b) | Asset allocation is subject to the approval of the depositary | | | | |  | | | |
|  |  | | | | |  | | | |
| c) | |  | | --- | | A determination to provide redemption in specie may be made solely at the discretion of the Qualifying Investor AIF where the redeeming shareholder requests redemption of a number of units that represent 5% or more of the net asset value of the Qualifying Investor AIF. In this event the Qualifying Investor AIF will, if requested, sell the assets on behalf of the shareholder. The cost of the sale can be charged to the shareholder(n/a for exchange traded fund where the original subscription was made in specie) | |  | | | | | |  | | | |
|  | | | |
|  | | | |
|  | | | |
|  | | | |
| d) | Redemptions in specie may only be accepted if the depositary is satisfied that the terms of | | | | |  | | | |
|  | the exchange will not be such as are likely to result in any material prejudice to the | | | | |  | | | |
|  | Qualifying Investor AIF unitholders | | | | |  | | | |
|  |  | | | | |  | | | |
|  | Distributions in Specie | | | | | Yes/No | | | |
| 3.4.8 | Does the Instrument of Incorporation provide for distribution in specie on a winding up? | | | | |  | | | |
|  | If yes, provide that: | | | | |  | | | |
| a) | an ordinary/special resolution is required | | | | |  | | | |
|  | And | | | | |  | | | |
| b) | the Qualifying Investor AIF agrees to sell the assets if requested by a shareholder. The costs of such sale can be charged to redeeming shareholders | | | | |  | | | |
|  | | | |
|  |  | | | | |  | | | |
|  | Cancellation of Shares | | | | |  | | | |
| 3.4.9 | Provide that repurchased shares are cancelled | | | | |  | | | |
|  |  | | | | |  | | | |
|  | Suspension of Redemptions and Calculation of Net Asset Value | | | | |  | | | |
| 3.4.10 | Provide that: | | | | |  | | | |
| a) | Suspension can only be on a temporary basis | | | | |  | | | |
| b) | List the circumstances under which the calculation of net asset value and redemptions | | | | |  | | | |
|  | could be suspended | | | | |  | | | |
| c) | The Central Bank will be notified immediately of any suspension and in any event within | | | | |  | | | |
|  | the working day on which such suspension took effect | | | | |  | | | |
| d) | Confirm that there is no provision in the Instrument of Incorporation permitting the Depositary | | | | |  | | | |
|  | to request suspension | | | | |  | | | |
|  |  | | | | |  | | | |
| **3.5** | **Determination of Net Value Asset** | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.5.1 | Specify the frequency of the calculation of: | | | | |  | | | |
| a) | the issue price | | | | |  | | | |
|  | and | | | | |  | | | |
| b) | the repurchase price | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.5.2 | Valuation Provisions | | | | |  | | | |
| a) | Set out the rules for valuation of assets which clearly and unambiguously define the expected | | | | |  | | | |
|  | method of valuation | | | | |  | | | |
|  |  | | | | |  | | | |
| b) | Set out a framework for variation from this method of valuation | | | | |  | | | |
|  |  | | | | |  | | | |
| c) | Confirm that dealing is carried out on a forward pricing basis i.e. the net Asset Value next | | | | |  | | | |
|  | computed after receipt of subscription and redemption requests | | | | |  | | | |
|  |  | | | | |  | | | |
| d) | Provide that valuation is carried out as often as the Qualifying Investor AIF deals | | | | |  | | | |
|  |  | | | | |  | | | |
| e) | For closed-ended/open-ended with limited liquidity funds Qualifying Investor AIFs: | | | | |  | | | |
|  | provide for the valuation of assets and the calculation of net asset value per unit at least once a year | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.5.3 | Short Term Money Market Fund Valuation on the basis of amortised cost | | | | |  | | | |
|  | Provide that the Qualifying Investor AIF will carry out a weekly review of discrepancies | | | | |  | | | |
|  | between the market value and the amortised cost value of the money market instruments. | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.5.4 (i) | Escalation procedures must be in place to ensure that material discrepancies between the | | | | |  | | | |
|  | market value and the amortised cost value of a money market instrument are brought to the | | | | |  | | | |
|  | attention of personnel charged with the investment management of the Qualifying Investor | | | | |  | | | |
|  | AIF. In this regard, ensure that | | | | |  | | | |
|  |  | | | | |  | | | |
| a) | discrepancies in excess of 0.1% between the market value and the amortised cost value of | | | | |  | | | |
|  | the portfolio are brought to the attention of the management company or the investment manager | | | | |  | | | |
|  |  | | | | |  | | | |
| b) | discrepancies in excess of 0.2% between the market value and the amortised cost value of | | | | |  | | | |
|  | the portfolio are brought to the attention of senior management/directors of the management company or the board of directors and the depositary | | | | |  | | | |
|  |  | | | | |  | | | |
| c) | If discrepancies in excess of 0.3% between the market value and the amortised cost value | | | | |  | | | |
|  | of the portfolio occur a daily review will take place. The Qualifying Investor AIF will | | | | |  | | | |
|  | notify the Central Bank with an indication of the action, if any, which will be taken to | | | | |  | | | |
|  | reduce such dilution | | | | |  | | | |
|  |  | | | | |  | | | |
| 3.5.4 (ii) | Provide for the escalation procedures referred to in Section 3.5.4 (i) above; or alternatively provide that: | | | | |  | | | |
|  | A review of the amortised cost valuation vis-à-vis market valuation will be carried out in | | | | |  | | | |
|  | accordance with the requirements of the Central Bank. Weekly reviews and any engagement of escalation procedures will be clearly documented. | | | | |  | | | |
|  |  | | | | |  | | | |
| **3.6** | | Fees and Expenses | | | | |  | |
|  | |  | | | | |  | |
| 3.6.1 | | Prescribe the nature of costs to be borne by the Qualifying Investor AIF including: | | | | |  | |
|  | |  | | | | |  | |
| 3.6.2 | | Provide for the following: | | | | |  | |
| (i) | | Preliminary expenses | | | | |  | |
| (ii) | | The regulatory fee; and | | | | |  | |
| (iii) | | The cost of termination/liquidation | | | | |  | |
| (iv) | | Other expenses | | | | |  | |
|  | |  | | | | |  | |
| (v) | | Fees and out of pocket expenses of all service providers including: | | | | |  | |
|  | | ( a ) Depositary | | | | |  | |
|  | | ( b ) Administrator | | | | |  | |
|  | | ( c ) Investment Manager | | | | |  | |
|  | | ( d ) Directors | | | | |  | |
|  | | ( e ) Others (as applicable) | | | | |  | |
|  | |  | | | | |  | |
| **3.7** | | Appointment/Replacement of Depositary | | | | |  | |
|  | |  | | | | |  | |
| 3.7.1 | | Specify the circumstances under which there may be effected, and the procedure to be | | | | |  | |
|  | | followed with respect to, the replacement of the depositary of the Qualifying Investor AIF with another depositary and outline provisions to ensure the protection of unitholders in the event of any such replacement | | | | |  | |
|  | |  | | | | |  | |
| 3.7.2 | | Provide that the Central Bank may replace the depositary with another depositary | | | | |  | |
|  | |  | | | | |  | |
| 3.7.3 | | The depositary of a Qualifying Investor AIF may not be replaced without the | | | | |  | |
|  | | approval of the Central Bank. | | | | |  | |
|  | |  | | | | |  | |
| 3.7.4 | | Provide that: | | | | |  | |
|  | | The Qualifying Investor AIF shall only terminate the appointment of the Depositary | | | | |  | |
| (a) | | Upon the appointment of a successor depositary or | | | | |  | |
| (b) | | Upon the revocation of the authorisation of the Qualifying Investor AIF | | | | |  | |
| 3.7.5 a) | | The old depositary may not retire until a new depositary is appointed; and | | | | |  | |
|  | |  | | | | |  | |
| b) | | Where no new depositary is appointed, it is permitted to include the following: | | | | |  | |
|  | | a general meeting will be convened at which an ordinary resolution to wind up the | | | | |  | |
|  | | ICAV will be considered; and | | | | |  | |
|  | | the old depositary appointment shall only be terminated on the revocation of the | | | | |  | |
|  | | Qualifying Investor AIF’s authorisation | | | | |  | |
|  | |  | | | | |  | |
| **3.8** | | | Procedure for the replacement of a Management Company | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.8.1 | | | Specify the circumstances under which there may be effected and the procedure for the replacement of the management company and specify the provisions to ensure the protection of shareholders in the event of such replacement | | | |  | | | |
|  | | | |
|  | | |  | | | |  | | | |
| 3.8.2 | | | Provide that the appointment of the replacement management company must be approved by the Central Bank | | | |  | | | |
|  | | | |
|  | | |  | | | |  | | | |
| 3.8.3 | | | Provide that the Central Bank may replace the management company | | | |  | | | |
|  | | |  | | | |  | | | |
| **3.9** | | | **Procedures for the replacement of the AIFM** | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.9.1 | | | Specify the circumstances under which there may be effected and the procedure | | | |  | | | |
|  | | | for the replacement of the AIFM and specify the provisions to ensure the protection of shareholders in the event of such replacement | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.9.2 | | | Provide that the appointment of the replacement AIFM must be approved by the | | | |  | | | |
|  | | | Central Bank | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.9.3 | | | Provide that the Central Bank may replace the AIFM | | | |  | | | |
|  | | |  | | | |  | | | |
| **3.10** | | | Distributions/Dividends | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.10.1 | | | Specify the conditions and manner of the application of income | | | |  | | | |
|  | | |  | | | |  | | | |
| **3.11** | | | Borrowing Powers | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.11.1 | | | Provide where relevant for the power to borrow | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.12 | | | **Umbrella Funds** | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.12.1 | | | Specify ‘an umbrella scheme with segregated liability between sub-funds’ on cover page | | | |  | | | |
|  | | |  | | | |  | | | |
|  | | | Provide that: | | | |  | | | |
| 3.12.2 | | | New sub-funds can only be established with the prior approval of the Central Bank | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.12.3 | | | Separate records will be maintained for each sub-fund with the assets and liabilities being | | | |  | | | |
|  | | | allocated to each sub-fund; | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.12.4 | | | The assets of each sub-fund shall belong exclusively to the relevant sub-fund and shall not be used | | | |  | | | |
|  | | | to discharge directly or indirectly the liabilities of or claims against any other sub-fund and shall not be available for any such purpose. | | | |  | | | |
|  | | |  | | | |  | | | |
| 3.12.5 | | | Any liability incurred on behalf of or attributable to any sub-fund shall be | | | |  | | | |
|  | | | discharged solely out of the assets of that sub-fund. | | | |  | | | |
|  | | |  |  | | | |
| 3.12.6 | | | In the case of an umbrella Qualifying Investor AIF with a combination of open ended |  | | | |
|  | | | open-ended with limited liquidity, or closed ended sub funds, provide |  | | | |
| a) | | | for the right of shareholders to request redemption of their holdings by the ICAV |  | | | |
| b) | | | that notwithstanding this right, certain sub-funds may be established with no right of |  | | | |
|  | | | redemption, subject to any conditions set down by the Central Bank |  | | | |
|  | | |  |  | | | |
| 3.12.7 | | | Provide, where relevant the procedures in relation to switching |  | | | |
|  | | |  |  | | | |
| **3.13** | | | Subsidiaries | |  | | |
|  | | |  | |  | | |
| 3.13.1 | | | Provide, where relevant, for the power to establish wholly owned subsidiary(ies) with | |  | | |
|  | | | the prior approval of the Central Bank | |  | | |
|  | | |  | |  | | |
| **3.14** | | | Share Classes | |  | | |
|  | | |  | | Yes/No | | |
| 3.14.1 | | | Does the Instrument of Incorporation provide for the creation of share classes | |  | | |
|  | | |  | |  | | |
|  | | | If yes | |  | | |
| 3.14.2 | | | Where the ICAV is also an umbrella, confirm that the provisions for the creation of classes within sub-funds are clear and unambiguous | |  | | |
|  | | |
|  | | |  | |  | | |
| 3.14.3 | | | Include unambiguous valuation and allocation provisions in relation to each class | |  | | |
|  | | |  | |  | | |
| 3.14.4 | | | Provide that the creation of further share classes must be: | |  | | |
| a) | | | notified to the Central Bank in advance | |  | | |
|  | | | or | |  | | |
| b) | | | must be effected in accordance with the requirements of the Central Bank | |  | | |
|  | | |  | |  | | |
| 3.14.5a) | | | Disclose the provisions aimed at achieving segregation of liability between the share | |  | | |
|  | | | classes participating in the common pool of assets of the Qualifying Investor AIF/sub-fund. | |  | | |
|  | | | and individual share classes that capital gains/losses and income arising from the | |  | | |
|  | | | assets must be distributed and/or accrued equally to each shareholder relative to their | |  | | |
|  | | | participation in the relevant share class. | |  | | |
|  | | |  | |  | | |
| b) | | | Where it is not possible to ensure such segregation of liability, confirm this is | |  | | |
|  | | | prominently disclosed in the prospectus | |  | | |
|  | | |  | |  | | |
| 3.14.6 | | | Confirm that the calculation of the net asset value per share of each class is clearly | |  | | |
|  | | | provided for | |  | | |
|  | | |  | |  | | |
| **3.15** | | | Side Pocket Share Classes | |  | | |
|  | | |  | |  | | |
| 3.15.1 | | | *Side pocket share classes – Assets which become illiquid or difficult to value* | |  | | |
| a) | | | Where relevant, provide that the Qualifying Investor AIF has the ability to establish | |  | | |
|  | | | side pocket share classes into which assets which have become illiquid or difficult to | |  | | |
|  | | | value may be placed | |  | | |
|  | | |  | |  | | |
| b) | | | Disclose the parameters which will apply to the creation of side pocket share classes | |  | | |
|  | | |  | |  | | |
| 3.15.2 | | | *Side pocket share classes – Assets which are illiquid when purchased (permitted only for closed-ended and open-ended with limited liquidity funds)* | |  | | |
| a) | | | Where relevant provide that a Qualifying Investor AIF may establish side pocket share | |  | | |
|  | | | classes into which assets which are illiquid when purchased may be placed | |  | | |
|  | | |  | |  | | |
| **3.16** | | | **Qualifying Investors** | |  | | |
|  | | |  | |  | | |
| 3.16.1 | | | Specify that the Qualifying Investor AIF has a minimum subscription requirement of €100,000 (or its equivalent in other currencies) | |  | | |
|  | | |
|  | | |  | |  | | |
| 3.16.2 | | | A unitholder in a Qualifying Investor AIF must be: | |  | | |
| a)(i) | | | an investor who is a professional client within the meaning of Annex II of Directive | |  | | |
|  | | | 2004/39/EC (Markets in Financial Instruments Directive) | |  | | |
| (ii) | | | an investor who receives 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 Qualifying Investor AIF | |  | | |
| (iii) | | | 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 Qualifying Investor AIF | |  | | |
|  | | |  | |  | | |
| (b) | | | Within the EU, the Qualifying Investor AIF may only be marketed to professional | |  | | |
|  | | | investors as defined in the AIFMD unless the Member State in question permits, under the laws of that Member State, the Qualifying Investor AIF to be sold to other categories of investors and this permission encompasses Investors set out in categories (ii) and (iii) above | |  | | |
|  | | |  | |  | | |
| c) | | | The Qualifying Investor AIF may grant an exemption from the minimum subscription | |  | | |
|  | | | requirement to the following: | |  | | |
|  | | |  | |  | | |
| (i) | | | the management company | |  | | |
|  | | |  | |  | | |
| (ii) | | | a company appointed to provide investment management or advisory services to | |  | | |
|  | | | the Qualifying Investor AIF | |  | | |
|  | | |  | |  | | |
| (iii) | | | a director of the management company, ICAV or a director of a company appointed | |  | | |
|  | | | to provide investment management or advisory services to the Qualifying Investor AIF | |  | | |
|  | | |  | |  | | |
| (iv) | | | an employee of the management company, ICAV, or an employee of a company | |  | | |
|  | | | appointed to provide investment management or advisory services to the Qualifying Investor AIF, where the employee: | |  | | |
|  | | | * is directly involved in the investment activities of the Qualifying Investor AIF, or | |  | | |
|  | | | * is a senior employee of the company and has experience in the provision | |  | | |
|  | | | of investment management services. | |  | | |
| d) | | | In the case of an employee, the management company or ICAV as appropriate, must | |  | | |
|  | | | be satisfied that prospective investors fall within the criteria outlined at (a)(iv) above. The investing employees must certify to the Qualifying Investor AIF that they are availing of the exemption provided for in this paragraph and that they are aware that the Qualifying Investor AIF is normally marketed solely to qualifying investors who are subject to a minimum subscription of €100,000. | |  | | |
|  | | |  | |  | | |
| e) | | | Unitholders must certify in writing to the Qualifying Investor AIF, that they are an | |  | | |
|  | | | investor who is a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) and that they are aware of the risk involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested. | |  | | |

|  |  |  |
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| **3.17** | Closed-ended Qualifying Investor AIF |  |
|  |  |  |
| 3.17.1 | Provide that at the end of the specified duration as set out in the Prospectus, the Qualifying Investor AIF will undertake one of the following action(s): |  |
| a) | Wind-up and apply to the Central Bank for a revocation of the Qualifying |  |
|  | Investor AIF authorisation; |  |
|  |  |  |
| b) | Redeem all outstanding units and apply to the Central Bank for a revocation of the Qualifying Investor AIF authorisation |  |
|  |
|  |  |  |
| c) | Convert into an open-ended Qualifying Investor AIF the relevant details of which will |  |
|  | be disclosed in the prospectus; or |  |
|  |  |  |
| d) | Obtain unitholder approval to extend the closed-ended period for a further finite period |  |
|  |  |  |
| 3.17.2 | Changes in maximum redemption fee for closed-ended Qualifying Investor AIF |  |
|  | Where the closed-ended Qualifying Investor AIF proposes to amend the maximum |  |
|  | redemption charge, or the maximum annual fee charged by the AIFM/management company/investment manager (where this fee is paid directly out of the assets of the Qualifying Investor AIF) following approach must be adopted: |  |
|  |  |  |
|  | No realistic liquidity provisions: Where there is a proposed increase in these fees or |  |
|  | charges with no opportunity for unitholders to redeem or otherwise exit the Qualifying Investor AIF, it shall ensure that votes in favour of the increase must represent at least 75% of votes cast. |  |
|  |  |  |
|  | Realistic liquidity provisions: Where there is a proposed increase in these fees or |  |
|  | charges with an opportunity for unitholders to redeem or otherwise exit the Qualifying Investor AIF, it shall ensure that votes in favour of the increase must represent at least 50% of the votes cast. |  |
|  |  |  |
|  | Note: the annual fee includes any performance related fee |  |
|  | charged by the AIFM, management company or the investment manager |  |
|  | Note: if the fee disclosed in the prospectus is less than the maximum fee permitted in the constitutional documents, unitholder approval will also be required for an |  |
|  | increase in the fee disclosed in the prospectus unless the prospectus also provides that a higher fee may be charged |  |
|  |  |  |
| 3.17.3 | Share class features of closed-ended Qualifying Investor AIFs |  |
|  | (“CE QIAIFs”) which typically invest in illiquid assets. |  |
|  |  |  |
| i) | Where a CE QIAIF provides for a share class which can issue of shares at a price other than net asset value without prior approval of the Central Bank, include excuse and exclude provisions, permit stage investing; and/or allows for management participation and to allocate the returns of a specific asset to that share class: |  |
|  | 1. disclose the ability to establish share classes providing for the features; and |  |
|  | 1. confirm this has been disclosed to unitholders in advance. |  |
|  |  |  |
| ii) | Where a CE QIAIF may facilitate excuse provisions (which enable an investor to be |  |
|  | excused from an investment that the CE QIAIF proposes to make) and / or exclude provisions (which permits the CE QIAIF to exclude an investor from a proposed investment that the CE QIAIF proposes to make), disclose the circumstances in which this may occur. |  |
|  |  |  |
|  |  |  |
| **3.18** | Transfer and reuse of assets |  |
|  |  |  |
| 3.18.1 | Where relevant provide for the possible transfer and reuse of the Qualifying Investor |  |
|  | AIF assets |  |

Any personal data provided by you may be processed by the Central Bank in connection with the performance of its statutory functions. If you have any questions in relation to the processing of your personal data by the Central Bank, you may contact our Data Protection Officer at [dataprotection@centralbank.ie](mailto:dataprotection@centralbank.ie). A copy of the Central Bank’s Data Protection Notice is available at [www.centralbank.ie/fns/privacy-statement](http://www.centralbank.ie/fns/privacy-statement).



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