

Qualifying Investor Funds - Application form

Collective investment schemes other than UCITS - Schemes which market solely to
Qualifying Investors in accordance with Notice NU 24 of the NU Series of Notices - QIF

Applications should be submitted to:
The Manager
Financial Institutions and Funds Authorisation
Financial Regulator
PO Box 9138
College Green
Dublin 2

SECTION 1

1.1 TITLE

1.1.1 Name of the QIF

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1.2 LEGAL STRUCTURE

1.2.1 Legal structure (i.e. Investment Company, Unit Trust, Investment Limited, Partnership ('ILP')
or Common Contractual Fund ('CCF'))

Yes/No

1.2.2 Is the QIF an Umbrella scheme?

If yes, provide names of Sub-Fund(s)

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1.3 PARTIES TO THE QIF

Name and Address

Promoter

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Management
Company/
General
Partner

(hereafter
reference is

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made only to management company)		
Trustee/ Custodian		<input type="text"/>
Sub-Custodian ¹		<input type="text"/>
Administrator		<input type="text"/>
Transfer Agent ²		<input type="text"/>
Investment/ Sub-Investment Manager(s) ³		<input type="text"/>
Investment/ Sub-Investment Adviser(s) ⁴		<input type="text"/>
Legal Advisor		<input type="text"/>
Other (e.g. Distributor/ Paying Agent)		<input type="text"/>
Auditor		<input type="text"/>

¹ If specifically appointed to the QIF, i.e., not part of the global custody network.

² If Transfer Agent appointed in addition to Administrator/Management Company

³ i.e. entities with discretionary investment powers

⁴ i.e. entities with no discretionary investment powers

Prime
Broker(s)

In the case of a change of address of any of the above service providers the completion of this form will be regarded as formal notification in this regard.

1.3.1 Name of promoter's nominated contact and e-mail address:

1.4 **DIRECTORS/ALTERNATE DIRECTORS**

1.5 The Directors/Alternate Directors of the Investment Company (or Management Company in the case of a Unit Trust/ILP/CCF). Indicate whether Irish Resident⁵

Name	Date of Approval or provide name of CIS /regulated entity to which previously appointed

1.5 **GENERAL**

1.5.1 Name, address and employer of the Money Laundering Reporting Officer of the investment company or of the management company in the case of a unit trust/CCF/ILP

Where the employer of the Money Laundering Reporting Officer is located outside the State

Confirm that:

a) The obligations of the QIF under the relevant legislation⁶, in particular the obligation to report suspicious transactions, were specifically brought to the attention of the board of directors of the investment company, management company in the case of a unit trust or common contractual fund or general partner in the case of an investment limited partnership

b) The entity (employer) is located in a FATF country

1.5.2 Is it intended to promote the sale of units/shares of the QIF to Irish Residents?

Yes/No

⁵ A minimum of two directors of the management company / investment company must be Irish resident

⁶ Criminal Justice Act, 1994, as amended

1.5.3	Confirm that the documentation will be submitted to the Irish Stock Exchange if the QIF is seeking a listing.	<input type="checkbox"/>
1.5.4	Will the QIF be marketed in Japan and constitute a public offer?	Yes/No <input type="checkbox"/>
a)	If yes, confirm (on behalf of the Board/Management Company) that: an SRS will be issued;	<input type="checkbox"/>
b)	it contains all information required by the NU Notices; and	<input type="checkbox"/>
c)	it does not contain information which conflicts with the prospectus or the NU Series of Notices	<input type="checkbox"/>
1.5.5	Does the QIF/Sub-Fund constitute a Money Market Fund ('MMF') as defined in the Financial Regulator's Guidance Note 2/99?	Yes/No <input type="checkbox"/>
	If yes, a letter is required, addressed to the Manager, Statistics Department, stating on the basis of its investment objectives and/or policies, that the proposed QIF/Sub-Fund would constitute a MMF as defined in the Financial Regulator's requirements	<input type="checkbox"/>
1.5.6	Address, in the State, for correspondence relating to the Regulatory Fee <input style="width: 600px; height: 20px;" type="text"/>	<input type="checkbox"/>
1.6	DOCUMENTS TO BE SUBMITTED	
	<u>Prospectus</u>	
	Dated Prospectus	<input type="checkbox"/>
	Dated Supplement(s), if applicable	<input type="checkbox"/>
	<u>For Investment Companies</u>	
	Certified copy of the Certificate of Incorporation	<input type="checkbox"/>
	Certified copy of the Memorandum and Articles of Association	<input type="checkbox"/>
	Certified copy of a shareholders resolution amending the Memorandum and Articles of Association (if applicable)	<input type="checkbox"/>
	Section 3 of the Application Form completed	<input type="checkbox"/>
	Executed Custodian Agreement (with original signatures)	<input type="checkbox"/>
	<u>For Unit Trusts</u>	
	Executed Trust Deed (with original signatures)	<input type="checkbox"/>
	<u>For Investment Limited Partnerships</u>	
	Executed Partnership Agreement (with original signatures)	<input type="checkbox"/>
	Executed Custodian Agreement (with original signatures)	<input type="checkbox"/>
	<u>For Common Contractual Funds</u>	
	Executed Deed of Constitution (with original signatures)	<input type="checkbox"/>
	Executed Custodian Agreement (with original signatures)	<input type="checkbox"/>
	<u>Appointment of Management Company</u>	
	Executed Management Agreement (with original signatures)	<input type="checkbox"/>
	Section 5A of the Application Form completed	<input type="checkbox"/>

Confirmation from the Management Company that terms of the Management Agreement are in compliance with the NU Series of Notices, including that the minimum activities will be undertaken in the State, and that the information detailed in the prospectus is consistent with the agreement, in particular the fees, liability/indemnity and termination provisions.

Appointment of Administration Company

Executed Administration Agreement (with original signatures)

Section 5B of the Application Form completed

Confirmation from the Administrator Company that the terms of the Administration Agreement are in compliance with the NU Series of Notices, including that the minimum activities will be undertaken in the State, and that the information detailed in the prospectus is consistent with the agreement, in particular the fees, liability/indemnity and termination provisions.

Appointment of Transfer Agent (where it is not the Administration/Management Company)

Executed Transfer Agent Agreement (with original signatures) – if applicable

Section 5B of the Application Form completed

Confirmation from the Transfer Agent Company that the terms of the Transfer Agent Agreement are in compliance with the NU Series of Notices, including that the minimum activities will be undertaken in the State, and that the information detailed in the prospectus is consistent with the agreement, in particular the fees, liability/indemnity and termination provisions.

Appointment of Investment Manager

Executed Investment Management Agreement (with original signatures for Irish investment managers)

Section 5C of the Application Form completed

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Appointment of Investment Adviser

Form IVM 1 or 2 (as applicable)

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Appointment of Distribution/Paying Agent/Representative Agent Agreement

Executed Distribution/Paying Agent/Representative Agent Agreement (with original signatures for Irish entities)

Section 7 of the Application Form

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Appointment of Prime Broker

Executed Prime Broker Agreement (with original signatures for Irish entities)

Executed Sub-Custodian Agreement (with original signatures for Irish entities)

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NU 22 Feeder Funds investing in Category 2 schemes

Prospectus of underlying CIS

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1.7

ADDITIONAL LETTERS OF CONFIRMATION (as applicable)

Dealing Procedures

Where it is proposed to use alternative procedures to accept subscription and redemption requests (e.g. telephonic or electronic) a letter should be submitted from the administrator confirming that its procedures in relation to this method of dealing have been cleared by the Financial Regulator.

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NU 22 Feeder Funds investing in Category 2 schemes

Management Company/Directors/General Partner confirmation re underlying CIS compliance

Trustee confirmation

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Letter from Management Company/Investment Manager detailing its expertise, etc.,

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in relation to:

Multi-Adviser Collective Investment Scheme
Property Investments
Venture or Development Capital Investments

Appointment of Prime Broker

Confirmation *from the Legal Advisers to the scheme* confirming that:

- (a) The conditions set out in Section 2(a) of Guidance Note -/04 are incorporated into the Prime Broker Agreement; and
- (b) The provisions of the Prime Broker Agreement do not conflict with the provisions of Guidance Note -/04

Confirmation *from the Trustee/Custodian* that the provisions of the Sub-Custodian Agreement do not conflict with those of the trust deed/custodian agreement or draft Guidance Note -/04.

Letter regarding the registration of assets in the name of the scheme

Confirmation from the directors of the investment company/management company that:

- (i) This is standard market practice within the market in question;
- (ii) The securities so registered cannot be assigned, transferred, exchanged or delivered without the prior authority of the custodian/trustee or the their agent;
- (iii) The assets cannot be assigned, transferred, exchanged or delivered without the prior approval of the trustee/custodian/sub-custodian;
- (iv) A clause to this effect has been included in the Trust Deed/Custodian Agreement; and
- (v) There is no provision for the registration of assets in the name of any other entity

This letter should also set out the circumstances that necessitate this type of registration procedure.

1.8

PROMOTER CONTACT DETAILS

State for whose attention the Financial Regulator's letter of authorisation/approval should issue

Confirmation from applicants

I hereby confirm that:

- (i) The information set out in this application form is correct and accurately reflects the provisions of**
 - the prospectus,
 - the memorandum and articles of association / trust deed/ deed of constitution or partnership agreement (delete as appropriate)
 - the custodian agreement (where applicable)
 - the material contracts listed in Section 1.6 above;

- (ii) the application form is completed in full; and**

- (iii) there is nothing in the documentation mentioned in (i) above which is inconsistent with the NU Series of Notices, the Guidance Notes and other policy papers issued by the Financial Regulator, except to the extent to which derogations from the provisions of the Notices and Guidance Notes are permitted by the application form or have been granted by the Financial Regulator as outlined below:**

Confirmation must be provided, in the case of a unit trust or common contractual fund, by a director of the management company and of the trustee / custodian. In the case of an investment company confirmation must be provided by a director of the investment company.

Signed _____ on behalf of

Signed _____ on behalf of

In the case of an investment company, the following confirmation is required from the custodian: I confirm that the information set out in this application in relation to my duties and responsibilities is correct and accurately reflects the provisions of the custodian contract.

Signed _____ on behalf of

Details of Derogations).....

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SECTION 2 –PROSPECTUS

The following information must be included in the prospectus / information memorandum

		Section heading and indication of paragraph where relevant
2.1	Information concerning the QIF	
2.1.1	Name	<input style="width: 100%;" type="text"/>
2.1.2	Form in Law (must be stated on cover page) (<i>tick as appropriate</i>)	<input style="width: 100%;" type="text"/>
a)	Investment Company with Variable Capital	<input style="width: 100%;" type="text"/>
b)	Unit Trust	<input style="width: 100%;" type="text"/>
c)	ILP	<input style="width: 100%;" type="text"/>
d)	CCF	<input style="width: 100%;" type="text"/>
2.1.3	Registered Office	<input style="width: 100%;" type="text"/>
2.1.4	Head Office (if different from registered office)	<input style="width: 100%;" type="text"/>
2.1.5	Date of establishment/incorporation of the QIF	<input style="width: 100%;" type="text"/>
2.1.6	Name and address of the Auditor	<input style="width: 100%;" type="text"/>
2.1.7	Name and address of the Company Secretary (investment company)	<input style="width: 100%;" type="text"/>
2.1.8	Names and positions of the directors (investment company)	<input style="width: 100%;" type="text"/>
2.1.9	A brief description of the directors' work experience	<input style="width: 100%;" type="text"/>
	a) current;	
	b) past; and	
	c) their main activities outside the company which is relevant to the QIF, including their current employer	
2.1.10	If applicable, the stock exchange(s) on which the units in the QIF will be listed	<input style="width: 100%;" type="text"/>
2.1.11	Statement indicating the persons who accept responsibility for the information contained in the prospectus (i.e. directors of the investment company or of the management company in the case of a unit trust/common contractual fund)	<input style="width: 100%;" type="text"/>
2.1.12	The following statements in a <u>prominent position</u> in bold:	
a)	Investors should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser;	<input style="width: 100%;" type="text"/>
b)	Prices of units/shares in the scheme may fall as well as rise;	<input style="width: 100%;" type="text"/>
c)	Authorisation of the QIF is not an endorsement or guarantee of the QIF by the Financial Regulator nor is the Financial Regulator responsible for the contents of the Prospectus;	<input style="width: 100%;" type="text"/>
d)	The Financial Regulator shall not be liable by virtue of its authorisation of this QIF or by reason of its exercise of the functions conferred on it by legislation in relation to the QIF for	<input style="width: 100%;" type="text"/>

any default of the QIF. Authorisation does not constitute a warranty by the Financial Regulator as to the credit worthiness or financial standing of the various parties to the QIF;

2.1.13 Where a subscription and/or redemption charge is provided for, the applicant should consider whether or not the following warning is appropriate:

The difference at any one time between the sale and repurchase price of units/shares in the scheme means that the investment should be viewed as medium to long term

2.2	Investment Objective and Policy
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Note: The following general requirements apply together with requirements in relation to the particular asset class (es), which are set out in the attached Appendix 1

2.2.1 a) A description of the investment objectives and policies of the QIF and these descriptions must be comprehensive and accurate, readily comprehensible to investors and be sufficient to enable investors make an informed judgement on the investment proposed to them.

b) If the QIF may have a significant exposure to a single issuer /asset, highlight this possibility

Investment restrictions (to be provided where relevant)

2.2.2 a) An investment company, or a management company acting in connection with all of the collective investment schemes which 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

b) A QIF may invest no more than 40% of NAV in any one unregulated collective investment scheme

c) A QIF which is an investment company must limit exposure to any one counterparty. (See also section 2.24 below)

Risk Disclosure

2.2.3 A full description of the risks attached to the investment policy of the QIF

2.2.4 Changes in objectives and/or policy for open-ended and limited liquidity schemes

Provide that:

a) the investment objective of the QIF may not be altered without the prior written approval of all unitholders or on the basis of a majority of votes cast at general meeting;

b) material changes in investment policy require unitholder approval; and

c) in the event of a change of investment objective and/or investment policy a reasonable notification period will be provided by the QIF to enable unitholders redeem their units prior to implementation of these changes.

- 2.2.5 Changes in objectives and/or policy for closed-ended schemes
Provide that:
- a) A change in investment objective and/or a material change in investment policy requires shareholder approval by way of special resolution
- b) A change of investment policy is subject to the approval of shareholders (i.e. a simple majority of votes cast)

2.3 **Guaranteed/Capital Protected QIF**

- (i) Nature, timing and characteristics of the guarantee;
- (ii) Name of the guarantor
- (iii) Risk/return profile with a clear description of upside limitation as well as downside protections;
- (iv) Obligations of the QIF under the guarantee, including information on the cost attached,
- (v) Where relevant, the impact on investors who sell their units prior to the maturity of the guarantee

2.4 **Leverage**

- 2.4.1 The means through which the QIF will employ leverage.
- The quantitative parameters on the extent of leverage employed by the QIF or a statement that leverage is unlimited. If unlimited, an indication of the typical levels of leverage that will be employed on an ongoing basis
- 2.4.2 Details of collateral which may be provided to secure borrowings

2.5 **Distribution/Dividend policy**

Note: Amendments to distribution policy must be notified to unitholders in advance of implementation

Distributing QIF/classes

- 2.5.1 Information in relation to the intention to pay dividends;
- 2.5.2 Distribution date(s);
- 2.5.3 Time limit after which entitlement to dividend lapses and the procedure in that event;
- 2.5.4 If dividends can be paid out of capital a statement to this effect together with the potential impact of this policy

2.6 **Information Concerning a Management Company**

- 2.6.1 Name
- 2.6.2 Form in law
- 2.6.3 Registered office

2.6.4	Head office (if different from registered office)	<input type="text"/>
2.6.5	If the company is part of a group, the name of the group	<input type="text"/>
2.6.6	The ultimate parent	<input type="text"/>
2.6.7	Date of incorporation	<input type="text"/>
2.6.8	Name of the Company Secretary	<input type="text"/>
2.6.9	Names and positions of directors	<input type="text"/>
2.6.10	A brief description of the directors' work experience a) current b) past c) their main activities outside the company which are relevant to the QIF	<input type="text"/>
2.6.11	Amount of authorised and paid up share capital (minimum €125,000)	<input type="text"/>
2.6.12	Other collective investment schemes under management (Note: It is not necessary to provide the names of the collective investment schemes and it may be appropriate to provide an approximate number only)	<input type="text"/>
2.6.13	Confirm that the <u>Management Company</u> appoints a) the Administrator b) the Investment Manager/Advisor and c) any Distributor (If any of the administration/investment management/distribution functions are delegated the Management Company must appoint them and not the scheme itself)	<input type="text"/>

2.7	Information concerning the Trustee/Custodian
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2.7.1	Name	<input type="text"/>
2.7.2	Form in law	<input type="text"/>
2.7.3	Registered Office	<input type="text"/>
2.7.4	Head Office (if different from the registered office i.e. where the trustee is a branch)	<input type="text"/>
2.7.5	Main Activity	<input type="text"/>
2.7.6	Ensure that any reference to the trustee / custodian's liability is consistent with the liability provisions in the Custodian Agreement/Trust Deed	<input type="text"/>

2.8	Information concerning the Investment Manager/Advisor/CTA/ Money Manager etc.
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2.8.1	- Investment manager with discretionary powers appointed by the QIF /management company;	<input type="text"/>
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- Investment Advisor, i.e. entity with no discretionary powers, paid directly by the QIF; and /or

- Sub-investment managers with discretionary powers paid directly by the QIF (tick as appropriate)

a) Name of the entity

b) Address

c) Brief business description (e.g. management of other collective investment schemes)

2.9	Sub investment managers with discretionary powers not paid directly by the QIF;
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a) Indicate that:
the Investment Manager may delegate investment management to sub-investment managers, etc.;

b) such sub-investment managers are not paid directly out of the QIF; and

c) details of these entities will be provided to unitholders on request and will be disclosed in the periodic reports

2.10	Information Concerning the Fund Administration Company
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2.10.1 Name

2.10.2 Form in law

2.10.3 Registered Office

2.10.4 Head Office (if different from registered office)

2.10.5 Brief business description

2.11	Information concerning the Transfer Agent
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(Note: To be completed when the QIF/management company appoints a transfer agent, directly or indirectly, and this entity is in addition to the Fund Administration/ Management Company)

2.11.1 Name

2.11.2 Form in law

2.11.3 Registered Office

2.11.4 Head Office (if different from registered office)

2.11.5 Brief business description

2.12	General Information
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2.12.1 Conflict of Interests

a) A description of the potential conflicts of interest which could arise between the management company, investment company, administrator, trustee, investment advisor, other related entities, and the QIF

b) Indicate how these will be resolved (a reference to an intention to resolve fairly is acceptable)

c) Where a “competent person” who will value unlisted securities is a related party to the QIF, a description of the possible conflict of interests which may arise (e.g. in the case of a valuation provided by an investment manager; the investment manager's fee will increase as the value of the QIF increases)

2.12.2 Dealings by Connected Parties

The provisions of paragraphs 1 and 2 of Notice NU 2, if it is envisaged that transactions with related parties may be entered into

2.12.3 Soft commissions

a) A description of soft commission arrangements which may be entered into by a management/investment management /administration company.

Provide that:

b) The broker/counterparty has agreed to provide best execution; and

c) Benefits provided must be those which assist in the provision of investment services to the QIF.

2.12.4 Note: Directed brokerage programmes and similar arrangements (e.g. fee sharing, commission rebates, retrocessions and hard commissions) are subject to the provisions of the Financial Regulators memorandum dated 21 November 2002

2.12.5 Material Contracts

a) The material provisions of the contracts between third parties and the management company/QIF (e.g. purpose of appointment, indemnity provisions, termination provisions); and

b) A brief description of the duties being performed

2.12.6 Paying Agents/Distributors

a) The intention to appoint a distributor(s), where relevant

b) Where appropriate, provide that

(i) Local regulations in EEA countries may require the appointment of paying agents and maintenance of accounts by such agents through which subscriptions and redemption monies may be paid;

(ii) Investors who choose, or are obliged under local regulations to

pay/receive subscription/redemption monies via an intermediary entity rather than directly to the custodian of the QIF (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to

- subscription monies prior to the transmission of such monies to the custodian for the account of the QIF and
- redemption monies payable by such intermediate entity to the relevant investor

2.13	Reports and Accounts
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2.13.1	Annual accounting date	
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2.13.2	Date of the initial annual reports	
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2.13.3	The half yearly accounting date	
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2.13.4	Date of the initial half yearly report.	
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2.13.5	Confirm that the first set of accounts (semi-annual/ annual) are within 9 months of the authorisation date and published within 2 months if semi annual and 4 months if annual.	
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2.13.6	Confirm the first annual audited accounts are within 18 months of incorporation/establishment and published within 4 months.	
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2.13.7	An indication where:	
a)	The Trust Deed/Deed of Constitution/ Memorandum and Articles of Association/Partnership Agreement, if not annexed, and	

b)	the periodic reports <u>may be obtained</u> (available for inspection is not acceptable)	
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2.14	Subscription and Redemption Procedures
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2.14.1	Procedures and conditions for the issue and sale of units	
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2.14.2	Procedures and conditions for the repurchase of units	
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2.14.3	Note: dealing must be carried out on a forward pricing basis i.e. the dealing deadline is <u>before</u> the valuation point	
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2.14.4	<u>Dealing Day(s)</u>	
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a)	In the case of open-ended QIFs, provide for at least one dealing day per quarter.	
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Note: In the case of QIFs who will classify as investment funds with limited liquidity, dealing frequency is not subject to any regulatory parameters

b)	If the prospectus provides wording to the effect that " or such other dealing days as the directors /manager determine", include a provision to clarify that there will be at least one dealing day per quarter and that all unitholders will be notified in advance.	
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c)	If the prospectus provides wording to the effect that " and such other dealing days as the directors/manager determine", include a	
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provision to clarify that all unitholders will be notified in advance.

Subscriptions

- 2.14.5 Provide that units will be issued at NAV per unit (plus duties and charges – if applicable);
- 2.14.6 Maximum subscription charge (if any);
- 2.14.7 Deferred sales charge (if any);
- 2.14.8 Initial offer price;
- 2.14.9 Initial offer period;
- 2.14.10 Details of how ownership will be confirmed e.g. unit/share certificates or written confirmation of entry on the register;
- 2.14.11 The characteristics of units/shares, i.e. registered;

Redemptions

- 2.14.12 Provide that units will be redeemed at NAV per unit (less duties and charges – if applicable);
- 2.14.13 Maximum redemption charge, if any:

Note:

- a) In the case of open-ended QIFs, a redemption charge must not exceed 5%, and
- b) the ability to apply redemption charges must be highlighted.

2.14.14 Settlement Period

Indicate the period within which redemption proceeds will normally be paid or discharged to investors.

The period between the dealing deadline for redemption requests and payment to investors should reflect the frequency of dealing i.e. daily, weekly and in any event should not exceed 90 calendar days from the dealing deadline. (In the case of NU 1 and NU 22 schemes refer to A.2.2.5 of Appendix 1)

2.14.15 Limitations in relation to redemptions (applicable to open-ended QIF's only):

Monthly dealing:

If total requests for redemption on any Dealing Day for the QIF/sub-fund exceed 10% of the net asset value of the QIF/sub-fund, the Directors / management company may in their discretion refuse to redeem any units in excess of 10%. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the units to which the original request related have been redeemed.

Quarterly dealing:

If total requests for redemption on any Dealing Day for the QIF/sub-fund exceed 25% of the net asset value of the QIF/sub-fund, the Directors may in their discretion refuse to redeem any units in excess of 25%. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the units/shares to which the original request related have been redeemed.

2.14.16 Redemption in Specie

In the case of redemption in specie, the following provisions are acceptable:

- a) Redemption in specie is at the discretion of the QIF and with the consent of the redeeming shareholder/unitholder;
- b) Asset allocation is subject to the approval of the trustee/custodian;
- c) A determination to provide redemption in specie may be made solely at the discretion of the QIF where a redeeming unitholder requests redemption of a number of units that represent 5% or more of the net asset value of the QIF. In this event the QIF will, if requested, sell the assets on behalf of the unitholder. (The cost of the sale can be charged to the unitholder.)

2.14.17 Anti-Dilution Levy – Subscriptions/Redemptions

If applicable, provide that:

In calculating the subscription/redemption price for the QIF, the Directors may on any dealing day, when there are net subscriptions/redemptions, adjust the subscription/redemption price by adding/deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the QIF

2.15	Dealing Procedures
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2.15.1 Subscription and redemptions by way of original documentation

- a) Provide that applications for
 - (i) subscriptions
 - (ii) redemptionsare made to the management company/ fund administrator by way of a signed original subscription/redemption application form
- b) Where the prospectus provides that such applications should be forwarded to the Distributor (or any other entity), ensure 'for onward transmission to the Manager/Administrator (as relevant)' is included.

2.15.2 Subscriptions and redemptions by way of faxed documentation (if relevant)

Provide that:

- a) Initial subscriptions may be processed upon receipt of a faxed instruction;
- b) The original subscription form (and supporting

documentation in relation to money laundering prevention checks) must be received promptly; and

c) No redemption payment may be made from that holding until the original subscription application form has been received from the investor and all documentation required by the scheme (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed

d) Confirm that the subscription application form incorporates a statement to the effect that redemptions will not be processed on non cleared/verified accounts

f) The following may be included:
Subsequent faxed subscriptions requests into the investor's account may be processed without a requirement to submit original documentation

Provide that:

g) Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation; and

h) Redemption orders will be processed on receipt of faxed instructions only where payment is made to the account of record.

2.15.3 Subscription and redemptions by other methods (e.g. electronic) Where it is proposed to use alternative methods of processing subscription and redemption orders the subscription/redemption application form sets out a provision permitting an investor to avail of this facility

2.16	Temporary Suspensions
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2.16.1 The circumstances in which repurchase or redemption may be temporarily suspended

2.16.2 Provide that the Financial Regulator will be notified immediately (without delay) of any such temporary suspension

2.16.3 Confirm temporary suspension only is provided for

2.16.4 Confirm that there is no provision under which the Trustee may request a suspension

2.17 **Closed-ended QIF**

2.17.1 The finite closed-ended period of the QIF and provisions, where relevant, to extend this period

2.17.2 In the case of an umbrella QIF, the closed-ended period of each sub-fund

Note: It is possible to establish an umbrella QIF with both open,

limited liquidity and closed sub-funds. In this case the prospectus may provide that notwithstanding the right of unitholders to request redemption of their holding, certain sub-funds may be established with no rights of redemption, subject to conditions set down by the Financial Regulator.

2.18	Fees and Expenses
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2.18.1 Information regarding fees, costs and expenses payable from the QIF's assets. (Note: this information must be set out in a single section)

2.18.2 a) Details of how fees are accrued and paid (i.e. daily, weekly, monthly in arrears)

Note: (i) if fees are payable in advance the relevant party must have agreed to repay any fees not earned if the agreement is terminated.

(ii): If provision is made for penalty fees, (e.g. fees that may arise on early termination of an appointment), these must be disclosed

b) The basis of the fee calculation (e.g. % per annum of net asset value, gross asset value, gross proceeds)

c) The maximum fee and out of pocket expenses, where such fees are payable directly from the assets of the QIF, to:

(i) Management company/ investment manager

(ii) Administrator/ Transfer Agent

(iii) Trustee/Custodian

(iv) Sub-custodian fees and transaction charges (or state that they will be at normal commercial rates)

(v) Sub Investment Manager

(vi) Investment Adviser

(vii) Distributor

(viii) Sub-Distributor/Paying Agent

(ix) Directors

(x) Prime Broker (or state that they will be at normal commercial rates)

(xi) Any other fees and expenses paid directly by the QIF
Note: It is also possible to provide a single figure which relates to all fees payable by the QIF provided it is clear what is included in the overall fee.

d) Multi-class CIS

(i) Details, where applicable, of the fees applicable to the class.

(ii)	A statement, where applicable, that other classes may be established within the QIF which may be subject to higher /lower/ no fees and that information in relation to the fees applicable to other classes is available on request.	
(iii)	A statement that information in relation to the fees applicable to other classes within the CIS is available on request.	
2.18.4	<u>Unit Trusts and Common Contractual Funds</u> Where the fees and expenses of the directors of the management company may be paid directly out of the assets of the trust, in addition to the management fee, this must be clearly stated.	
2.18.5	<u>Shareholder Servicing Agents</u> Note: If unitholders may appoint service agents directly, fees related to this service may not be paid by the QIF.	
2.18.6	All other costs and expenses, including establishment costs Indicate how costs of establishment will be dealt with in the accounts of the QIF e.g. amortised over first five accounting periods.	
2.18.7	<u>Carrying forward /backdating of fees</u> Note: (i) The carrying forward of fees from one accounting period to subsequent periods is not permitted. (ii) Backdating of fees is not permitted.	
2.18.8	Performance Fee	
(i)	Details of the performance fee	
(ii)	The calculation period, including the first calculation period	
(iii)	Details of the calculation method, e.g. percentage increase over previous highest NAV per unit	
(iv)	Accrual basis of fee and payment date(s)	
(v)	Provide that the calculation of the performance fee is verified by the custodian	
2.19	Taxation	
2.19.1	Brief indication relevant to unitholders of the tax system applicable to the QIF	
2.19.2	Details of whether deductions are made at source from the income and capital gains paid by the QIF to unitholders	
2.20	Statutory Information	
2.20.1	<u>Investment Company</u> Authorised share capital of the investment company	
2.20.2	<u>Unit Trust</u> Indicate that a unit represents the beneficial ownership of one undivided share in the assets of the Unit Trust	

- 2.20.3 Common Contractual Fund
Information in relation to the right represented by a unit in a common contractual fund
- 2.20.4 Voting rights
- a) Indication of unitholders voting rights
- b) Note: (i) In general it is expected that investors in a QIF will be provided with voting rights. QIFs may establish share classes with restricted voting rights where investment in the restricted class is at the discretion of the investor who also has an option to switch, without fee, to a voting class. In this case full disclosure of the options must be provided. It is also necessary to clarify how the QIF will ensure that investors interests will be safeguarded in the event of a proposed change to investment objectives and policies or increases in management fees.
(ii) Common contractual funds may be established without voting rights where the deed of constitution provides that the deed cannot be amended without the approval of the custodian
- 2.20.5 Winding up/Termination
- a) (i) The distribution provisions on the termination/ winding up of the QIF, in particular those affecting unitholders, which must reflect the constitutional document
- b) (i) The circumstances in which units in the QIF can be redeemed compulsorily, which must reflect the constitutional document.
- 2.20.5 Valuation Rules for the QIFs assets
- a) Details of all applicable rules, which must comply with Guidance Note 1/00
- Note: ensure that there are rules to value all assets in which the QIF may invest
- b) Valuation frequency - which must be consistent with dealing frequency
- 2.20.7 Subscription/Redemption Prices
- a) A statement that the subscription and redemption prices are available to unitholders on request

2.21	Umbrella Funds
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- 2.21.1 In the case of investment companies, a statement on the cover of the prospectus that the QIF is an umbrella scheme ‘with segregated liability between sub-funds’
- 2.21.2 Existing sub-funds
- insert a general statement that a list of all sub-funds will be available upon request or insert a list in the main prospectus /supplement
- 2.21.3 A statement that new sub-funds require the approval of the Financial Regulator
- 2.21.4 Investment Companies authorised before 30 June 2005

establishing new sub-fund by way of prospectus

Where the proposed sub-fund, or existing sub-funds have as an objective the employment of leverage (including material borrowings) confirm that the QIF has taken measures to apply segregated liability between sub-funds.

2.21.5 Switching

- a) Switching procedures, where relevant.
- b) Maximum switching fee
- c) Limits to switching possibilities, where relevant

2.21.8 Cross Investment

- a) An indication of the ability to invest in other sub-funds of the umbrella, where relevant
- b) Limits in relation to cross-investment
- c) A statement that investment may not be made in a sub-fund which itself holds shares in other sub-funds within the umbrella; Note: QIFS which are constituted as unit trust schemes or common contractual funds may derogate from this requirement to the extent that investment by a sub-fund in a sister sub-fund, who in turn invests in other sister sub-funds is acceptable, provided that those sub-funds may not cross-invest within the umbrella.
- d) A statement that the investing sub-fund may not charge an annual management fee in respect of that portion of its assets invested in other sub-funds within the umbrella. This provision is also applicable to the annual fee charged by an investment manager where this fee is paid directly out of the assets of the QIF

2.22	Classes of Funds
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Note:

- It is not possible to issue a separate prospectus in respect of share classes within a QIF/sub-fund.
- All share classes must have the same dealing policy
- Where a class is established by way of a supplement to the prospectus, the supplement must include only that information which is class specific (e.g. fees, distribution policy). The prospectus should refer to the issue of share class supplements.

2.22.1 Unit Trust

Are classes being created that restrict investment to specific categories of unitholders?

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If yes, confirm in a covering letter that the proposal complies with the Unit Trusts Act 1990 in relation to public participation

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2.23	Authorisation status
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2.23.1	A statement in a prominent position and in bold text that the QIF has been authorised by the Irish Financial Services Regulatory Authority ("the Financial Regulator") to market solely to qualifying investors.	
2.23.2	A statement in a prominent position and in bold text as follows: 'Accordingly, while this Qualifying Investor Fund is authorised by the Financial Regulator, the Financial Regulator has not set any limits or other restrictions on the investment objectives, the investment policies or on the degree of leverage which may be employed by the scheme, nor has the Financial Regulator reviewed this prospectus.'	
2.23.3	<u>For Investment Companies</u> A statement that: The QIF must comply with the aim of spreading investment risk in accordance with Section 253(2)(a) of the Companies Act, 1990 Part XIII	
2.23.4	A minimum subscription requirement of at least €250,000 (or its equivalent in other currencies)	
2.23.5	Define Qualifying Investor as follows: a) Any natural person with a minimum net worth (which excludes main residence and household goods) in excess of €1,250,000; or b) Any institution (an entity other than a natural person) <ul style="list-style-type: none"> • Which owns or invests on a discretionary basis at least €25,000,000 or its equivalent in other currencies or • The beneficial owners of which are qualifying investors in their own right 	
2.23.6	Indicate that qualifying investors must certify in writing to the investment company, or management company in the case of a unit trust or common contractual fund (general partner in the case of an investment limited partnership) that they meet the minimum criteria listed in 2.23.5 above 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	
2.23.7	An exemption from the minimum subscription requirement and qualifying investor criteria may be provided for as follows: a) indicate that an exemption from the minimum subscription requirement can be granted to the following: (i) the management company or general partner; (ii) the promoter or an entity within the promoters group (iii) a company appointed to provide investment management or advisory services to the scheme; (iv) a director of the management company, investment company or general partner or a director of a company appointed to provide investment management or advisory services to the scheme; (v) an employee of the management company, investment company or general partner, or an employee of a company appointed to provide investment management or advisory services to the scheme, where the employee: <ul style="list-style-type: none"> • is directly involved in the investment activities of the scheme, or • is a senior employee of the company and has experience 	

in the provision of investment management services.

b) Note: Where an employee, as set out in (a)(v) above, is provided for, the management company, investment company or general partner, as appropriate, must be satisfied that prospective investors fall within the criteria outlined

c) Disclose that: (i) investors must certify that they are availing of the exemption provided and that they are aware that the scheme is normally marketed solely to qualifying investors who meet a high net worth test and are subject to a minimum subscription of €250,000; and

d) (ii) the investors must complete the certification requirements set out in 2.23.6 above

2.23.8 Include the following risk warnings in a prominent position and in bold text:

a) The potential for above average risk involved; and

b) The suitability of this type of investment only for people who are in a position to take such a risk

2.24. Appointment of Prime Broker(s) and Arrangements with Other Financing Counterparties pursuant to draft Guidance Note -/04 (June 2004)

2.24.1 a) A statement that the QIF may pass its assets to a prime broker ("PB") which assets the PB may pledge, lend, rehypothecate or otherwise utilise for its own purposes

b) The identity of the prime broker and material provisions of the prime broker agreement

c) Provide that there is no limit on the extent to which assets may be passed to the PB or if there is a limit the extent of the limit (if applicable).

2.24.2 For other financing counterparties, a statement where relevant that:
The QIF may enter into arrangements with counterparties, including counterparties to OTC financial derivative instruments, where:

a) the counterparty has a minimum credit rating of A2/P2;

b) transactions which may give rise to counterparty risk exposure in excess of 40% of net asset value will be made in accordance with the conditions applicable to the appointment of prime brokers, as set out in the draft Guidance Note.

Note: Counterparty risk exposure must be measured on an aggregate basis and will include, for example, exposures arising from investments in securities issued by the counterparty, amounts held on deposit and OTC derivative positions.