

Master / Feeder
UCITS
Schemes

DILLON  EUSTACE

DUBLIN BOSTON NEW YORK TOKYO

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Master / Feeder UCITS Schemes

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This Memorandum sets out the provisions in relation to Master-Feeder Fund structures stemming from the European Commission Directive 2009/65/EC, commonly referred to as the UCITS IV Directive, (the “**Directive**”) and implementing Directive 2010/42/EU (the “**Implementing Directive**”) which have been implemented into Irish law by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (the “**UCITS Regulations**”).

SCOPE AND APPROVAL

Scope

Regulations 78-87 of the UCITS Regulations adopt the provisions of Articles 58-67 of the UCITS Directive relating to master feeder structures. They provide that a feeder UCITS is a UCITS or a sub-fund of a UCITS (the “**Feeder**”), which has been approved to invest at least 85% of its assets in units of another UCITS or sub-fund thereof (the “**Master**”). A Feeder may hold up to 15 % of its assets in one or more of the following, namely, (i) ancillary liquid assets (ii) financial derivative instruments and (iii) movable and immovable property which is essential for the direct pursuit of the business¹.

In calculating its global exposures related to financial derivative instruments, the Feeder must calculate its global exposure by combining its own direct exposure to financial derivative instruments with either:

- (a) The Master’s actual exposure to financial derivative instruments in proportion to the Feeder’s investment into the Master; or
- (b) The Master’s potential maximum global exposure to financial derivative instruments provided for in the Master’s trust deed, deed of constitution or articles in proportion to the Feeder’s investment into the Master².

A Master is a UCITS or a sub-fund of a UCITS which:

- (a) has, among its unitholders, at least one Feeder;
- (b) it is not itself a Feeder; and
- (c) does not hold units of a Feeder³.

¹ Reg 78 (2) (a) of the UCITS Regulations

² Reg 78 (2) (b) of the UCITS Regulations

³ Reg 78 (3) of the UCITS Regulations

Approval by the Central Bank

In accordance with Regulation 79 (1) of the UCITS Regulations, the Feeder will be subject to the prior approval of the Central Bank before it can exceed the usual investment limits regarding investment in other collective investment schemes and therefore invest in the Master. The UCITS Regulations also provide that the Feeder will be informed within 15 working days following the submission of a complete file to the Central Bank whether or not investment into the Master is permitted⁴.

Regulation 79 (3) of the UCITS Regulations also sets out the information to be provided to the Central Bank as part of the application by the Feeder to invest in the Master which includes, (i) the fund rules of the Master, (ii) the prospectus and key investor information document (“KIID”) of the Master, (iii) the agreement between the Feeder and the Master or internal conduct of business rules (as further described below), (iv) the information sharing agreements between the trustees of the Master and Feeder (where relevant), (v) information sharing agreements between the auditors of the Master and Feeder (where relevant) and (vi) an attestation by the competent authorities of the Master (where the Master is established in another Member State) that the Master is a UCITS.

COMMON PROVISION FOR FEEDER AND MASTER

Agreement and Internal Conduct of Business Rules between the Master and Feeder

In line with the Article 60 of the Directive, Regulation 80 (1) of the UCITS Regulations requires that a Master authorised by the Central Bank, must provide the Feeder with all the documents and information necessary for the latter to meet the requirements laid down in the UCITS Regulations or, in the case of a Feeder established in a Member State other than the State, laid down in the Directive. For this purpose, both the Master and the Feeder must enter into an information sharing agreement (the “**Agreement**”) or, where both the Master and Feeder have the same management company, an internal conduct of business rules (the “**Business Rules**”).

Regulation 80 (6) refers to Part I of Schedule 10 of the UCITS Regulations which adopts the provisions of the Implementing Directive in relation to what the Agreement and / or Business Rules should contain.

⁴ Reg 79 (2) of the UCITS Regulations

Access to Information

The Agreement between the Master and the Feeder must include the following with regard to access to information⁵.

- (a) Details of how and when the Master provides the Feeder with a copy of its constitutional document, prospectus and KIID or any amendment thereof;
- (b) Details of how and when the Master informs the Feeder of a delegation of investment and risk management to third parties;
- (c) Where applicable, how and when the Master provides the Feeder with internal operational documents, such as its risk management process and its compliance reports;
- (d) What details of breaches by the Master of the law, the constitutional document and the Agreement, the Master should notify the Feeder of and the manner and timing of such notification;
- (e) where the Feeder uses financial derivative instruments for hedging purposes, how and when the Master will provide the Feeder with information about its actual exposure to financial derivative instruments to enable the Feeder to calculate its own global exposure as envisaged by the UCITS IV Directive;
- (f) A statement that the Master informs the Feeder of any other information-sharing arrangements entered into with third parties and, where applicable, how and when the Master makes those other information-sharing arrangements available to the Feeder.

Basis of Investment by the Feeder

In addition, with regard to the basis of investment and divestment by the Feeder, the Agreement or Business Rules should include a statement of which share classes of the Master are available for investment by the Feeder as well as details of the charges and expenses to be borne by the Feeder, and details of any rebate or retrocession of charges or expenses by the Master. Further, if applicable, the Agreement or Business Rules should include the terms on which any initial or subsequent transfer of assets in kind may be made from the Feeder to the Master⁶.

Standard Dealing Arrangement

Further, the Agreement or Business Rules must include the following with regard to standard dealing arrangements⁷:

⁵ Paragraph 1 of Part of Schedule 10 of the UCITS Regulations

⁶ Paragraphs 2 and 10 of Part 1 of Schedule 10 of the UCITS Regulations

⁷ Paragraphs 3 and 11 of Part 1 of Schedule 10 of the UCITS Regulations

- (a) Co-ordination of the frequency and timing of the net asset value (“NAV”) calculation process and the publication of prices of units;
- (b) co-ordination of transmission of dealing orders by the Feeder, including, where applicable, the role of transfer agents or any other third party;
- (c) Where applicable, any arrangements necessary to take account of the fact that either or both UCITS are listed or traded on a secondary market;
- (d) Where necessary, other appropriate measures in order to avoid market timing in their units and prevent arbitrage opportunities;
- (e) Where the units of the Feeder and the Master are denominated in different currencies, the basis for conversion of dealing orders;
- (f) settlement cycles and payment details for subscriptions and redemptions of units of the Master including, where agreed between the parties, the terms on which the Master may settle redemptions by a transfer of assets in kind to the Feeder;
- (g) Procedures to ensure enquiries and complaints from unit-holders are handled appropriately (Agreement only);
- (h) where the Fund Documents of the Master give it certain rights or powers in relation to unit-holders, and the Master chooses to limit or forego the exercise of all or any such rights and powers in relation to the Feeder, a statement of the terms on which it does so.

Events affecting Dealing Arrangements

With regard to any events affecting dealing arrangements, the Agreement or Business Rules should include the manner and timing of a notification by either UCITS of the temporary suspension and the resumption of redemption or subscription of units of that UCITS as well as arrangements for notifying and resolving pricing errors in the Master⁸.

Standard Arrangements for the Audit Report

Where the Feeder and the Master have the same accounting period, the Agreement or Business Rules should require the co-ordination of the production of their periodic reports. However, where the Feeder and the Master have different accounting years, the Agreement or Business Rules must provide for arrangements which enable the Feeder to obtain any necessary information from the Master in it to produce its periodic reports on time and which ensure that the auditor of the Master is in a position to produce an ad hoc report on the closing date of the Feeder⁹.

⁸ Paragraphs 4 and 12 of Part 1 of Schedule 10 of the UCITS Regulations

⁹ Paragraphs 5 and 13 of Part 1 of Schedule 10 of the UCITS Regulations

Changes to Standing Arrangements

With regard to changes to standing arrangements, the Agreement is required to include the manner and timing of notice¹⁰:

- (a) to be given by the Master of proposed and effective amendments to its Fund Documents, if these details differ from the standard arrangements for notification of unit-holders laid down in the Master constitutional documents or prospectus;
- (b) by the Master of a planned or proposed liquidation, merger, or division;
- (c) by either UCITS that it has ceased or will cease to meet the qualifying conditions to be a Feeder or a Master respectively;
- (d) by either UCITS that it intends to replace its management company, its depository, its auditor or any third party which is mandated to carry out investment management or risk management functions;
- (e) of other changes to standing arrangements that the Master undertakes to provide.

Choice of the Applicable Law

Where the Feeder and the Master are established in the same Member State, the Agreement should provide that the law of that Member State should apply to the Agreement and that both parties agree to the exclusive jurisdiction of the courts of that Member State. However, where the Feeder and the Master are established in different Member States, the Agreement must provide that the applicable law should be the law of the Member State in which either party is established and that both parties agree to the exclusive jurisdiction of the courts of that Member State¹¹.

¹⁰ Paragraph 6 of Part 1 of Schedule 10 of the UCITS Regulations

¹¹ Paragraphs 7 and 8 of Part 1 of Section 10 of the UCITS Regulations

LIQUIDATION, MERGER OR DIVISION OF THE MASTER

Procedures in the Event of Liquidation of Master

Regulation 80 (4) of the UCITS Regulations sets out what is expected of a Feeder authorised by the Central Bank when a Master is liquidated¹². Further information on this is provided in Paragraph 17 of Part 2 of Schedule 10 of the UCITS Regulations. The Feeder will be required to submit to its competent authorities no later than two months after the date on which the Master has informed it of the binding decision to liquidate, the following:

- (a) where the Feeder intends to invest at least 85 % of its assets in units of another Master in accordance with the UCITS IV Directive¹³: (i) its application for approval for that investment, (ii) the proposed amendments to its constitutional document, (iii) amendments to its prospectus and KIID and (iv) any other documents required under Article 59(3) of the UCITS IV Directive¹⁴ (including its constitutional documents, the Agreement or Business Rules and unit-holder information document or information sharing agreements between the auditors or depositaries);
- (b) where the Feeder intends to convert into a UCITS that is not a feeder UCITS in accordance with the UCITS IV Directive - its application for approval of the proposed amendments to its constitutional document;
- (c) where the Feeder intends to be liquidated - a notification of that intention.

By way of derogation from the above, where the Master informed the Feeder of its binding decision to liquidate more than five months before the date at which the liquidation will start, the Feeder should submit to its competent authorities its application or confirmation in accordance with one of the points (a), (b) or (c) above at least three months before that date. Furthermore, the Feeder must inform its unit-holders of its intention to be liquidated without undue delay¹⁵.

The Feeder must inform its unitholders of its intention to be liquidated without undue delay.

The Feeder must be informed within 15 working days following the complete submission of the documents referred to in Regulation 79 (3) of the UCITS Regulations, whether the

¹² Liquidation of a Master authorised by Central Bank must take place no sooner than 3 months after the Master has informed all Unitholders and the competent authority of the Feeder of the binding decision to liquidate.

¹³ Reg 80 (4) (a) of the UCITS Regulations

¹⁴ Reg 79 (3) of the UCITS Regulations

¹⁵ Paragraphs 18 and 19 of Part 2 of Schedule 10 of the UCITS Regulations

competent authorities have granted the required approvals and on receiving the competent authorities' approval, the Feeder must inform the Master.

Where the payment of the liquidation proceeds of the Master is to be executed before the date on which the Feeder is to start to invest in either a different Master pursuant to Regulation 80 (4) of the UCITS Regulations or in accordance with its new investment objectives and policy pursuant to Regulation 80 (5) of the UCITS Regulations, the Central Bank must grant approval to the Feeder (assuming it is authorised by the Central Bank) subject to the following conditions:

- (i) the Feeder should receive the proceeds of the liquidation in (a) cash or (b) some or all of the proceeds as a transfer of assets in kind where the Feeder so wishes and where the Agreement or the Business Rules and the binding decision to liquidate provide for it. The Feeder may realise any part of the assets transferred in kind for cash at any time;
- (ii) any cash held or received in accordance with this paragraph may be re-invested only for the purpose of efficient cash management before the date on which the Feeder is to start to invest either in a different Master or in accordance with its new investment objectives and policy.

Procedures in the event of a Merger or a Division of Master

Regulation 80 (5) of the UCITS Regulations sets out what is expected of a Feeder authorised by the Central Bank where a Master merges with another UCITS or is divided into two or more UCITS. Further information on this is provided in Part 2 of Schedule 10 of the UCITS Regulations.

The Feeder must submit the following to its competent authorities, no later than one month after the date on which the Feeder received the information of the planned merger or division¹⁶:

- (a) where the Feeder intends to continue to be a Feeder of the same Master:
 - (i) its application for approval thereof including,
 - (ii) where applicable, it's application for approval of the proposed amendments to its constitutional document,
 - (iii) where applicable, amendments to its prospectus and KIID;
- (b) where the Feeder intends to become a Feeder of another Master resulting from the proposed merger or division of the Master or where the Feeder intends to

¹⁶ Paragraph 21 of Part 2 of Schedule 10 of the UCITS Regulations

invest at least 85% of its assets in units of another Master not resulting from the merger or division:

- (i) its application for approval of that investment;
- (ii) its application for approval of the proposed amendments to its constitutional document;
- (iii) amendments to its prospectus and KIID;
- (iv) the other documents required under Regulation 79 (3) of the UCITS Regulations (including its constitutional documents, the Agreement or Business Rules and unit-holder information document or information sharing agreements between the auditors or depositaries);

(c) where the Feeder intends to convert into a UCITS that is not a Feeder:

- (i) its application for approval of the proposed amendments to its constitutional document;
- (ii) the amendments to its prospectus and its KIID;

(d) where the Feeder intends to be liquidated:

- (i) a notification of that intention.

It should be noted that, the expression "continues to be a Feeder of the same Master" refers to cases where the Master is the receiving UCITS in a proposed merger or the Master is to continue materially unchanged as one of the resulting UCITS in a proposed division. While the expression "becomes a Feeder of another Master resulting from the merger or division of the Master" refers to cases where the Master is the merging UCITS and, due to the merger, the Feeder becomes a unit-holder of the receiving UCITS or the Feeder becomes a unit-holder of a UCITS resulting from a division that is materially different to the Master¹⁷.

By way of derogation from Paragraph 21 of Part 2 of Schedule 10 of the UCITS Regulations, in cases where the Master provided the appropriate and accurate information on the proposed merger to enable unit-holders to make an informed judgement on the impact of the proposal on their investment, referred to in or comparable with (including but not limited to the background, rationale and any material implications of the proposal) to the Feeder more than four months before the proposed effective date, the Feeder should submit to its competent authorities its application or confirmation in accordance with one of the points (a) to (d) of Paragraph 21 of Part 2 of Schedule 10 of the UCITS Regulations at the latest three months before the proposed effective date of the merger or division of the Master. The

¹⁷ Paragraph 22 of Part 2 of Schedule 10 of the UCITS Regulations

Feeder should also inform its unit-holders and the Master of its intention to be liquidated without undue delay¹⁸.

Paragraph 24 of Part 2 of Schedule 10 of the UCITS Regulations imposes an obligation on the Feeder to inform its unitholders and the Master of its intention to be liquidated.

The Feeder should be informed within 15 working days following the complete submission of the documents referred to in Regulation 79 (3) of the UCITS Regulations whether the competent authorities have granted the required approvals.

Upon receipt of the information that the competent authorities have granted approval, the Feeder must inform the Master of it. After the Feeder has been informed that the competent authorities have granted the necessary approvals pursuant to Regulation 79 of the UCITS Regulations, the Feeder must take necessary measures to comply with Article 64 of UCITS Directive, i.e. provide, inter alia, its unit-holders with a statement that the competent authorities of its home Member State approved the investment of the Feeder in units of the Master and a copy of the KIID of the Feeder and the Master. The Feeder should also provide the date when it is to start to invest in the Master or (if it has already invested therein) the date when its investment will exceed the limit in Article 55(1) and a statement that the unit-holders have the right to request a redemption within 30 days. Such information is to be provided at least 30 days prior to the date the Feeder will invest in the Master.

In the cases of Regulation 80 (5) and Regulation 84 (1) of the UCITS Regulations, the Feeder should exercise the right to a redemption of its units in the Master, where the competent authorities of the Feeder have not granted the necessary approvals required pursuant to Article 22 (1) of the UCITS Directive by the working day preceding the last day on which units in the Master can be repurchased or redeemed before the merger or division is effected. The Feeder should also exercise its right in order to ensure that the right of its own unit-holders to request repurchase or redemption of their units in the Feeder is not affected. Before exercising the right referred to above, the Feeder should consider available alternative solutions which may help to avoid or reduce transaction costs or other negative impacts for its own unit-holders.

Where the Feeder requests repurchase or redemption of its units in the Master, it should receive the redemption proceeds in cash or some or all of the redemption proceeds as a transfer in kind where the Feeder so wishes and where the agreement between the Feeder and the Master provides for it. Where the latter option applies, the Feeder may realise any part of the transferred assets for cash at any time.

The competent authorities of the Feeder should grant approval on the condition that any cash held or received as above may be re-invested only for the purpose of efficient cash

¹⁸ Paragraph 23 of Part 2 of Schedule 10 of the UCITS Regulations

management before the date on which the Feeder is to start to invest either in the new Master or in accordance with its new investment objectives and policy¹⁹.

DEPOSITARIES AND AUDITORS

Content of the Information-Sharing Agreement between Depositories

Regulation 81 (1) of the UCITS Regulations provides that where a Master and a Feeder have different depositories, those depositories must enter into an information sharing agreement in order to ensure the fulfilment of the duties of both depositories.

The information-sharing agreement between the depository of the Master and the depository of the Feeder (the “**Depository Agreement**”) must include the following²⁰:

- (a) the identification of the documents and categories of information which are to be routinely shared between both depositories, and whether such information or documents are provided by one depository to the other or made available on request;
- (b) the manner and timing, including any applicable deadlines, of the transmission of information by the depository of the Master to the depository of the Feeder;
- (c) the co-ordination of the involvement of both depositories, to the extent appropriate in view of their respective duties under national law, in relation to operational matters, including:
 - (i) the procedure for calculating the net asset value of each UCITS, including any measures appropriate to protect against the activities of market timing and arbitrage opportunities in their units;
 - (ii) the processing of instructions by the Feeder to purchase, subscribe, repurchase or redeem units in the Master, and the settlement of such transactions, including any arrangement to transfer assets in kind;
- (d) the co-ordination of accounting year-end procedures;
- (e) what details of breaches by the Master of the law and the fund rules or instrument of incorporation the depository of the Master should provide to the depository of the Feeder and the manner and timing of their provision;
- (f) the procedure for handling ad hoc requests for assistance from one depository to the other;
- (g) identification of particular contingent events which ought to be notified by one depository to the other on an ad hoc basis, and the manner and timing in which this will be done.

¹⁹ Paragraph 25 of Part 2 of Schedule 10 of the UCITS Regulations

²⁰ Paragraph 26 of Part 3 of Schedule 10 of the UCITS Regulations

With regard to the choice of applicable law, where the Feeder and the Master have concluded an Agreement (as defined above), the Depositary Agreement must be governed by the law of the same Member State and both depositaries must agree to the exclusive jurisdiction of the courts of that Member State. However, where the agreement between the Feeder and the Master has been replaced by Business Rules, the Depositary Agreement must provide that the law applying to that agreement should be either that of the Member State in which the Feeder is established or, where different, that of the Member State in which the Master is established, and that both depositaries agree to the exclusive jurisdiction of the courts of the Member State whose law is applicable to the Depositary Agreement²¹.

Reporting of irregularities by the depositary of the Master

The depositary of a Master authorised by the Central Bank must immediately inform the Central Bank, the Feeder and where applicable the depositary of the Feeder about any irregularities it detects with regard to the Master which are deemed to have a negative impact on the Feeder²².

The irregularities which the depositary of the Master detects in the course of carrying out its function and which may have a negative impact on the Feeder should include, (i) errors in the NAV calculation of the Master, (ii) errors in transactions for or settlement of the purchase, subscription, repurchase or redemption of units in the Master undertaken by the Feeder, (iii) errors in the payment or capitalisation of income arising from the Master, or in the calculation of any related withholding tax, (iv) breaches of the investment objectives, policy or strategy of the Master, as described in its constitutional document, prospectus or KIID as well as (v) breaches of investment and borrowing limits set out in national law or in the constitutional document, prospectus or KIID²³.

Information-Sharing Agreement between Auditors

Regulation 82 (1) of the UCITS Regulations provide that where a Master and a Feeder have different auditors, these auditors must enter into an information sharing agreement in order to ensure the fulfilment of the duties of both auditors.

The information-sharing agreement between the auditor of the Master and the auditor of the Feeder (the “**Auditors Agreement**”) must include the following²⁴:

- (a) the identification of the documents and categories of information which are to be routinely shared between both auditors,

²¹ Paragraphs 14 and 15 of Part 1 of Schedule 10 of the UCITS Regulations

²² Regulation 81 (2) of the UCITS Regulations

²³ Paragraph 27 of Part 3 of Schedule 10 of the UCITS Regulations

²⁴ Paragraph 28 of Part 4 of Schedule 10 of the UCITS Regulations

- (b) whether the information or documents referred to in point (a) are to be provided by one auditor to the other or made available on request;
- (c) the manner and timing, including any applicable deadlines, of the transmission of information by the auditor of the Master to the auditor to the Feeder;
- (d) the co-ordination of the involvement of each auditor in the accounting year-end procedures for the respective UCITS;
- (e) identification of matters that should be treated as irregularities disclosed in the audit report of the auditor of the Master for the purposes of Regulation 82 (2) of the UCITS Regulations;
- (f) the manner and timing for handling ad hoc requests for assistance from one auditor to the other, including a request for further information on irregularities disclosed in the audit report of the auditor of the Master.

The Auditors Agreement must include provisions on the preparation of the audit reports and the manner and timing for the provision of the audit report for the Master and drafts of it to the auditor of the Feeder²⁵.

Where the Feeder and the Master have different accounting year-end dates, the Auditors Agreement must include the manner and timing by which the auditor of the Master is to make the ad hoc report required by Regulation 82 (2) (b) of the UCITS Regulations, and to provide it and drafts of it to the auditor of the Feeder²⁶.

Choice of the Applicable Law

Member States must ensure that where there is an Agreement between the Feeder and the Master, the information-sharing agreement between their respective auditors must be governed the law of the same Member State and that both auditors agree to the exclusive jurisdiction of the courts of that Member State. Where the Agreement between the Feeder and the Master has been replaced by Business Rules, the Member States should ensure that the information-sharing agreement between their respective auditors should be governed either by the law of the Member State in which the Feeder is established or, where different, that of the Member State in which the Master is established, and that both auditors agree to the exclusive jurisdiction of the courts of the Member State whose law is applicable to the information-sharing agreement²⁷.

²⁵ Paragraph 29 of Part 4 of Schedule 10 of the UCITS Regulations

²⁶ Paragraph 30 of Part 4 of Schedule 10 of the UCITS Regulations

²⁷ Paragraphs 16 and 17 of Part 1 of Schedule 10 of the UCITS Regulations

ADDITIONAL INFORMATION TO BE INCLUDED IN THE PROSPECTUS OF AN IRISH AUTHORISED FEEDER

Regulation 83 (1) of the UCITS Regulations provides that the prospectus of a Feeder authorised by the Central Bank must contain the following information:

- (a) a declaration that the Feeder is a feeder of a particular Master and as such permanently invests 85% or more of its assets in units of that Master;
- (b) the investment objective and policy, including the risk profile and whether the performance of the Feeder and the Master are identical, or to what extent and for which reasons they differ, including a description of investment made in accordance with Regulation 78(2) of the UCITS Regulations;
- (c) a brief description of the Master, its organisation, its investment objective and policy, including the risk profile, and an indication of how the prospectus of the Master may be obtained;
- (d) a summary of the agreement entered into between the Feeder and the Master or of the internal conduct of business rules pursuant to Regulation 80(1) of the UCITS Regulations;
- (e) how the unit-holders may obtain further information on the Master and the agreement entered into between the Feeder and the Master pursuant to Regulation 80(1) of the UCITS Regulations;
- (f) a description of all remuneration or reimbursement of costs payable by the Feeder by virtue of its investment in units of the Master, as well as of the aggregate charges of the Feeder and the Master; and
- (g) a description of the tax implications of the investment into the Master for the Feeder.

ADDITIONAL INFORMATION TO BE INCLUDED IN THE ANNUAL AND HALF YEARLY ACCOUNTS OF AN IRISH AUTHORISED FEEDER

The annual report of the Feeder must include a statement on the aggregate charges of the Feeder and the Master. The annual and the half-yearly reports of the Feeder must indicate how the annual and the half-yearly report of the Master can be obtained.²⁸

DOCUMENTS TO BE MADE AVAILABLE TO INVESTORS OF AN IRISH AUTHORISED FEEDER

A paper copy of the prospectus, and the annual and half-yearly reports of the Master must be delivered by the Feeder to investors on request and free of charge.²⁹

OTHER RELEVANT PROVISIONS

The Feeder must send the prospectus, the KIID and any amendment thereto, as well as the annual and half yearly reports of the Master, to the Central Bank.³⁰

The Feeder must disclose in any relevant marketing communications that it permanently invests 85% or more of its assets in units of such Master³¹

Where, in connection with an investment in the units of the Master, a distribution fee, commission or other monetary benefit is received by the Feeder, its management company, or any person acting on behalf of either the Feeder or the management company of the Feeder, the fee, commission or other monetary benefit, as the case may be, must be paid into the assets of the Feeder.³²

OBLIGATION ON FEEDER AUTHORISED BY THE CENTRAL BANK TO MONITOR ACTIVITY OF MASTER

A Feeder authorised by the Central Bank must monitor effectively the activity of its Master. In performing that obligation, the Feeder may rely on information and documents received from

²⁸ Reg 83(2) of the UCITS Regulations

²⁹ Reg 83(5) of the UCITS Regulations

³⁰ Reg 83(3) of the UCITS Regulations

³¹ Reg 83(4) of the UCITS Regulations

³² Reg 85(2) of the UCITS Regulations

the Master or, where applicable, its trustee and auditor, unless there is reason to doubt their accuracy.³³

INFORMATION TO BE GIVEN TO CENTRAL BANK BY IRISH AUTHORISED MASTER

A Master authorised by the Central Bank must immediately inform the Central Bank of the identity of each Feeder which invests in its units. Where the Feeder is not authorised by the Central Bank, the Central Bank is obliged to immediately inform the competent authority of the Feeder home Member State of such investment.³⁴

SUBSCRIPTION AND REDEMPTION FEES AT MASTER LEVEL

The Master cannot charge subscription or redemption fees for the investment of the Feeder into its units or the divestment thereof.³⁵

Date: July 2011

³³ Reg 85(1) of the UCITS Regulations

³⁴ Reg 86(1) of the UCITS Regulations

³⁵ Reg 86(2) of the UCITS Regulations

 CONTACT US

Our Offices

Dublin

33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.
Tel: +353 1 667 0022
Fax.: +353 1 667 0042

Boston

26th Floor,
225 Franklin Street,
Boston, MA 02110,
United States of America.
Tel: +1 617 217 2866
Fax: +1 617 217 2566

New York

245 Park Avenue
39th Floor
New York, NY 10167
United States
Tel: +1 212 792 4166
Fax: +1 212 792 4167

Tokyo

12th Floor,
Yurakucho Itocia Building
2-7-1 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan
Tel: +813 6860 4885
Fax: +813 6860 4501

e-mail: enquiries@dilloneustace.ie
website: www.dilloneustace.ie

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Contact Points

For more details on how we can help you, to request copies of most recent newsletters, briefings or articles, or simply to be included on our mailing list going forward, please contact any of the team members below.

Andrew Bates:

email: andrew.bates@dilloneustace.ie
Tel : +353 1 673 1704
Fax: + 353 1 667 0042

Brian Dillon:

email: brian.dillon@dilloneustace.ie
Tel : +353 1 673 1713
Fax: + 353 1 667 0042

Jennifer Fox:

email: jennifer.fox@dilloneustace.ie
Tel : +353 1 673 1717
Fax: + 353 1 667 0042

Brian Higgins

email: brian.higgins@dilloneustace.ie
Tel : +353 1 673 1891
Fax: + 353 1 667 0042

Karen Jennings:

email: karen.jennings@dilloneustace.ie
Tel : +353 1 673 1720
Fax: + 353 1 667 0042

Brian Kelliher:

e-mail: brian.kelliher@dilloneustace.ie
Tel : +353 1 673 1721
Fax: + 353 1 667 0042

Donnacha O'Connor

email: donnacha.oconnor@dilloneustace.ie
Tel : +353 1 673 1729
Fax: + 353 1 667 0042

Derbhil O'Riordan

email: derbhil.oriordan@dilloneustace.ie
Tel : +353 1 673 1734
Fax: + 353 1 667 0042

DILLON  EUSTACE

DUBLIN CORK BOSTON NEW YORK TOKYO

33 Sir John Rogerson's Quay, Dublin 2, Ireland.
www.dilloneustace.ie

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