

Euronext Dublin -
Continuing
Obligations
Requirements for
Open Ended
Funds listed on
the Global
Exchange Market

DILLON  EUSTACE

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Euronext Dublin – Global Exchange Market – Continuing Obligation Requirements

Introduction

The memorandum summarises the ongoing obligations for funds listed on the Global Securities Market (the “GEM”) of Euronext Dublin (“Euronext” and previously The Irish Stock Exchange).

Full details of Euronext’s ongoing suitability and reporting requirements are set out in Chapters 1, 4 and 7 of the “Global Exchange Market – Rules for Investment Funds” (the “Listing Rules”). This memorandum sets out a general summary only of the continuing obligations for your reference. Directors and service providers to listed funds should familiarize themselves with the full requirements of the Listing Rules.

Funds listed on Euronext are also subject to the requirements of Market Abuse Regulation (EU 596/2014) (“MAR”) and Directive (2014/57/EU) on criminal sanctions for market abuse (“CSMAD”), which obligations are also summarized in our separate brochure on Market Abuse.

These obligations are imposed in order to maintain an orderly and transparent market in the shares or units of listed funds, to ensure the ongoing suitability of the funds for listing, to protect shareholders’ interests and to ensure that all relevant information is disseminated to the market without delay. This memorandum does not summarise the conditions for listing and suitability requirements which are set out fully in the Listing Rules

Any matter to be announced must, wherever possible, be notified to Euronext or a regulatory information service before 5.30 p.m. (Irish time) on the day the decision is made.

Please consult with any member of the Dillon Eustace listings team if you have any queries in relation to any aspect of these requirements and their application to the activities of a listed fund.

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SECTION A - OBLIGATIONS – APPLICABLE TO ALL FUNDS

A listed fund or its Sponsor should notify Euronext in advance in relation to any matter which they are aware which:

- a) is relevant to the continuation of the listing or may materially adversely affect the interests of shareholders as a whole or a significant proportion thereof; or
- b) may lead to a substantial change in the character of nature of the listed fund, including in certain circumstances where a delisting is proposed.

Any such changes will also require prior shareholder approval.

1. Filing of Audited Annual Report

A listed fund must prepare an audited annual report each year which must be sent to shareholders and Euronext as soon as possible after it has been approved and in any event, no later than six months of the end of the period to which it relates.

Email: FundsIE@euronext.com

Failure to file any report within the stated time limit may result in the fund's listing being suspended. In extenuating circumstances, Euronext may agree to an extension of the filing deadline. If you require an extension at any time, please notify Dillon Eustace as soon as possible. The granting of an extension is at the discretion of Euronext.

The content requirements for the annual reports are set out in section 4.2 of the Listing Rules. Dillon Eustace will be happy to review a draft of the reports for compliance with these requirements.

The annual report must:

- Be prepared in accordance with the listed fund's national law and, in all material respects, with Irish or UK GAAP, IAS, US or Canadian GAAP or acceptable equivalent accounting standards;
- Have been independently audited and reported on, in accordance with International, Irish, UK, US or Canadian or acceptable equivalent auditing standards;

- If the Fund has subsidiary undertakings, include any such subsidiaries, at the discretion of the fund, either in single or consolidated form, or both, where one form contains significant additional information not set out in the other;
- If the listed fund is a sub-fund of an umbrella, comprise the accounts for the listed sub-funds. Where the listed sub-funds are part of an umbrella without segregated liability, the accounts for the umbrella must be filed with Euronext for review; and
- A listed fund which is a feeder fund must provide the annual accounts for both the feeder fund and the underlying master fund.

Content of Annual Report

The annual report and accounts must include the following items (where relevant):

- a) A report by the Directors or the Investment Manager on the results for the period under review;
- b) A balance sheet, income statement and explanatory notes;
- c) The identity of the directors specifying which act as independent;*
- d) Details of the interests in the shares held by the Investment Manager of which the fund is aware; and
- e) Portfolio analysis – either
 - (i) Disclosing each investment – issuer, market value, percentage of net/gross assets, type of security.
 - (ii) Analysing the portfolio – by sector, security type, listed/unlisted, currency, geographical area, etc. and providing the market value and percentage of net/gross assets for each category.

* Not applicable for regulated funds

2. Notification of NAV

The Net Asset Value (“NAV”) of each listed class, and any material amendment thereto, must be notified to Euronext without delay upon calculation.

With all NAV reporting, please accurately quote the full security name and the relevant SEDOL or ISIN number, as appropriate.

3. Equal treatment of Shareholders

A listed fund must ensure equality of treatment for all shareholders who are in the same position. Where all shareholders in the same class receive equality of treatment, Euronext will be satisfied that this condition has been met.

4. Content of Circulars to Shareholders

A Circular must be drafted for any proposed change requiring shareholder approval. The Circular must contain full details in respect of the proposal and such information to allow shareholders to appraise its merits.

If a circular is issued to shareholders of a particular class of shares, the fund must issue a copy or summary of that circular to shareholders of all other listed classes where the contents of that circular may materially adversely affect the rights of the other listed class.

5. Reporting Requirements

A listed fund must announce the following without delay:

- ▣ Any proposed change to the funds capital structure;
- ▣ Any change in the class rights attaching to listed shares or any securities into which the listed shares are convertible;
- ▣ The effect, if any, of the issue of further securities on the terms of the exercise of rights under options, warrants or conversion rights;
- ▣ Any change of which the listed fund is aware in the holdings of the securities of the listed fund of the Investment Manager. A listed fund should take steps to inform the Investment Manager of their obligation to disclose such holdings to the fund; and
- ▣ Any decision to cancel the listing of the fund, sub-fund or class;
- ▣ The net asset value per share upon calculation, any material amendment thereto and any change in the frequency of its calculation;
- ▣ Any change in Director, Administrator, Investment Manager, Depositary, Prime Broker, Auditor or Sponsor;
- ▣ Any change in the financial year end;

- ▣ Any material change in the constitutive documents; and
- ▣ Any change in the name of the listed fund, sub-fund, class or series;

6. Market Abuse

MAR and CSMAD impose a range of requirements and potential sanctions on listed issuers. These requirements are reviewed in detail in our separate memorandum “Market Abuse Obligations - Investment Funds”.

In summary, MAR imposes obligations relating to:

- a) Immediate publication of inside information;
- b) Prescriptive requirements and obligations for delay in publication of inside information;
- c) Obligations for maintenance of insider lists;
- d) The offense of unlawful dissemination of inside information;
- e) The offense of insider dealing;
- f) Notification of transactions by the Directors of the listed fund and persons closely associated with the Directors within strict timelines to the Central Bank of Ireland and to the market;
- g) Suspicious transaction reporting; and
- h) Market manipulation.

7. Documents for Inspection

For as long as the fund is listed, copies of the following documents for the fund must be available to any shareholder or prospective shareholder:

- a) Constitutive documents;
- b) Material contracts;
- c) Directors service contracts;
- d) Audited accounts; and
- e) Listing particulars approved by Euronext.

8. Transfer of Listing

Where a fund is transferring its listing from the GEM to the regulated market, or vice versa, prior Euronext approval will be required for the announcement. Where a fund is moving from the regulated market to GEM the announcement must state that GEM is not a “regulated market” as defined under Directive 2014/65/EU on Markets in Financial Instruments.

SECTION B – ADDITIONAL REPORTING REQUIREMENTS – NON-REGULATED FUNDS

Certain changes in the operation of a listed fund require notification to the market by way of Euronext announcement. Dillon Eustace will assist in arranging prior Euronext approval or the drafting and release of the appropriate notifications to the market.

In addition to those notifications required under Section A, non-regulated funds must announce the following changes to the market without delay:

- ▣ Any change in directors or material change in any directors function;
- ▣ A change or proposed change in investment, borrowing or leverage restrictions;
- ▣ Any material change in the tax status of the fund;
- ▣ Any suspension of redemptions, transfers or calculation of net asset value;
- ▣ Any material change in dividend, redemption or valuation policy;
- ▣ Any material change in the tax status of the fund;
- ▣ Any material change in the minimum subscription;
- ▣ Any dividend paid including details of the record date, the period covered, the payment date and the amount of the dividend;
- ▣ Notice of any AGM or EGM;
- ▣ Any material change to the fees paid by the Fund or material change to its material contracts;
- ▣ Any change in the interests of a controlling shareholder.
A controlling shareholder is
 - a shareholder who is entitled to exercise, or to control the exercise of 30% or more of the voting rights at a general meeting; or
 - a shareholder able to control the appointment of Directors who are able to exercise a majority of votes at board meetings.
- ▣ A copy of any shareholder circular; and
- ▣ Details of the outcome of any shareholder vote.

Prior Euronext approval is required prior to market notification for the following changes:

- ▣ Any matter of which the fund or its Listing Sponsor are aware which is relevant to the continuation of the listing or may materially adversely affect the interests of unitholders as a whole or a significant proportion thereof;

- ▣ Any proposal to, or development which may, vary the class rights of shareholders;
- ▣ A proposed or actual material change in the investment objective, policies or strategy of the fund;
- ▣ A proposal to terminate, renew or extend the life of the fund (where shareholder approval is not being sought);
- ▣ A material change in the minimum subscription (where the change may affect the suitability of the listed fund for listing under minimum subscription requirements);
- ▣ A related party transaction;
- ▣ A reverse take-over or other substantial transaction;
- ▣ A proposal to cancel the listing of a fund, sub-fund or class;
- ▣ A material change to constitutive documents;
- ▣ Any change in Administrator, Investment Manager, Depositary, Prime Broker; or
- ▣ A change from open or closed status (except where provided for in the listing particulars).

Prior Shareholder approval is required prior to market notification for the following changes:

- ▣ A reverse transaction;
- ▣ A related party transaction;
- ▣ A change from open to closed ended status (except where provided for in the listing particulars);
- ▣ Any matter of which the fund or its Listing Sponsor are aware which is relevant to the continuation of the listing or may materially adversely affect the interests of unitholders as a whole or a significant proportion thereof, where it may materially affect the rights attaching to the listed securities;
- ▣ A proposal to issue shares at less than NAV per share (unless first offered to existing shareholders on a pro-rata basis);
- ▣ Any proposed or actual material change to the general character or nature of the operation of the fund;
- ▣ A proposal to change the status of the fund to a “super sophisticated fund”; or
- ▣ A proposal which may lead to a substantial change in the nature and substance of the fund, including in certain circumstances a proposal to delist.

Content and Publication of Circulars to Shareholders

A Circular must be drafted for any proposed change requiring shareholder approval. Circulars must be sent to shareholders no later than 10 business days, or such shorter period which the funds constitutive documents may allow, prior to the proposed vote.

Copies of all circulars sent to shareholders (other than those for AGMs at which only ordinary business will be voted) must be published when sent to shareholders. The subsequent outcome of the shareholder vote must also be announced when determined. Please forward drafts of any circulars to Dillon Eustace to ensure that the required disclosures are included.

Any circular relating to a proposal which would require prior Euronext approval must be submitted to Euronext at least 5 business days prior to its circulation for review.

If a circular is issued to shareholders of a particular class of shares, the fund must issue a copy or summary of that circular to shareholders of all other listed classes where the contents of that circular may materially adversely affect the rights of the other listed class.

Directors Service Contracts

Copies of any Directors' service contracts must be made available to any shareholder or prospective shareholder from the date of an AGM notice until the time of the meeting.

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