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CMS Brief Guide to Private Placement of Funds

Accessing European Investors post AIFMD

Spring 2014

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Introduction

Some EU States have tightened or even abolished their private placement regimes, which is important when non-EU managers look to access EU investors. A few States are still progressing draft legislation.

AIFMD is also having a territorial impact outside the EU in terms of certain non-EU States revising legislation which applies when their managers market to EU investors. The legislation in these non-EU States aims at achieving a level playing field between the EU and non-EU managers when accessing EU investors.

Our Guide briefly summarises the latest developments in relation to the private placement regimes of EU States, as well as covering certain non-EU States.

The Guide will be regularly revised to reflect further regulatory changes. Please do contact one of us if you are interested in receiving revisions to the Guide.

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Spring 2014

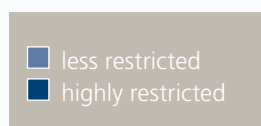
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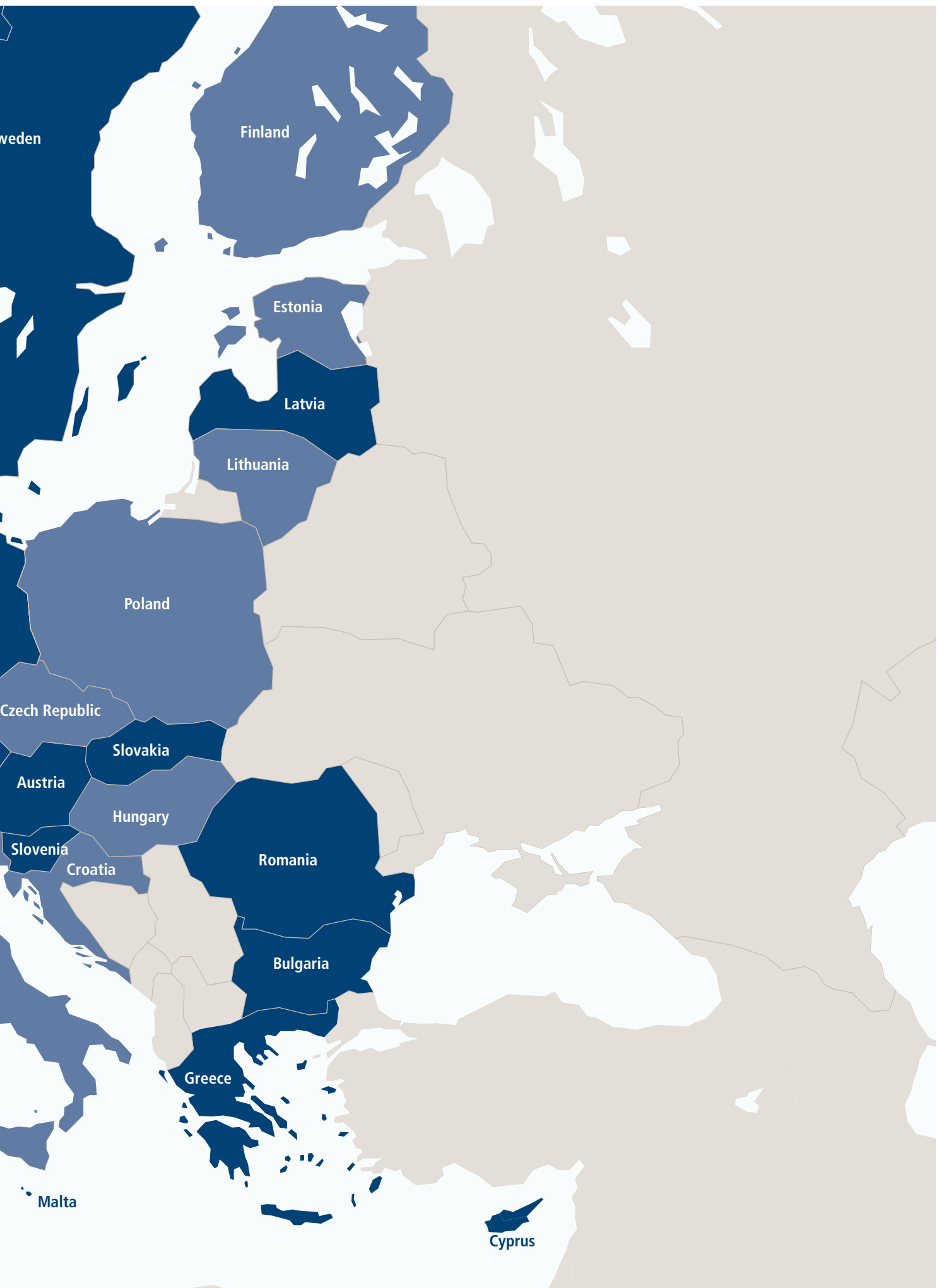
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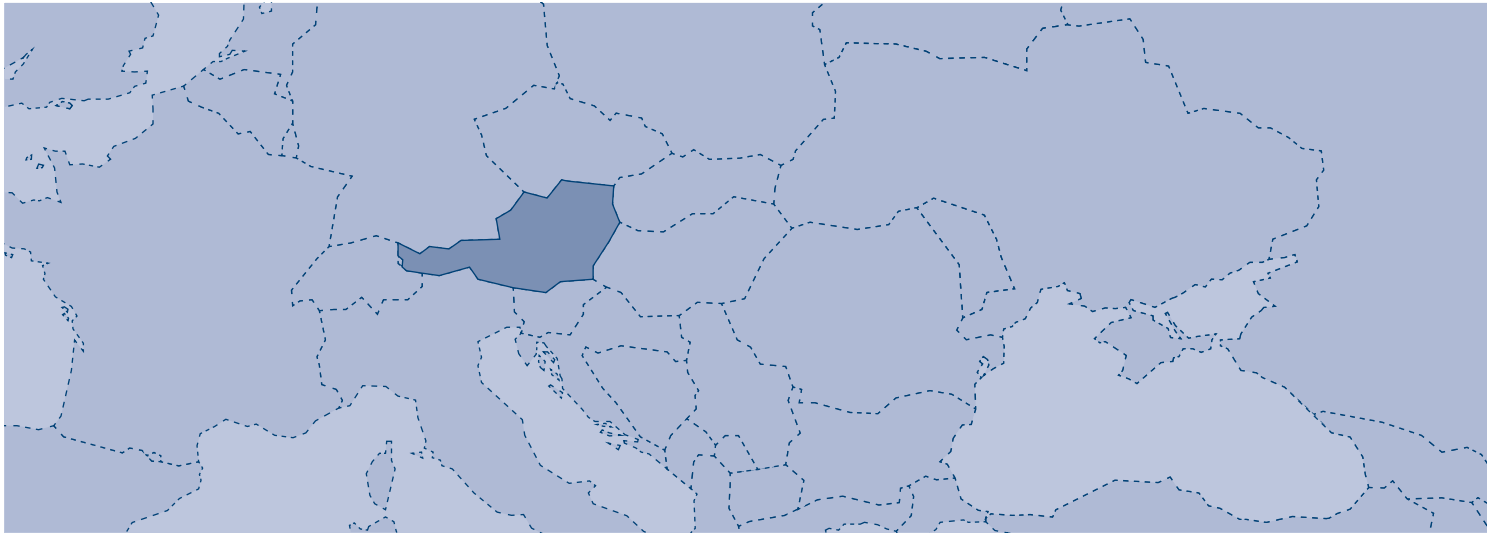
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National Private Placement Regimes at a glance







Austria

Summary of private placement provisions for fund interests (if applicable)

The Austrian Alternative Investment Fund Managers Act ("**AIFMG**") only allows AIFs and Non-EU-AIFs to be placed in accordance with a dedicated set of rules, which do not provide for a private placement exemption.

The AIFMG does not impose an obligation to draw up a prospectus, however, it requires the submission of comprehensive information to the investors and the supervisory authorities. In addition, the Austrian Capital Markets Act provides the requirements for public offerings which also apply to AIF.

A substantial part of the AIFMG provides regulation for the marketing of AIF. The provisions set out complex rules and distinguish between (i) the place of marketing, (ii) if the AIFM is licensed in Austria or in another EU Member State or if it is a Non-EU AIFM, and (iii) whether the AIF is an EU-AIF or a Non-EU AIF. In general, an AIFM which is licensed in Austria is entitled to market EU-AIF to professional investors in Austria and in other EU-Member States.

However, the marketing of AIFs to Retail Investors is possible only under the conditions of sec 48 and 49 of the AIFMG.

Following AIFs are eligible for the marketing to retail investors:

- Real Estate Funds according to the Real Estate Fund Act (ImmoInvFG) provided that the AIFM holds a license pursuant to Sec 1 para 1 cf 13a Austrian Banking Act (BWG);

- Special Funds, Other Funds and Pension Investment Funds according to the Investment Fund Act (InvFG), provided that the AIFM holds a license pursuant to Sec 1 para 1 cf 13 BWG;
- AIF in Real Estate provided that the AIFM holds a license according to the AIFMG;
- Managed Futures Fund subject to the conditions of sec 48 para 7 and 8 AIFMG provided that the AIFM holds a license according to the AIFMG.

Nevertheless, the AIFMG provides a meaningful improvement in relation to the distribution to qualified investors (defined in accordance with MiFID) as a license can be passported to EU-Member States. It also offers Non-EU-AIFs an opportunity to file with the Austrian Financial Market Authority ("**FMA**") for authorisation which can be passported to other EU-Member States, provided that Austria qualifies as 'reference state' as defined in detail in the AIFMG.

Other forms of possible placement options for fund interests outside fund regulations

As the scope of the AIFMG is very wide it covers a wide range of funds, and hence, regulates the distribution of all kinds of AIFs. Only such investment undertakings which do not qualify as AIFs are not subject to those rules, such as operational companies or certain trust structures.

Furthermore the AIFMG is not applicable to:

- holding companies;
- institutions that provide occupational retirement provisions;
- supranational institutions, such as the European Central Bank, the European Investment Bank, the European Investment Fund, the European Development Finance

Institutions and bilateral development banks, the World Bank, the International Monetary Fund, and other supranational institutions and similar international organisations, in the event that such institutions or organisations manage AIFs and in so far as those AIFs act in the public interest;

- national central banks;
- national, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems;
- employee participation schemes or employee savings schemes; and
- securitisation special purpose entities.

The AIFMG defines distribution, on the initiative of the AIFM or on its behalf, as the direct or indirect offering or placement of shares in an AIF managed by the AIFM to investors whose place of residence or place of incorporation is in an EU State. Reverse solicitation is not regulated and seems to be possible, however, it has to be stressed that there is no clear view on that issue from the FMA at this point of time.

Consequences of non-compliance with placement regimes for fund interests

The distribution of fund interests in breach of the marketing regime of AIFMG could constitute an administrative offence with possible penalties up to EUR 100,000.

Private placement rules for non-fund investments available

The Austrian Capital Market Act regulates the offering of securities or investments and sets exemptions for the offering of those instruments without the requirement of publishing a prospectus.

There are various exemptions from the obligation to draw up and publish a prospectus. The following refer to private placements:

- offers of securities or investments solely addressed to qualified investors;
- offers whereby investors may only acquire securities or investments for a minimum amount or minimum denomination of EUR 100,000; or
- offers of securities or investment addressed to fewer than 150 investors (natural or legal persons) per EEA State.



Belgium

Summary of private placement provisions for fund interests (if applicable)

To date, Belgium has not yet implemented AIFMD. This is expected to occur at the earliest in the first quarter 2014. The current rules governing the private placement of fund interests are set forth in the law dated 3 August 2012 on undertakings for collective investment (“UCI”). Pursuant to this law, the following offerings are not deemed to have a public character and do not require registration of the fund or approval of a prospectus in Belgium (and therefore constitute a private placement of funds):

- Offerings to professional or institutional investors (e.g. professional clients and eligible counterparties under MiFID);
- Offerings to fewer than 150 legal or natural persons, other than professional or institutional investors;
- Offerings which need at least EUR 100,000 per investor and per security, other than open-ended UCIs;
- Offerings which need at least an investment of EUR 250,000 per investor and per category of security of an open-ended UCI;
- Offerings where the amount of each unit of security (other than a security of an open-ended UCI) is at least EUR 100,000; or
- Offerings where the global amount is less than EUR 100,000, calculated on a 12 month period.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation is not deemed to constitute a public offering of fund interest on the Belgian territory and in

such context, the fund does not need to be registered or have a prospectus approved in Belgium.

Consequences of non-compliance with placement regimes for fund interests

There is contractual and extra-contractual liability. There are also regulatory sanctions which can encompass a fine up to EUR 2,500,000 and the publication of the decision of the regulatory authority. There are also criminal penalties of up to EUR 15,000 and/or imprisonment up to one year.

Private placement rules for non-fund investments available

These cover:

- Securities, debt instruments, warrants of ordinary companies;
- Futures, swaps, forward rate agreements, equity swaps, derivatives on raw material.

Under the Belgian prospectus law dated 16 June 2006 (implementing both Directives Prospectus 1 and 2), the following offerings are not deemed to have a public character and do not require approval of a prospectus in Belgium (and therefore constitute a private placement of non-fund investments):

- Offerings only addressed to qualified investors;
- Offerings only addressed to 150 legal or natural persons other than qualified investors per EEA State;
- Offerings requiring a counterparty of minimum EUR 100,000 per investor and per offer;
- Offerings where the nominal value is of minimum EUR 100,000;

- Offerings where the total amount is of maximum EUR 100,000.

As a consequence, any of the following offering will fall under the private placement exemption:

- Offering to qualified investors only;
- Offering to natural or legal persons when the offer is addressed to fewer than 150 persons other than qualified investors, and this per EEA State;

- Offering where more than EUR 100,000 per investor and per distinct offer is required;
- Offering where the unit value of the security is more than EUR 100,000;
- Offering where the total investment is less than EUR 100,000.

In Belgium, a qualified investor means:

- Professional clients under MiFID;
- Eligible counterparts under MiFID.



Bulgaria

Summary of private placement provisions for fund interests (if applicable)

The offering of securities which do not require the publication of a prospectus are not expressly named as “private placements” under Bulgarian law. The exemptions regarding the obligation to publish a prospectus when offering securities under Bulgarian law are aligned with those contained in the Prospectus Directive. These exemptions, which may be seen as “private placement” under Bulgarian law, are any offering of securities:

- addressed solely to professional investors;
- addressed to less than 150 individuals or legal entities in Bulgaria and in any other EU State, which are not professional investors;
- which may be acquired for the amount of at least EUR 100,000 per investor, per offer;
- the nominal value per unit of which amounts to at least EUR 100,000;
- with a total consideration in the EU of less than EUR 100,000, calculated over a period of 12 months.

Thus, a fund would have been covered by the private placement rules provided that it met one or more of the criteria listed above.

However, in the end of 2013 Bulgaria implemented AIFMD imposing for regulation of both EU and non-EU AIFs, as well as for their managers. Most importantly under the new rules:

1. AIFMs established in Bulgaria (Bulgarian AIFMs) who wish to market in Bulgaria:
 - AIFs established in Bulgaria (Bulgarian AIFs) or in another EU Member State (EU AIFs), and/or (b) AIFs established in a non-EU Member State (non-EU AIFs) will be able to do so only upon prior

notification of such marketing to the Bulgarian regulator – the Bulgarian Financial Supervision Commission (“FSC”). The FSC is obliged to come out with a decision if it approves or disapproves the notified marketing within 20 business days of receipt of the respective notification. The FSC can disapprove of the proposed marketing if it considers that this will be in violation of the Bulgarian Collective Investment Schemes Act (which implements the provisions of AIFMD). In case of the FSC’s disapproval, the AIFM would not be allowed to complete the notified marketing.

- A Bulgarian AIFM may, subject to the FSC’s prior approval, market shares in EU and non-EU AIFs in the territory of Bulgaria only to ‘professional investors’. Should the Bulgarian AIFM wish to market shares in AIFs to non-professional investors, it may do so on the basis of a prospectus.

2. Bulgarian AIFMs marketing in another EU Member State:

- Bulgarian AIFs and/or EU AIFs, and/or (b) non-EU AIFs will be able to do so only upon prior notification to FSC of such marketing. The FSC would then notify within 20 business days the respective regulatory body in the EU Member State where the AIF will be marketed confirming that the AIFMs is duly licensed under Bulgarian law. The FSC may refuse to submit the notification and the attached information to the respective EU Member State in cases where the FSC is unable to confirm that the marketed AIF is being managed in compliance with the requirements of the Bulgarian applicable law (i.e. among others the Collective Investment Schemes Act).

- A Bulgarian AIFM may, subject to the preceding paragraph, market shares in another EU Member State only to 'professional investors', unless the respective regulatory body of the accepting EU Member State allows for marketing of AIFs to 'non-professional investors' as well.
3. AIFMs established in another EU Member State (EU AIFMs) marketing in the territory of Bulgaria:
 - (a) Bulgarian AIFs and/or EU AIFs, and/or (b) non-EU AIFs provided that the FSC has received a notification from the competent regulatory body in the country of origin of the AIFM confirming that the respective AIFM is duly licensed in its country of origin.
 - Marketing of the AIF in Bulgaria is performed in compliance with the requirements of Bulgarian law.
 - EU AIFMs may, subject to the FSC's notification, market shares in EU and non-EU AIFs in the territory of Bulgaria only to 'professional investors'. Should it wish to market shares in AIFs to 'non-professional investors', it may do so provided that a prospectus has been made and offered.
 4. AIFMs established in a non-EU member state (non-EU AIFMs) marketing in the territory of Bulgaria:
 - AIFs which are not being offered in another EU member state provided that certain requirements are met, among others, existence of cooperation agreements between Bulgaria and the AIF's and/or AIFM's country of origin, the non-EU AIFM has been licensed by the FSC, etc.
 - The FSC would issue permission for the proposed marketing.
- (iv) insurance companies; (v) collective investment schemes and their management companies; (vi) pension funds and pension insurance companies; (vii) commodity dealers; (viii) legal entities which provide investment services or perform investment activities consisting exclusively in dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets or which deal for the accounts of other members of those markets or make prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such entities is assumed by clearing members of the same markets; (ix) other institutional investors.
- (b) companies which meet at least two of the following conditions: (i) total assets are at the amount of at least EUR 20,000,000; (ii) net turnover is at the amount of at least EUR 40,000,000; (iii) own funds are at the amount of at least EUR 2,000,000.
 - (c) national and regional government bodies, public bodies charged with or intervening in the management of the public debt, central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations.
 - (d) other institutional investors whose primary business is investment in financial instruments, inter alia persons dealing in securitisation of assets or other financial transactions.
 - (e) clients which are considered professional clients at their request; in order to be considered as "professional", clients should meet at least two of the following criteria: (i) in the last year the person has concluded on average 10 large-scale transactions per quarter on a relevant market; (ii) the value of the investment portfolio of the person, which consists of financial instruments and cash deposits, exceeds EUR 500,000; (iii) the person works or has worked in the financial sector for at least one year on a position which requires knowledge of the relevant transactions or services.

In general, the implementation of AIFMD in Bulgaria has not required publishing a prospectus for the purpose of marketing shares in AIFs when such shares are marketed to 'professional investors'. Rather, in such case the respective AIFM is required to notify the FSC and to obtain FSC prior approval. Failure to obtain FSC approval results in the AIFM being unable to market the proposed AIF. However, the recent amendments require preparing a prospectus where marketing of shares in AIFs is directed at 'non-professional investors'. Hence, the regime of private placement of funds has become stricter.

In light of the above, it should be noted that under Bulgarian law 'professional investors' are:

- (a) entities for which granting of authorization is required for conduct of business on the financial markets or whose activity is regulated otherwise by the national law of an EU Member State, as well as persons which are granted authorisation for conduct of said business or regulated otherwise by the national law of a third country, as follows: (i) credit institutions; (ii) investment intermediaries; (iii) other institutions subject to authorisation or regulation otherwise;

Other forms of possible placement options for fund interests outside fund regulations

In Bulgaria there are no other placement options which are not covered by fund regulations.

Consequences of non-compliance with placement regimes for fund interests

Non-compliance with placement regimes for fund interests under Bulgarian law is sanctioned by a fine, the amount of which is variable and depends on whether the non-complying person is an individual or a legal entity

as well as whether the non-compliance has repeatedly occurred. Thus, the maximum amount of the sanction for non-compliance by individuals is circa EUR 50,000, unless the violation is a criminal offence. The maximum amount of the fine for violation of the placement regimes by legal entities is circa EUR 100,000.

In addition, the FSC may issue instructions requesting the AIFM to abide by a specific line of conduct or may ban the AIFM from performing further activities in Bulgaria.

Private placement rules for non-fund investments available

Under Bulgarian law, in respect of non-fund investments, private placement covers:

- offerings only addressed to professional investors;
- offerings only addressed to 150 legal or natural persons other than professional investors per EU Member State;
- offerings requiring a counterparty of minimum EUR 100,000 per investor and per offer;
- offerings which nominal value is of minimum EUR 100,000;
- offerings which total amount is of maximum EUR 100,000.

In addition, Bulgarian law does not require publication of a prospectus with respect to offers to the public of the following types of securities:

- shares issued in substitution for shares of the same class already issued, if the issuance of such new shares does not involve any increase in the issued capital;
- securities offered in connection with a takeover by means of an exchange offer;
- securities offered or to be allotted in connection with a merger, demerger, spin-off;
- dividends paid out in the form of shares of the same class as the shares in respect of which such dividends are paid;
- securities offered, allotted or to be allotted to existing and/or former members of the management and supervisory bodies and/or employees by their employer or by an affiliated undertaking provided that the company has its registered office or seat in the European Union;
- securities offered, allotted or to be allotted to existing and/or former members of the

management and supervisory bodies and/or employees by their employer, provided that the company is established outside the European Union and whose securities are admitted to trading either on a regulated market or on a third-country market recognised as equivalent to a regulated market by the European Commission upon the request of the competent authority of a Member State.

No prospectus is required to be published for admission to trading on a regulated market of the following types of securities:

- shares representing over a period of 12 months, less than 10% of the number of shares of the same class already admitted to trading on the same regulated market;
- shares issued in substitution for shares of the same class already admitted to trading on the same regulated market, if the issuing of such shares does not involve any capital increase;
- securities offered in connection with a takeover by means of an exchange offer;
- shares offered, allotted or to be allotted in relation to merger, demerger, spin-off;
- shares offered, allotted or to be allotted free of charge to existing shareholders, and dividends paid out in the form of shares of the same class as the shares in respect of which such dividends are paid;
- securities offered, allotted or to be allotted to existing and/or former members of the management and supervisory bodies and/or employees by their employer or by an affiliated undertaking provided that the securities are of the same class as the ones already admitted for trading at the same regulated market, the company has its registered office or seat in the European Union;
- shares which are a result of their converting or replacement with other securities;
- securities admitted for trading at a regulated market provided such securities meet certain requirements.

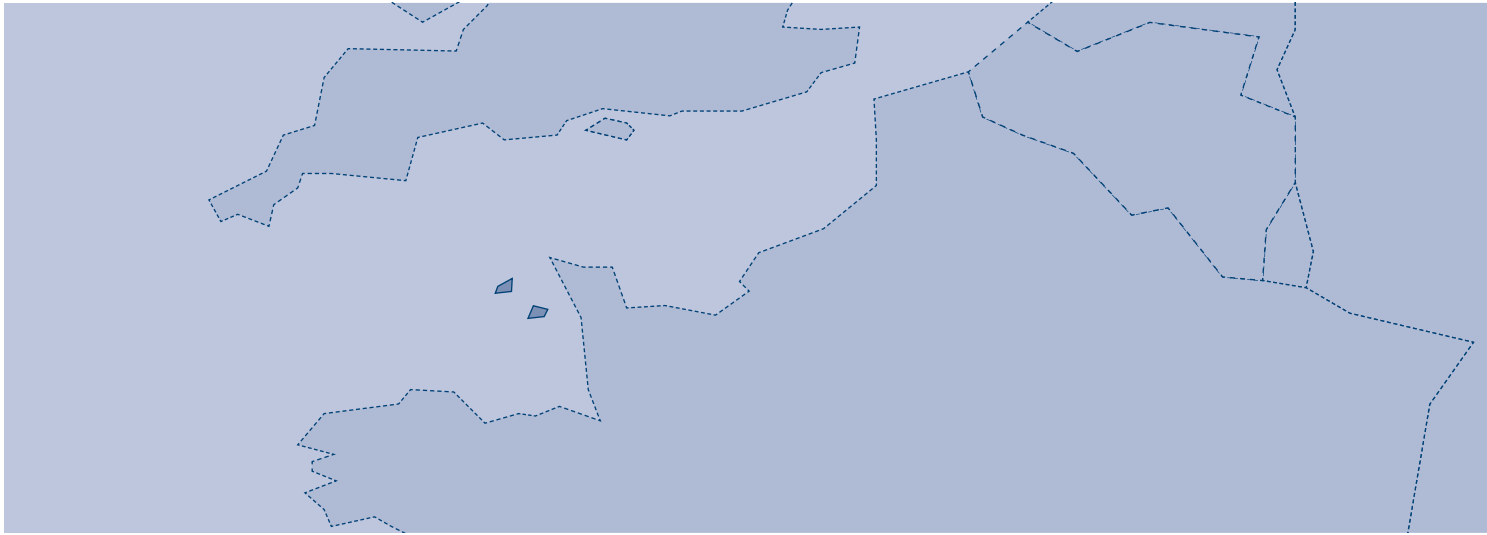
Other exemptions include those under Article 2(3) of AIFMD, such as holding companies, institutions for occupational retirement provision, supranational institutions, such as the European Central Bank, the European Investment Bank, the European Investment Fund, national central banks, governmental institutions, etc.

Non-funds which are subject to the private placement provisions include:

- Professional investors
- Natural or legal persons when the offer is addressed to less than 150 persons other than professional investors, and this per EU Member State
- Investments for more than 100,000 EUR per investor and per distinct offer
- Investments where the unit value of the security is more than 100,000 EUR
- Investments where the total investment is less than 100,000 EUR.

The professional investors in scope of private placement exemptions are those listed in sections (a) to (e) in the Summary of private placement.

Bulgarian law does not provide for a definition of “private placement” neither in respect of funds nor in respect of non-funds. The exceptions from the obligation to publish a prospectus, which is generally known in Bulgaria as private placement, have been discussed in the Summary of private placement in the Summary of private placement provisions.



The Channel Islands

Summary of private placement provisions for fund interests (if applicable)

Jersey and Guernsey are not EU Member States and therefore funds may be marketed into both jurisdictions in the same manner as prior to the AIFMD.

Jersey

Under the Control of Borrowing (Jersey) Order 1958 ("**COBO**"), the consent of the Jersey Financial Services Commission ("**JFSC**") will generally be needed in order to raise money in Jersey or make offers to invest in a fund in Jersey, for example, by circulating that fund's prospectus in the Island. If marketing materials which do not constitute an offer are circulated, this will fall outside the scope of COBO.

Exemptions to COBO are available for funds structured as companies and unit trusts, but not limited partnerships. In summary, those exemptions require that the fund has no relevant connection with Jersey (for example, the management and control of the fund or, in the case of a unit trust, certain service providers, is carried out in Jersey) and the offer to invest is circulated to fewer than 50 prospective investors in Jersey or otherwise is valid in the UK or Guernsey and circulated to similar investors and in a similar manner to that made in the UK or Guernsey (as applicable).

The JFSC generally processes applications for COBO consent within five working days, and no regulatory fee is payable. Applications made in relation to UCITS funds are particularly straight-forward, as the JFSC treats such funds with a 'light touch'.

In terms of the distribution/marketing of the fund in Jersey, either (i) a Jersey licensed distributor or (ii) a person who falls within the 'overseas persons' exemption should be appointed. In order to fall within the 'overseas persons' exemption, a distributor must be supervised in its home jurisdiction and have no place of business in Jersey, the fund will need to qualify as a UCITS fund or otherwise fall within certain regulatory categories and there is a 'reverse solicitation' requirement that offers be initiated by the Jersey party rather than the distributor.

If neither of the above applies, marketing activities should be kept minimal such that they fall outside the scope of the Financial Services (Jersey) Law 1998, as amended (the "**FSJL**").

Guernsey

As a general principal under Guernsey law, the "promotion" of fund interests is a restricted activity which requires a licence from the Guernsey Financial Services Commission ("**GFSC**"), pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"). However, there are certain exemptions:

1. If the promotion is being aimed at "Relevant Licence" holders (i.e. those holding a licence under the POI law, or under one of Guernsey's other regulatory laws), the promotion to such institutions is not regarded as an activity requiring a licence under the POI law.
2. The promotion of UK authorised collective investment schemes, Jersey recognised funds, Isle of Man

authorised collective investment schemes and Republic of Ireland authorised UCITS funds can be freely promoted provided the promoter has registered with the GFSC with a Form EX.

3. If the promotion is to investors other than Relevant Licence holders and the funds to be promoted are not exempted as provided for in paragraph 2 above, a person may still be able to market such products without needing a POI Licence on the basis that they are an "Overseas Person" and are not carrying on the restricted activity of promotion in connection with controlled investments in or from within the Bailiwick of Guernsey.

The GFSC have drawn a distinction between "passive" promotion, which may be undertaken by an Overseas Person without a POI Licence, and "active" promotion which, subject to exceptions, may not.

- "Active" promotion is where an Overseas Person specifically targets potential investors in the Bailiwick e.g. by sending promotional material, cold-calling or advertising in the local press.
- "Passive" promotion includes any type of promotional activity which is not specifically targeted at Bailiwick residents (i.e. advertisements in the international press) and responding to queries from Bailiwick residents.

Other forms of possible placement options for fund interests outside fund regulations

Not applicable in either Jersey or Guernsey (please see above for exemptions which may apply).

Consequences of non-compliance with placement regimes for fund interests

Jersey

It is a criminal offence (punishable by a prison term and/or a fine) to contravene the COBO legislation or to carry out/hold oneself as carrying out unauthorised fund services business under the FSJL. Directors of companies which do so also risk being prosecuted. The JFSC may also publish regulatory statements to warn potential investors from dealing with such persons.

Guernsey

The POI Law makes it a criminal offence, subject to certain exceptions, for any person to carry on or hold himself out as carrying on any controlled investment business in or from within the Bailiwick of Guernsey without a licence issued by the GFSC. In addition to the direct penalties for unlicensed promotion set out in the POI Law, any contract with an investor which is agreed in contravention of the POI Law is unenforceable and the investor is entitled to a return of any subscription monies paid.

A person is treated as carrying on controlled investment business if they engage by way of business in any of the restricted activities specified in the POI Law (i.e. promotion, subscription, registration, dealing, management, administration, advising and custody) in connection with any controlled investment (which includes open and closed-ended collective investment schemes).

Private placement rules for non-fund investments available

Jersey

The COBO regime applies equally to non-fund securities, such as shares in listed or non-listed companies.

Please note that the recommendation of securities to prospective investors may constitute "investment business" under the FSJL, in which case a licence would need to be obtained (unless an appropriate exemption applies).

Guernsey

The promotion of securities to prospective investors may constitute controlled investment business under the POI Law in which case a licence would need to be obtained (unless an appropriate exemption applies).

The Prospectus Rules 2008 (the "Rules") also apply in respect of offers to the public in the Bailiwick of Guernsey of general securities and derivatives (wherever the offeror is domiciled). A person wanting to market a non-fund investment to "the public" in Guernsey would need to prepare a prospectus containing the disclosures as set out in the Rules and register such prospectus with the GFSC prior to circulation. This is in addition to the restrictions on promotion generally as described above.

The Rules provide that an investment is not promoted to the public by a promotion directly communicated to an identifiable category of persons not exceeding 50 in number if those persons are in possession of sufficient information to be able to make a reasonable evaluation of any offer included in the promotion and are the only persons who may accept such an offer.



Croatia

Summary of private placement provisions for fund interests (if applicable)

Definition of a “private placement”

According to the Croatian Act on Alternative Investment Funds (the “**AAIF**”), the term “private placement” is defined as any notice in any given form and by use of any means, which contains enough information about the conditions of the offer and about offered shares in AIF, based on which the investor can decide on subscription of those shares, and which is according to some of its characteristics conditioned by: e.g. the minimum investment amount; target group of investors; or by the number of investors.

According to the Croatian Capital Market Act (the “**CMA**”) a public placement will be exempted from the prospectus requirement if, among others, (i) it is addressed solely to qualified investors (e.g. professional entities), (ii) addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors, (iii) addressed to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer, (iv) an offer of securities whose denomination per unit amounts to at least EUR 100,000 (in Croatian Kuna), (v) an offer of securities with a total consideration in the European Union of less than EUR 100,000 (in Croatian Kuna), which is calculated over a period of 12 months, (vi) an offer of shares issued in substitution for shares of the same class already issued, if the issuing of such new shares does not involve any increase in the share capital of the company, (vii) an offer of securities in connection with a takeover by means of an exchange offer, under certain conditions, (viii) an offer of securities which shall be allotted in connection with a merger, under certain conditions, (ix) shares which are issued to the existing

shareholders, based on an increase in the share capital from the company’s assets, and (x) securities offered to former or existing members of the board or employees, under certain conditions. CMA does not recognise the term “private placement” (as opposed to the Act on the Securities Market which is not in force anymore). Private placement corresponds to the case when the public placement is exempted from the prospectus requirement.

Type of funds subject to private placement provisions

Alternative investment funds which can be established as open funds and closed funds.

Type of investor in scope of private placement exemptions

According to the CMA, the following investors, among others, fall in scope of private placement exemptions:

- qualified investors (e.g. professional investors); and
- investors in an offer to less than 150 natural or legal persons per Member State (not including qualified investors).

Professional investors are defined as clients who possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that these incur (such clients include: investment companies, credit institutions, insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, pension insurance companies, commodity and commodity derivatives dealers, and local firms).

The following legal persons are also considered professional investors if they, in relation to the previous

financial year, meet at least two of the following requirements:

- total assets amounting to HRK 150 m;
- net turnover amounting to HRK 300 m; or
- own funds amounting to HRK 15 m.

The following entities are also considered as professional investors: national and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central bank, the European Investment Bank and similar international organisations.

There are clients which can be considered as professional investors upon their request, if they meet two out of three certain prescribed conditions, such as:

- the client has carried out transactions of significant value on the relevant market at an average frequency of 10 per quarter over the previous 12 months;
- the size of the client's financial instrument portfolio exceeds HRK 4 m; or
- the client works or has worked in the financial sector for at least one year, on the position which requires knowledge of the transactions or services envisaged.

Potential changes of private placement rules

AIFMD is implemented in the Croatian legislation through the AIF Act. The Croatian Government introduced a public hearing on draft of the AIF Act in 2012. The AIF Act was enacted in January 2013 and entered into force on the day of the Croatian accession to the EU (1 July 2013).

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation is not regulated in Croatian law.

Consequences of non-compliance with placement regimes for fund interests

Mandatory contractual consequences

The Croatian AIF Act does not explicitly provide for mandatory contractual consequences but does provide that, without prejudice to the possibility of resolving disputes before a court or other competent authority, a UAIF (an AIF management company) has to provide the conditions for out-of-court settlement of disputes through arbitration between the UAIF and investors in the AIF, which are managed by the UAIF.

Regulatory sanctions

According to the AAIF, the Croatian Financial Services Supervisory Agency may impose the following sanctions on the UAIF:

- recommendation to the management board;
- a warning;
- an order to eliminate irregularities;
- specific supervision measures; and
- revocation of license for all or for individual activities to manage all or certain AIF's.

Penal sanctions

Depending on the type of violation of the AIF Act, the UAIF may be ordered to pay a fine in the amount of HRK 50,000–500,000. Natural persons may be fined in the amount of HRK 20,000–100,000.

According to the CMA, a fine in the amount of HRK 100,000 – 1,000,000 is prescribed for a legal person where it,

- fails to notify the Croatian Financial Services Supervisory Agency of the use of the exception from the obligation to publish the prospectus regarding a public offer;

- fails to submit the prospectus to the Croatian Financial Services Supervisory Agency in the prescribed form within the prescribed period; or
- offers securities to the public without having published a valid prospectus before such public offering, and the publication of prospectus was required under the CMA.

Private placement rules for non-fund investments available

Non-fund investments subject to private placement opportunities outside fund regulation

Generally, the private/public placement distinction is applicable to securities issued by any entity (such as an “ordinary company”). They may include:

- a. shares or other securities equivalent to shares which represent a share in capital or in shareholders’ rights in a company, as well as the certificates on shares deposited;
- b. bonds and other types of securitised debts, also including a certificate of deposit related to such securities;
- c. any other security that gives the right to its holder to: acquire or sell negotiable securities by a unilateral declaration of will; or to demand a cash payment in an amount which is determined in view of the value of negotiable securities, foreign currency exchange rate, interest rates or yield, commodity, or in view of any other index or factor.

Type of non-funds subject to private placement provisions

Generally, the private/public placement distinction is applicable to all issuers of securities. All tradable non-funds interests (such as shares, bonds etc.) may be subject to private placement rules.

Type of investor in scope of private placement exemptions

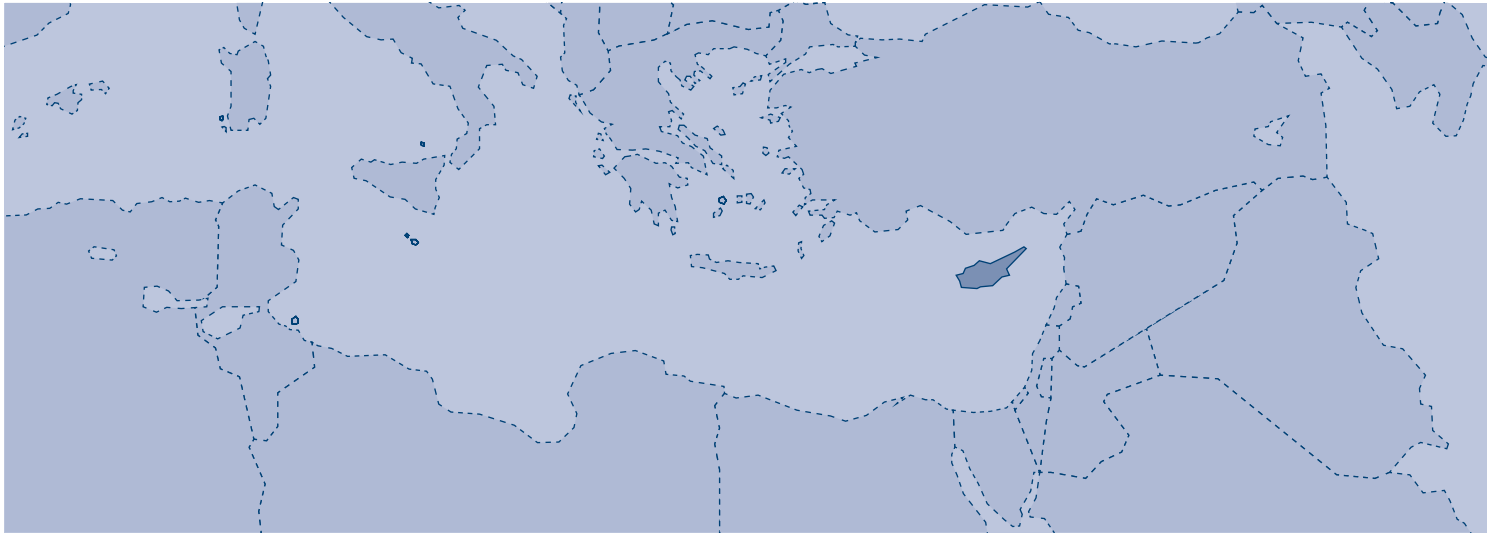
A public placement will be exempted from the prospectus requirement if, amongst others reasons, it is addressed solely to qualified investors (e.g. professional entities). Professional investors are defined as clients who possess the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs (a detailed list includes, amongst others: investment companies, credit institutions, insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, pension insurance companies, commodity and commodity derivatives dealers, local firms).

The exemption also applies to any investor acquiring securities for a total consideration of at least EUR 100,000 per investor, for each separate offer.

Definition of a “private placement” in respect of non-fund investment

As explained above, the CMA does not recognise the term “private placement” (as opposed to the Act on the Securities Market which is not in force anymore). Private placement corresponds to the case when the public placement is exempted from the prospectus requirement.





Cyprus

Summary of private placement provisions for fund interests (if applicable)

Cyprus has implemented the AIFMD into Cypriot Law through the Law 56 (I)/2013 on Alternative Investment Fund Managers ("**AIFM Law**"). Private placement opportunities have largely been abolished. The AIFM Law adopts the AIFMD definition of marketing. According to this definition, any direct or indirect offer or placement at the initiative of an AIFM or on behalf of an AIFM of units or shares in an AIF managed by that AIFM to natural or legal persons residing or established in Cyprus, is considered to be marketing for AIFM Law purposes. Accordingly, for AIFs whose management falls within the scope of the AIFM Law, private placement rules will not apply but instead the marketing provisions in the AIFM Law, which also cover non-EU AIFMs and non-EU AIFs, will apply.

Only closed-ended AIFs whose management falls below the AIFM Law thresholds can benefit from the private placement regime.

Private placement is not defined in the Cypriot Law 114(I)/2005 on the conditions for making an offer of securities to the public and on the prospectus to be published when securities are offered to the public, transposing the Prospectus Directive as amended ("**Prospectus Law**"). The Prospectus Law does specify when an offer of securities is not considered to be made to the public, which is considered as private placement for the purpose of the Prospectus Law. The term "private placement" is commonly understood to mean a restricted offer of financial products to professional investors, which is exempt from the duty to publish a prospectus. Placement of closed-ended AIF interests,

whose management falls below the AIFM Law thresholds, on a private placement basis is permitted in Cyprus, when the placement of such fund interests concerns:

- Qualified Investors only, i.e. either Professional Investors by default or assessment or Eligible Counterparties pursuant to the Cypriot Law 144(I)/2007 on the provision of Investment Services, the exercise of Investment Activities, the operation of Regulated Markets and other related matters transposing MiFID as amended ("**MiFID Law**");
- Fewer than 150 natural or legal persons, other than Qualified Investors;
- Fund interests whose denomination per unit or share is at least EUR 100,000;
- Fund interests with a total consideration in the European Union of less than EUR 100,000, calculated over a period of 12 months; or
- Fund interests acquired by investors for a total consideration of at least EUR 100,000 per investor, for each separate offer.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation, i.e. the acquisition of fund interests at the initiative of the investor, lies outside fund regulations. However, any intermediary, e.g. investment adviser, must not receive any other remuneration apart from the investment advice fee, in order for the reverse solicitation to be lawful. Another placement possibility outside the scope of fund regulations is where a portfolio manager acting under a discretionary portfolio management mandate decides to include fund units in the client's portfolio. In the case of non-discretionary portfolio management, no additional remuneration,

other than the management fee, must be received, in order for the purchase to take place outside fund regulations.

Consequences of non-compliance with placement regimes for fund interests

If there is a breach of the private placement rules by a closed-ended AIF whose management falls below AIFM Law thresholds, the Prospectus Law sanctions apply. These comprise administrative and criminal sanctions. Administrative sanctions, in the form of an administrative fine, will apply to a breach of the private placement rules. The fine may be up to approximately EUR 42,500, and may increase to approximately EUR 85,000 for repeated breaches. Criminal sanctions in relation to the breach of private placement rules comprise monetary sanctions of up to approx. EUR 171,000 and/or imprisonment of up to two years. Where there is a subsequent or repeated conviction(s), monetary sanctions and/or imprisonment may increase to approximately EUR 342,000 and four years respectively.

If there is a breach of the AIFM Law marketing provisions, the AIFM Law sanctions will apply. These consist of administrative and criminal sanctions. Administrative sanctions in the form of an administrative fine are provided in Art. 74 AIFM Law. The administrative fine may be up to EUR 350,000 and may increase to EUR 700,000 for repeated breaches. Where the person in breach of the AIFM Law marketing provisions obtains a benefit pursuant to the breach, the administrative fine imposed may be up to twice the amount of the benefit. Criminal sanctions are laid down in Art. 75 AIFM Law, and apply to a breach of AIFM Law marketing provisions in the following situations:

- Marketing of AIFs by an unauthorised person takes place. In such a case the applicable criminal sanctions will be imprisonment of up to five years and/or monetary sanctions of up to EUR 700,000;
- A false, misleading or deceiving statement or submission of documents is made, or evidence is concealed or omitted to be submitted or the exercise of the controlling or investigatory duties of the Cyprus Securities and Exchange Commission ("**CySEC**") is obstructed. In these cases the applicable criminal sanctions will be imprisonment of up to five years and/or monetary sanctions of up to EUR 700,000. Administrative fines according to Art. 74 AIFM Law will also be imposed;
- Advertising material or subscription forms relating to AIFs which are not permitted to be marketed in Cyprus under the AIFM Law are knowingly issued, circulated or distributed. In these cases, the applicable criminal sanctions will be imprisonment of up to three years and/or monetary sanctions of up to EUR 200,000.

Private placement rules for non-fund investments available

The AIFM Law provides that the following non-funds are subject to private placement opportunities:

- institutions for occupational retirement provision;
- holding companies;
- supranational institutions, in the event that such institutions or organisations manage AIFs and in so far as those AIFs act in the public interest;
- national, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems;
- employee participation schemes or employee savings schemes;
- securitisation special purpose entities;



- AIFMs in so far as they manage AIFs whose only investors are the AIFMs themselves or their parent undertakings, their subsidiaries or other subsidiaries of their parent undertaking and where those investors are not themselves AIFs.

The Prospectus Law requires that a prospectus be published in respect of “a public offer of securities” or “a public offer” or “an offer to the public” which means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities and includes: (a) the collection of monies from the participation in any kind of investment in securities; and (b) the release and in general the offer of securities through investment firms pursuant to the MiFID Law.

The definition of “securities” in the Prospectus Law means transferable securities as defined in the MiFID Law.

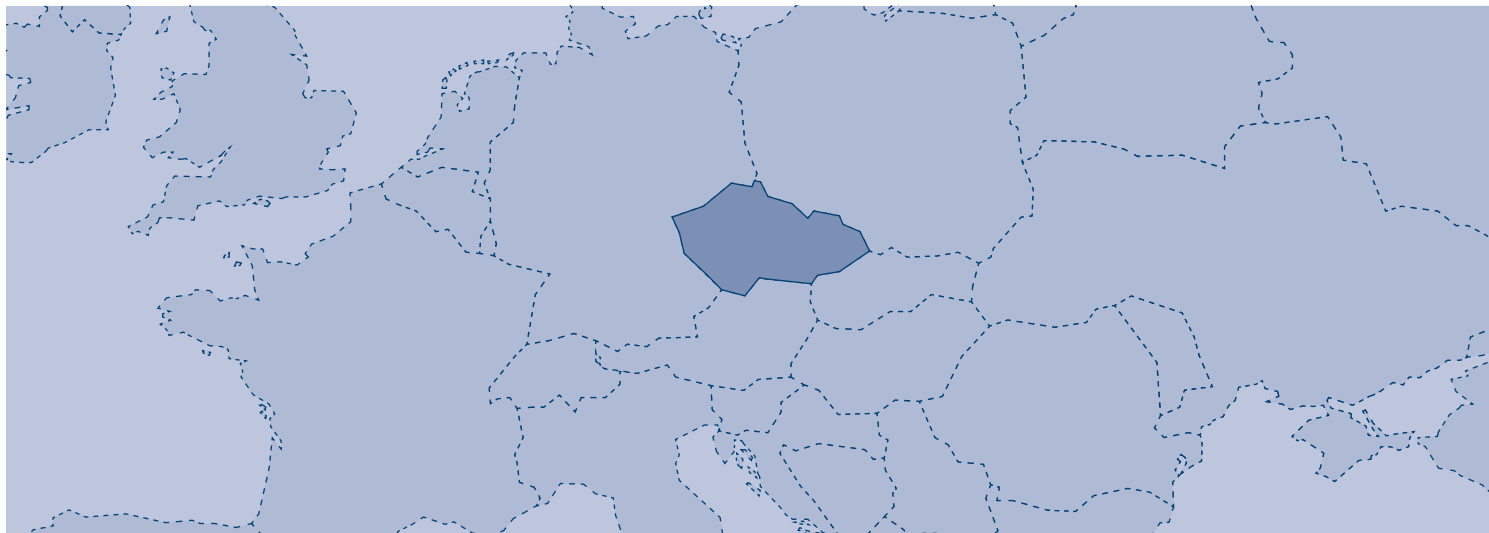
The obligation to publish a prospectus under the Prospectus Law shall not apply to the following types of offer:

- An offer of securities addressed solely to Qualified Investors, i.e. Professional Investors by default or assessment or Eligible Counterparties pursuant to the MiFID Law;
- An offer addressed to fewer than 150 natural or legal persons, other than Qualified Investors;
- An offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer;
- An offer of securities whose denomination per unit amounts to at least EUR 100,000; or
- An offer of securities with a total consideration in the European Union less than EUR 100,000, calculated over a period of 12 months.

Further, an exemption to the obligation to publish a prospectus will apply to offers to the public concerning the securities listed in section 5(1) of the Prospectus Law.

The Cypriot Companies Law Cap. 113 also imposes a requirement for a prospectus in relation to an offer to the public; however there is an exemption for shares or debentures to which the Prospectus Law applies.

The outline above reflects current regulatory practice, which may change following the expected issuance of Directives by CySEC regulating the marketing of AIFs in Cyprus.



Czech Republic

Summary of private placement provisions for fund interests (if applicable)

There is no definition of “private placement” under Czech law. However, “public placement” is defined as any communication to a wider group of persons containing information about investment instruments which are offered and conditions for their acquisition so as to enable an investor to decide to purchase or subscribe to such investment instruments. The term “private placement” is commonly used in opposition to the term “public placement” and usually indicates a restricted offer of investment instruments that is exempted from the duty to publish a prospectus.

Private placement provisions apply to funds of qualified investors or similar foreign funds. Other types of funds, including local special (non-UCITS) funds are used for collective investment, i.e. for public placement.

Private placement exemptions apply to qualified investors, which are defined as any of the following:

- institutional investors and other licensed financial services entities (e.g. banks, brokers, insurance companies, investment companies, investment funds, pension funds, securitisation entities);
- large entities holding certain amounts of assets or with certain levels of turnover;
- an entity directly subordinated to a governmental authority;
- a person or entity with a minimal investment in the fund in the amount of EUR 125,000 which submits a declaration on awareness of the risks connected with investment into the fund of qualified investors;
- a person or entity which is the founder or shareholder of a different fund of qualified investors (with minimal

investment contribution in the amount of EUR 125,000) which is managed by the same administrator having submitted a declaration on awareness of the risks connected with investment into the fund of qualified investors.

The AIFMD has been implemented in the Czech Republic by the new Act on Investment Companies and Investment Funds which replaces the previous regulation of investment funds and companies under the current Act on Collective Investment (2004) completely, including the regulation of UCITS, non-UCITS and AIFs in the Czech Republic.

The new legislation introduces more precise criteria in respect of the scope of qualified investors for the purpose of a private placement. It also makes substantial changes regarding the internal structure of the funds used for private placement, providing for new legal forms of such funds and new obligations in relation to the administration of such funds.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation is allowed. The new Act on Investment Companies and Investment Funds expressly sets out that reverse solicitation is not considered to constitute a form of placement, i.e. it is not subject to provisions of the Act regulating the placement.

Consequences of non-compliance with placement regimes for fund interests

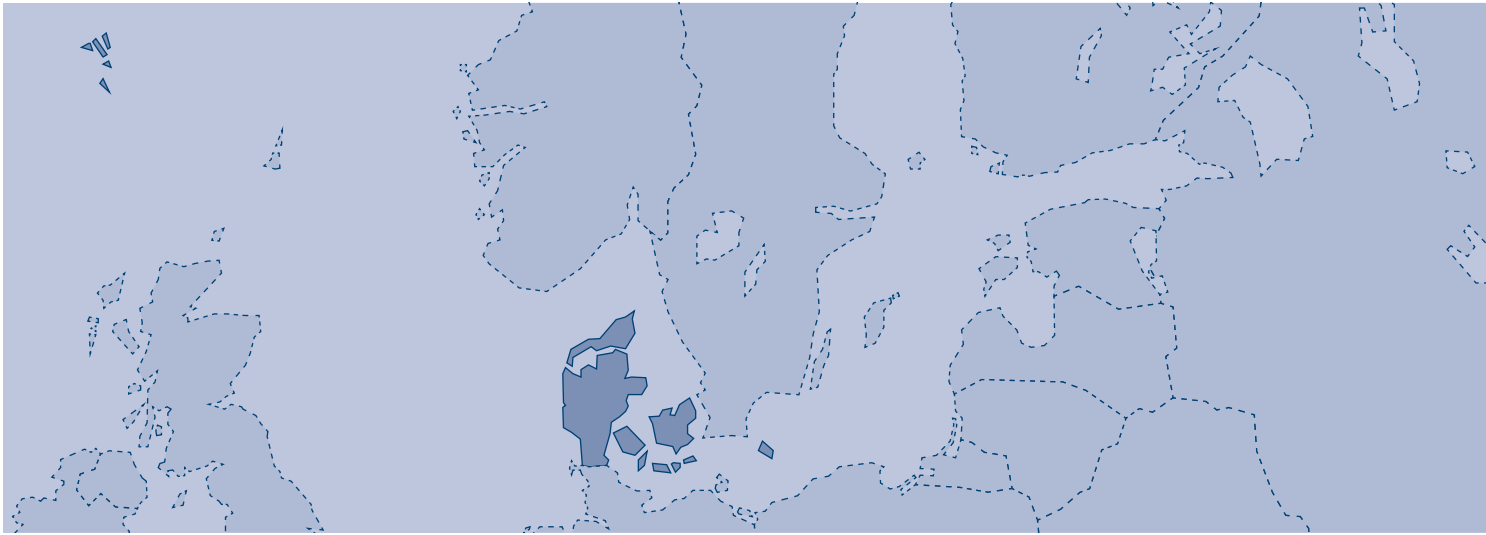
It is not clear what exactly the consequences of non-compliance with placement regimes will be, because new legislation introduces a broader scope of vehicles

which can be used for private placement by qualified investors and these have not yet been tested in the Czech courts. It is likely that non-compliance with mandatory provisions on placement regimes will lead to the invalidity of a placement agreement and subsequent civil liability (i.e. return of unjust enrichment and damage compensation). A fund's management might also be held liable for the breach of managerial duties.

An administrative fine of up to CZK 10,000,000 may be imposed by the Czech National Bank for non-compliance with placement regimes.

Private placement rules for non-fund investments available

There is no distinction between private placement of fund and non-fund interests. All tradeable non-fund interests (such as shares, bonds, options, swaps, futures, other financial derivatives etc.) may be subject to private placement rules.



Denmark

Summary of private placement provisions for fund interests (if applicable)

Denmark has no general definition of the term “private placement”, but the term normally refers to the situation where an offering of shares, fund interests and securities is exempted from the obligation to draw up a prospectus (see further below under non-fund-interest). No statutory rules for the private placement of fund interests to investors in Denmark existed before Denmark’s implementation of the AIFMD, and none exist following Denmark’s implementation. There is therefore no private placement regime in Denmark under the Danish AIFMD regulation (**the “AIM Act”**).

Consequently alternative funds cannot be marketed on a private placement basis in Denmark, but may only be marketed under the regulation of the AIM Act. This applies irrespective of whether the fund is marketed to professional or retail investors. An AIFM will therefore have to comply with the provisions of the AIM Act in order to market an AIF in Denmark including when it passports into Denmark.

Like the AIFMD, the AIM Act distinguishes between professional investors and retail investors. The AIM Act defines a retail investor as “an investor that is not a professional investor”. Under AIFMD Article 4(ag), a professional investor is an investor which is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II to MiFID.

To market fund interests to retail investors an AIFM must, in addition to the AIM Act, comply with further regulation stipulated in a statutory order. In accordance with the

statutory order, the AIFM must obtain a separate approval from the **Danish Financial Supervisory Authority (the “DFSA”)** for marketing fund interests to retail investors.

Further, under Section 3(29) of the AIM Act, marketing is defined in accordance with AIFMD Article 4(x) as meaning “a direct or indirect offering or placement at the initiative of the AIFM or on behalf of the AIFM of units or shares of an AIF it manages to or with investors domiciled or with a registered office in the Union or in a country with whom the Union has concluded a financial co-operation agreement”.

Other forms of possible placement options for fund interests outside fund regulations

As set out in the definition of marketing in Section 3(29) of the AIM Act, marketing or investment made to or by the investor on the investor’s initiative (reverse solicitation) is not governed by the AIM Act and is therefore permitted.

Consequences of non-compliance with placement regimes for fund interests

As there is currently no private placement regime regarding marketing fund interests in Denmark, there are no mandatory contractual consequences of non-compliance with the private placement regime. Contracts entered into in connection with the AIM Act will generally be interpreted in accordance with existing Danish contractual law. On this basis, contracts entered into will be viewed as valid even if an AIFM was not in compliance with the AIM Act or did not have authorisation from the DFSA. However, it is possible that investors (most likely retail investors) will be able to terminate a contract in the

event that an AIFM did not comply with the AIM Act in a material way. Investors in this situation may hold the AIFM liable for losses suffered.

The offering or marketing of fund interests in violation with certain provisions in the AIM Act is a criminal offence. The DFSA (or the courts) may sanction a violation with fines, revocation of authorisation or even imprisonment.

Private placement rules for non-fund investments available

The following entities are exempted from the AIM Act and are therefore not subject to the marketing restrictions:

- holding companies;
- institutions for occupational retirement provision;
- supranational institutions;
- national central banks;
- AIFMs that manage AIFs where the only investor is the AIFM;
- national, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems;
- employee participation schemes or employee pension schemes;
- securitisation special purpose entities;
- family owned investment units; and
- joint ventures.

AIFs/AIFMs where the assets under management do not exceed EUR 100 m (with leverage) or EUR 500 m (without leverage) are required to register with the DFSA. These small-AIFMs or small-AIFs are not permitted to market their funds to retail investors, unless they voluntarily choose to opt-in, thereby being fully subject to the AIM Law and able to obtain permission to market to retail investors.

Generally, any public offering of securities (which includes shares, certain fund units, notes and other financial instruments) is subject to a prospectus requirement. However, the prospectus rules include a number of exemptions in respect of offerings of securities to:

- professional investors exclusively;
- fewer than 150 non-professional investors per Member State within the EU/EEA;
- investors which acquire securities equal to a minimum of EUR 100,000; or
- securities with a denomination of a minimum of EUR 100,000 per security.

As mentioned above a professional investor is an investor that is considered to be a professional client or may, on request, be treated as a professional client within the meaning of MiFID Annex II.



Estonia

Summary of private placement provisions for fund interests (if applicable)

Although Estonia has made first steps towards implementing the AIFMD during 2013, full implementation is still underway as at the beginning of February 2014, pending adoption of an amendment of the Investment Funds Act (the “**Amendment Act**”) that is expected to take place by the end of February 2014 and a regulation of the Estonian Ministry of Finance (the “**Regulation**”) that will be adopted in accordance to the Amendment Act. This being said, it should be noted that in addition to the Amendment Act, the Estonian Ministry of Finance is preparing a new Investment Funds Act (the “**New IFA**”) which is expected to notably change the general legal framework relating to investment fund still later on during 2014.

In the first implementation round of the AIFMD, the Estonian legislator’s focus was mainly on supplementing the Investment Funds Act with provisions deriving mainly from Articles 32 (marketing of units or shares of EU AIFs in member states other than in the home member state of the AIFM) and 33 (conditions for marketing EU AIFs established in other member states) of the AIFMD – the relevant amendments to the Investment Funds Act took effect as of 22 July 2013. The second implementation round (adoption of the Amendment Act and Regulation) is expected to fully implement the AIFMD in Estonia.

There is no express definition of “private placement” in Estonian law. Instead, the Estonian Securities Market Act and Investment Funds Act provides for a definition of a “public offer” and stipulates a list of exemptions under which an offer or placement of securities is not considered to be public and which, if met, would exempt the issuer

and the offeror from the obligation to draw up and publish a prospectus. The relevant exemptions provided in the Securities Market Act derive from the Prospectus Directive (as amended).

An offer of securities (including an offer of units or shares of investment funds) is considered public, unless it satisfies any of the following exemptions provided by Estonian Securities Market Act. For the purpose of the Securities Market Act of Estonia, an offer of securities is defined as a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities.

Article 12(2) of the Estonian Securities Market Act states that an offer of securities is not deemed to be a public offer if it falls under any of the following exemptions:

- an offer of securities is addressed solely to qualified investors (as defined in Article 6(2) of the Securities Market Act which implements the definition of qualified investors from the revised EU Prospectus Directive without substantive change);
- an offer of securities is addressed to fewer than 150 persons per each EEA Member State, who are not qualified investors;
- an offer of securities is addressed to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer;
- an offer of securities has the nominal or book value of at least 100,000 euros per each security; or
- an issue or offer of securities is with a total consideration in all EEA Member States of less than EUR 100,000 during a one-year period.

In addition, the Investment Funds Act exempts from the public offer regime any offering of units or shares of a foreign open-ended investment fund by a fund, management company or a credit institution to its specific client in the course of provision of portfolio management services or services relating to issue or underwriting of securities.

No changes to the Estonian private placement rules were introduced with the partial implementation of the AIFMD that took effect on 22 July 2013 or are expected by the Amendment Act and Regulation. However, as the draft New IFA is not yet publicly available it is too soon to say what the potential changes to the Estonian private placement rules could be, if any, following the adoption of the New IFA.

After adoption of the Amendment Act, the following types of funds are still subject to Estonian private placement rules (in addition to funds subject to transitional periods):

- EU AIFs managed by non-EU AIFMs; and
- Non-EU AIFs managed by EU AIFMs or non-EU AIFMs.

Other forms of possible placement options for fund interests outside fund regulations

Estonian public offer rules would not apply if the offer is not deemed to be made in Estonia. This condition may only be deemed fulfilled if no marketing materials or other communications regarding the offer of securities are distributed in Estonia and the securities are acquired, cleared and accepted by Estonian persons outside Estonia, according to the opinion recently expressed by the Estonian Financial Supervision Authority (the “EFSA”). Thus, reverse solicitation (i.e. placement of securities of an investment fund made at the initiative of an investor) could, in principle, fall outside the Estonian public offer rules to the extent the foreign fund is not actively marketed in Estonia and the acquisition of fund units or shares occurs and is cleared outside Estonia. The EFSA will, however, assess on case-by-case basis whether the above-mentioned conditions are fulfilled.

The Estonian Investment Funds Act regulates all types of investment funds (investment funds are defined as a pool of assets established for collective investment (hereinafter common fund) or a public limited company founded for collective investment, which is or the assets of which are managed on the principle of risk-spreading by a management company), including but not limited to pension funds and UCITS. With the latest amendments to the Investment Funds Act, the list of available types of investment funds has been supplemented to include AIFs and the general exemptions stipulated in Paragraph 3 of Article 2 of the AIFMD are expected to be implemented by the Amendment Act.

Consequences of non-compliance with placement regimes for fund interests

An offer of securities in a manner not compliant with Estonian law may lead to:

- claims for damages by investors that have subscribed to the offer of securities; and
- regulatory sanctions (including the imposition of administrative penalties of up to EUR 32,000 and also ban on further distribution activities of the fund).

Private placement rules for non-fund investments available

The private placement regime described above applies according to the Estonian Securities Market Act to the following types of securities (non-fund investments):

- a share or other similar tradeable right;
- a bond, convertible security or other tradeable debt obligation issued which is not a money market instrument;
- a subscription right or other tradeable right granting the right to acquire securities specified in the previous two points;
- a money market instrument;
- a derivative security or a derivative contract; or
- a tradeable depositary receipt.

Similar to fund units and shares, the offer of the above non-fund investments is exempted from the obligation to draw-up and publish a prospectus if it falls under any of the exemptions stipulated in Article 12(2) of the Estonian Securities Market Act.



Finland

Summary of private placement provisions for fund interests (if applicable)

The Government proposal on the implementation (94/2013) of the AIFMD was submitted to the Finnish Parliament on 5 September 2013. The implementing legislation was ratified in connection with the presentation of the President of the Republic held on 7 March 2014 and came into force on 15 March 2014.

The implementation is carried out mainly through a new Act on Alternative Fund Managers (**AFMA**) as well as dozens of amendments to the existing legislation.

There is no exact definition of a private placement in Finland, but this is generally understood to mean an offering of securities or other financial instruments that is exempted from:

- in case of securities, the requirement to publish a prospectus, and/or
- in case of funds, the requirement to seek a license for an asset manager/a fund management company and register the fund to be marketed with the Finnish Financial Supervisory Authority ("**FIN-FSA**") or, alternatively, to use a European passporting regime to market the funds.

In accordance with the Prospectus Directive (2003/71/EC) and the Finnish Securities Markets Act (746/2012, "**FSMA**"), if the fund interests qualify as transferable securities (such as closed ended funds), there is no obligation to publish a prospectus if the fund interests are offered either:

- solely to qualified investors (professional clients and eligible counterparties as defined in the FSMA);

- to fewer than 150 natural or legal persons other than qualified investors;
- to be acquired for a consideration of at least EUR 100,000 per investor with regard to an offer or in portions of at least EUR 100,000 in nominal or counter value;
- so that the total consideration (i.e. the aggregate purchase price of the securities) in the European Economic Area is under EUR 1,500,000 calculated for a 12-month period; or
- so that the total consideration in the European Economic Area is under EUR 5,000,000, when admission to listing of the securities is sought in a multilateral trading facility (First North Finland) and a company brochure has been made available to investors during the offering.

In the situations referred to above, the private placement exemption does not apply if the distribution of the securities to the final investors does not meet the requirements of the exemption.

The offering of UCITS is not subject to any private placement exemption, since the FIN-FSA considers that UCITS are always available to the public.

If the fund interests do not qualify as UCITS or transferable securities, there is no requirement to publish a prospectus or register the fund interests with the FIN-FSA. If such instruments are offered only to institutional investors, the offering is covered by a private placement exemption.

Until the entry into force of AFMA, these private placement exemptions apply. In this connection, please note that AIFs

may be open-ended or closed-ended funds and in the latter case, may qualify as transferable securities within the meaning of the FSMA.

After the entry into force of the AFMA, in the event that marketing to professional investors of Finnish or non-Finnish fund interests has commenced prior to the entry into force of AFMA, such marketing can be continued during a transitional period, i.e. until 22 July 2014. However, a detailed notification thereof must be delivered to the FIN-FSA within one month from the entry into force of AFMA.

With respect to starting an offering of fund interests in AIFs after the entry into force of AFMA, private placement exemptions would not be available as such. Nevertheless, an AIFM established in the EEA that is only subject to an obligation to register with its home State authority may offer fund interests in AIFs managed by it provided that it complies with, for instance, general disclosure obligations, audit requirements and asset stripping restrictions.

Other forms of possible placement options for fund interests outside fund regulations

The AFMA will not cover and therefore will exempt reverse solicitation (justifications for Chapter 12, Section 1 of the AFMA) (i.e. when investors themselves contact an AIFM and the AIFM presents various investment opportunities to the investor) under certain circumstances. The AFMA will include a specific provision explaining that it does not seek to affect the right of investors to invest in non-EEA funds of their choosing. Pursuant to the information orally received from the FIN-FSA, the exemption of reverse solicitation would hence apply at least to non-EEA fund managers managing non-EEA funds.

Consequences of non-compliance with placement regimes for fund interests

AFMA will impose a liability on AIFMs for damages resulting from wilful or negligent breaches of the obligations provided in the AFMA and related regulations. An AIFM and a professional client may, however, contractually deviate from the liability regime provided in the AFMA.

After the implementation of AFMA, a person engaged in unauthorised marketing and offering of fund interest may become subjected to administrative and criminal sanctions. The FIN-FSA may impose administrative fines for failures to disclose certain information to investors such as information on leverage. An administrative penalty may be imposed for breaches of the prohibitions against provision of untrue or misleading information and for breaches of periodic disclosure obligations. A person that manages or markets AIFs without authorisation faces criminal charges and sanctions.

Private placement rules for non-fund investments available

The exemptions relating to non-fund investments to be provided in AFMA will be compatible with the AIFMD. These will include investments in or by:

- companies belonging to the same group;
- business that does not qualify as collective investment;
- joint ventures;
- holding companies;
- employee pension insurance schemes and companies;
- public sector entities such as the ECB, IMF, central banks, governments etc.
- employee participation schemes; and
- special purpose vehicles.

These non-fund investments are normally subject to specific regulations, such as legislation governing pension insurance schemes and employee participation. If the investment takes the form of a transferable security or another financial instrument, it will be covered by the FSMA and regulations on investment services. To the extent a non-fund investment is not captured by any of these regulations, it will be exempted from the regulatory requirements and may be offered on private placement basis or to the members of the public. Since the definitions of an AIF, a transferable security and a financial instrument cover collectively most conceivable forms of fund interests, a private placement of a non-fund should be a relatively rare instance.



France

Although the General Regulation of the AMF provides for the possibility to apply for a marketing authorisation in relation to the marketing of non-passported AIF, the implementing instruction for such a possibility has not yet been released.

Summary of private placement provisions for fund interests (if applicable)

Marketing of an AIF (including its private placement) that does not benefit from the AIFMD passporting regime is prohibited unless the Fund obtains a specific authorisation from the Autorité des marchés financiers ("**AMF**").

The concept of private placement under French Law is based on the definition given under the Prospectus Directive. It benefits closed-ended funds but not open-ended funds.

Private placement covers any offer of financial securities (a concept that includes negotiable securities) (an "**Offer**") in France:

- made to qualified investors (i.e. investors qualifying as professional investors or eligible counterparties under MiFiD) ("**Qualified Investors**");
- made to 150 natural or legal persons per EU State, other than Qualified Investors;
- where the total amount of the Offer in the Union is less than EUR 100,000 or the foreign currency equivalent thereof;
- where the total amount of the Offer in the Union is between EUR 100,000 and EUR 5,000,000 or the foreign currency equivalent thereof and the transaction concerns financial securities accounting for no more than fifty per cent of the capital of the issuer;

- where the transaction is intended for investors acquiring at least EUR 100,000 worth, or the foreign currency equivalent thereof, per investor and per transaction, of the relevant financial securities; and
- where the transaction concerns financial securities with a minimum denomination of at least EUR 100,000 or the foreign currency equivalent thereof.

The French private placement rules are not intended to be amended as a result of the implementation of the AIFMD.

Other forms of possible placement options for fund interests outside fund regulations

The prohibition on marketing does not include a prohibition on the introduction of financial securities in France and therefore French investors may invest in such products (either directly or through a discretionary investment management agreement), provided that the investment was made at the specific request of the investor (the reverse solicitation exemption).

However, in order to fully comply with the spirit of such restrictions, any request for information should be interpreted strictly. Thus, a request from a potential investor to receive the prospectus for an offer should not be replied to by forwarding the prospectus and the application form for such an offer.

According to the AMF, payment of fees to a third party as a result of subscriptions by a French investor raises a rebuttable presumption of an unlawful reverse solicitation exemption.

Consequences of non-compliance with placement regimes for fund interests

- Marketing of a non-authorised fund in France is subject to heavy criminal sanctions; and
- Although not yet clear, it is likely that a subscription made further to the unlawful marketing of financial securities issued by a non-authorised fund may be declared null and void.

Private placement rules for non-fund investments available

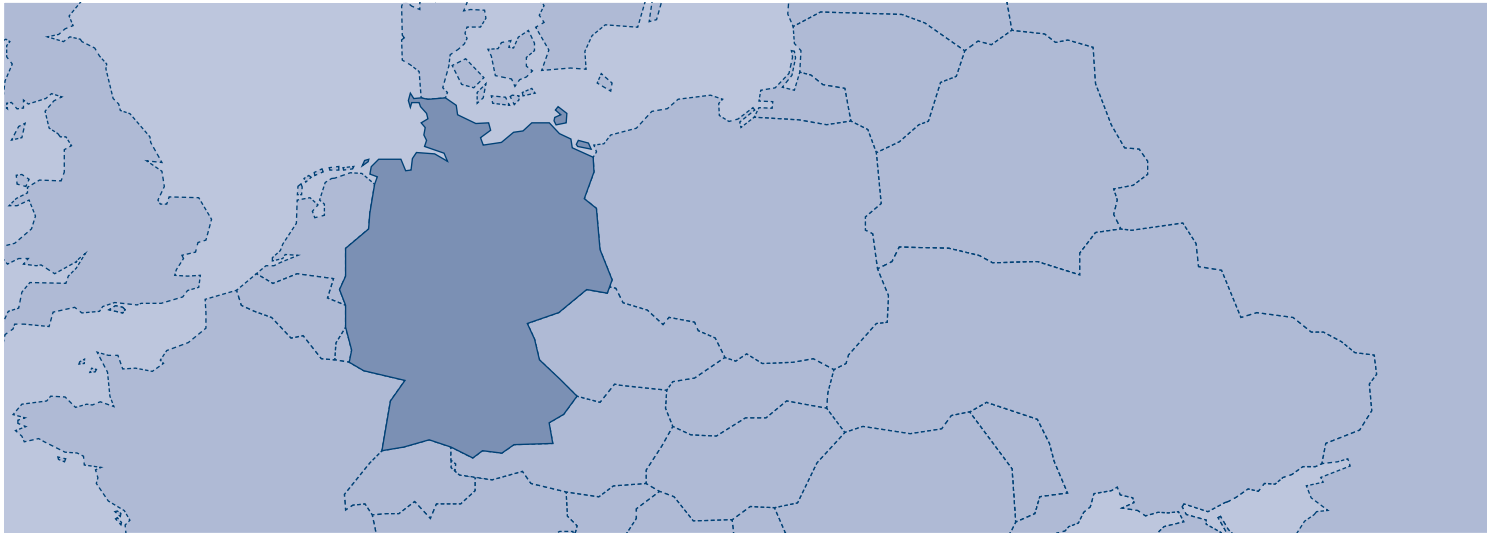
Any instruments covered by the Prospectus Directive may benefit from the private placement exemption, in particular:

- securities by “ordinary companies”; and
- closed-ended AIF exempted structures whose securities fall within the ambit of The Prospectus Directive (e.g. an AIF outside the scope of the AIFMD that does not allow redemption of its interests in line with ESMA guidelines on closed-ended funds and whose interests qualify as financial securities under The Prospectus Directive); etc.

Private placement may benefit either:

- Qualified Investors i.e. both professional investors and eligible counterparties within the meaning of MiFID; or
- any non-Qualified Investor within a group of fewer than 150 offerees.

There is no distinction between a private placement of the interests of a fund or a non-fund.



Germany

Summary of private placement provisions for fund interests (if applicable)

As of 22 July 2013 fund interests can no longer be distributed in Germany on a private placement basis. Consequently, there is no defined set of rules regarding the private placement of fund interests.

The German law implementing the AIFMD, the German Capital Investment Code (Kapitalanlagegesetzbuch), allows for domestic German as well as EU and non-EU funds to be placed only in accordance with a dedicated set of rules. Those rules do not provide for a private placement exemption, meaning that placement would be exempted from regulatory requirements. In particular, funds targeting professional and private investors cannot rely on private placement exemptions. In respect to the latter investor group, the German Capital Investment Code applies – beyond what the AIFMD stipulates – to retail funds.

Most relevant, the German Capital Investment Code imposes, as of 22 July 2013, comparably high hurdles to the placement of non-EU funds or funds managed by non-EU managers. Those require, inter alia, for placement in Germany that cooperation agreements are in place between the German regulator and the regulator of the fund's and/or manager's country of domicile.

The legal situation in Germany has significantly changed as of 22 July 2013. The private placement rules previously available for fund interests have been abolished.

Other forms of possible placement options for fund interests outside fund regulations

Placement of fund interests is not subject to the regulations of the German Capital Investment Code when not made on "initiative" of the fund manager. This exemption is commonly referred to as reverse solicitation.

From a German perspective "reverse solicitation" applies to an approach by a potential investor on its own initiative and potentially also to other situations where a fund manager acts more actively towards the investor.

For the sake of completeness, certain other activities are also not classified as marketing activities pursuant to the German Capital Investment Code. Such activities include the publication of NAV and ISIN and other information published to comply with legal requirements as well as the issuance of interests in a German UCITS, which is a feeder to an EU master UCITS.

Placement of certain interests is exempted from the German Capital Investment Code and can therefore be made on private placement basis. Issuances made by one of the following vehicles or structures are exempted from the German Capital Investment Code:

- holding companies;
- institutions for occupational retirement provision;
- supranational institutions, in the event that such institutions or organisations manage AIFs and in so far as those AIFs act in the public interest;
- national, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems;

- employee participation schemes or employee savings schemes;
- securitisation special purpose vehicles;
- AIFs in so far as their only investors are their AIFM or the AIFMs parent undertakings, their subsidiaries or other subsidiaries of their parent undertaking and where those investors are not themselves AIFs;
- AIFs managed by an AIFM where the aggregated assets managed do not exceed EUR 100 m (leverage included) or EUR 500 m (without leverage);
- AIFs for private investors where the assets do not exceed a value of EUR 5 m and have not more than five investors;
- AIFs for private investors in the form of a cooperative society which invests in clean energy; and
- AIFs for private investors where the assets of the AIFM managing such AIF do not exceed EUR 100 m.

Private placement options for non-fund interests are available and outlined below under private placement rules for non-fund investments.

Consequences of non-compliance with placement regimes for fund interests

From a civil law perspective, the new German law implementing AIFMD creates some uncertainty. Contracts concluded should principally be regarded as valid under general German law even if one of the parties may have acted in non-compliance with the German Capital Investment Code when entering into the agreement. However, if a fund needs to be unwound, e.g. for regulatory requirements, an investor might under general German civil law principles hold the fund and/or its manager responsible and claim compensation and damages for losses suffered.

From a regulatory perspective, distribution of fund interests which breaches the German Capital Investment Code could constitute a criminal offence. Sanctions include fines and even imprisonment. Further, the German regulator may issue a request to the fund manager to adapt their operations so that they comply with the legal requirements or may prohibit further distribution activities and request unwinding of the fund.

Private placement rules for non-fund investments available

Any instrument, other than a fund instrument, can be subject to private placement rules in Germany. German law distinguishes between two different regimes: (1) private placement of securities and (2) private placement of non-securities. Both regulations explicitly allow for private placement.

Under German law, securities are transferable instruments which are tradeable on capital markets. All other instruments, e.g. non-tradeable participations in companies, are non-securities.

The private placement of securities is regulated in the German Securities Prospectus Act (Wertpapierprospektgesetz). This law provides for a number of private placement exemptions, the most important applying to offers (i) where the minimum subscription amount is EUR 100,000 per investor or (ii) addressing fewer than 150 investors per EEA State or (iii) which are restricted to professional investors (professional investors defined in accordance with the MiFID definition of professional clients).

The private placement of non-securities is regulated by the German Asset Investment Act (Vermögensanlagen-gesetz). Again, this law provides for a number of private placement exemptions of which the most important apply to offers where (i) the minimum subscription amount is EUR 200,000 per investor or (ii) a maximum of 20 interests are issued.



Greece

Summary of private placement provisions for fund interests (if applicable)

Law 4099/2012 (effective from 20 December 2012) implemented in Greece Directive 2009/65 of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). Law 4099/2012 is applicable only to UCITS established within the territories of the EU member states. However, when enacting Law 4099/2012 the Greek legislature **added** a provision (Article 92) which is not included in Directive 2009/65. Article 92 provides inter alia that any undertaking for collective investments that is seated in a **non-EU** member state needs to be licensed by the Hellenic Capital Market Commission (the “HCMC”) before making offerings in Greece.

Moreover, Law 4209/2013 (effective from 21 November 2013, except for some interim provisions that have different effective dates) implemented Directive 2011/61 of the European Parliament and of the Council on Alternative Investment Fund Managers (AIFM). Law 4209/2013 is applicable to AIFMs (either EU or non-EU based) which manage and/or market alternative investment funds (AIFs) in the EU. However, Greece opted not to implement Article 42 of Directive 2011/61 which provides the conditions for non-EU AIFMs to make offerings to professional investors within an EU member state.

In light of the above non-EU funds are governed by the special provision of Article 92 of Law 4099/2012

The AIFMD, which came into force on 22 July 2013, seeks to establish a harmonised regulatory framework for firms that manage or market alternative investment funds (AIFs) in the EU. An AIF has been defined broadly and catches a variety of non-UCIT (undertakings for collective investment in transferable securities) investment vehicles such as closed-end listed vehicles (e.g., investment trusts) and private equity, real estate and hedge funds.

AIFMD is likely to affect most private equity fund managers who manage funds or have investors in the European Union if they are identified as the alternative investment fund manager (AIFM) of a particular fund or funds. Limited grandfathering provisions apply, generally exempting closed-end funds which will end prior to 2016 or are fully invested by 2013. Those EU funds with non-EU managers may be required to become authorised by 2015. AIFMs managing funds below de minimis aggregate thresholds may only be subject to lighter touch requirements, which include registration with regulators, notification of investment strategies, and certain investment reporting.

There is no specific definition of private placement under Greek law but the concept of “private placement” is determined by opposition to public offer and by referring to the exemption from the requirement to publish a prospectus under the provisions of the law implementing Directive 2003/71/EC, as amended (law 3401/2005 as amended by law 4099/2012 – “Prospectus Law”).

Private placement in Greece is a placement that:
— is addressed solely to qualified investors [*per Article 1 of Directive 2010/73 EU “qualified investors” means persons or entities that are described in*

points (1) to (4) of Section I of Annex II to Directive 2004/39/EC, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients - these provisions have been implemented in Greece]; and/or

- is addressed to fewer than 150 natural or legal persons per EU member state, other than qualified investors; and/or
- is addressed to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer; and/or
- refers to securities whose denomination per unit amounts to at least EUR 100,000; and/or
- refers to securities with a total consideration of less than EUR 100,000 calculated over a period of 12 months.

If a fund meets any one (or more) of the above criteria than it is subject to private placement provision.

Other forms of possible placement options for fund interests outside fund regulations

The following fall outside of the scope of the law covering the placement of fund interests:

- reverse solicitation (i.e. following a genuine unsolicited request by the investor);
- non-equity securities issued by an EU Member State or by public international bodies of which one or more EU Member States are members or by the European Central Bank or by the central banks of the EU Member States;
- shares in the capital of central banks of the EU Member States;
- securities unconditionally and irrevocably guaranteed by an EU Member State;

- securities included in an offer where the total consideration for the offer in the EU is less than EUR 5,000,000 calculated over a one-year period; and
- non-equity securities issued in a continuous or repeated manner by credit institutions where the total consideration for the offer in the EU is less than EUR 75,000,000 calculated over a one-year period, provided that those securities are not subordinated, convertible or exchangeable and that they do not give a right to subscribe to or acquire other types of securities and that they are not linked to a derivative instrument.

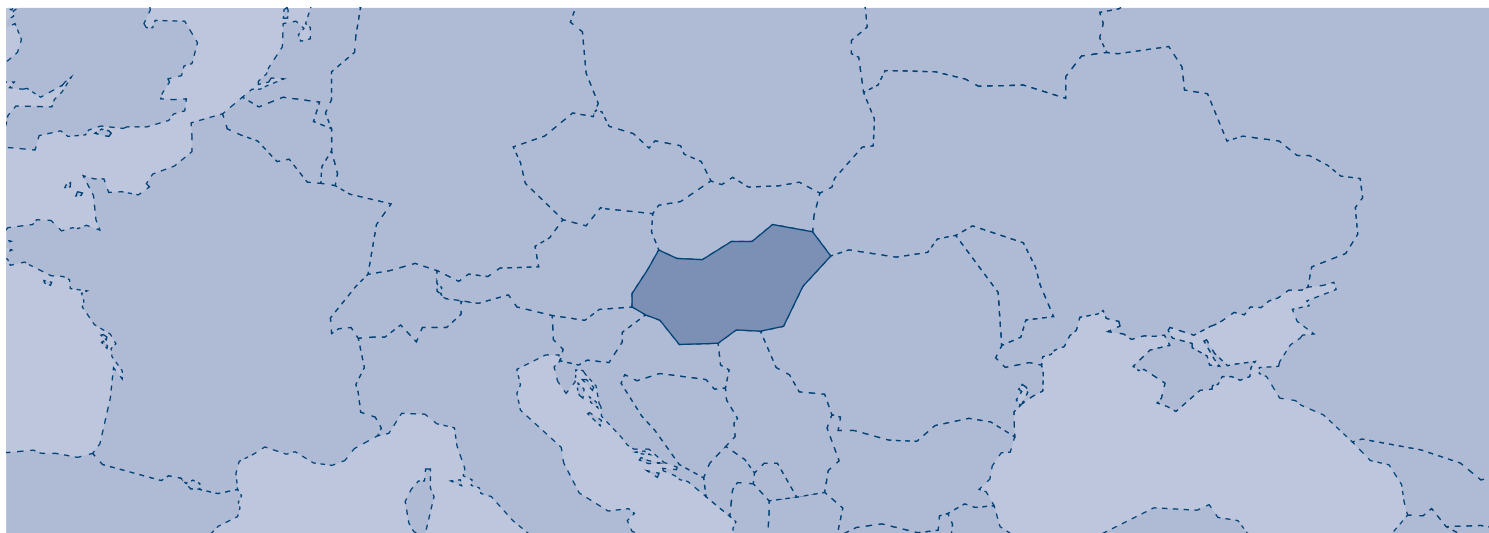
Consequences of non-compliance with placement regimes for fund interests

If there is a violation of private placement provisions, the contract may be declared null and void under the applicable provisions of the Greek Civil Code. A breach of the applicable laws and regulations creates civil liability to fully indemnify any injured party.

Regulatory sanctions include a fine of up to EUR 1,000,000. Criminal charges may be pressed, with the possibility of imprisonment for a term of up to 5 years.

Private placement rules for non-fund investments available

Non-fund investments which are generally subject to private placement opportunities outside fund regulation include financial instruments such as shares in companies; bonds or other forms of securitised debt; certain other securities; units in collective investment undertakings; options, futures and swaps and other derivative contracts. These financial instruments are subject to private placement provisions when the exemptions from the duty to publish a prospectus apply.



Hungary

Summary of private placement provisions for fund interests (if applicable)

Despite the entry into force of AIFMD on 22 July 2013, the Hungarian parliament has not yet enacted the law implementing AIFMD. The draft law is now under discussion by the Hungarian Parliament. At the date of this Guide, the draft law is waiting for the final approval of the Hungarian Parliament. Therefore, the below summary will need to be amended in accordance with the new law.

Besides implementation of AIFMD, the main aims of the draft law are to improve the transparency of the derivative markets and harmonise the requirements about the supervisory authority system with the new Hungarian regime. Please note that from 1 October 2013, the National Bank of Hungary took over the competence of the former Hungarian Financial Supervisory Authority.

As opposed to a public offering, which is subject to the prospectus requirements, under Hungarian law there is no specific definition of a private placement. Pursuant to Act CXX of 2001 on capital markets, a placement qualifies as a "private placement", if:

- (i) securities are offered only to qualified investors (i.e. investors recognised as professional clients or eligible counterparties in accordance with MiFID);
- (ii) securities are offered to fewer than 150 non-qualified investors in each EU Member State;
- (iii) the minimum purchase is equal to EUR 100,000, or the equivalent in any other currency;
- (iv) the face value of the securities offered is at least EUR 100,000, or its equivalent in any other currency;

- (v) the issue value of all securities issued in the EU Member States does not exceed EUR 100,000, or its equivalent in any other currency, within 12 months from the offering date; or
- (vi) a company limited by shares is formed by the transformation of a cooperative and the shares are offered exclusively to the members of the transforming cooperative.

Both closed-end and open-ended funds are subject to private placement provisions. In addition, there is no distinction between the private placement of funds and non-funds interests. All tradeable non-fund interests (such as shares, bonds, options, swaps, futures, other financial derivatives etc.) may be subject to private placement rules.

As a general rule, a public offering is subject to the prospectus requirements. However, in certain cases a public offering (i.e. offerings to more than 150 investors) will be exempted from the prospectus requirement, i.e. if (i) the offering is addressed only to qualified investors; (ii) it is in connection with the offering of investment units of an open-ended investment fund; or (iii) an issuer issues substitute shares of the same class and type as shares it has previously issued, and the new substituted shares will not result in the increase of the issued equity capital.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation may be excluded from marketing activity. Since reverse solicitation is made at the initiative of the investor, it will not qualify as a public offering or a private placement. Further interpretation is required and

assessment of reverse solicitation would be analysed on a case-by-case basis, but the main criterion is that the purchase of fund interests should be initiated and controlled by the investor. Therefore a professional service provider offering fund interests will not generally be able to benefit from the reverse solicitation exemption.

Consequences of non-compliance with placement regimes for fund interests

Under contractual law, the placement may be deemed invalid and damages required to be paid. A competent court may be requested to order the invalidation by any affected investor or any other person who has a legitimate interest in nullifying the placement. However, market practice is very limited.

In addition, an administrative penalty may be incurred ranging from HUF 100,000 to HUF 2,000,000,000 (EUR 330–EUR 6,666,667).

Private placement rules for non-fund investments available

Generally, the private placement/public offering distinction applies to securities issued by any entity (such as an “ordinary company”). Accordingly, securities such as bonds, notes and warrants may provide a good private placement opportunity outside fund regulation, as long as these are indeed issued in a private placement (i.e. a placement to no more than 149 non-qualified investors).



Ireland

Summary of private placement provisions for fund interests (if applicable)

Pre-AIFMD

The Central Bank of Ireland (the “CBI”) has not published rules on the scope of marketing/offering activity that may be conducted by a fund in Ireland that would fall outside of the public offering regime.

A generally acceptable standard set for private placement to date has developed upon precedent and CBI guidance extracted from specific cases. This “grey” guidance, in essence, provides that an offer should not constitute public marketing (and thus not require registration with the CBI) where:

- the number of invitations did not exceed 15;
- the offer was non-transferable;
- there was an existing relationship with the offeree.

However, the CBI has indicated that an interpretation of what constitutes an offer to the public will not just be a question of the number of offerees and that consideration should be given more generally to the nature and extent of the invitation to participate.

Also, it is important to note that the above remains “grey” guidance and the CBI has stated that it retains discretion to consider each offer on a case-by-case basis to determine whether it falls within the scope of the public offering regime as outlined in Non-UCITS Notice 19.

Due to the lack of prescribed parameters of what constitutes private placement in Ireland currently (pre-AIFMD), it is advisable in any given scenario to

consider formally notifying the CBI of the proposed activity and seek their clearance.

Post-AIFMD

AIFMD has been transposed in Ireland through regulations. In the context of “marketing” to “professional investors” (as each term is defined within AIFMD) without a passport, Irish implementing regulations implement the following provisions of AIFMD:

- (a) Article 36 (marketing without a passport of non-EU AIFs managed by an Irish AIFM or an AIFM from another EU State); and
- (b) Article 42 (marketing without a passport of AIFs managed by non-EU AIFM).

The Irish implementing regulations do not carry stricter supplemental rules. However, they grant the CBI the power to impose additional conditions or requirements where it considers it necessary for the proper and orderly regulation and supervision of alternative investment fund managers. No such conditions or restrictions have been made to date.

In the case of both the article 36 facility and the article 42 facility referred to above, the affected AIFM must give written notification to the CBI before marketing units or shares of an AIF it manages to professional investors in Ireland. This notification should include the name of the AIFM and the AIF and the identity of the jurisdiction in which the AIFM is domiciled and the jurisdiction where the AIF is domiciled. Marketing can commence once the CBI has informed the AIFM to that effect.

Prospectus Directive

Where a fund is closed-ended, any offer made to the public will be subject to a requirement to publish a prospectus under the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2005 (as amended) (the “PDR”).

For closed-end funds any offer which falls either (1) outside of the definition of a public offer; or (2) within the exemptions of Regulation 9 of the PDR (equivalent to Art. 3(2) of the Prospectus Directive 2003/71/EC, as amended), should not be subject to the prospectus requirement.

Other forms of possible placement options for fund interests outside fund regulations

An approach made by a potential investor on an unsolicited basis would not as a matter of principle breach any marketing restrictions under the applicable private placement exemption.

Consequences of non-compliance with placement regimes for fund interests

As set out above, the current private placement rules are only based on an accepted market standard and it is only where a fund acts outside of the accepted market standard that there may be consequences where a fund's activities are deemed to fall under another set of rules/regulations (i.e. where a fund is deemed to be within the scope of the public offering regime as outlined in Non-UCITS Notice 19 or, where a fund is a closed-ended, any offer made to the public will be subject to a requirement to publish a prospectus under the PDR).

The CBI may administer sanctions in respect of prescribed contraventions by regulated financial service providers and persons concerned in the management of regulated financial service providers.

Private placement rules for non-fund investments available

The PDR require that a prospectus be published in respect of, inter alia, any “offer of securities to the public”. The PDR defines an “offer of securities to the public” as: *“a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities or apply to purchase or subscribe for those securities and this definition shall be construed as –*

- (a) being also applicable to the placing of securities through financial intermediaries; and
- (b) as not being applicable to trading on a regulated market or any other market operated by an approved stock exchange”.

The definition of issuer in the PDR is any body corporate

or other legal entity which issues or proposes to issue securities. It is irrelevant whether the issuer is an Irish or foreign company.

If a body corporate is making an offer of securities to the public in Ireland, it must comply with the PDR, unless the offer is in relation to a class of securities which are considered to be outside the scope of the PDR pursuant to Regulation 8 of the PDR (equivalent to Article 1(2) of the Prospectus Directive) (including but not limited to units issued by collective investment undertakings other than closed-end types).

The PDR defines “securities” as “transferable securities as defined by Article 1(4) of Directive 93/22/EEC with the exception of money market instruments as defined by Article 1(5) of Directive 93/22/EEC, having a maturity of less than 12 months”.

There is no definition of “private placement”; however, the following shall not be considered to be offers to the public (and therefore could be considered to be private placements for purposes of Irish law:

- (a) an offer of securities addressed solely to “qualified investors” (defined in accordance with MiFID);
- (b) an offer of securities addressed to fewer than 150 natural or legal persons, other than qualified investors;
- (c) an offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer;
- (d) an offer of securities whose denomination per unit amounts to at least EUR 100,000; and/or
- (e) an offer of securities with a total consideration in the European Union less than EUR 100,000, which shall be calculated over a period of 12 months.



Italy

Summary of private placement provisions for fund interests (if applicable)

Italian laws and regulations do not provide for a definition of “private placement”.

The term “private placement” is commonly used to indicate a restricted offer of financial products to professional investors that is exempted from the duty to publish a prospectus.

In particular, according to art. 100 of the Italian Consolidated Financial Act (Legislative Decree no. 58/1998, “**CFA**”), as implemented by art. 34-ter of the Issuers Regulation no. 11971/1999 issued by Consob (the Italian Securities Market Supervisory Authority), the offer of financial products exclusively to professional investors is exempted from the duty to publish a prospectus.

The definition of professional investors is set out under art. 26 and Attachment 3 of Consob Intermediaries Regulation no. 16190/2007, whereby professional investors include:

- professional investors by operation of law, i.e.:
 - Italian and foreign entities authorised and regulated to operate in financial markets (e.g. banks, investment companies, insurances, pension funds etc.);
 - large companies meeting certain requirements; and
 - institutional investors whose main activity is investment in financial instruments;
- professional investors on request, provided that certain criteria and procedures are met (in this case the offeror is in any case obliged to assess whether the investor is able to make informed investments decisions and to understand the risks thereof); and

- public professional investors, subject to certain procedures and requirements.

According to the private placement provisions currently in force, and in particular art. 42 of the CFA, as implemented by Regulation of the Bank of Italy on Collective Assets Management dated 8 May 2012, the offer in Italy of non-harmonised funds must be prior authorised by the Bank of Italy, after having heard Consob, even if the offer is addressed only to institutional (i.e. professional) investors.

Furthermore, according to art. 16 of Ministerial Decree no. 228/1999, speculative/hedge funds cannot be offered to the public, meaning that they can be offered only to pre-identified investors, or through the reverse enquiry mechanism. Under certain binding resolutions issued by Consob, it would not be sufficient to identify the addressee of the offer on the basis of a specific qualification (e.g. only to professional investors), but it is necessary to pre-identify the specific investors.

According to the draft amendments to the CFA, which were published on 3 July 2013 for public consultation by the Italian Ministry of Treasury, in order to implement the AIFMD (the “**Draft CFA**”), following the implementation of the AIFMD the authorisation of the Bank of Italy shall no longer be required for offers of non-harmonised funds.

In particular, the marketing of AIFs to professional investors shall be preceded by the prior notification to Consob under art. 43 of the Draft CFA, requiring:

- the prior notification to Consob and an assessment by the Bank of Italy of the adequacy of the AIFMs to manage the relevant AIF, in order to market to professional investors:

- (i) Italian AIFs reserved to professional investors; and
 - (ii) EU and non-EU AIFs managed by either Italian SGRs (asset management companies) or non-EU AIFMs authorised in Italy;
- the prior notification to Consob by the home State Authority in order to market to professional investors:
 - Italian AIFs (either reserved or not reserved to professional investors); and
 - EU and non-EU AIFs managed by either EU AIFMs or non EU AIFMs authorised in a country other than Italy.

The above notification duties apply also to Italian, EU and non-EU AIFs managing their own assets.

Based on the above, it results that only Italian AIFs other than reserved AIFs that are managed by non-EU AIFMs authorised in Italy are not subject to private placement provisions.

With regard to the offer of speculative/hedge funds, the Ministry of Treasury has anticipated that Ministerial Decree no. 228/1999 will be subject to amendments in connection with the implementation of the AIFMD.

Other forms of possible placement options for fund interests outside fund regulations

Fund interests can be placed outside fund regulations through the reverse solicitation mechanism (i.e. following a genuine unsolicited request by the investor).

Certain requirements must be met if the (unsolicited) request is made by a bank/investment company when providing a portfolio management service to Italian clients.

Consequences of non-compliance with placement regimes for fund interests

If there is a breach of the provisions on private placement an agreement may be declared null and void for violation of mandatory provisions according to art. 1419 of the Italian Civil Code and the breaching party may have to refund the relevant sums invested by the customers plus proved damages and interest.

According to art. 190 of the Draft CFA if offers of fund interests in Italy breach the private placement regime under art. 42 and art. 43 of the Draft CFA, an administrative sanction from EUR 2,500 to EUR 250,000 can be applied to representatives, directors and employees of the offeror.

Private placement rules for non-fund investments available

Financial products are generally subject to private placement opportunities, for example, tradeable securities, money market instruments, options, futures, swaps and other derivative contracts. These are subject to the private placement provisions when the exemptions from the duty to publish a prospectus apply.



Latvia

Summary of private placement provisions for fund interests (if applicable)

The Latvian law implementing the AIFMD, i.e. the Law on Alternative Investment Funds and Fund Managers (the "AIFFM"), was passed on 9th July 2013 and came into force on 8 August 2013, although certain sections of the law will only come into effect at a later date. These include sections relating to initial capital and core capital requirements (Implementing Regulation no. 575/2013) which came into effect on 1 January 2014.

Neither the AIFFM nor the Law on Market for Financial Instruments (the "LMFI") which regulate financial markets and the public trading of securities in Latvia include any definition of "private placement". The notion of a private placement is generally addressed by way of specific exemptions relating to the obligation to prepare and register a prospectus, with such exemptions corresponding to the exemptions included in the Prospectus Directive.

According to the terms of the AIFFM and LMFI, funds distributed in Latvia must be registered with the Financial and Capital Markets Commission. Furthermore, fund shares can no longer be distributed in Latvia on a "private placement" basis, whether the fund is targeted at qualified or other investors.

Other forms of possible placement options for fund interests outside fund regulations

As an exemption from the general authorisation rule, unsolicited business with Latvian clients does not trigger any licensing requirement. In other words, there is no restriction on the right of persons and entities domiciled in Latvia to request the services of any entity (such as a

fund manager) upon their own initiative (i.e. reverse solicitation).

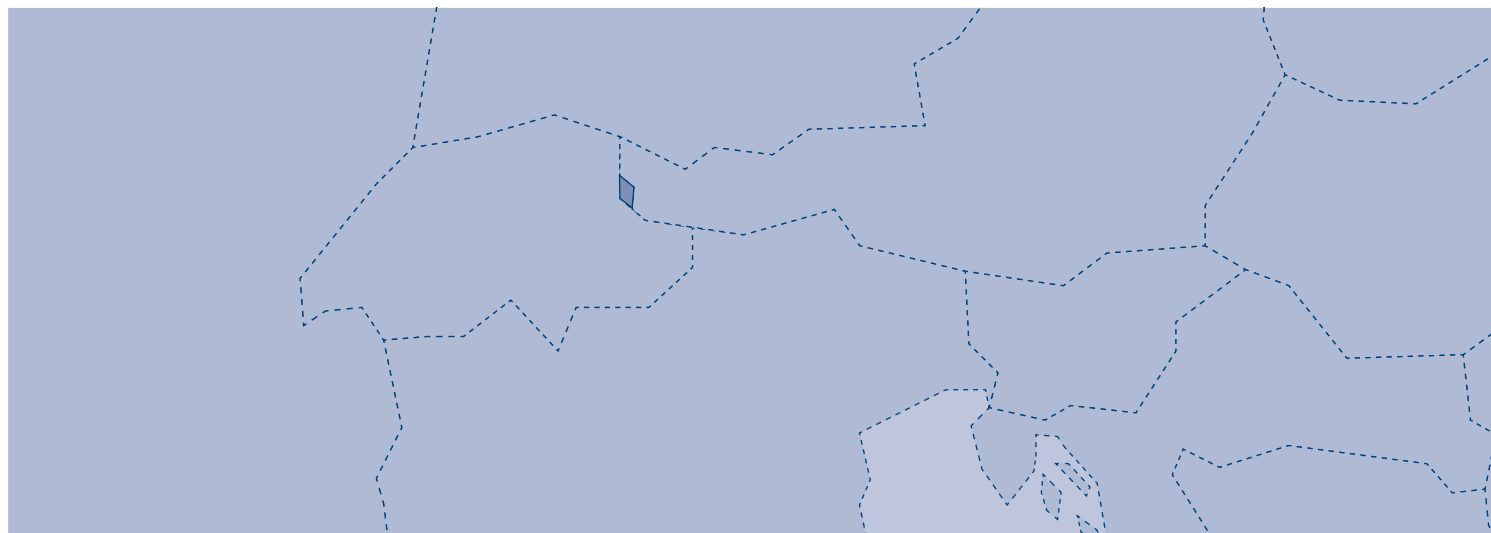
Consequences of non-compliance with placement regimes for fund interests

Where there has been a distribution of fund interests in a manner not compliant with Latvian law administrative penalties of up to EUR 142,300 may be imposed. Additional regulatory sanctions can also include the prohibition on further distribution activities of the fund.

Private placement rules for non-fund investments available

The private placement of securities is regulated by the LMFI. This law provides for a number of private placement exemptions, the most important applying to offers (i) where the minimum subscription amount is EUR 100,000 per investor, (ii) where the offer is addressed to less than 150 investors per EEA Member State, or (iii) being restricted to professional investors (professional investors being in essence MiFID professional clients as per Annex II of the MiFID).





Liechtenstein

Summary of private placement provisions for fund interests (if applicable)

There is no general definition of “private placement” in Liechtenstein. This term refers generally to the exemption from the obligation to draw up a prospectus in accordance with the provisions of the Securities Prospectus Act (the “SPA”).

Article 187 of the ordinance on Alternative Investment Fund Managers (“AIFMV”) as of 2 July 2013 states that the obligation to draw up a Prospectus shall not apply in the case of an offering of units or shares of an AIF in Liechtenstein:

- (a) which is directed exclusively at professional investors;
- (b) which is directed at fewer than 150 non-professional investors in Liechtenstein;
- (c) provided that the minimum denomination of a unit or share or the minimum contribution per investor is EUR 100,000 or the equivalent amount in another currency; or
- (d) where the constitutional documents of the AIF exclude the subscription for integration in other financial instruments and investment agreements which are marketed to private investors, particularly the subscription by an AIF, UCITS, index fund or as reference value for a structured product or certificate and as an investment of a life insurance.

All AIFs are subject to the above provisions. Generally, the exemption above is directed at professional investors. Where units or shares of an AIF are marketed to professional investors only, measures have to be taken to prevent marketing to private investors, in particular by way of:

- (a) appropriate design of the subscription form;
- (b) references in the documentation of the AIF; and
- (c) the exclusion of marketing of units or shares to private investors in the distribution agreements.

Professional investors are defined as investors which are considered to be professional clients or which may be treated as professional clients within the meaning of Annex II to Directive 2004/39/EC.

When the Law on Alternative Investment Fund Managers (“AIFMG-L”) comes into effect on 22 July 2013 and the AIFM Directive is incorporated into the EEA Agreement, the Law on Investment Undertakings (“IUG”) together with the existing private placement rules for the marketing of units of investment undertaking from a third state will disappear. Therefore, the IUG will still be in force parallel to the AIFMG until the incorporation of the AIFM Directive into the EEA Agreement has been completed.

Other forms of possible placement options for fund interests outside fund regulations

As an exemption from the general authorisation rule, unsolicited business with Liechtenstein residents does not trigger any licensing requirement in Liechtenstein. Therefore there is no restriction on the right of persons and entities domiciled in Liechtenstein to request the services of any entity on their own initiative. Financial services and transactions requested on the client’s own initiative without any prior solicitation and marketing are therefore not subject to any licensing requirements in Liechtenstein.

Consequences of non-compliance with placement regimes for fund interests

There are no mandatory contractual consequences. However, the marketing of units or shares without compliance with the requirements of Article 87 of the AIFMV could lead to claims for damages by investors.

In the case of non-compliance with relevant provisions the District Court shall impose imprisonment for up to one year or a fine of up to 360 daily rates upon a person who inter alia acts as an AIFM without authorisation, markets units or shares of an AIF which may only be marketed to professional investors to private investors without the required approval or authorisation or acts as an distributor without the required authorisation.

Should circumstances appear to endanger investor protection, the reputation of Liechtenstein as a fund centre or the stability of the financial system, the Liechtenstein Financial Market Authority may, in particular, without prior warning or setting of a deadline, require the suspension of issue of units or shares or prohibit the marketing.

Private placement rules for non-fund investments available

Generally, all public offerings of an offeror or issuer in or to Liechtenstein residents are subject to a duty to prepare a prospectus. This includes the offering of securities

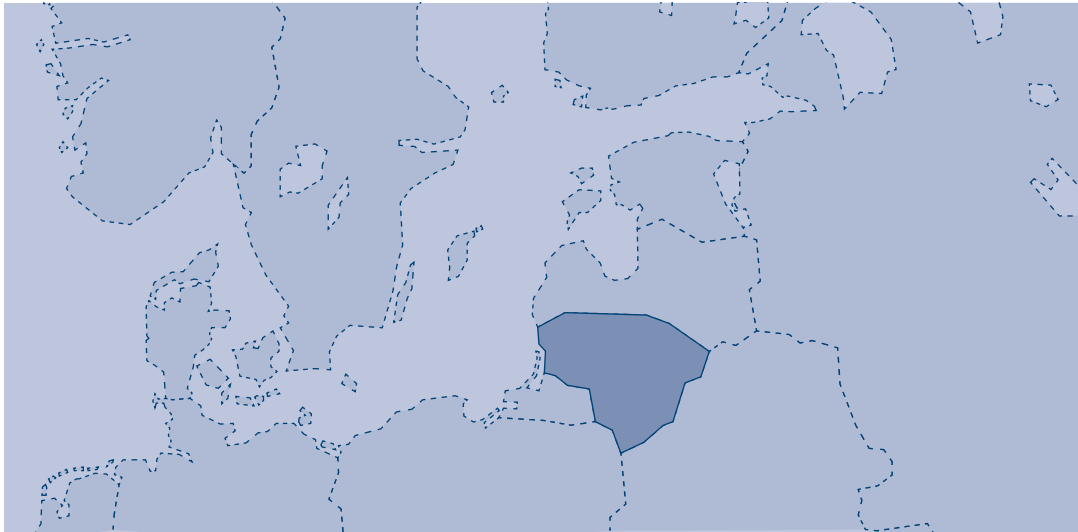
negotiable on securities market, shares equivalent to equity or shares of legal entities, bonds and other securitised debts and any other securities qualifying as transferable securities.

However, the prospectus duty does not apply according to Article 5 of the Securities Prospectus Act ("SPA") in the following cases:

- (a) if the offer is directed solely at qualified investors;
- (b) if the offer is directed at fewer than 150 non-qualified investors in each State;
- (c) if the offer price does not exceed EUR 100,000 or the equivalent in another currency over a period of twelve months; or
- (d) if the denomination per unit or per investor amounts to at least EUR 100,000 or the equivalent in another currency.

Qualified investors according to the SPA are professional clients which are considered to be treated as professional clients or may be treated as professional clients within the meaning of Annex II to Directive 2004/39/EC or eligible counterparties within the meaning of Annex II, paragraphs I (1) and (3), to Directive 2004/39/EC.

In addition, the SPA provides for several other exemptions which depend on the nature of the security (securities offered in connection with a takeover, shares representing, over a period of twelve months, securities that are traded on a regulated market etc.).



Lithuania

Summary of private placement provisions for fund interests (if applicable)

Lithuania currently is only in the process of implementing the AIFMD. Many market participants, as well as the financial market regulator, have submitted numerous comments in relation to the initial draft of the implementing law proposed by the Ministry of Finance. Therefore, the shape of post AIFMD private placement regime in Lithuania is still unknown.

With respect to funds, until recently the private placement regime was understood as an offer of fund interests which does not constitute a public offering of fund units or shares. In this regard public offering was defined as offering of units or shares of fund through means of media or through any means of advertising or by other means when addressed to more than 100 persons. Offerings/placements of funds that do not fall into this definition have been treated as private and thus outside the scope of regulation.

However the recent developments in national regulation, which are unrelated to the AIFMD, introduced uncertainty and certain risks related to the marketing of funds by non-EU managers to Lithuanian investors. A new Law on Collective Investment Undertakings Designed for Well-Informed Investors, effective as of 1 July 2013, created rules for establishing and offering collective investment undertakings designed for well-informed (professional) investors in Lithuania.

Under this law, the concept of public offering is much broader and captures any offering of fund interests in Lithuania that provides enough information for a purchase decision.

Furthermore, this law provides the definition and criteria for non-public offering of such funds, which is defined as an offering made by (i) the initiative of the investor without prior address by the manager of the fund, or (ii) the offering by the manager to a group of people clearly identified in advance. Under this law even non-public offering of funds shares/units in Lithuania requires prior authorisation.

Although this law is only applicable with respect to the funds designed for professional investors that are established in Lithuania, the sanctions section of the law is not as specific and is worded in a way that can be interpreted as foreseeing sanctions that can be imposed on any person offering/placing such funds in Lithuania without authorisation.

Until adoption of the law implementing the AIFMD, and in absence of further guidance from the regulator with respect to application of these provisions to non-Lithuanian funds, any offering of fund interests in Lithuania without proper authorisation is subject to a risk of sanctions.

Other forms of possible placement options for fund interests outside fund regulations

Generally, the above described legal acts should not undermine the concept of reverse enquiry (i.e. the situation when it is regarded that a person is seeking investment service/acquisition of fund interests abroad). However, having in mind the provisions of the above mentioned Law on Collective Investment Undertakings Designed for Well-Informed Investors, acquisition of fund interests should not occur in Lithuania, i.e. the specific performance of the service should be outside

Lithuania. It should be, however, assessed on a case-by-case basis whether the conditions of reverse enquiry are fulfilled.

For the same reason, acquisition of foreign fund interests in Lithuania (as opposed to offering/ placement) is not prohibited and such funds interests may be acquired through a financial intermediary providing investment services (for example by providing investment recommendation or by discretionary inclusion of fund interests into client's portfolio under management).

Consequences of non-compliance with placement regimes for fund interests

Possible consequences include:

- Claims for damages by investors that have acquired the fund interests;
- Regulatory sanctions including: warnings, bans on operations or activities in Lithuania, requirements to change the manager and/or monetary fines.

Private placement rules for non-fund investments available

The private placement regime for non-fund investments is not defined by the law. In this regard "private placement" is a market developed concept which is understood as a placement of various securities, such as shares, bonds, notes, etc. (including shares/units of closed-end collective investment undertakings), which are exempted from the requirement to publish an offering prospectus.

The exemptions from the obligation to publish a prospectus established in the Lithuanian Law on Securities fully correspond to those established by the Prospectus Directive (as amended), and amongst others, include an offer of securities addressed solely to qualified investors as well as an offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors.



Luxembourg

Summary of private placement provisions for fund interests (if applicable)

There is no specific definition of private placement under Luxembourg law but the concept is interpreted as the opposite to a public offer and by referring to the exemption from the requirement to publish a prospectus under the provisions of the prospectus law implementing the Prospectus Directive, as amended ("Prospectus Law"). e.g.:

- an offer addressed solely to qualified investors;
- an offer addressed to fewer than 150 natural person per Member State, other than qualified investors;
- an offer of securities addressed to investors who acquire securities for at least EUR 100,000 for each separate offer;
- an offer of securities whose denomination per unit amounts to at least EUR 100,000.

The following criteria may be used for defining "private placement":

- whether the offer is made to a small circle of persons (UCIs part II and UCITS): as the Luxembourg supervisory authority (the **"CSSF"**) will consider cases on an individual basis, there is no maximum number of investors to fulfil the criteria;
- whether the offer is made to well-informed investors (SIFs, SICARs), being an institutional investor, a professional investor and any investor having confirmed that (a) he adheres to the status of well-informed investor and (b) either (i) invests a minimum of EUR 125,000 in the vehicle or (ii) has been subject to an assessment certifying his expertise, his experience and his knowledge in appraising an investment in the vehicle;

- the form of the offer: targeting existing customers, high sales amount, no advertisement ...;
- Luxembourg law distinguishes between a placement to the public and public offerings: a placement to the public may take place by means of a private placement.

The following types of funds are subject to private placement provisions:

- EU AIFs
- Non-EU AIFs
- Marketing under the existing Luxembourg placement rules is not affected, for the time being, by the law of 12 July 2013 on the alternative investment fund managers implementing the AIFMD.

The following types of investor are in scope of private placement exemptions:

- EU professional investors (as defined under Annex II of Directive 2004/39/EC (MiFID));
- Luxembourg retail investors.

There are no potential changes to private placement rules following AIFMD implementation in Luxembourg.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation may be considered as non-marketing activity but does not exclude the qualification of AIF for the relevant vehicle. Reverse solicitation is only available to professional investors and cannot be used as a placement strategy. Further interpretation is required in Luxembourg and permission for the reverse solicitation exemption would be given on a case-by-case basis.

Consequences of non-compliance with placement regimes for fund interests

- The following mandatory contractual consequences may apply: payment of damages under contractual law (i.e. Article 1147 of the Civil code).
- The following regulatory and other sanctions may also apply: caution, official warning, penalty, ban on operations or activities, professional ban on the directors/managers of the entities supervised by the CSSF.

Private placement rules for non-fund investments available

The following non-fund investments are subject to private placement opportunities outside fund regulation:

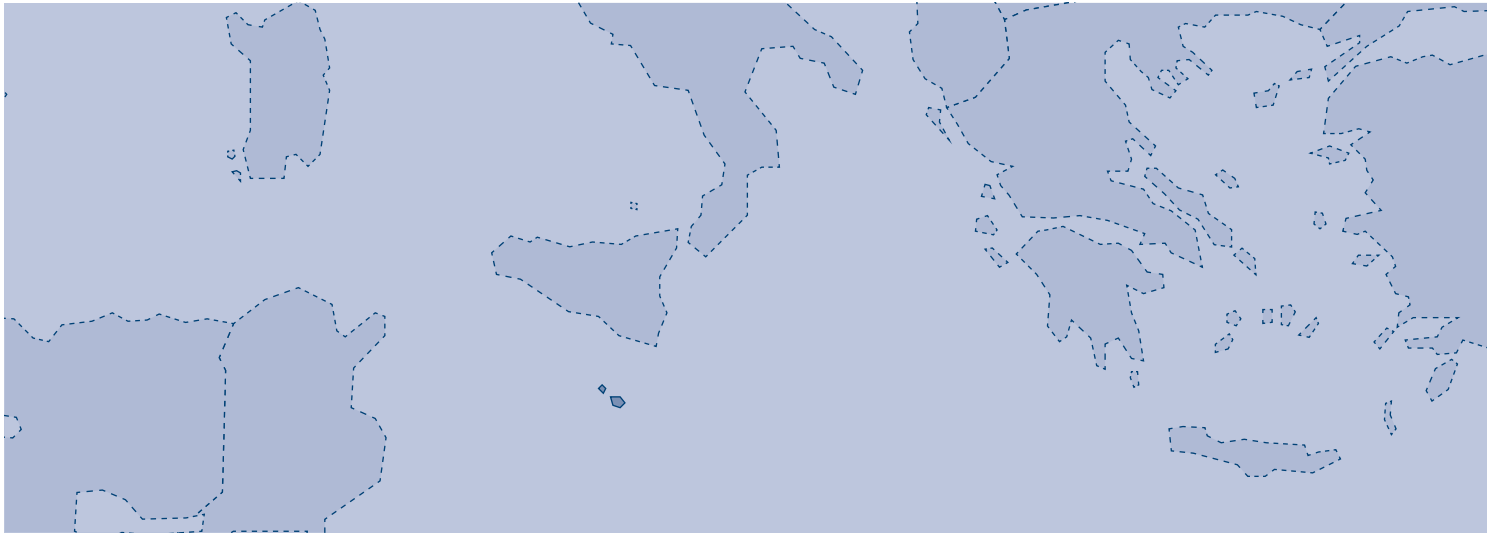
- Securities (i.e. shares, units, bonds, notes, warrants, certificates etc. issued by ordinary companies, holding companies, securitisation companies etc.)

The following types of non-funds are subject to private placement provisions:

- Securitisation vehicles;
- Holdings/Soparfi.

The following types of investor are in scope of private placement exemptions:

- Professional investors (as defined in MiFID); and
- Retail investors.



Malta

Summary of private placement provisions for fund interests (if applicable)

Malta has transposed the AIFMD through subsidiary legislation and Investment Services Rules published by the **MFSA (the Malta Financial Services Authority)**.

Maltese private placement rules are found in the Investment Services Act (Alternative Investment Fund Manager) (Third Country) Regulations (the **"Third Country Regulations"**). In summary, there is no private placement regime with regard to minimum investments or types of investors in Malta. The Third Country Regulations seek to transpose the third country provisions set out in the AIFMD into Maltese law. The Third Country Regulations do not define "private placement". Amongst other matters, they provide for various requirements which must be satisfied by fund managers (whether EU or non-EU) marketing non-EU AIFs and/or EU Feeder AIFs in Malta without a passport, and the various requirements which must be satisfied when targeting professional clients (as defined in AIFMD) as well as retail clients in Malta.

The private placement regime applies to non-EU managers in respect of both EU and non-EU AIFs. For a non-EU manager to market units or shares of AIFs in Malta, the non-EU manager must adhere to the (private) placement regime as set out in the Third Country Regulations. In particular, the non-EU manager must adhere to Article 42 of the AIFMD as transposed within the Third Country Regulations. Among the various requirements to be met in this respect, the non-EU manager must comply with

transparency requirements as established under Articles 22, 23 and 24 of the AIFMD, ensure proper cooperation agreements are in place between the relevant regulatory authorities and ensure that the third country where the third country AIF is established is not listed as a Non-Cooperative Country and Territory by the FATF. Marketing to retail investors is subject to additional requirements as set out in the Third Country Regulations. In this respect, an AIF shall not be marketed to retail investors unless it is authorised for this purpose by the relevant regulatory authority.

EU managers may market non-EU AIFs under the private placement regime in accordance with Article 36 of AIFMD, as transposed. In this respect the EU manager must ensure that the non-EU AIF has appointed one or more entities to carry out the cash monitoring, safekeeping and oversight functions as set out in Articles 21(7),(8) and (9) of AIFMD. Where an EU manager wishes to market EU AIFs in Malta, it must do so under the Investment Services Act (Marketing of Alternative Investment Funds) Regulation and must follow a notification procedure. Passporting rights would apply in this case.

Prior to the entry into force of the AIFMD, private placement rules in Malta did not distinguish between target investors and therefore the (private) placement rules were identical for retail and professional clients. Marketing on a private placement basis was restricted to one-to-one offers, without any active marketing or solicitation being permitted. Post-AIFMD, the rules distinguish between professional and retail clients, with more restrictive conditions imposed on marketing to retail clients, such as the authorisation requirement mentioned above.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation, i.e. where the investor requests information (including marketing material) and therefore the communication is considered to be initiated by the investor rather than by the non-EU manager, is interpreted by the MFSA as not constituting marketing, provided that no additional activities take place which do constitute marketing. Consequently reverse solicitation is exempt from the (private) placement rules applicable to non-EU managers. This position is set out in the Retail Collective Investment Scheme consultation paper issued by the MFSA, and has not been formally implemented but is likely to be the position adopted in the final Retail Collective Investment Scheme Rules. At present, when a collective investment scheme is marketed on a one-to-one basis or only engages in unsolicited transactions, this does not constitute marketing in Malta.

In addition, pursuant to AIFMD, placements by the following entities are not subject to the (private) placement regimes as set out in the Third Country Regulations and the Investment Services Rules as they fall out of the scope of the AIFMD:

- Holding companies
- Institutions for occupational retirement provision;
- Supranational institutions, in the event that such institutions or organisation manage AIFs and in so far as those AIFs act in the public interest;
- National, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems;
- Employee participation schemes and employee savings schemes;
- Securitisation special purpose vehicles;
- AIFs in so far as their only investors are their AIFM or the AIFMs parent undertakings, their subsidiaries or other subsidiaries of their parent undertaking and where those investors are not themselves AIFs; and
- AIFs managed by an AIFM where the aggregated assets managed do not exceed EUR 100 m (leverage included) or EUR 500 m (excluding leverage provided that the AIF does not have redemption rights exercisable during a period of 5 years following the date of initial investment in each AIF).

Consequences of non-compliance with placement regimes for fund interests

To the extent that a contract is governed by Maltese law, local legislation relating to the validity and effects of contracts and the interpretation thereof would apply. Any sanctions set out in the agreement between the fund and the client would be enforceable to the extent that these are not contrary to law, public policy or morality. There may also be liability in tort for damages caused by negligence, gross negligence, fraud or willful default.

Damages payable would consist of actual loss, loss of earnings (unless excluded by contract) as well as expenses incurred in consequence of the damages caused.

The following regulatory sanctions may apply. Under the **Investment Services Act (the 'ISA')** the MFSA, may, if it is satisfied that a person's conduct amounts to a breach of any of the provisions of the ISA, impose an administrative penalty not exceeding EUR 150,000 for each infringement or failure to comply. In case of certain other breaches as provided for in Article 22 of the ISA, a person found guilty shall be liable on conviction to a fine (multa) not exceeding EUR 466,000 and/or to a term of imprisonment not exceeding four years.

Private placement rules for non-fund investments available

The Companies Act (**the "CA"**) provides for rules in relation to distribution and registration of prospectuses which should be issued when offering securities to the public. A security is defined as including a share, debenture or any other similar instrument issued by a company or other commercial partnership. These fall outside fund regulation in Malta but are subject to the Companies Act and the Companies Act (The Prospectus) Regulation. The CA does not define the term 'private placement', but it is understood that a private placement is any offering which is not an offer of securities to the public.

The CA provides for a number of exemptions from publishing a prospectus in relation to such offerings, including the following:

- An offer of securities made only to qualified investors (ie. persons or entities qualifying as professional clients under Annex II of MiFID);
- An offer made to fewer than 150 persons per EEA State not including qualified investors;
- An offer where the minimum subscription is EUR 100,000 per investor, for each separate offer; or
- An offer of securities where the nominal value of each security amounts to at least EUR 100,000 or the total consideration of the offer in the EU and the EEA does not exceed EUR 100,000, with the limit calculated over a period of 12 months.



The Netherlands

Summary of private placement provisions for fund interests (if applicable)

Managers of collective investment undertakings, including investment compartments thereof, which (i) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors, (ii) do not qualify as UCITS, and (iii) have a seat outside the EU may benefit from the following private placement provisions.

A manager of a fund whose seat is outside the EU is allowed to distribute funds in the Netherlands without a licence if the offer is solely addressed to qualified investors. The following conditions must be satisfied: (i) there should be an appropriate cooperation arrangement between the Dutch Authority for Financial Markets (Autoriteit Financiële Markten, “AFM”) and the supervisory authorities of the third country where the non-EU AIFM is established, (ii) the third country where the non-EU AIFM is established must not be listed as a Non-Cooperative Country and Territory by FATF and (iii) the manager must comply with certain transparency requirements.

A manager of a fund whose seat is in Guernsey, Jersey or the US (provided that the US investment funds are under the supervision of the SEC) and which is adequately supervised in its country of origin, may distribute in the Netherlands without a licence, including to non-qualified investors. The funds must comply with certain information requirements.

The Dutch private placement rules have changed in connection with the implementation of the AIFMD. In addition to the designated countries regime and the

exemption for offers that are solely addressed to qualified investors, Dutch law also used to include an exemption for offers addressed to fewer than 100 non-qualified investors, or (iii) offers of units that could only be acquired for at least EUR 100,000 per investor. These exemptions no longer exist.

Other forms of possible placement options for fund interests outside fund regulations

- The ‘initiative test’ applies to the question of where activities are considered to take place. Under this test, activities are considered to take place where the relationship was initiated. If the services of a fund or its manager are performed solely on a Dutch investor’s initiative, the services will not be considered to take place in the Netherlands but in the country where the fund or its manager is located. In the event that activities carried out by a non-EU fund with a non-EU manager are not considered to take place in the Netherlands, they will in principle not be limited by Dutch law. If a fund is approached by a client, the initiative test may nevertheless conclude that it is acting in the Netherlands if the fund advertised or made an offer in the Netherlands in advance.
- To determine whether a financial institution is acting in the Netherlands via media such as the internet, telephone, fax, newspapers or emails, AFM has published the following indicators:
 - the failure to use disclaimers or inadequate maintenance thereof;
 - failure to include a list of countries at which the activities are expressly aimed, or inadequate maintenance thereof;
 - use of Dutch as the language of the activities;

- canvassing (for example via e-mail) of Dutch residents;
- supply of information about the Dutch tax system;
- supply of information about a foreign tax system in relation to the Netherlands;
- references to or the supply of information about Dutch laws;
- “hyperlinks” on the internet which lead the user to a website where securities services are offered or performed;
- the regular distribution area of a website is the Netherlands; or
- mentioning of an contact point/person in the Netherlands.

Consequences of non-compliance with placement regimes for fund interests

In the event that there is a contract in place with a dealer, non-compliance can result in breach of contract. The AFM may impose an administrative fine or an order for incremental penalty payments, or it can issue instructions to follow a specific line of conduct.

Private placement rules for non-fund investments available

The following non-funds are subject to private placement opportunities:

- institutions for occupational retirement provision;
- holding companies;
- supranational institutions, in the event that such institutions or organisations manage AIFs and in so far as those AIFs act in the public interest;
- national, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems;
- employee participation schemes or employee savings schemes;
- securitisation special purpose entities;

- AIFMs in so far as they manage AIFs whose only investors are the AIFMs themselves or their parent undertakings, their subsidiaries or other subsidiaries of their parent undertaking and where those investors are not themselves AIFs.

The following non-fund investments are subject to private placement opportunities:

- bonds and notes;
- investment objects (beleggingsobjecten).

Qualified investors (as defined in MiFiD) are subject to private placement provisions.

Certain regimes in the Netherlands are deemed “private placement”. There is no single definition. The following rules and exemptions are relevant:

- Prospectus

A prospectus must be prepared and approved by the competent authority if transferable securities are offered to the public in the Netherlands, unless an exemption applies. Exemptions from the obligation to issue a prospectus for an offering include (i) offerings addressed solely to qualified investors, (ii) offerings addressed to fewer than 150 non-qualified investors per EU State and (iii) offerings addressed to investors who acquire securities for at least EUR 100,000 in each separate offer.

- Investment objects

No party may offer investment objects to consumers in the Netherlands without a licence granted for that purpose by the AFM. Investment objects relate to property, entitlement to property, and or entitlement to a return in cash or part of the proceeds from the sale of property. There must be the prospect of a return on investment, and the party that mainly manages the property must not be the same as the acquiring party. An exemption from the licensing requirement exists for offers of investment objects for a nominal amount per investment object of at least EUR 100,000.



Norway

Summary of private placement provisions for fund interests (if applicable)

The term “private placement” is not defined in statutory provisions in Norway.

In general, the term is used when referring to an offer addressed at a limited number of professional investors, as opposed to a public offer to retail investors.

The regulatory regime for private placements of funds including the distinction between professional investors and retail investors will depend on the structure of the fund.

Non-UCITS investment funds (e.g. hedge funds) are highly regulated and private placements or other solicitation require authorisation from regulatory authorities. Authorisation will only be granted if the fund provides the same level of investor protection as Norwegian regulated funds. Authorised funds which would be classified as hedge funds in Norway may not be offered or sold to non-professional investors (including by reverse solicitation). Non-professional investors are those investors who are not classified as professional investors pursuant to the criteria set out in MiFID.

On the other hand, private placement of limited partnership interests that are not classified as investment funds (e.g. private equity funds) under Norwegian law is exempt from regulation, provided that each investors' minimum total commitment is at least NOK 5 m and/or the investors belong to one of the categories that are automatically considered as professional investors under

MiFID (Annex II, Section I). If the minimum total commitment is below NOK 5 m, and the investors are not considered as professional, the financial adviser will be subject to license requirements equivalent to those applying to investment firms under MiFID. In both cases, the private placement must be undertaken in accordance with general principles of good business conduct.

The private placement rules have not changed as the Norwegian Ministry of Finance has not yet published its proposal for the implementation of AIFMD in Norway.

Other forms of possible placement options for fund interests outside fund regulations

Except as set out above, there are no other placement options for funds.

Consequences of non-compliance with placement regimes for fund interests

Consequences can include:

- Contractual and extra-contractual liability;
- Regulatory sanctions, which can encompass fines and the publication of regulatory authority decisions; and
- Criminal penalties and/or incarceration up to one year.

Private placement rules for non-fund investments available

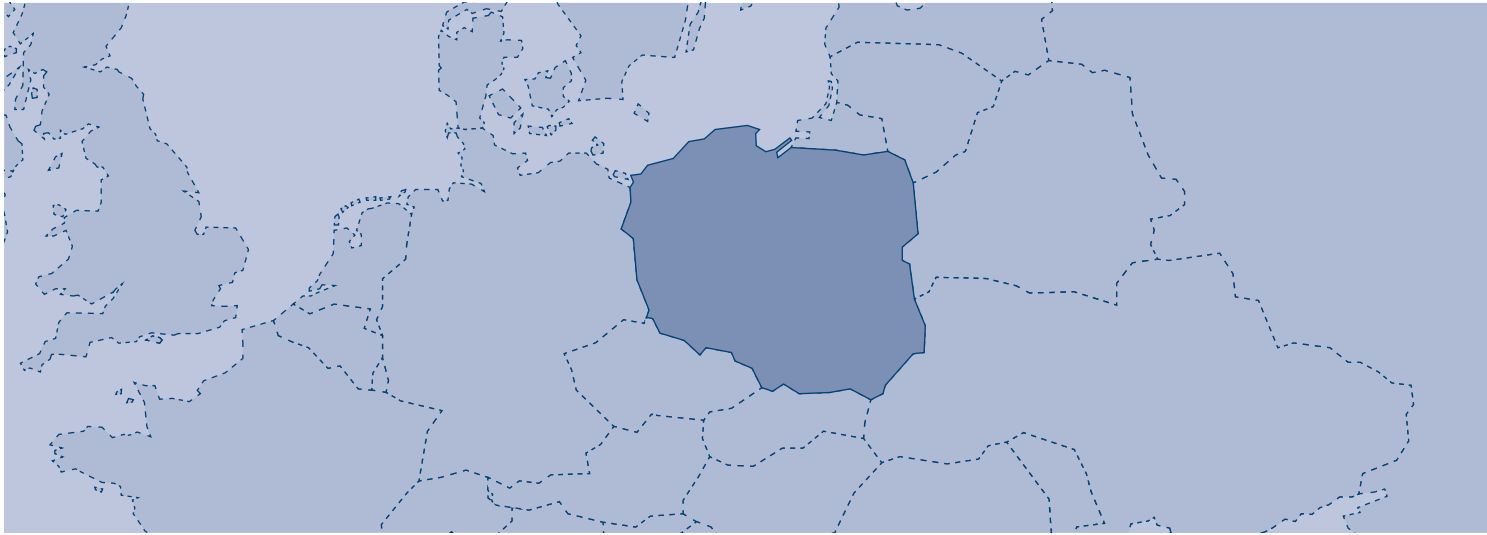
Norwegian law allows private placements in transferable securities in accordance with the national legislation which implemented MiFID and the Prospectus Directive.

Transferable securities include:

- Shares and securities equivalent to shares, as well as depository receipts for such;
 - bonds and other debt instruments, as well as depository receipts for such; and
 - all other securities that gives a right to purchase or sell such tradeable securities or that gives the right to cash settlement.
- offerings addressed to less than 150 legal or natural persons other than professional investors in Norway;
 - offerings with a minimum subscription or nominal value per unit of at least EUR 100,000;
 - offerings with a total amount of less than EUR 1,000,000 calculated over a period of 12 months

Under Norwegian law, in respect of non-fund investments, private placement covers:

- offerings only addressed to professional investors (as defined in MiFID);



Poland

Summary of private placement provisions for fund interests (if applicable)

There is no specific definition of private placement under Polish law. The concept of “private placement” is determined by opposition to public offer and by referring to the exemption from the requirement to publish a prospectus under the provisions of the prospectus law implementing Directive 2003/71/EC, as amended (“Prospectus Law”). According to the Prospectus Law, a placement by any entity (including an AIF) will be deemed a private placement provided it is not addressed to more than 149 investors or an unspecified investor.

A public placement will be exempt from the prospectus requirement if, among others, (i) it is addressed to professional entities only, (ii) it is addressed to investors acquiring securities worth no less than EUR 100,000 or securities with a face value of no less than EUR 100,000, (iii) the value of the whole placement does not exceed EUR 100,000.

Closed-end funds that invest in non-public assets (so-called closed end private equity funds) are subject to private placement provisions.

As mentioned, a public placement (a placement with over 149 investors) will be exempt from the prospectus requirement if, among others, it is addressed to professional entities only. A professional entity is one which has the experience and knowledge enabling it to make the right investment decisions and to correctly evaluate the risk associated with such decisions. A detailed list includes, among others: banks, investment

firms, insurance companies, dealers/brokerage, investment funds, pension funds, entrepreneurs meeting certain capitalisation thresholds and it is based on MiFID.

There are no potential changes to private placement rules following the implementation of AIFMD in Poland. The Polish government has not yet enacted any piece of legislation implementing AIFMD, and has not presented any draft of such legislation.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation may be considered as a non-marketing activity. Assessments of reverse solicitation are made on a case-by-case basis.

Consequences of non-compliance with placement regimes for fund interests

Mandatory contractual consequences:
Possible application of contractual law resulting in an invalidation of the placement and payment of damages. However, market practice is very limited.

Regulatory sanctions:
An administrative penalty of up to PLN 5,000,000 (EUR 1,250,000).

Penal sanctions:
A criminal penalty of up to PLN 10,000,000 (EUR 2,500,000) and/or a two year prison sentence may be adjudicated if public placement securities are offered in a private placement.

Private placement rules for non-fund investments available

Generally, the private/public placement distinction is applicable to securities issued by any entity (such as an “ordinary company”). Accordingly, securities such as bonds, notes, warrants may constitute a good private placement opportunity outside fund regulation, as long as these are issued in a private placement (i.e. a placement to less than 149 investors).

Generally, the private/public placement distinction is applicable to all issuers of securities, including in particular ordinary companies, municipalities and other separately regulated issues.



Portugal

Summary of private placement provisions for fund interests (if applicable)

The private placement provisions in force are those established in the Portuguese Securities Code as approved by Decree-Law 486/99, as amended from time to time.

These rules are applicable to offers of securities, including shares, bonds, equity instruments, units in collective investment schemes, covered warrants, certain rights detached from securities and other documents representing similar legal situations provided they may be traded on the market.

According to the referred legal framework, the following offers are defined as private offers:

- Offers exclusively addressed to qualified investors; and
- Subscription offers addressed by non-publicly held companies to the majority of their shareholders, except if these offers are preceded or accompanied by a prospectus, a solicitation from an unidentified addressee to invest, or promotional materials.

Certain private offers are only subject to a subsequent reporting requirement to the Portuguese Securities Market Commission ("**CMVM**") for statistical purposes.

Public offers are usually preceded by the disclosure of a prospectus. Notwithstanding, the following public offers may be exempted from this requirement:

- Offers of securities to be allotted in connection with a merger to at least 150 shareholders who are not qualified investors;

- Dividends paid out in the form of shares of the same class as the shares in respect of which such dividends are paid;
- Offers for distribution of securities to existing or former directors or employees by their employer which has securities already admitted to trading on a regulated market or by an affiliated undertaking.

Private placement rules have not changed as Portugal has not implemented AIMFD yet. It is envisaged that the public consultation process will have begun by September 2013.

Other forms of possible placement options for fund interests outside fund regulations

In light of the above, according to Portuguese law, certain offers are exempted from public placement provisions, the most relevant being the following:

- a) The offers on securities issued by an open-ended collective investment undertaking, made by the issuer or on its behalf;
- b) The offers in a regulated market or multilateral trading facility (MTF) registered with CMVM that are presented exclusively through the market's or system's own means of communication and that are not preceded or included with a prospectus or solicitation from an unspecified addressee to invest or promotional material;
- c) Public offers for distribution of securities with a denomination per unit equal to or greater than EUR 100,000 or whose subscription or sale price per addressee is equal to or greater than this amount;
- d) Certain public offers for distribution of non-equity securities issued in a continuous or repeated manner by credit institutions;

- e) Public offers for distribution of securities where the total consideration of the offer is less than EUR 5,000,000, (this limit shall be calculated over a 12-month period);
- f) Certain public offers for distribution of non-equity securities issued in a continuous or repeated manner by credit institutions where the total consideration of the offer within the European Unit is less than EUR 75,000,000, (this limit shall be calculated over a 12-month period);
- g) Public offers for the subscription of shares issued in substitution of shares of the same class already issued, if the issue of such shares does not involve any increase in the issued capital.
- h) The public offers of debt securities issued for a period of less than a year (e.g. commercial paper).
- b) Temporary suspension or disqualification of the exercise by the infringer of the profession or the activity to which the offence refers; and
- c) Revocation of the authorisation or cancellation of the registration necessary for the performance of the activities of financial intermediation in securities or in other financial instruments.

Consequences of non-compliance with placement regimes for fund interests

The performance of a public offer without approval of its prospectus or registration with the CMVM is considered to be a very serious offence and may be subject to an administrative fine between EUR 25,000 and EUR 5,000,000.

The omission of communication to the CMVM of the distribution of a private offer is considered to be a less serious offence and therefore subject to administrative fines that may vary between EUR 2,500 and EUR 500,000.

Additionally, certain additional sanctions may be imposed on those responsible for any offence:

- a) Apprehension and loss of the object of the offence, including the benefit obtained by the infringer by the practice of the offence;

Private placement rules for non-fund investments available

As previously mentioned, according to the Portuguese Securities Code, the following offers are qualified as private offers:

- Offers exclusively addressed to qualified investors;
- Subscription offers addressed by non-publicly held companies to the majority of their shareholders, except if this offers are preceded or accompanied by a prospecting or a solicitation for investment's intentions from unidentified addressees or promotional material.

These rules are applicable to offers of securities, as established in the Portuguese Securities Code, and therefore include shares, bonds, equity instruments, units in collective investment schemes; covered warrants, certain rights detached from securities and other documents representing similar legal situations provided they may be traded on the market.

As a consequence, investments related to the transfer of shares of limited liability companies by quotas are not subject to the legal framework above explained, as the same are not considered to be securities under Portuguese law.



Romania

Summary of private placement provisions for fund interests (if applicable)

Definition of a “private placement”

There is no specific definition of private placement under Romanian law and the concept of “private placement” is generally interpreted in contrast to public offering and by referring to the exemption from the requirement to publish a prospectus under the provisions of the capital market law no. 297/2004 (the “**Capital Market Law**”), as amended, implementing the Prospectus Directive (as amended). According to the Capital Market Law, a placement can be done without the obligation to publish a prospectus in cases where, for example:

- (i) an offering is made exclusively to qualified investors; and/or
- (ii) an offering is made to less than 150 legal or natural entities, other than the qualified investors, per Member State;
- (iii) the securities offered, or which are to be offered, as the result of a merger or dissolution, provided a document containing information deemed by the Romanian Financial Supervisory Authority (“Romanian FSA”) to be equivalent to the ones which need to be included in a prospectus, in accordance with European legislation, is supplied; and/or
- (iv) dividends paid to existing shareholders in the form of shares from the same class with the ones providing the right to such dividends, provided that a document containing information regarding the number and nature of the shares, as well as the reasons and features of the offering, is supplied.

Type of funds subject to private placement provisions

Under the Romanian law implementing UCITS and related directives (i.e. EU Directive 2009/65/CE, EU Directive 2010/43/UE, etc), the open-ended funds units cannot be distributed other than by a prospectus authorised by the Romanian FSA/passported into Romania. Close-end funds established in the form of joint stock companies may qualify for the exemptions from the obligation to publish a prospectus, subject to certain conditions as mentioned under (i) – (iv) above.

Non-harmonised, privately-held funds (non-UCITS) with a permissive politics (i.e. funds with less than 500 investors, with a value of the fund unit around EUR 230 and which may invest in a wide range of financial instruments) and non-harmonised funds established for qualified investors are not required to comply with authorisation and prospectus requirements, provided that certain conditions are observed with respect to, inter alia, number of investors, nominal value of the fund units, etc.

Type of investor in scope of private placement exemptions

Regulation 32/2006, as amended, provides a definition of qualified investors based on MiFID, including institutions such as, by way of example: credit institutions, financial investment services companies, other regulated financial institutions, insurance companies, pension funds, entrepreneurs meeting certain MiFID-compliant capitalisation thresholds.

Potential changes of private placement rules

Despite of the Directive's entry into force on 22 July 2013, the Romanian government has not yet enacted legislation implementing AIFMD. A draft of such implementing legislation is currently under public consultation phase but there is no information with regards to its entry into force or its final form.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation is not explicitly accepted or captured by the relevant legislation. On a case-by-case basis, it could be argued that, as a matter of principle, this should not be considered a marketing activity, especially if it refers to cross-border acquisition of fund units. Similar reasoning suggests that an approach made by a potential investor on an unsolicited, cross-border basis will also not be regarded as a breach of marketing and authorisation requirements.

Consequences of non-compliance with placement regimes for fund interests

By way of principle from a civil law perspective, an agreement concluded by breaching the mandatory provisions of law regarding placement would be nullified

Regulatory sanctions may result in fines amounting up to 10% of the yearly income of the company. As a complementary sanction, the FSA could suspend or withdraw the functioning authorisation of the issuer.

Breach of the mandatory provisions regarding the authorisation regime may fall under criminal law sanctions.

Private placement rules for non-fund investments available

Generally, the public offering and prospectus requirements should be observed by all issuers for securities negotiable on a regulated market and/or multilateral trading facility "MTF" (i.e. shares, bonds, rights, etc).

Exemptions for these obligations related to non-fund investments are briefly described above in case of, by way of example:

- (i) the securities offered, or which are to be offered, the occasion of a merger or dissolution, provided that a document containing information deemed by the Romanian FSA to be equivalent to the ones which need to be included in a prospectus, in accordance with European legislation, is supplied;

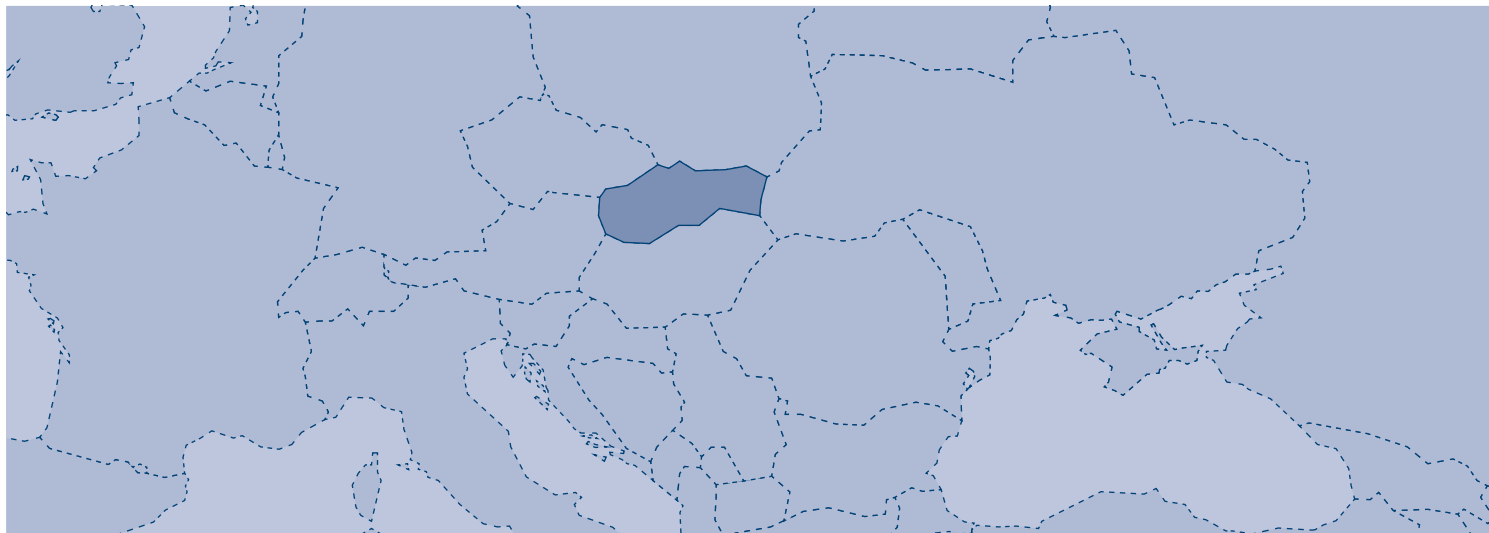
- (ii) dividends paid to existing shareholders in the form of shares from the same class with the ones providing the right to such dividends, provided that a document containing information regarding the number and nature of the shares, as well as the reasons and features of the offer, is provided;
- (iii) offerings where the nominal value is of minimum EUR 100,000;
- (iv) offerings where the total amount is of maximum EUR 100,000;
- (v) shares allotted in stock option plans.

In accordance with the draft law for the implementation of the AIFMD Directive, the following entities are exempted:

- holding companies;
- pension funds;
- supranational institutions such as, by way of example EBRD, ECB, IMF;
- the National Bank of Romania;
- national, regional or local authorities which or other institutions which manage funds supporting social services and pensions;
- employees savings or participation schemes;
- securitisation vehicles.

As mentioned above, no definition of private placement is provided under Romanian law but it is generally interpreted that an exemption from the obligation to publish a prospectus may benefit either:

- qualified investors such as professional clients or regulated institutions; and
- any non-qualified investors within a group of less than 150 offerees.



Slovakia

Summary of private placement provisions for fund interests (if applicable)

Definition of “private placement”

Under the Slovak law on collective investment (Act. No 203/2011 Coll. on Collective Investment) the private placement shall mean any communication, offering or recommendation, addressed, in advance, to a specified number of investors, with aim to collect funds for the purpose of collective investment, which is realised without any use of means of publication.

In contrast, public placement means any communication, offering or recommendation which aims to collect funds for the purpose of collective investment made by a person for their own benefit or for the benefit of other persons through any means of publication.

Collective investment under the Slovak law is defined as the business activity of raising funds from investors with the objective to invest in compliance with determined investment policy for the benefit of entities whose funds have been raised.

Collective investment may be conducted only through established local collective investments undertakings, or by the raising of funds through the offer of securities of foreign collective investment undertakings.

Funds subject to the private placement provisions

The private placement provisions are relevant in relation to the following funds:

Alternative investment funds (local):

- Special common funds for qualified investors

- Local subjects of collective investments which are legal entities

Foreign alternative investment funds:

- European alternative investment funds
- Non-European alternative investment funds.

Special common funds for qualified investors differ from special common public funds which are available to retail investors.

European alternative investment funds mean funds registered under the law of the EU Member State or which have a seat/headquarters in EU Member State.

Non-European alternative investment funds are those who are not registered under the law of the EU Member State or have a seat/headquarters outside EU Member State

Investors within the scope of private placement exemptions

Distribution of the interests in local subjects of collective investments which are legal entities is only possible through private placement.

The cross-border distribution of interest in foreign alternative investment funds is possible by private placement without requiring approval of the local regulator (National Bank of Slovakia).

Distribution of interest in alternative investments funds within private placement exemptions/rules is possible to Qualified Investors or investors whose investment is at least EUR 50,000. Qualified Investors are investors

classified as professional investors or eligible counterparties under MiFID.

Professional investors, clients according to MiFID in relation to foreign alternative investments funds and local subjects of collective investments which are legal entities, also fall within the scope.

Foreign alternative investment funds are available to retail investors provided the manager of the fund was granted an authorisation by the local regulator.

AIFMD Implementation

The amendment of the law on collective investments transposed AIFMD into Slovakian law.

The new regulation of clearances and registrations for management of alternative investments funds and administrations rules for managers of alternative investment funds are provided. The law regulates the cross border distribution of interest in funds as well as implementing new rules for the non-European fund managers.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation is allowed as the distribution of the funds is defined as the direct or indirect offer of securities relating to or interests in a collective investment, or their placement with investors with permanent residence or seat in a Member State upon the initiative of the person managing said collective investment or by a person on behalf of the manager.

Collecting money with the prime aim of financing production, research or provision of services other than financial services is permitted provided such activity is financed mainly from the sources of the person collecting money which are outside the scope of regulations of funds.

Consequences of non-compliance with placement regimes for fund interests

Non-compliance with mandatory provisions on placement regimes might cause the placement agreement to become invalid and/or potential claims for damages by investors.

The local regulator – National Bank of Slovakia – can impose various sanctions such as require remedying actions, suspending distribution of interests or penalties up to EUR 1,000,000.

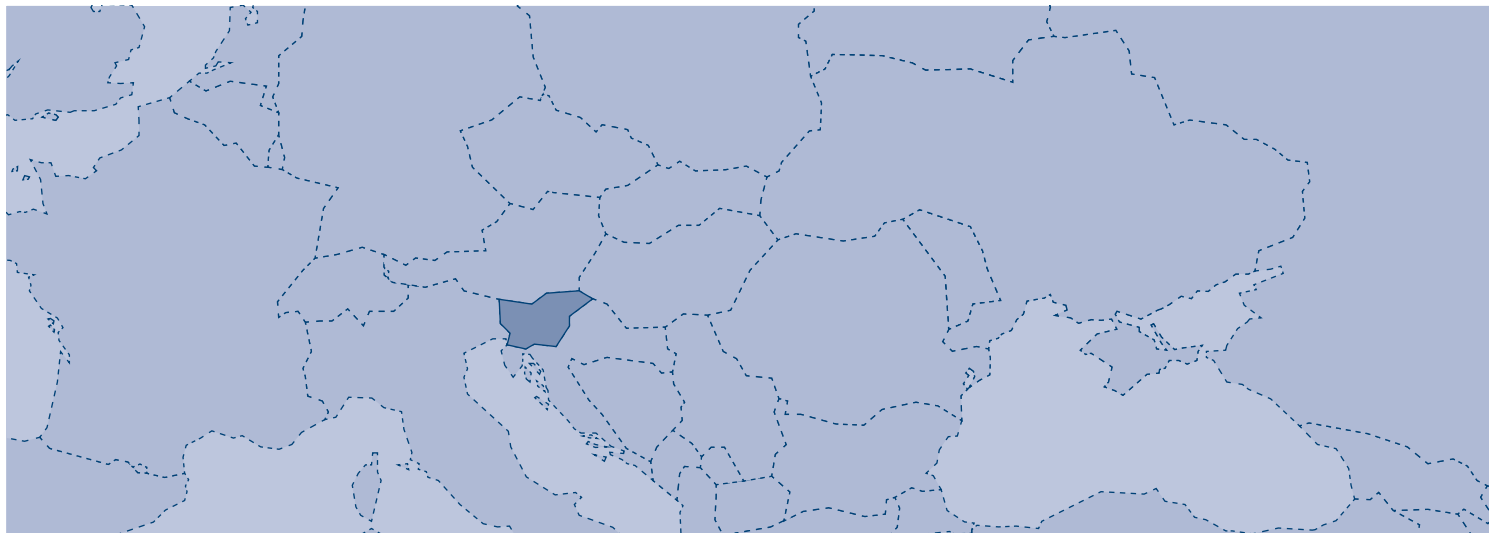
Private placement rules for non-fund investments available

Certain “private placement” options are excluded from the scope of collective investment regime.

The following non-funds are subject to private placement opportunities:

- institutions for occupational retirement provision;
- holding companies;
- supranational institutions, in the event that such institutions or organisations manage AIFs and in so far as those AIFs act in the public interest;
- national, regional and local governments and bodies or other institutions which manage funds supporting social security and pension systems;
- employee participation schemes or employee savings schemes;
- securitisation special purpose entities;
- AIFMs in so far as they manage AIFs whose only investors are the AIFMs themselves or their parent undertakings, their subsidiaries or other subsidiaries of their parent undertaking and where those investors are not themselves AIFs.

Furthermore investments that do not meet the definition of collective investment would enable “private placement” by investors.



Slovenia

Summary of private placement provisions for fund interests (if applicable)

Definition of a “private placement”

There is no definition of “private placement” under Slovenian law. However, “public placement of securities” is defined in the Financial Instruments Market Act (the “ZTFI”) as every message given to individuals in any form and with use of any resource, which contains enough information about the conditions of the offer and about offered securities in order for the investors to decide on the purchase or subscription of such securities.

According to the ZTFI a placement will be exempted from the prospectus requirement if: (i) it is addressed solely to Qualified Investors, (ii) addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors, (iii) addressed to the investors who have obtained the securities for the purchase amount equalling at least EUR 100,000 on the basis of accepting individual offers, (iv) the relates to securities denominated to at least EUR 100,000 each, and (v) the securities included in an offer which has a total selling price of the offer is less than EUR 100,000 (the EUR 100,00 limit shall be calculated over a period of 12 months). Other exemptions, in our view of less practical relevance, do exist.

Qualified Investors are investors classified as professional investors and eligible counterparties under MiFID.

Type of funds subject to private placement provisions

Alternative investment funds, which can be established as open funds and closed funds. Alternative investment funds are all non-UCITS funds. UCITS funds can only be placed with a published prospectus.

Type of investor in scope of private placement exemptions

According to Article 44 of the ZTFI, Qualified Investors fall in scope of private placement exemptions.

The definition of “Qualified Investor” closely (almost literally) follows the respective definition provided by Directive 2003/71/EC (on the prospectus to be published when securities are offered to the public or admitted to trading) and includes Professional Clients and Eligible Counterparties, both in the meaning of MiFID.

Potential changes of private placement rules

The deadline for implementation of the Directive into Slovenian law expired on 22 July 2013, however the necessary amendments to Slovenian law have not been adopted yet. The Act on alternative investment fund managers is currently being drafted. It is likely that amendments to the existing Investment Trusts and Management Companies Act (the “ZISDU-2”) will also be necessary.

Other forms of possible placement options for fund interests outside fund regulations

Slovenian law does not define or regulate “reverse solicitation”.

In general, Slovenian law would not regulate the operations of foreign business entities providing investment services as long as they do not provide such services in the territory of Slovenia. In our opinion provisions of the Slovenian Banking Act regarding banking services should be applied mutatis mutandis to investment services; consequently, investment services shall be considered directly provided in the territory of Slovenia if the service provider enters in the territory

of Slovenia into legal transactions of which the subject is investment services or if it solicits its investment services to Slovenian residents in one of the following ways:

- by means of advertising materials sent to such persons by mail or in any other manner; or
- through its own representatives or agents.

Consequences of non-compliance with placement regimes for fund interests

Mandatory contractual consequences

It is not clear what exactly the consequences of non-compliance with placement regimes will be, because new legislation is expected to introduce a broader scope of vehicles that can be used for private placement by qualified investors. It is likely that non-compliance with mandatory provisions on placement regimes might lead to the invalidity of a placement agreement and subsequent civil liability. A fund's management might also be held liable for the breach of managerial duties.

Regulatory sanctions

According to the ZTFI, a fine in the amount from EUR 12,000 to 125,000 is prescribed for a legal person in case it fails to notify the Securities Market Agency of the use of the exception from the obligation to publish the prospectus regarding a public offer.

Private placement rules for non-fund investments available

There is no distinction between private placement of fund and non-fund interests. All tradeable non-fund interests (such as shares, bonds, options, swaps, futures, other financial derivatives etc.) may be subject to private placement rules.

Non-fund investments subject to private placement opportunities outside fund regulations

Generally, the private/public placement distinction is applicable to securities issued by any entity. They may include:

- shares or other securities equivalent to shares which represent a share in capital or in shareholders' rights in a company, as well as the certificates on shares deposited;
- bonds and other types of securitised debts, also including a certificate of deposit related to such securities;
- any other security that gives the right to its holder to: acquire or sell negotiable securities by a unilateral declaration of will; or to demand a cash payment in an amount which is determined in view of the value of negotiable securities, foreign currency exchange rate, interest rates or yield, commodity, or in view of any other index or factor.

Type of non-funds subject to private placement provisions

Generally, the private/public placement distinction is applicable to all issuers of securities. For the definition of private placement, please see above. All tradable non-funds interests (such as shares, bonds etc.) may be subject to private placement rules. As to type of investors being in the scope of private placement rules, please see above.



Spain

Summary of private placement provisions for fund interests (if applicable)

As of yet, Spain has not implemented the AIFMD.

In Spain, the position remains that open-ended CIS cannot be distributed on a private placement basis, while closed-ended CIS can be distributed on a private placement basis under the exceptions contained in the Prospectus Directive, as implemented in Spain. The following types of offer of closed-ended CIS will not qualify as a public offer of securities and therefore will not be subject to the obligation to publish a prospectus:

- an offer exclusively directed at qualified investors;
- an offer directed at fewer than 150 natural or legal persons of an EU State, without including qualified investors;
- an offer directed at investors who acquire securities/ interests for a minimum of EUR 100,000 per investor, for each separate offer;
- an offer, the unit nominal value of which is at least EUR 100,000;
- an offer for a total sum of less than EUR 5 m, the limit of which is calculated over a 12-month period.

Other forms of possible placement options for fund interests outside fund regulations

There are no other forms of possible placement options for open-ended CIS. Please see above for private placement exceptions for closed-ended CIS.

Consequences of non-compliance with placement

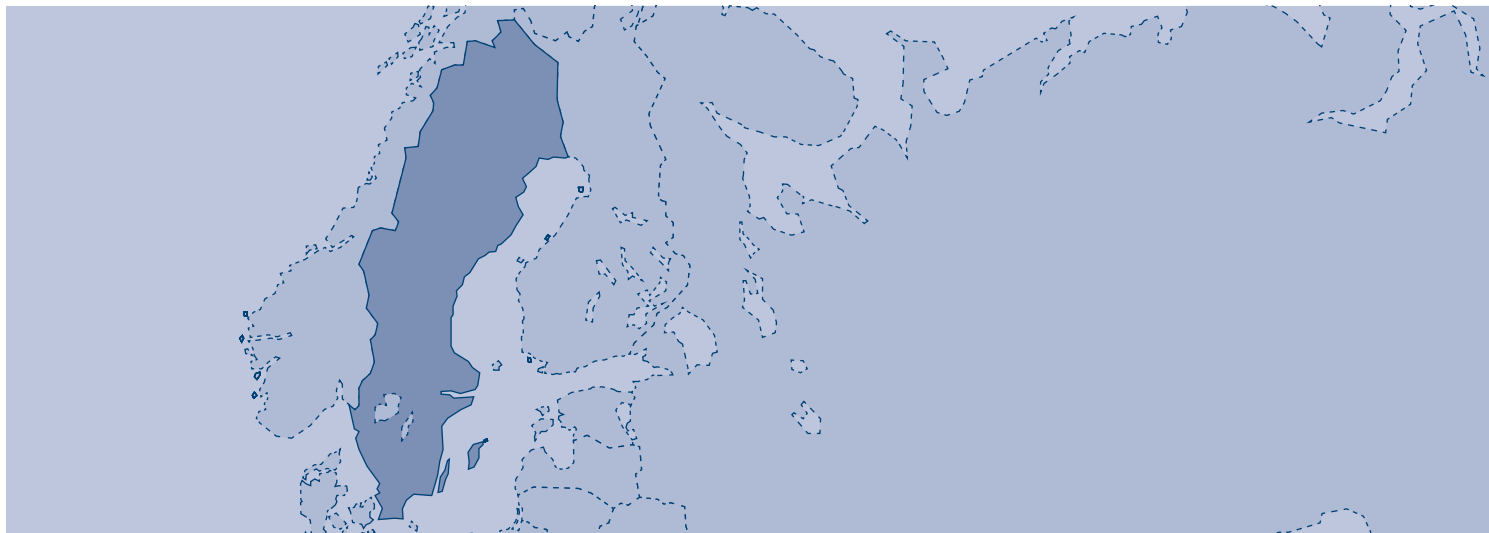
regimes for fund interests

From a regulatory perspective, marketing fund interests in Spain (whether open or closed-ended) without complying with the relevant placement regime as applicable to the relevant fund, could, in principle, constitute a very serious infringement.

Private placement rules for non-fund investments available

In general, the placement of any other securities in Spain (except open-ended CIS) may be subject to Spanish private placement rules contained in local rules implementing the Prospectus Directive. Please see the private place exemptions above.





Sweden

Summary of private placement provisions for fund interests (if applicable)

Sweden has implemented the AIFMD through the Swedish Act on Alternative Investment Fund Managers (**the "SAIFM Act"**). Generally, any placement of fund interests in Sweden requires a licence from the Swedish regulator and provision of certain minimum information.

The main rule according to the Swedish Financial Instruments Trading Act (Sw. Lag (1991:980) om handel med finansiella instrument) (**"FTA"**), is that a prospectus must be prepared when transferable securities (e.g. fund interests) are offered to the public. However, there are exceptions to this rule for certain fund interests. The prospectus requirement does not apply when the offer concerns units in (i) UCITS Funds or (ii) "Special Funds".

UCITS Funds are regulated in the Swedish UCITS Act (Sw. Lag (2004:46) om värdepappersfonder) (the **"UCITS Act"**). "Special Funds" are a category of Alternative Investment Funds that must meet certain requirements (e.g. rules on diversification and redemption) in the SAIFM Act and require authorisation from the Swedish FSA (**"SFSA"**). The "Special Funds" exemption also applies to foreign equivalent funds.

Even though UCITS funds, Special Funds and foreign equivalents to Special Funds can be offered without a prospectus, other information requirements apply pursuant to the UCITS Act and the SAIFM Act. As a general rule, marketing of funds in Sweden requires a license from the SFSA and triggers an obligation to make certain information (e.g. description of the investment strategy and objectives, fees, risks etc.) available to investors. These rules apply even if the fund

interests are offered only to qualified investors and/or in a private placement (as defined below). Alternative investment funds that are only marketed to qualified investors are, however, not legally required to issue a Key Investor Information Document (KIID).

Swedish laws and regulations do not provide for a definition of "private placement". However, the term "private placement" is commonly used to describe a restricted offer of securities to professional investors that is exempted from the duty to publish a prospectus. Pursuant to Chapter 2 Section 4 of the FTA a prospectus does not need to be prepared where:

1. the offer is directed solely to qualified investors;
2. in a country within the EEA, the offer is directed to fewer than 150 natural persons or legal entities who are not qualified investors;
3. the offer relates to a purchase of transferable securities for a sum equivalent to not less than EUR 100,000 for each investor;
4. each of the transferable securities has a nominal value equivalent to not less than EUR 100,000; or
5. the aggregate sum which the investors shall pay during a 12-month period within the EEA does not exceed the equivalent of EUR 2.5 m.

The private placement rules apply to "Qualified Investors" as defined in FTA and the Securities Market Act (**"SMA"**). Qualified Investors are, broadly speaking, professional clients who are considered to be treated as professional clients or may be treated as professional clients within the meaning of Annex II of MiFiD.

Other forms of possible placement options for fund interests outside fund regulations

Reverse solicitation (or passive marketing) is not considered marketing, provided that the AIFM's sale of shares or participation rights in an AIF to an investor is initiated entirely by the investor. For example, if an investor places an order with an AIFM without being in contact with the AIFM before the order is placed, this is not considered marketing.

Reverse solicitation is not considered marketing as such activity does not fall within the definition of "marketing" in the SAIFM Act. However, no express exemption or safe harbour is provided in the SAIFM Act in this respect.

Consequences of non-compliance with placement regimes for fund interests

There are no explicit mandatory contractual consequences. An investor could possibly claim compensation under general tort law in contractual relations if the information given was inaccurate and caused damage to the investor.

An entity that breaches the relevant rules in the UCITS Act or SAIFM Act and conducts fund operations in Sweden without a licence from the SFSA may be subject to an order by the SFSA to cease the operations, under penalty of a fine. Fines are decided on a case-by-case basis. If uncertain whether the UCITS Act or the SAIFM Act applies to the conducted activities, the SFSA may order the entity to submit information on the activities undertaken.

Further, the SFSA may prohibit an offer of transferable securities where the SFSA finds that the provisions of the FTA or the Prospectus Regulation have been breached. A breach of the Swedish prospectus requirements may also result in an administrative fine. Neither the prospectus nor licensing/registration requirements are sanctioned with imprisonment. In addition to other available sanctions the SFSA regularly publishes a so called "alert list" which contains companies that offer financial services and/or products without having the appropriate licence in place. This list is available on the SFSA's website.

Private placement rules for non-fund investments available

All kinds of financial instruments such as shares in companies and comparable ownership rights in other types of undertakings, depositary receipts in respect of shares and bonds and other forms of debt instruments, including depositary receipts in respect of such securities, may be offered in a private placement as long as they meet any of the criteria in Chapter 2 Section 4 FTA, as outlined above.



Switzerland

Summary of private placement provisions for fund interests (if applicable)

Switzerland is not a Member State of the EU and thus not subject to the AIFMD and the respective rules. Switzerland has its own

- (a) set of rules, laid down in the Collective Investment Scheme Act ("**CISA**", Kollektivanlagegesetz) and the corresponding Ordinance ("**CISO**", Kollektivanlageverordnung); and
- (b) terminology related to funds or collective investment schemes ("**CIS**"), the term commonly used in Switzerland for any type of fund. Besides the law, the placement of CIS is based on rules published by the Financial Market Supervisory Authority ("**FINMA**").

A new regime effective as of 1 March 2013 does not distinguish between private and public placement, but solely relies on the term "*distribution*", being defined as any "*offering*" and "*marketing*" of CIS, *which is not exclusively* aimed at a limited group of investors, which are listed in the respective provision of the law. The CISA and CISO define *activities*, which are not considered to be distribution (or placements) and thus not subject to the law as

- (a) any offering and marketing of CIS exclusively aimed at prudentially supervised financial intermediaries such as banks, securities dealers, fund management companies, insurance companies and asset managers of CIS; and
- (b) provided that no third party (such as the sponsor, manager or a promoter of the CIS) is involved
 - reverse solicitation by or "execution only" transactions on behalf of an investor in particular in the context of an advisory mandate;

- acquisitions of CIS by prudentially supervised financial intermediaries (excluding insurance companies) for their clients based on a discretionary asset management agreement; and
- acquisitions of CIS by an independent asset manager for a client based on a discretionary asset management agreement, if certain criteria are met, namely that (i) the independent asset manager is (aa) a registered financial intermediary for money laundering purposes and (bb) subject to a code of conduct, accepted by FINMA and that (ii) the particular discretionary asset management agreement meets industry standards, accepted by FINMA.
- (c) the publication of prices, net asset values and quotes for CIS by supervised financial intermediaries; and
- (d) employee participation schemes based on CIS.

All other forms of distribution (or placements) are subject to the CISA and CISO and the respective regulatory constraints, whereby a distinction is to be made between two different distribution forms, namely

- (a) to qualified investors ("**QIs**") other than prudentially supervised financial intermediaries, namely
 - public entities, pension schemes and private enterprises, each with professional treasury;
 - high net worth individuals ("**HNWIs**") declaring to be treated as a QI in writing (opt-in); and
 - clients of asset managers not waiving the QI status (opt-out);
 which is subject to some (but not all); and
- (b) to non-qualified investors (Non-QIs), which is subject to all the rules of the law with respect to distribution.

Distribution to QIs requires the CIS to appoint a Swiss representative and a paying agent and may only be

made by domestic fund distributors (having a distribution license or being exempt from applying for a license) or foreign entities (subject to an adequate foreign supervision), based on a distribution agreement with the Swiss representative.

Distribution to Non-QIs requires in addition to what is required for distribution to QIs a regulatory licence for CIS (a Swiss passport).

There is a level playing field, meaning that the same rules apply to all foreign (and domestic) CIS irrespective of the legal format or jurisdiction of the CIS.

Other forms of possible placement options for fund interests outside fund regulations

The following are not covered by the law and thus exempt from the distribution rules related to CIS:

- (a) placements to prudentially supervised financial intermediaries;
- (b) reverse solicitation by or “execution only” transactions by investors in particular in the context of an advisory mandate;
- (c) acquisitions of CSI by prudentially supervised financial intermediaries (excluding insurance companies) for clients based on a discretionary asset management agreement;
- (d) acquisitions of CIS by an independent asset manager for a client based on a discretionary asset management agreement, if certain criteria are met;
- (e) the publication of prices, net asset values and quotes for CIS by supervised financial intermediaries; and
- (f) employee participation schemes based on CIS.

The exemptions in (b) to (d) above do not apply, if induced by activities of a third party, such as the sponsor, manager or promoter of the CIS.

Consequences of non-compliance with placement regimes for fund interests

There are no explicit mandatory contractual consequences, so the subscription remains valid, unless there are other reasons to have it declared invalid. However, a violation of the placement rules are subject to criminal penalties. Unlawful activities are punishable with imprisonment of up to three years or fines for intentional violations; negligent violations are subject to a fine of up to CHF 250,000. FINMA may act against private individuals or legal entities that are in violation of the placement rules and/or acting without the required license. FINMA may initiate an investigation, which could lead to a ceasure and foreclosure of illicit gains or the liquidation of a legal entity at issue.

Private placement rules for non-fund investments available

Private placement outside the fund regulation is available for Structured Products, such as inter alia (i) financial instruments (aa) with capital protection or (bb) a maximum return and (ii) for certificates. Shares, bonds and warrants follow a different set of rules and not rules laid down in the CISA and CISO, whereby public as opposed to private placement requires a prospectus. The term QI for the purpose of permissible private placements of Structured Products is the same as used in the context of CIS and defined above.

Private Placement of structured products to Non-QIs may occur, but only if:

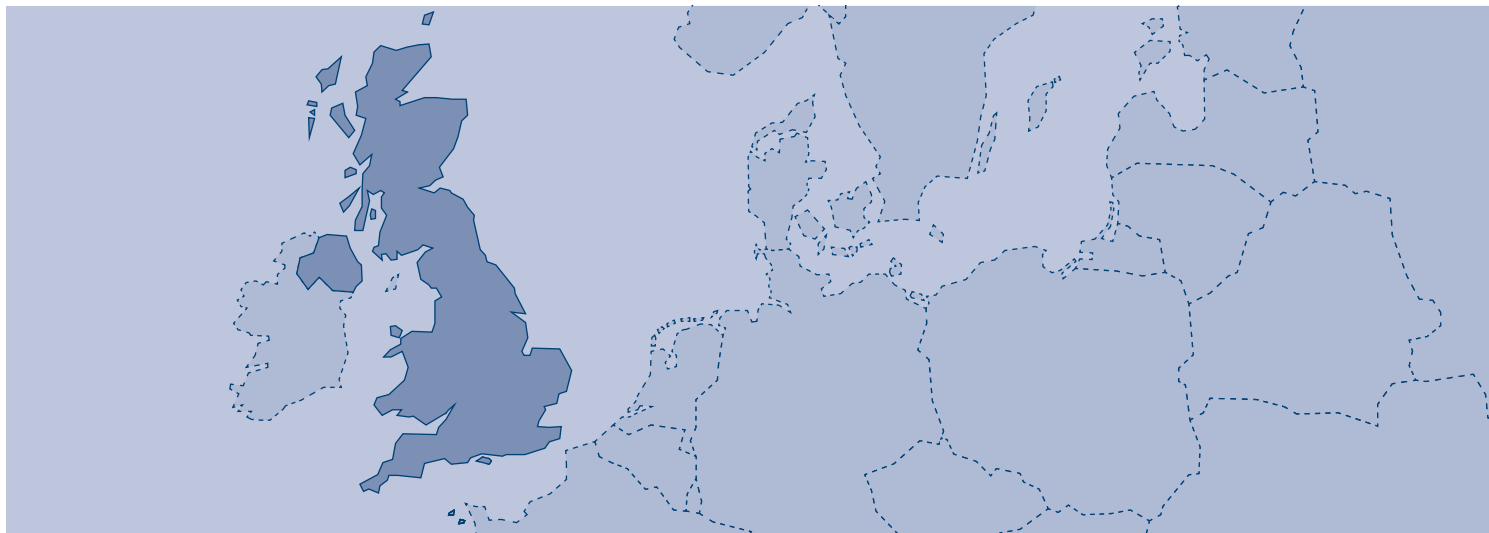
- (a) the structured products are issued, guaranteed or provided with an equivalent protection by
 - prudentially supervised financial intermediaries (such as banks, securities dealers or insurance companies); or
 - foreign entities subject to a similar, prudential supervision;

and if

- (b) there is a simplified prospectus.

Definition of “private placement” in respect of non-fund investments

The term private placement used and applied is different in the context of (a) CIS, (b) Structured Products and (c) shares, bonds and warrants. With respect to private placements of Structured Products, a distinction has to be made on the basis of the type of investors, i.e. Non-QIs, requiring a prospectus and QIs, where private placement without a prospectus is possible. Private placements of CIS is a much narrower concept, as outlined above, and not possible to QIs, but only to prudentially supervised financial intermediaries and some other, limited forms of placements. The term private placements of shares, bonds and warrants is not defined by the law and there are different views, one being that a placement is public, if more than 20 individuals are contacted. As opposed to private placements of CIS and Structured Products, the type of investor is not relevant.



United Kingdom

Summary of private placement provisions for fund interests (if applicable)

The UK private placement regime applying from 22 July 2013 is set out at Chapter 3, Part 6 of the Alternative Investment Fund Managers Regulations 2013 (the **"AIFM Regulations"**), and in new Rules and Guidance in the Financial Conduct Authority (**"FCA"**) Handbook. There is no definition of private placement. However, new FCA Guidance states:

"An offering or placement takes place for the purposes of the AIFMD UK regulation when a person seeks to raise capital by making a unit or share of an AIF available for purchase by a potential investor. This includes situations which constitute a contractual offer that can be accepted by a potential investor in order to make the investment and form a binding contract, and situations which constitute an invitation to the investor to make an offer to subscribe for the investment."

"... a 'placement' includes situations where the units or shares of an AIF are only made available to a more limited group of potential investors."

An AIFM is simply required to notify the FCA of its intention to market under the UK private placement regime, providing certain information about each AIF concerned, and confirming that it meets the relevant conditions in the AIFM Regulations. The AIFM is entitled to market the AIF as soon as a notification containing all of the required information has been sent to the FCA.

A fee must be paid to the FCA in order to market under the private placement regime. The fee for an AIF managed by a full-scope non-EEA AIFM is GBP 250. For

an AIF managed by a sub-threshold non-EEA AIFM, it is GBP 125. For a non-EEA AIF managed by EEA AIFM, where the AIFM is not otherwise paying any FCA fee as an AIFM, it is GBP 250.

Conditions for EEA AIFMs (Regulation 57)

A full scope UK AIFM or a full scope EEA AIFM notifying the FCA of its intention to market a non-EEA (or "third country") AIF, or UK or feeder AIFs of third country master AIFs in the UK under the local private placement regime must confirm the following conditions are satisfied:

- It complies with the majority of the requirements of the AIFMD;
- Appropriate co-operation arrangements are in place between the regulatory authority of the AIFM's home EU State and the regulatory authority of the third country AIF or master AIF; and
- The country of establishment of the third country AIF or master AIF is not listed as a Non-Cooperative Country and Territory (**"NCCT"**) by the Financial Action Task Force (**"FATF"**).

Conditions for non-EEA AIFMs (Regulation 59)

A non-EEA AIFM notifying the FCA of its intention to market any AIF (whether UK, EEA or non-EEA) in the UK under the local private placement regime must confirm the following conditions are satisfied:

- The AIFM is the person responsible for complying with the implementing provisions relating to the marketing of the AIF;
- It complies with certain transparency requirements under the AIFMD;
- If it manages AIFs which acquire majority control of non-listed companies and issuers (with certain exceptions), it complies with the additional disclosure requirements and asset stripping restrictions under Part 5 of the AIFM Regulations;

- Appropriate co-operation arrangements are in place between the FCA and the regulatory authority of the AIF's/AIFM's EU State; and
- The country where the third country AIFM and, if applicable, the third country AIF is established must not be listed as a NCCT by FATF.

Conditions for “small” non-EEA AIFMs (Regulation 58)

A small non-EEA AIFM notifying the FCA of its intention to market any AIF (whether UK, EEA or non-EEA) in the UK under the local private placement regime, must confirm that the AIFM is the person responsible for complying with the implementing provisions relating to the marketing of the AIF; and that the AIFM is a small third country AIFM. The AIFM must also provide the FCA with certain information on the main instruments in which the AIFM trades, and the principal exposures and most important concentrations of the AIFs that it manages.

The relevant forms to notify the FCA are available on the FCA website.

(Note the UK rules refer to “EEA” rather than “EU” AIFs/AIFMs)

Both professional and retail investors in the UK are in scope of the private placement provisions (although marketing to retail investors is caught by additional UK financial promotion rules). There has been no significant change to the private placement rules.

Other forms of possible placement options for fund interests outside fund regulations

The UK national private placement regime will not apply to: “an offering or placement of units or shares of an AIF to an investor made at the initiative of that investor” (AIFM Regulations, Reg 47). A confirmation from the investor that the offering or placement of units of shares of the AIF was made at its initiative, should normally be sufficient to demonstrate that the marketing is at the initiative of the investor, provided this is obtained before the offer or placement takes place. Industry practice also seems to be that investment firms acting for the investor (e.g. investment managers and advisers) can make the initial approach to the AIF/AIFM and complete such confirmations on behalf of the investor. However, AIFMs and investment firms acting for AIFs/AIFMs should not be able to rely upon such confirmation if this has been obtained to circumvent the requirements of AIFMD.

The UK national private placement regime will not apply to the marketing of AIFs where securities are subject to an offer to the public under a prospectus that has been drawn up and published in accordance with the prospectus directive before 22 July 2013. This applies for the duration of the validity of that prospectus. (AIFM Regulations, Reg 73).

Consequences of non-compliance with placement regimes for fund interests

Carrying out marketing in contravention of the UK private placement regime is defined as “unlawful marketing” under the AIFM Regulations.

An agreement entered into by a customer as a consequence of unlawful marketing by a person who is not authorised by the FCA is unenforceable and the customer is entitled to recover money paid under the agreement and compensation for any loss sustained. (However the court may allow the agreement to be enforced and money to be retained if it is satisfied that it is just and equitable.) If an AIFM or an investment firm authorised by the FCA carries out unlawful marketing, this is actionable at the suit of a private person who suffers loss as a result of such marketing, subject to the defences and other incidents applying to actions for breach of statutory duty.

For persons who are not authorised by the FCA, unlawful marketing is a criminal offence subject to imprisonment for a term not exceeding three months or a fine, or both. FCA authorised persons who carry out unlawful marketing may be sanctioned through public censure, a financial penalty and potentially enforcement action by the FCA leading to the withdrawal of FCA authorisation.

Private placement rules for non-fund investments available

Non-fund investments subject to other private placement opportunities:

- Investments offered by a holding company
- Investments offered by an employee participation scheme or employee savings scheme
- Investments offered by a securitisation special purpose entity
- Shares in listed and non-listed companies
- Rights under pension

Promotions of investments must be made by an FCA authorised person or else approved by an FCA authorised person (unless exempt under the Financial Promotions Order). Private placement of investments by FCA authorised persons must comply with FCA Rules on financial promotion in the Conduct of Business Sourcebook in the FCA Handbook.

Definitions

AFM	Autoriteit Financiële Markten (The Netherlands)
AFMA	Alternative Fund Managers Act (Finland)
AIF	Alternative Investment Fund, defined in the AIFMD as: “A collective investment undertaking, including investment compartments of such an undertaking, which – raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of these investors; and does not require authorisation pursuant to Article 5 of the UCITS directive.”
AIFFM	Law on Alternative Investment Funds and Fund Managers (Latvia)
AIFM	Alternative Investment Fund Manager, defined in the AIFMD as a legal person whose regular business is managing one or more AIFs
AIFMD	Alternative Investment Fund Managers Directive of 8 June 2011 (2011/61/EC)
AIFMG	Alternative Investment Fund Managers Act (Austria)
AIFM Law	Cypriot Law 56 (I)/2013 on Alternative Investment Fund Managers
AIFMG-L	Alternative Investment Fund Managers Law (Liechtenstein)
AIFM Regulations	Alternative Investment Fund Managers Regulations 2013
AIFMV	Alternative Investment Fund Managers Ordinance (Liechtenstein)
AIM Act	Danish AIFMD regulation
AMF	Autorité des marchés financiers (France)
CA	Companies Act (Malta)
Capital Market Law	Law no. 297/2004, implementing the Prospectus Directive (Romania)
CBI	Central Bank of Ireland
CFA	Consolidated Financial Act (Italy)
CIS	Collective Investment Scheme
CISA	Collective Investment Scheme Act (Switzerland)
CISO	Collective Investment Scheme Ordinance (Switzerland)
COBO	Control of Borrowing (Jersey) Order 1958
Consob	Commissione Nazionale per le Società e la Borsa (Italy)
CSSF	Commission de Surveillance du Secteur Financier (Luxembourg)

CySEC	Cyprus Securities and Exchange Commission
DFSA	Danish Financial Supervisory Authority
Draft CFA	Draft amendments to the Consolidated Financial Act (Legislative Decree no. 58/1998) (Italy)
EEA	European Economic Area
EFSA	Estonian Financial Supervision Authority
EU AIF	AIF which is registered or authorised in an EU State under the applicable national law or which is not registered or authorised in an EU State but has its registered office and/or head office in an EU State
EU AIFM	AIFM which has its registered office in an EU State
FATF	Financial Action Task Force
FCA	Financial Conduct Authority (United Kingdom)
FCA Handbook	FCA's handbook of rules and guidance for regulated firms (United Kingdom)
Financial Promotions Order	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (United Kingdom)
FIN-FSA	Financial Supervisory Authority (Finland)
FINMA	Financial Market Supervisory Authority (Switzerland)
FMA	Financial Market Authority (Austria)
FSJL	Financial Services (Jersey) Law 1998
FSMA	Financial Services and Markets Authority (Belgium)
FSMA	Securities Markets Act (Finland)
FTA	Swedish Financial Instruments Trading Act
GFSC	Guernsey Financial Services Commission
HNWIs	High Net Worth Individuals
HUF	Hungarian Forint
ISA	Investment Services Act (Malta)
ISIN	International Securities Identification Number

IUG	Law on Investment Undertakings (Liechtenstein)
JFSC	Jersey Financial Services Commission
KIID	Key Investor Information Document (Sweden)
LMFI	Law on Market for Financial Instruments (Latvia)
LVL	Latvian Lats
MFSA	Malta Financial Services Authority
MiFID	Markets in Financial Instruments Directive of 21 April 2004 (Directive 2004/39/EC)
MiFID law	Cypriot Law 144(I)/2007, transposing MiFID
MTF	Multilateral Trading Facility
NAV	Net asset value
NCCT	Non-Cooperative Country and Territory
New IFA	new Investment Funds Act (Estonia)
NOK	Norwegian Krone
Non-EEA	Non-European Economic Area
Non-EU AIF	AIF not qualifying as an EU-AIF
Non-EU AIFM	AIFM which has its registered office in a state which is not an EU State
PDR	Prospectus (Directive) Regulations 2005 (Ireland)
POI Law	Protection of Investors (Bailiwick of Guernsey) Law
Prospectus Directive	Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading
Prospectus Law	Cypriot Law 114(I)/2005, transposing the Prospectus Directive
Prospectus Law	Greek law implementing Directive 2003/71/EC, as amended (law 3401/2005 as amended by law 4099/2012)
QIs	Qualified Investors (for Swiss law purposes)
Romanian FSA	Romanian Financial Supervisory Authority

SAIFM Act	Swedish Act on Alternative Investment Fund Managers
SEC	Securities and Exchange Commission (United States of America)
SFSA	Swedish FSA
SICAR	Société d'Investissement en Capital A Risque (Luxembourg)
SIF	Specialised Investment Fund (Luxembourg)
SMA	Securities Market Act
Small AIFM	AIFM managing AIFs whose assets under management, calculated in accordance with Article 2 of the AIFMD Level 2 Regulation: do not exceed EUR 500 m in total in cases where the portfolios of AIFs consist of AIFs that are unleveraged and have no redemption rights exercisable during a period of five years following the date of initial investment in each AIF; or do not exceed EUR 100 m in total in other cases, including any assets acquired through the use of leverage.
SPA	Securities Prospectus Act (Liechtenstein)
Third Country Regulations	The Investment Services Act (Alternative Investment Fund Manager) (Malta)
UCIS	Unregulated Collective Investment Schemes
UCITS	Undertakings for Collective Investment in Transferable Securities
UCITS Act	Swedish UCITS Act
UK AIFM	AIFM which has its registered office in the United Kingdom
ZISDU-2	Investment Trusts and Management Companies Act (Slovenia)
ZTFI	Financial Instruments Market Act (Slovenia)

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