

**Davy Stockbrokers,**

Davy House,  
49 Dawson St.,  
Dublin 2, Ireland

Telephone (+353 1) 614 8933

Fax (+353 1) 661 3042

E-mail [investmentfunds@davy.ie](mailto:investmentfunds@davy.ie)

The Committee of European Securities Regulators  
11-13 avenue de Friedland  
75008 Paris  
France

12<sup>th</sup> August, 2003

**Re: Proposed Prospective Directive – Annex G: Closed End Investment Funds**

Dear Sir or Madam,

Please find attached the comments of Davy Stockbrokers on the disclosure requirements for Closed Ended Investment Funds, as detailed in Annex G to the June 2003 Consultation Paper on the proposed Prospectus Directive. Davy Stockbrokers is a member of the Irish Stock Exchange and the London Stock Exchange. Davy Stockbrokers is authorised by the Irish Financial Services Regulatory Authority to conduct investment business and is authorised by the Irish Stock Exchange to act as sponsoring broker to investment funds seeking a listing on the Irish Stock Exchange.

<b><i>Rule</i></b>	<b><i>Comment</i></b>
2.3	Please clarify whether 2.2 is adapted for the 40% investment level. We would recommend that it would be so adapted.
2.4	Please clarify whether such collateral must be diversified and whether only certain types of collateral would be acceptable.
2.6	Is there any limit on the amount that a fund may invest in physical commodities?
2.7	Is there any limit on the amount that a fund may invest in real property?
2.8	Typographical error: "...of if and how risk..."

Other	<i>Venture Capital Funds &amp; Private Equity Investment:</i> Are any specific requirements anticipated for such investment vehicles? Would a degree of management control be facilitated for such vehicles?
4.1	Are there any specific suitability requirements for an investment manager/adviser?
5.1	Are there any specific suitability requirements for a custodian?
6.3	We would suggest that the definition of a closed-ended fund be included in Annex G, given the specific reference to the redemption of units.



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- 6.4 Are there any specific limitations to compulsory redemptions?
- 8.2 Are there specific content requirements for such a “comprehensive and meaningful analysis”?
- 8.2 Please clarify whether this analysis must be completed within a specific timeframe.
- 8.2 Please clarify that such an analysis is required only if the fund has commenced operations and not for any intended purchases.
- Other Please clarify that audited financial statements are also required in addition to the analysis and whether such financial statements are required for the last financial year or a greater period.
- 8.4 Please clarify that the NAV must be provided per share class and not as an aggregate figure.
- Other Please clarify whether a closed-ended fund is required to appoint a paying agent.
- Other Please clarify whether a closed-ended fund is required to ensure the spread of its shares in public hands in the EU hands (i.e. at least 25%).

Please do not hesitate to contact me should you have any queries regarding the comments raised herein.

Kind regards.

Yours faithfully,

***Louise Murray***  
**Director of Investment Funds Listing**