



ANNUAL REVIEW 2020

The Voice of the Funds & Asset
Management Industry in Ireland

irishfunds.ie

if irish
funds

Snapshot

REGULATION
AND POLICY
DEVELOPMENT

- 219 meetings with local, European and global stakeholders
 - 72 separate written submissions during 2020
 - White papers and thought leadership articles on sustainable finance, liquidity risk and Resilience & Macro prudential regulation
- A structure comprising 40+ working groups and 7 steering groups:
- Comms, Promotion & Engagement
 - Distribution
 - Asset management
 - Operational
 - Innovation, Skills & Technology
 - Fund Product
 - Tax

ENGAGEMENT
& PROMOTION

- Increased engagement via social media with over **10,000** followers on LinkedIn and over **2,400** followers on Twitter
- Irish Funds website with over **400,000** page views in 2020
- The member portal now has **2,500+** recourses and **3,300** members signed up
- Member of the European Fund and Asset Management Association (EFAMA) and International Investment Funds Association (IIFA)
- Engagement with industry bodies in Ireland and from around the world
- Over 40 online events attracting more than 4,700 attendees

TRAINING
AND EDUCATION

- Partnership with the Institute of Banking has enabled more than **450** students to undertake a UCD accredited professional education programme in 2019/2020
- More than **60+** Irish Funds member firms had participating students
- The IFS Skillnet delivered over 500 courses to over 9,000 participants from 250 companies operating in the International financial services sector in Ireland

COMMUNITY
INVOLVEMENT

- basis.point Covid-19 Emergency Relief Fund
- Focus Ireland Shine A Light Campaign



- Supporting, complementing and developing the funds industry in Ireland
- Close working relationship with IDA Ireland domestically and an extensive network of international offices
- IFS Ireland, the banner brand for Ireland's international financial services industry
- Direct involvement in the IFSC Funds Group

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Welcome



Notwithstanding the challenges we have all faced over the course of 2020 due to Covid-19, a bright spot has been the heart-warming moments of people coming together even when physically apart – both within the wider community and our industry. This has been a source of pride and has helped maintain strong bonds of support and shared purpose which are so important.

This is a pivotal time for the millions of people around the world for whom our industry provides investment solutions and services. Together we face a range of urgent issues and opportunities such as the post-Brexit landscape, a rapidly evolving sustainable finance agenda, the Capital Markets Union (CMU), and recovery from the pandemic.

Our industry, and the Association itself, demonstrated tremendous resilience in the face of significant disruption. This is a testament to the dedication and flexibility our own people. I would like to thank all those who worked so hard to progress us forward - from my own team to all those who served on our Working and Steering Groups.

We also used the time during lockdown well, harnessing the insights from our first ever Member Study to frame a body of strategic review work.

Reflecting on both the changes of the external environment and those in our industry we set out to clearly articulate the mission, vision, and values of our association and industry.

- **Our Mission:** We are the voice of the Funds and Asset Management industry in Ireland.
- **Our Vision:** Ireland will be the premier location to enable and support global investing through its reputation for trust, capability and innovation.
- **Our Values:** Collaboration, Commitment, Dedication, Excellence, Integrity, Community engagement, Transparency

Our mission, vision and values underpin everything that we do and complement our recently launched Strategic Framework. The manner in which we **advocate, engage, develop capability, and demonstrate leadership** all

mutually reinforce our reputation and how we are heard. We have identified strategic action areas to enable us to be proactive in meeting the needs of all our members and representing their interests, immediately in 2021, but also over the course of the next three years and into the future.

The updated Investment Limited Partnership legislation has now been enacted and offers a new and compelling regulated offering for private market investment strategies, and the work we continue to do on skills will strengthen capability. Devoting significant time and a constructive approach towards important initiatives like the review of AIFMD and the implementation of the Sustainable Finance agenda reflect a leadership role which we share with many others across Europe and one we are happy to accept.

Moreover, we are determined that our industry is recognised as a force for positive change and I am proud to look back on the several initiatives our industry supported last year, such as the Irish Funds basis.point Covid-19 Emergency Relief Fund and the Shine-A-Light Sleepout to support those experiencing homelessness and to give back to our communities during an especially challenging year.

As in previous years this review gives us the opportunity to look back on all that we have achieved together during the past year. There is an enormous team effort involved in what we do, with guidance and oversight from your elected Council and support from a dedicated Executive team as well as extensive commitment from the 700+ people on Working Groups, Steering Groups and Programme Office.

Finally, thank you for your continued support. We cannot say this enough. It has been my great privilege to lead an outstanding professional team within the Association and work with a highly engaged Governing Council, led by Lisa Kealy. Their collective enthusiasm, commitment and determined effort drives us on to improve and better serve you.

As we reflect on our 30th anniversary and look to the next 30 years, we believe the future has many opportunities and look forward to continuing our work together within our industry, our community, our country and globally.

Pat Lardner

Letter from the Chairperson



It is a huge honour for me to serve as Chair of Irish Funds this year. I would like to sincerely thank you personally, and on behalf of my colleagues in EY for the opportunity you afforded me to represent you, our members and our amazing industry. It was certainly an unusual year to be chair of Irish Funds and one that I couldn't have predicted. That said, I have to say it was

one of my most challenging and rewarding years of my professional career.

In 2020, our whole world changed, and our asset management industry has had to adapt with it. And indeed, it adapted well and has shown incredible resilience throughout, ensuring stability for all stakeholders. As an industry, we should be really proud of what we've achieved.

Our industry is reaching a major inflection point in its development.

Our asset management and management company community is central to our industry, adding to the long-standing investment services and advisory capabilities. Indeed almost 30% of our 150 member firms of Irish Funds are now asset managers and management companies. This huge diversity makes us more influential as we advocate, enabling us to represent the entire value chain.

Further, the environment in which we operate is evolving at an incredible rate with a wide agenda encompassing: AIFMD review, governance, outsourcing and delegation, Sustainable Finance, CMU, liquidity, costs and charges and of course Brexit / MoU. The reality is this focus will continue - as our industry grows in size and influence; we draw more scrutiny.

These changes made it important that we took time as an industry association to pause and reflect during 2020, to reach out our members to understand their evolving priorities. This feedback informed the strategic review performed by Council and the Leadership Team during the summer months. The output, our **Strategic Framework 2021-2023**, clearly sets out the focus and priorities of IF for the coming 3 years ahead – with a targeted focus on **Advocacy, Engagement, Leadership and Capability**.

As we navigate a new Europe and cement our position in a post Brexit world – we need to strengthen relationships with legislators and regulators in Ireland and Europe, to take a

leadership position in policy and regulatory debates. We need to ensure we have the relevant skills and capability to maximise our opportunity in a new Europe and that the strategic value of our industry is clearly understood at both an Irish and European level.

We want to ensure we are influential in critical areas of Irish and EU advocacy, that we are targeted and constructive in our approach, that we engage early and offer decision-makers and stakeholders' timely solutions for potential issues, underlying that our industry is a force for positive change.

We have had regular and structured engagement at all levels within the CBI and ran a number of workshops for industry which we will continue during 2021. We are also building strong trusted relationships in Brussels, thanks to the timely establishment of our Brussels office over a year ago. We have built our engagement with the European Commission and DG FISMA, ESMA, MEPs and Council at the most senior levels putting forward industry's view on strategically important files during the first quarter of 2021.

Finalising the ILP in December 2020 has been a huge piece of good news for our industry, filling the product gap and enabling us to compete as a jurisdiction to deploy capital into real assets. We are currently engaging with the Central Bank on application and authorisation processes and I'm delighted to say this engagement has been positive.

We have also looked inwards, covering a number of inputs:

- Representation: looking at governance and Council composition to ensure we fairly represent our evolving members.
- Working groups and steering groups: the engine of our association, to better align them with our strategic priorities and involving SMEs.
- Communication channels: to better engage with member firms. We created a multi-channel communication framework to keep members informed and also ran a series of webinars, targeted at specific cohorts, (including a designated person and EU Affairs series) to delve into and debate critical topics.

Very importantly, **some of the changes are cultural and behavioural**, refreshing our mission, vision and values. Challenging what we want to be known for, the behaviour of our people and our industry.

This extraordinary year has also given us time to reflect on what is important and as such I was so proud to see our industry come together to support the more vulnerable in society:

- The Basis Point / Irish Funds Covid-19 Emergency Relief Fund raised over €200k over a short number of weeks to help disadvantaged communities through education.
- In October '20 our Industry made a huge effort to support the ShineALight sleep out for Focus Ireland and homelessness, which was one of my personal highlights of the year. With your help, our own Irish Funds Council team raised over €67,000 and combining this with other industry teams meant we raised €140,000 at an industry level which helped break the cycle of homelessness for over 200 families.

So while our industry is reaching a major inflection point in its development we should be really proud of how it has evolved and what it has achieved - in many ways it feels like the start of the IFSC in terms of the opportunity for us as an industry.

And as we celebrate the 30th anniversary of our association this year, the only thing we can be sure of is that the world will continue to change. We may never see another year quite like 2020, but there will be no 'going back'. And as we look to the future - Next & Beyond – let's build it back better. There's no doubt Europe's focus on governance, outsourcing and delegation will drive up substance. Is there now a window of opportunity to:

- Consider moving EU Fund & Product Governance to Ireland? Or
- Use Ireland as an green investment management / ESG hub? Or
- With the ILP in place, a PE/ RE hub?
- Risk / investment management hub?

Whatever the future holds, I know that our industry will not only keep adapting, but that it will continue to grow, increasing its importance on the global stage.

It is and has been a privilege chairing this fantastic association and representing our industry. I can't tell you how proud I am of our industry.

Lisa Kealy

Past Chairs of the Association

| | | | | | |
|-------------|------------------|-------------|-----------------|-------------|-----------------|
| 1991 - 1993 | Vic Holmes | 2002 - 2003 | Damian Neylin | 2012 - 2013 | Fearghal Woods |
| 1993 - 1994 | Paul McNaughton | 2003 - 2004 | Jeffrey Holland | 2013 - 2014 | Kevin Murphy |
| 1994 - 1995 | Denise Kinsella | 2004 - 2005 | Dan Morrissey | 2014 - 2015 | Barry O'Dwyer |
| 1995 - 1996 | John Fitzpatrick | 2005 - 2006 | Liam Manahan | 2015 - 2016 | Tadhg Young |
| 1996 - 1997 | Bernard Hanratty | 2006 - 2007 | Noel Moynihan | 2016 - 2017 | Alan O'Sullivan |
| 1997 - 1998 | Pdraig Kenny | 2007 - 2008 | Deirdre Power | 2017 - 2018 | Tara Doyle |
| 1998 - 1999 | Eimear Cowhey | 2008 - 2009 | Seán Páircéir | 2018 - 2019 | Brian Forrester |
| 1999 - 2000 | Anthony Carey | 2009 - 2010 | Michael Jackson | 2019 - 2020 | Yvonne Connolly |
| 2000 - 2001 | Paul McGowan | 2010 - 2011 | Carin Bryans | | |
| 2001 - 2002 | Brian Collins | 2011 - 2012 | Ken Owens | | |

Getting involved in the community



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Thank you to the **frontline workers** and **volunteers**, who are changing the lives of so many on our behalf.

Thank you to the many Corporate and hundreds of individual donors.

BNP Paribas, BBH, Bury Street Capital, Carne, Caceis, Centaur, CITI, Code in Motion, FuSioN, Guggenheim, HarbourVest, HSBC, Irish Funds, IFDA, KB Associates, LGIM, Link, Lord Abbett, Maples, Nexus, Northern Trust, OCYM, Prescient, Pyrford Intl, RBC, Sanne, Stepstone, TD Securities.

Covid-19 Emergency Relief Fund for Vulnerable Communities

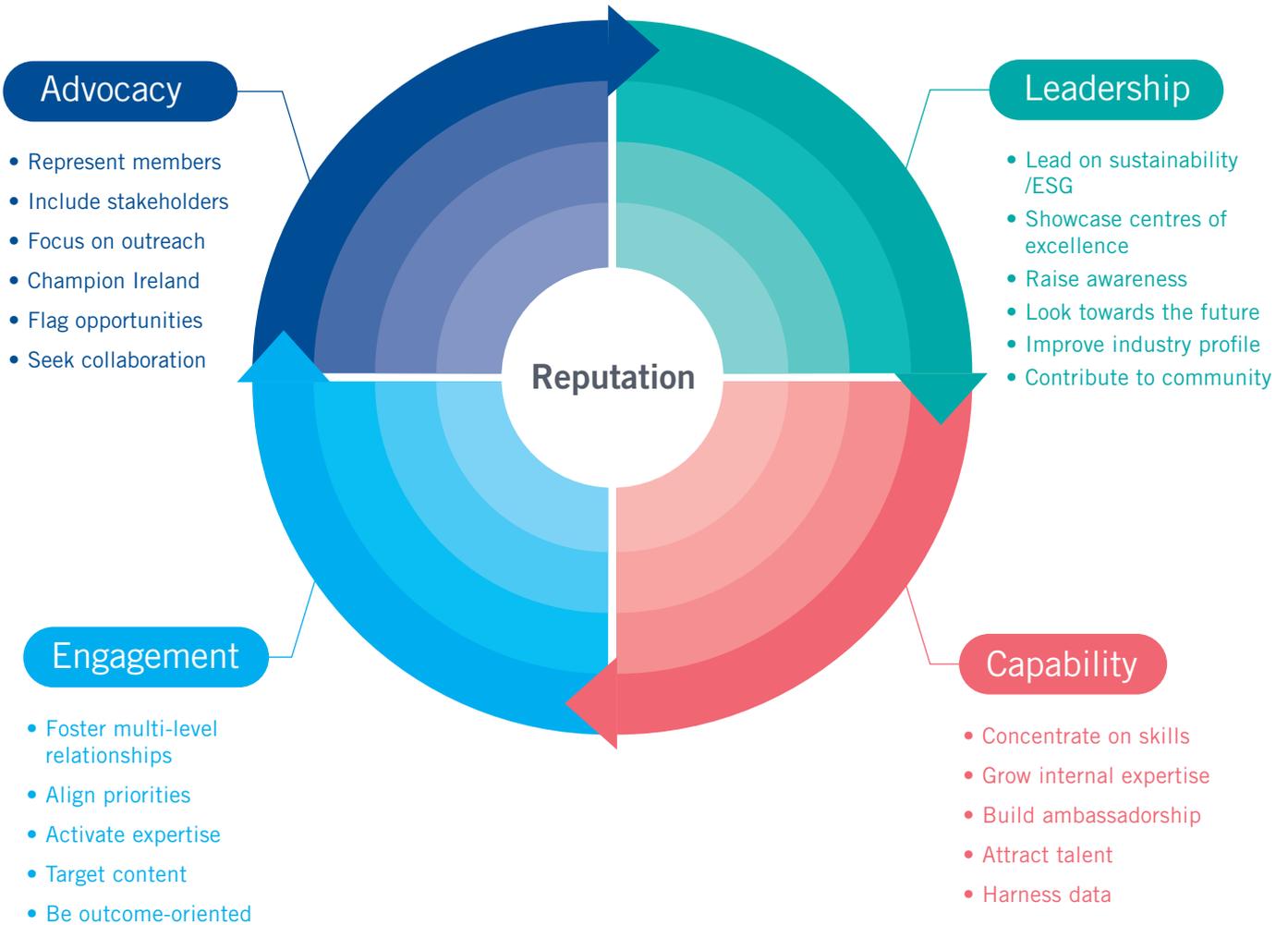
In April basis.point and Irish Funds launched a Covid-19 emergency relief fund to help raise much needed funds to help disadvantaged communities as they struggle with the impact of the COVID-19 crisis. Our industry raised €200K and the fund dispersed funds to a range of programmes aimed at alleviating the issues of food and hygiene poverty, mental health and emotional well-being, access to technology, and families living with homelessness.



Strategic Framework 2021 - 2023

Guiding our Growth

During 2020, we gathered invaluable insights from our member study and have honed those contributions into a new mission and vision to light our way, and a set of values with which to navigate. Making these a reality required a new strategic framework, one with clarity and purpose, built on the bedrock of reputation and reputational excellence.



Our Mission

We are the voice of the Funds and Asset Management industry in Ireland.



Our Vision

Ireland will be the premier location to enable and support global investing through its reputation for trust, capability and innovation.



Our Values

- **Collaboration** – we succeed together and in working with others
- **Commitment** – to achieving better outcomes for investors
- **Dedication** – to member interests
- **Excellence** – in delivering and enhancing our capabilities
- **Integrity** – in everything we do
- **Society/Community engagement** – we give back
- **Transparency** – In who we represent, our interests and our decisions

Working Group Structure

An elected Council of 14 members governs Irish Funds. The work of the Association is supported by a network of steering and working groups and the day-to-day affairs of the Association are managed by a full-time executive. The Steering and Working Group structure are the lifeblood of the industry. These groups assist in delivering the strategic objectives of the Association, bringing members together, sharing information and building industry consensus. In early 2021 the structure and organisation of these groups is being refreshed.

Council

Programme Office

Secretariat

Steering Groups

| A Promotion & Engagement SG | B Distribution SG | C Asset Management SG | D Fund Product SG | E Innovation, Skills & Technology SG | F Operational SG | G Tax SG |
|--------------------------------|-------------------------------------|-------------------------------|---|---|----------------------------------|-----------------------------|
| Paul Heffernan <i>HSBC</i> | Len Sutton <i>JP Morgan Bank</i> | Colm Callaly <i>Amundi</i> | Stephen Carty <i>Maples & Calder</i> | John Ruane <i>Fidelity Investments</i> | Laura Wadding <i>Deloitte</i> | Gareth Bryan <i>KPMG</i> |

Brexit Co-ordination

Chair: Ken Owens – *PwC* (One representative from each Steering Group).

Note: Each WG Chair sits on the SG relevant to their WG.

Working Groups

| A Promotion & Engagement SG | B Distribution SG | C Asset Management SG | D Fund Product SG | E Innovation, Skills & Technology SG | F Operational SG | G Tax SG |
|---|---|--|---|---|--|--|
| A1. Events Alan Cuddihy <i>Grant Thornton</i> A2. Conference Helena Gilsenan <i>HSBC</i> A3. Prospective Membership Matthew Bates <i>BNY Mellon</i> A4. Comms & Publications Vanora Madigan <i>DMS</i> A5. Member Engagement Alison Manley <i>Goodbody Fund Management</i> | B1. UK Stuart Alexander <i>Gemini</i> B2. Europe, Other Continental Marion Mellett <i>William Fry</i> B3. Europe, Nordics Emmet Holland <i>BlackRock</i> B4. Switzerland, Germany & Austria Killian Lonergan <i>BBH</i> B5. North America & Canada Chris Christian <i>Dechert</i> B6. LatAm, Brazil & Chile Liam Collins <i>Matheson</i> B7. Asia Paul Martin <i>PwC</i> B8. South Africa Research Group Gayle Bowen <i>Pinsent Masons</i> | C1. Investment Risk Catherine Lane <i>Maples & Calder</i> C2. ManCo Imelda Shine <i>Intertrust</i> C3. Asset Management Regulation Patricia Taylor <i>William Fry</i> C4. Derivatives & Middle Office Claire Garvey <i>Fidelity</i> | D1. UCITS Reg & Innovation Cormac Commins <i>Arthur Cox</i> D2. ETFs Marie Coady <i>PwC</i> D3. MMFs Kevin Murphy <i>Arthur Cox</i> D4. AIF Regulation & Innovation Fergus McNally <i>EY</i> D5. ILP Legislative Peter Stapleton <i>Maples & Calder</i> <i>peter.stapleton</i> D6. Non-Domiciled Service Providers Forum Mike Dillon <i>IFS (Ireland)</i> | E1. Talent & Skills Ailish McDonagh <i>BBH</i> E2. FinTech Ciaran Fennessy <i>Citibank</i> E3. ESG Sustainability Tara Doyle <i>Matheson</i> | F1. Legal Oisin McClenaghan <i>Matheson</i> F2. Transfer Agency David Nolan <i>HSBC</i> F3. Depository Damien McShane <i>Byrne Wallace</i> F4. Financial Reporting Cathal McGlinchey <i>IFS (Ireland)</i> F5. AML Louise Mullan <i>JP Morgan</i> F6. Head of Operations Owen Carroll <i>Citibank Europe</i> F7. Regulatory Reporting Rachel Thornton <i>Northern Trust</i> F8. Internal Audit Discussion Forum Paul Traynor <i>EY</i> | G1. Domestic Seamus Kennedy <i>Deloitte</i> G2. International Gerry Thornton <i>Matheson</i> G3. AEOI Ruth Kelly McEwen <i>State Street</i> G4. VAT Brian Keenan <i>EY</i> |

In the pages that follow we have a series of updates from the Chairs of our Steering Groups.

Asset Management Steering Group



Colm Callaly
Head of Legal Ireland / Amundi Ireland Limited



The Asset Management Steering Group (SG) focusses on issues and challenges that are likely to affect the Asset Manager membership of the Association. At its monthly meeting the steering group reviews the work of the four working groups that report into it:

- Asset Management
- Management Company
- Investment Risk
- Derivatives and Operations.

The WG's have responsibility for responding to regulatory consultations and feeding back to the SG experiences of the evolving Irish regulatory environment – in particular

the practical issues arising the running of an Irish Management Company/MIFID Firm. The SG is involved in preparing responses to regulatory consultations for approval by Council and highlighting challenges arising in the day to day operation of regulated asset managers. In addition to the Chairs of the WG's, this year the SG has welcomed the local heads of some newly established asset managers to its monthly meetings. This has provided a welcome new perspective to discussions. COVID 19 and its impact on working practices has also been a regular theme of our discussions. In the second half of the year the group discussed the forthcoming Commission review of the AIFMD and the potential implications it may have on global group's operating models.

CP 86

The SG and the Management Company WG continued to be very focussed on the CBI's thematic review and the likely implications of the 'Dear Chair' letter that was published in October of last year. A particular focus of the discussions was on the likely resourcing impact of the letter on the industry and the implications for the talent pipeline coming into the industry – particularly in the Compliance and Risk Functions.

Liquidity Risk Management Framework for Management Companies

The Investment Risk group finalised their work on the liquidity risk framework for management companies. This has proven to be a particularly timely piece of work given the market volatility experienced at the outset of the COVID crisis and ESMA's work in this area. We hope this framework will prove useful to management companies in effectively managing this risk going forward.

CSDR and other operational challenges

The Derivatives and Middle Office WG spent a lot of time in 2020 focussed on the potential operational and financial implications of the introduction of the (now delayed) CSDR. Several other topics remained firmly in focus for 2020 including EMIR (trade reporting issues and initial margin rules), Libor Reform and the impact of Brexit.

Performance Fees, ongoing MIFID issues

The Asset Management WG has busied itself with preparing responses to various regulator consultations (primarily from ESMA) during the course of 2020. The WG continues to review and discuss issues arising out of MIFID II implementation. A number of 'Dear CEO' letters from the Central Bank has been reviewed and discussed intensively by the group and, in common with the Management Company WG, the implications of the CP 86 'Dear Chair' letter was a constant topic of discussion in the WG last year.

Fund Product Steering Group



Stephen Carty
Partner / Maples Group



The Fund Product Steering Group brings together representatives from both the UCITS and AIF Product WGs in order to review, manage and prioritise the issues and initiatives arising in relation to the regulatory environment and product development for UCITS and AIFs.

Updates on key initiatives

During 2020, each of the five working groups within the steering group focussed on the delivery of key projects.

One of the key priorities was the publication of the Investment Limited Partnerships (Amendment) Act 2020.

This brings Ireland's limited partnership regime into line with international standards and is also central to efforts to develop Ireland as a centre for sustainable finance.

The ILP legislative WG, chaired by Peter Stapleton, Maples Group, led the engagement on the technical amendments and provided technical input to the Department of Finance over the course of the drafting of the bill.

The AIF Regulation & Innovation WG, chaired by Fergus McNally, EY, led the engagement with the Central Bank in relation to regulatory enhancements required to support the ILP reform. The WG also led the response to the European Commission AIFMD review consultation.

The UCITS Regulation & Innovation WG, chaired by Cormac Commins, Arthur Cox, continued its engagement with the Central Bank in relation to UCITS eligible assets and aspects relating to suitability and complexity.

The ETF WG, chaired by Marie Coady, PWC, continued to track international regulatory discussions and developments relating to ETFs, in particular those at IOSCO level and at the US SEC.

The Money Market Fund WG, chaired by Kevin Murphy, Arthur Cox, continued its work in this area particularly in relation to operations and regulatory reporting and reacting to regulatory initiatives focussed on the impact of marked volatility in the sector.

Priorities of the Fund Product Steering Group for the year ahead include monitoring the progress with the reformed ILP regime, engagement with the Central Bank on UCITS eligible/suitable assets and other UCITS issues and responding to the Central Bank's consultation on the transition from the AIF Rulebook to AIF regulations when this is issued.

Innovation, Skills & Technology Steering Group

Mission

Enable Ireland to be at the forefront of delivery, technology and innovation in the investment funds industry, including the development and servicing of ESG and Sustainability funds and products.

John Ruane, VP,
Corporate & Shared Services
/ Fidelity Investments Ireland



Updates on key initiatives

Talent & Skills

Career Profiles:

- ▶ Funds industry professionals share their backgrounds and experiences working in the industry, they spoke about career development, where they're from, what they enjoy most in their roles and what they're involved in at their company and outside of work.
- ▶ Profiles showcase the breadth of career and learning opportunities across the funds and investment management industry.
- ▶ 17 Career Profiles were launched as part of the new 'Career insights' section on the Irish Funds website.

Career Roadmap:

- ▶ The initial framework has been agreed, designed and enriched with content from all member cohorts. The prototype is being further developed by our web designer to enrich our 'Career insights' section on the website.

COVID 19 Response:

- ▶ Webinar: People Resilience & Culture in Funds Industry covering the criticality of culture during these times and industry resilience in responding to the crisis, learnings and future opportunities.

ESG Sustainability

Organisation:

- ▶ Established three focused Work Streams in response to large body of work required:
 - Servicing, Innovation & Data
 - Legal, Policy & Regulatory
 - Investment Management

Thought leadership and industry awareness:

- ▶ Undertook a number of publications / webinars
 - EU Sustainable Finance Regime Key Requirements and Timeframes for Funds and Management Companies
 - Building a common EU framework for corporate non-financial reporting disclosures
 - Comparing international sustainability reporting frameworks
 - Irish ETFs: Supporting Sustainable Finance
 - SFDR – preparing for compliance
 - Webinar: EU Sustainable Finance Regime – How is the Industry Responding?
 - Webinar: Sustainability Reporting in Focus
 - Webinar: SFDR – preparing for compliance

Engagement with policy makers, legislators and regulators:

- ▶ Participated in a number of consultation responses:

- Commission review of the Non-Financial Reporting Directive (11 June 2020),
- Commission consultation on the UCITS, AIFMD and MiFID Delegated Acts (6 July 2020),
- Commission consultation on the renewed EU sustainable finance strategy (15 July 2020),
- ESAs consultation on ESG disclosures (1 September 2020),
- Submission to the Central Bank on the Implementation and application of the EU sustainable finance regime in Ireland (21 September 2020),
- ESAs consultation on pre-contractual and periodic reporting templates (16 October 2020),
- Follow-up submission to the Central Bank regarding the fast-track process (16 November 2020),
- IFRS Foundation consultation on sustainability reporting (31 December 2020).

FinTech

FinTech Factor:

- ▶ FinTech Factor competition initiated to allow FinTech companies showcase their products to industry leaders
 - 3 presentation sessions
 - 4 FinTech start-ups pitched their products and services to the attendee's
 - The winner of each session earned a virtual booth at the Irish Funds Annual Conference.
 - Very well attended sessions both virtually and in real-life

Thought Leadership:

- ▶ Papers published
 - Implementing FinTech: A Guide To Overcoming Barriers
 - Asset Servicing 2030

Transition Year Program

The Irish Funds TY programme proof of concept supports the strategic objectives of Irish Funds to enhance external perception of the industry and its social impact.

It is planned to hold a focus group session with students in Q2 2021 and to have a pilot programme ready for delivery in Q4 2021. Potential partners for the distribution and support of the programmes have been identified and discussions have commenced.

Awareness

Talent and Skills, Transition Year and Fintech informational videos were prepared remotely by our Working Group leads and launched as part of Irish Funds member engagement initiatives emanating from the Programme Office.

Operational Steering Group



Laura Wadding
Partner / Risk Advisory Deloitte



The Operational Steering Group consisted of 7 working groups and 1 discussion forum in 2020 as follows:

1. Transfer Agency
2. Anti-Money Laundering (AML)
3. Regulatory Reporting
4. Heads of Operations
5. Financial Reporting
6. Depositary
7. Legal & Regulatory
8. Internal Audit (Discussion Forum)

In a particularly challenging year, the working groups shifted their focus to some of the most challenging developments in the sector, to name a few, as follows:

- Operational Resilience during the Covid-19 pandemic
- The operational impact of Brexit
- Culture in the funds sector

And we continued to spend time navigating the evolution of key regulatory requirements such as:

- Financial Crime
- Regulatory Reporting
- ESG

Operational Resilience

The Heads of Operations WG produced a paper on the steps that firms had taken to remain operationally resilient during the pandemic, and highlighted the significant steps taken by the sector to respond to the challenges of remote working, market volatility and increased demands by the regulator for market data and risk management processes.

Brexit

The Operational Steering group stayed connected with the Brexit Steering Group and maintained a watching brief throughout the year on the impact of Brexit on operations and any headwinds to look out for.

Culture in the Funds Sector

Following the production of a paper on Culture in the Funds Sector, the Heads of Operations WG continued to engage with the topic, with representatives participating in Irish Funds events. This work is continuing into 2021 with further work planned on Diversity & Inclusion in the sector.

Financial Crime

The AML WG has been as busy as ever, focussing on sectoral guidance notes, the transposition of the 5th Money Laundering Directive in Ireland, the evolving landscape of beneficial ownership, public/private initiatives and regulatory engagement.

Regulatory Reporting

The Regulatory Reporting WG actively engaged with the CBI this year to discuss issues related to fund level reporting, formal and informal, to drive efficiency and quality as a sector. There has been really positive engagement so far, and more work to do as the CBI further enhances its capabilities in data analytics and market risk assessments.

ESG

The Financial Reporting WG actively contributed to the development of standards and guidance and responding to consultations in the area of ESG reporting and data management. Further work is underway by the Depositary Working Group and others to articulate the role of each of the players in the sector with regard to ESG, in terms of operations and governance.

Distribution Steering Group



Leonard Sutton
Executive Director /
Transfer Agency, J.P. Morgan



The Distribution Steering Group consisted of 8 working groups in 2020 as follows:

- UK
- USA & Canada
- Asia
- Latin America
- Nordics
- Europe
- South Africa
- Switzerland German Austria

The mission statement and objectives of the groups are to:

- Promote Ireland as a domicile for internationally distributed investment funds;
- Capture and promote key statistics regarding the distribution of Irish domiciled funds across the Investment Management community;
- Ensure Ireland's competitive advantages from a Distribution perspective are understood and marketed from a service, regulatory and tax perspective
- Identify new ways and emerging opportunities to facilitate the ease of distribution for funds domiciled and serviced from Ireland;
- Identify and work to remove any barriers or obstacles to the successful distribution of Irish funds in all key markets.

During 2020, the Working Groups continued to engage with managers and other relevant stakeholders in their respective target markets to enhance Irish Funds understanding of the dynamics of fund distribution in each market. Given the travel and remote working challenges presented by COVID, all of the face-to-face work was undertaken by video conference.

Annual Conference

In October, the DSG ran a successful Irish Funds Distribution panel at the Irish Funds Annual Global Funds Conference Online. The virtual panel discussed "Leveraging Technology for Distribution Success" and the participants from asset servicers, asset managers and market platforms provided a lively debate on which they received excellent feedback from attendees.

Distribution Webinar

The DSG also hosted a webinar in 2020 with participation from asset managers and market platforms. The focus of the presentations and panel discussions was fund flow trends, Latin American distribution challenges, and management

company distribution oversight and emerging practices and expectations. There was also a Brexit focused presentation providing an overview of TPR and some background on the introduction of the Overseas Funds Regime.

Distribution Country Guides

The DSG Working Groups continued their research and updating of country guides which are now available on the Irish Funds portal. There were new guides published for Germany, Austria, Switzerland, Spain, UK, Norway, Italy and France. The 'Why Ireland?' document for Chinese Asset Managers was translated into Mandarin and is also available on the portal.

NSCC AML Challenges

The DSG worked closely with the AML Working Group during 2020 to examine feedback from asset managers following the introduction of mandatory enhanced due diligence in circumstances where a nexus to an EU high risk third country is identified.

Communication, Promotion & Engagement Steering Group



Paul Heffernan
Head of Business Development &
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Communications, Promotions and Engagement Steering Group objectives:

1. Drive forward presence of IF in the global market
2. Ensure the highest quality content is shared through the right medium
3. Attract new members and ensure existing members are getting the maximum benefit from IF

Engagement:

- Establish communications champions in all members firms
- Ran lunch and learns in member firms
- Instigated Sustainathon which was supported by Grant Thornton. The initiative was created to help find solutions to help ESG problems within our industry.
- Ran webinars for designated persons (DPs) during initial time of Covid when things were volatile

Conference:

- October Online Annual Global Funds conference was hosted virtually and was a success - single largest event in the Irish Funds calendar
- The working group of 12 were tasked with sourcing high quality speakers
- 685 people registered from 17 different countries, 21% of these were asset managers, 30+ sponsors participated

Events:

- Organised different promotional events other than Irish Funds Annual Conference
- Transitioned to organising a series of webinars in 2020 and online conferences focused on different jurisdictions principally in India and North America both held in September 2020
- Looking forward the working group aims to hold more webinars in conjunction with other industry associations as well as hosting more macro themed webinars in Spring 2021

Communications & Publications:

- Our main focus is to look at the communication and publications of Irish Funds resources, website content and assist in increasing participation at events, with greater engagement through the use of social media
- A key initiative was to create 4 new branded hashtags #irishfundsevents #irishfundscsr #irishfundsescg #irishfundscareers
- These hashtags are aligned with the Irish Funds strategy and allow Irish Funds post high quality content on line

Membership:

- Increase membership and connect with target member base
- There has been an upward trajectory of membership with 12 new firms joining in 2020
- Total membership is over 150 firms. Growing member community is largely made up of asset manager firms which now hold the largest membership cohort
- Our 2021 objectives are to identify and harness and outline the benefits of membership of Irish Funds
- Given the current environment we are seeking to redefine the strategy for connecting with respective members
- The goal is to stay connected and engage with our target new members through social media channels and upcoming Irish Funds virtual events

Tax Steering Group



Gareth Bryan
Tax Partner / KPMG Ireland



The following is a brief summary of the work undertaken by the Tax Working Groups (under the auspices of the Tax Steering Group). In addition, the Steering Group has been involved in other matters such as:

1. Supporting ILP reform project (from a tax perspective).
2. Engagement with Revenue in relation to supports and essential services during COVID-19 lock-downs.
3. Supporting Irish Funds submissions Ireland for Finance (Green Deal) and Restarting the Economy.

VAT

- Engagement with Revenue VAT Policy Division to discuss challenges to certain Custodians on the use of a VAT recovery methodology. While Revenue has indicated that the historically used methodology should cease from 1 January 2021, the Working Group have interpreted Revenue's confirmation as meaning that no retrospective action will be taken (and have requested specific confirmation on this).
- Engagement with Revenue Large Cases Division in Galway to discuss a range of VAT issues that members identified as giving rise to practical difficulties in their dealings with that office.

Domestic Tax

- Engagement with Revenue in relation to updated IREF guidance.
- Submission to Department of Finance on Finance Bill 2020.
- Engagement with Revenue Department of Finance in relation to future introduction of interest limitation rules.

International Tax

- Submission to OECD on public consultation on BEPS 2.0 project.
- Engagement with Irish Revenue to reformulate Certificates of Residence for Ireland/Portugal Tax Treaty.
- Engagement with Irish Revenue to reformulate Certificates of Residence for Ireland/Egypt Tax Treaty.

AEOI

FATCA/CRS

- Engaging with Revenue AEOI reporting team and with the AEOI technical team in Dublin Castle on

FATCA and CRS, including preparing detailed feedback and recommendations document following the year end 2019 reporting cycle for Revenue.

- Delivering a workshop with Revenue to discuss issues arising from the 2019 AEOI reporting cycle, reporting changes planned for 2021 reporting and the Compliance review program for 2021.
- Collating feedback from Members and raised concerns with on IRS FATCA notifications received by Irish FIs during June/July and discussed 2021 plans for FATCA Compliance reviews.
- Ongoing monitoring and analysis of technical and regulatory changes coming from IRS, EU, OECD and other sources impacting automatic exchange of information.

DAC6

- Participation in Revenue DAC6 TALC meetings presenting IF concerns on DAC6 and provided feedback to Steering, other the Working Group's and IF Members on the outcome of the meetings.
- Co-ordination of DAC6 workshops with representation from across IF Working groups to gather a wide range of feedback on the different drafts of DAC6 main guidance, DAC6 reporting guidance and XML Schema files issued by Revenue, gathered and consolidated the feedback and prepared final versions of the comments and presented them back to Revenue.

Covid-19

- Assembling feedback to contribute to EFAMA and Irish Funds submissions for a deferral of DAC6 and FATCA/CRS reporting submissions.

Events

Irish Funds Events and Webinars 2020

We responded quickly to Covid-19 restrictions in place and successfully pivoted to running digital-only events from April 2020 onwards. throughout 2020. This included hosting 40 webinars and digital seminars since April, attracting over 4700 attendees.

| | |
|------------|---|
| 28/01/2020 | Official Launch of Irish Funds Brussels Office Event |
| 02/04/2020 | DP for Investment Management: Advice on Covid-19 Related Issues |
| 07/04/2020 | DP for Operational Risk: Advice on Covid-19 Related Issues |
| 08/04/2020 | Covid-19 Member Update |
| 09/04/2020 | DP for Fund Risk- Advice on Covid-19 Related Issues |
| 15/04/2020 | Covid-19 Impacts on Organisational Effectiveness |
| 20/04/2020 | DP for Regulatory Compliance: Advice on Covid-19 Related Issues |
| 22/04/2020 | DP for Capital & Financial Management: Advice on Covid-19 Related Issues |
| 18/05/2020 | Covid-19 Member Update |
| 25/05/2020 | EU Sustainable Finance Regime - How is the Industry Responding? |
| 28/05/2020 | Opportunities for Asset Managers - What's Next? |
| 15/06/2020 | People Resilience and Culture |
| 25/06/2020 | ESG – Putting the Theory into Practice |
| 29/06/2020 | Brussels Update |
| 02/07/2020 | Member Update |
| 09/07/2020 | ESG – Sustainability Reporting in Focus |
| 19/07/2020 | Asset Management and the Workplace Of The Future |
| 21/07/2020 | Cybersecurity Considerations in the COVID-19 Pandemic |
| 02/09/2020 | Asset Manager Forum |
| 09/09/2020 | India Webinar: Ireland - Gateway to European Investors |
| 09/22/2020 | South Africa Webinar – Distributing Irish Domiciled Funds in South Africa |
| 25/09/2020 | The FinTech Factor - Webinar 2 |
| 29/09/2020 | North American Digital Seminar |
| 01/10/2020 | Member Update |
| 02/10/2020 | The FinTech Factor - Webinar 3 |
| 08/10/2020 | Distribution Steering Group - October Update |
| 10/10/2020 | The View from Brussels: Developing EU Capital Markets |
| 21/10/2020 | Online Annual Conference 2020 |
| 22/10/2020 | Online Annual Conference 2020 |
| 10/11/2020 | Asset Manager Forum |
| 10/11/2020 | The Impact of COVID-19 on Transfer Agency |
| 24/11/2020 | Liquidity Risk Management |
| 30/11/2020 | Financial Reporting Working Group Webinar |
| 03/12/2020 | The European Investment Landscape 2021 |
| 09/12/2020 | Asia Webinar: Key Asian regulatory developments and overview of regulatory fund structures in Ireland |
| 15/12/2020 | Consultation on the AIFMD Review |

Marketing & Media

Communicating our key messages and information is crucial to the continuing development of the funds and asset management industry in Ireland. We share industry-specific messages and news to stakeholders domestically and globally in multiple ways, including direct e-mail,

web, social media, interviews and articles print materials and presentations. We aim to increase awareness of the solutions available to connect fund managers globally with their cross-border investors as well as to bring awareness to the contribution the industry makes in Ireland.

Publications and Resources



Country Guides



DIGITAL REACH

- 400K+ view on the website
- 10,000 LinkedIn Followers
- 2,400 Twitter followers



MEDIA COVERAGE



Our events programme was very active during 2020 with 35 international webinars and a total of 5,000 delegates.

The Annual Global Funds Conference Online 2020, with our move to an online platform was a big success as evidenced by a highest-ever attendance of over 600 delegates.



Training & Development



Irish Funds partners with the Institute of Banking to provide practical, relevant and flexible university programmes, specifically designed for those who work in the funds industry.

Accredited Funds Professional

Employees working in Ireland's investment funds sector can now demonstrate and maintain competence and professionalism in the international investment funds sector through the new Accredited Funds Professional designation. It was launched by IoB in 2020, in collaboration with Irish Funds, Ireland for Finance and IDA Ireland. The Accredited Funds Professional creates an industry standard for recognising consistency and professionalism in the funds industry. Differentiate Ireland as a leading fund services jurisdiction and sustain Ireland's world ranking for its people talent. A suite of eCPD material has been developed with additional modules under development. All Irish Funds events in 2021 will have CPD hours for the Accredited Funds Professional.

See details on the [Accredited Funds Professional](#) designation.

During the academic year all programmes moved to fully online delivery and assessment during the Covid pandemic. Allowing professionals to continue their education remotely. More than 450 students took these qualifications in 2019/2020 and 60+ firms had participating students. Irish Funds is also an active leader in developing a schedule of training programmes and industry-specific seminars and briefings.

Education Programmes

Professional Certificate in International Investment Fund Services

Designed and delivered by the industry, the Professional Certificate in International Investment Fund Services is a unique and specific programme which provides a broad view of the structure, purpose and operation of an investment fund from its establishment right through its life cycle and supports the industry's day-to-day activities.

Professional Diploma in Applied Alternative Investments

Increasingly, alternative assets, which include hedge funds, commodities, private equity, structured products and real asset investments such as infrastructure investments are becoming mainstream investments which are predicted to grow significantly. Given the breadth of alternative assets, this programme will appeal to professionals seeking specific knowledge, insight and skills in alternative investments which can be immediately applied in the day-to-day working environment.

Professional Certificate in Complex Financial Instruments

This programme is designed for people who are engaged in activities which require a good working knowledge of the characteristics of derivative products and complex financial instruments. The objective of this programme is to provide students with not only a very practical understanding of how the most common types of complex financial instruments and derivative products are used in financial markets, but also their use in hedging, risk management and return enhancement strategies.

Certified Investment Fund Director (CIFD)

The CIFD programme is a unique programme specialising in investment fund governance, and is regarded as the qualification of choice for investment fund directors.

IFS Skillnet - Training and Grant Funding

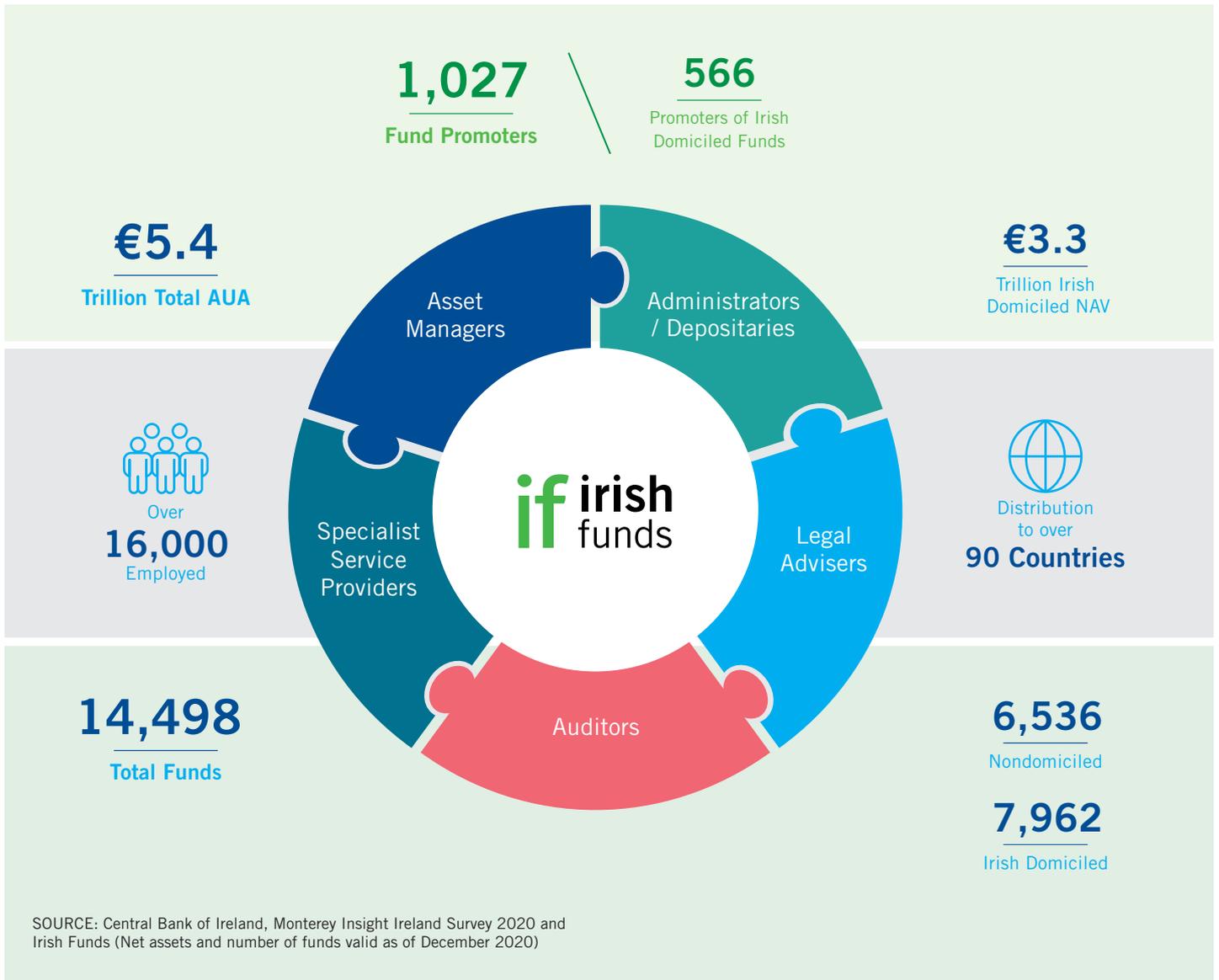
The IFS Skillnet was established in mid-2009. Since then they delivered over 500 courses to over 9,000 participants from 250 companies operating in the International financial services sector in Ireland. Courses have ranged from certified programmes in Regulation and Complex Financial Instruments up to Postgraduate/ Masters level.

Countries where Irish Funds are registered for sale

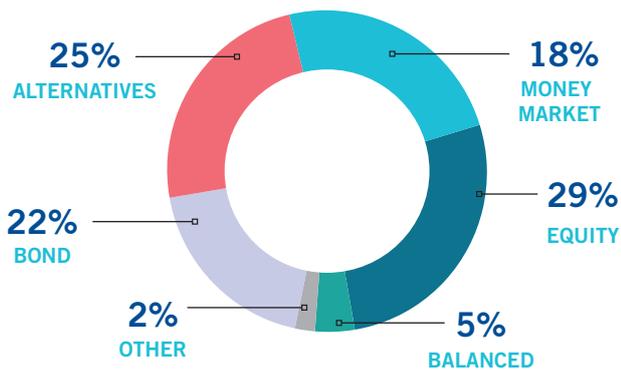
Since the establishment of the funds industry in Ireland 30 years ago we have helped investment managers from all over the globe to develop and expand their international distribution footprint. Ireland is a major hub for cross border

distribution and Irish funds are sold in 90 countries across Europe, the Americas, Asia and the Pacific, the Middle East and Africa.

| | Position | Country | N. Funds 2013 | N. Funds 2019 | |
|---|----------|----------------|---------------|---------------|---|
|  | 1 | United Kingdom | 1673 | 3547 | ▲ |
|  | 2 | Germany | 1577 | 3187 | ▲ |
|  | 3 | France | 1225 | 3009 | ▲ |
|  | 4 | Switzerland | 1130 | 2711 | ▲ |
|  | 5 | Netherlands | 1179 | 2568 | ▲ |
|  | 6 | Italy | 737 | 2495 | ▲ |
|  | 7 | Sweden | 861 | 2383 | ▲ |
|  | 8 | Austria | 984 | 2335 | ▼ |
|  | 9 | Luxembourg | 1081 | 2322 | ▲ |
|  | 10 | Spain | 778 | 2265 | ▲ |
|  | 11 | Finland | 569 | 2135 | ▲ |
|  | 12 | Norway | 419 | 1933 | ▲ |
|  | 13 | Denmark | 362 | 1696 | ▲ |
|  | 14 | Singapore | 398 | 1018 | ▲ |
|  | 15 | Belgium | 305 | 820 | ▲ |
|  | 16 | Portugal | 286 | 802 | ▲ |
|  | 17 | Liechtenstein | 11 | 454 | ▲ |
|  | 18 | Chile | 15 | 232 | ▲ |
|  | 19 | Hong Kong | 217 | 157 | ▼ |
|  | 20 | Guernsey | 65 | 140 | ▲ |
|  | 21 | Taiwan | 147 | 117 | ▼ |
|  | 22 | Macau | 135 | 107 | ▼ |
|  | 23 | South Africa | 43 | 101 | ▲ |
|  | 24 | Greece | 60 | 53 | ▲ |
|  | 25 | Bahrain | 46 | 41 | ▲ |
|  | 26 | Peru | 84 | 39 | ▼ |

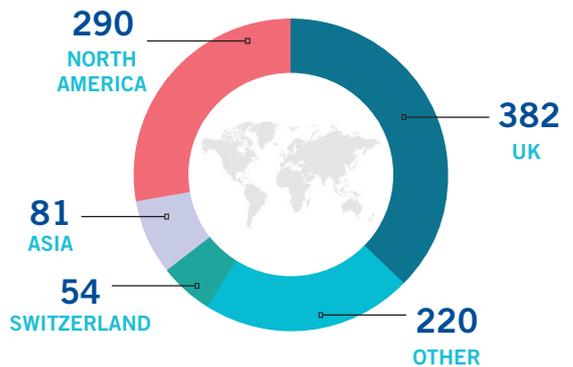


Irish Domiciled Funds
Breakdown by type



SOURCE: Central Bank of Ireland, December 2019

1,027 Fund Managers
from **54 Countries**



SOURCE: Monterey Ireland Fund Report 2018



Algebris

BARINGS

Barings



Coronation



CSC Fund Admin



DLA Piper



Fineco



First Sentier



Franklin Templeton



HarbourVest



HSBC Global Asset Management



W&W



TD Asset Management (Associate)



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