OYSTER

An Open-ended Mutual Investment Fund (SICAV)
Luxembourg

PROSPECTUS

The shares of the different sub-funds of the Mutual Fund are listed on the Luxembourg stock exchange.

Subscriptions can only be accepted if they are made on the basis of the current prospectus, which is only valid if it is accompanied by a copy of the latest available annual report and a copy of the latest available semi-annual report, if the latter is more recent in date than the annual report.

December 2005

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INTRODUCTION

OYSTER (hereinafter the “Mutual Fund”) is registered on the official list of undertakings for collective investment in accordance with part I of the law of December 20, 2002 (hereinafter the “Law”).

This registration may not be interpreted as a positive judgement passed by the supervisory authority on the content of the present prospectus or on the quality of the securities offered and held by the Mutual Fund. Any claim to the contrary would be unauthorized and illegal.

This prospectus may not be used for purposes of an offer or solicitation for sale in any countries or in any circumstances in which such an offer or solicitation is not authorized.

In particular, the shares of the Mutual Fund have not been registered under any United States securities legislation and may not be offered for sale in the United States of America or in any of its territories or any of its possessions or regions subject to its jurisdiction.

No person may rely on any information other than that given in the present prospectus and in the documents mentioned in the latter and which can be consulted by the public.

The Board of Directors of the Mutual Fund accepts responsibility for the accuracy of the information contained in this prospectus at the publication date thereof.

This prospectus is liable to be updated in order to take account of important changes made to the present document. Subscribers are therefore recommended to enquire of the Mutual Fund to determine whether it has published a later prospectus.

Subscribers are recommended to take advice on the laws and regulations (such as those concerning taxation and exchange controls) applicable to the subscription, purchase, holding and realization of shares in their place of origin, residence and domicile.

DEFINITIONS

The following definitions apply to the entire contents of this prospectus:

Share	a share of each class within each sub-fund in the capital of the Mutual Fund
Director	a member of the Board of Directors of the Mutual Fund
CHF	the currency of Switzerland
Class	two or more share classes may be offered in a sub-fund, the assets of which will be invested jointly according to the specific investment policy of the sub-fund; however, a specific structure of charges, specific minimum investments, a specific distribution policy, a specific accounting currency, a special hedging policy or other special features will be able to be applied separately to each class within the sub-fund
Sub-fund	a portfolio of assets invested on the basis of a particular investment policy
EURO	the currency of the Member States of the European Union participating in Economic and Monetary Union
Financial year	ends on the last day of June of each year
Valuation date	each banking day
Banking day	a banking day in Luxembourg
Redemption price	net asset value per share of the class concerned on a given valuation date, after deduction, if applicable, of a redemption fee
Subscription price	net asset value per share of the class concerned on a given valuation date plus a sales commission, if applicable
Mutual Fund	OYSTER
USD (= basic currency)	the currency of the United States of America
Net asset value per share	net asset value of a given class of shares/a given sub-fund, calculated by deducting from the total value of its assets an amount equal to all its liabilities, then divided by the total number of shares of the class/sub-fund outstanding at the given valuation date
YEN	the currency of Japan

1. GENERAL CHARACTERISTICS OF THE OYSTER MUTUAL FUND

1.1. Structure

OYSTER, hereinafter referred to as the “Mutual Fund”, is an open-ended mutual investment fund under Luxembourg law, which was established for an unlimited period of time at Luxembourg on August 2, 1996 in accordance with the provisions of the Law and of the law of August 10, 1915 on trading companies, as amended.

The Mutual Fund is subject in particular to the provisions of part I of the Law, which specifically governs Undertakings for Collective Investment in transferable securities as defined in the Directive of the Council of the European Communities dated December 20, 1985 (85/611/EEC), as amended.

The articles of association of the Mutual Fund were published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") dated August 30, 1996. The articles of association were amended successively on September 13, 1999, March 16, 2000 and August 29, 2001. The amendments were published in the Mémorial successively on October 9, 1999, April 21, 2000 and October 9, 2001. The updated articles of association and a legal notice relating to the issue of the shares of the Mutual Fund were filed with the clerk of the District Court of Luxembourg in Luxembourg. The articles of association were also amended on December 28, 2005; those amendments had not yet been published in the Mémorial at the date of the present prospectus.

These documents are available for inspection and copies can be obtained, on request, by paying the registry fees.

The Mutual Fund is enrolled in the Luxembourg Register of Companies under the number B-55740.

The registered office of the Mutual Fund is located in Luxembourg.

The Mutual Fund is established in the form of a Mutual Fund with multiple sub-funds. A Mutual Fund with multiple sub-funds consists of several sub-funds each representing a body of specific assets and liabilities and each corresponding to a separate investment policy.

The Mutual Fund constitutes a single legal entity. However, it is pointed out that in the shareholders’ dealings with each other, each sub-fund is considered to be a separate entity constituting a separate pool of assets with its own objectives and represented by one or more separate class(es) of shares. In addition, each sub-fund will be solely responsible for the liabilities assigned to it in dealings with third parties, and in particular in dealings with the Mutual Fund’s creditors.

The multiple sub-funds structure offers investors the advantage of being able to choose between different sub-funds, but also of then being able to switch from one sub-fund to another.

The Board of Directors is authorized to issue, within each sub-fund, two or more share classes (the “classes”) the assets of which will be invested jointly according to the specific investment policy of the sub-fund but in which a specific structure of charges, specific minimum investments, a specific distribution policy, a specific accounting currency, a special hedging policy or other special features will be able to be applied separately to each class.

1.2. The different sub-funds / classes

The following sub-funds/classes (the main characteristics of which are indicated) are offered to investors:

Name of the sub-fund / class	Accounting currency of the sub-fund	Initial subscription price	Management fee	Sales commission
EQUITY SUB-FUNDS				
OYSTER- World Opportunities - EUR class - USD class - No Load EUR class	USD		1.75% 1.75% 2.25%	5.00% 5.00% 0.00%
OYSTER-Europe Value - EUR class - No Load EUR class	EURO		1.75% 2.25%	5.00% 0.00%
OYSTER-Italian Opportunities - EUR class - No Load EUR class	EURO		1.75% 2.25%	5.00% 0.00%
OYSTER-USA Opportunities - USD class - EUR class - No Load USD class	USD	150 EUR	1.75% 1.75% 2.25%	5.00% 5.00% 0.00%
OYSTER-Technology - EUR class - USD class - No Load EUR class	USD		1.75% 1.75% 2.25%	5.00% 5.00% 0.00%
OYSTER- Italian Value - EUR class - No Load EUR class	EURO		1.75% 2.25%	5.00% 0.00%
OYSTER- Biotechnology - EUR class - USD class - No Load EUR class	USD		1.75% 1.75% 2.25%	5.00% 5.00% 0.00%
OYSTER-European Opportunities - EUR/CHF class - No Load EUR/CHF class	EURO/CHF*		1.75% 2.25%	5.00% 0.00%
OYSTER-European Small Cap - EUR class - No Load EUR class	EURO		1.75% 2.25%	5.00% 0.00%
OYSTER-FPP Emerging Markets - EUR class - USD class - No Load EUR class	USD		1.75% 1.75% 2.25%	5.00% 5.00% 0.00%
OYSTER-Japan Opportunities - YEN class - EUR class - No Load EUR class	YEN	15,000 YEN 150 EUR 150 EUR	1.75% 1.75% 2.25%	5.00% 5.00% 0.00%

Name of the sub-fund / class	Accounting currency of the sub-fund	Initial subscription price	Management fee	Sales commission
OYSTER-Future Generation - EUR class - No Load EUR class	EURO	 150 EUR 150 EUR	 1.75% 2.25%	 5.00% 0.00%
OYSTER-Absolute Return - EUR class - USD class	USD	 150 EUR 150 USD	 2.25% 2.25%	 5.00% 5.00%
MIXED SUB-FUNDS				
OYSTER-Selection	EURO		1.80%	5.00%
OYSTER-Diversified - EUR class - CHF class - No Load EUR class	EURO		 1.50% 1.50% 2.25%	 5.00% 5.00% 0.00%
BOND SUB-FUNDS				
OYSTER-Euro Short Term	EURO		15% of the 3 month libor rate	5.00%
OYSTER-European Corporate Bonds	EURO		1.00%	3.00%
OYSTER-European Fixed Income	EURO		0.90%	3.00%
OYSTER-US Dollar Bonds	USD		0.90%	3.00%

Notes:

The No Load EUR, No Load CHF and No Load USD classes within each sub-fund concerned differ from the shares of the USD, EUR, YEN and CHF classes of the same sub-fund in that they incur a higher management fee but no sales commission.

*The net asset value is calculated in EUROs and immediately converted into CHF for purposes of settling subscriptions and redemptions, at the investor's option.

The sub-funds will hereinafter be referred to by the second part of their name, that is, without making reference to the name of the "OYSTER" Mutual Fund.

The Board of Directors may create other sub-funds and/or other share classes whose investment policy or specific offering characteristics and modalities, as applicable, will be communicated in due course by updating this prospectus, as deemed advisable by the Board of Directors.

The Board of Directors of the Mutual Fund defines the investment policy of each sub-fund, as developed below, and is responsible for executing this policy.

The capital of the Mutual Fund is at all times equal to the net asset value and is represented by fully paid-up shares issued without any indication of face value. Capital changes may be made by right and without observing the requirements relating to notice and recording in the Register of Companies laid down for capital increases and reductions in public limited companies. Its minimum capital is the equivalent in USD of EUR 1,250,000.

2. ADMINISTRATION OF THE MUTUAL FUND

The Mutual Fund has been established at the initiative of Banque SYZ & CO S.A., Geneva and of Dexia Banque Internationale à Luxembourg, Luxembourg.

2.1 Board of Directors

Chairman:

Mr. Alfredo PIACENTINI
Manager
Banque SYZ & CO S.A.
Geneva

Directors:

Mr. Marc André BECHET
Senior Vice President
Dexia Banque Internationale à Luxembourg
Luxembourg

Mr. Jean-Michel LOEHR
Vice President
Dexia Banque Internationale à Luxembourg
Luxembourg

Mr. Renato MORESCHI
Vice President
Dexia Banque Internationale à Luxembourg
Luxembourg

Mr. Eric SYZ
Chief Executive Officer
Banque SYZ & CO S.A.
Geneva

Mr. Paolo LUBAN
Manager
Banque SYZ & CO S.A.
Geneva

Mr. Riccardo BARILLA
Banque SYZ & CO S.A.
Geneva

The directors of the Mutual Fund shall make the efforts required to achieve the Mutual Fund's objectives; however, they cannot guarantee the extent to which the investment objectives will be achieved.

2.2 Administration and Management

Registered office
69, route d'Esch, L-1470 Luxembourg

Transfer Agent and Registrar
First European Transfer Agent
5, rue Thomas Edison, L-1445 Luxembourg

Management Company / Distributor
Oyster Asset Management S.A.
398, route d'Esch, L-1471 Luxembourg

Independent auditor
PricewaterhouseCoopers S.à r.l
400, route d'Esch, L-1471 Luxembourg

Investment Adviser
Global Investment Selection
398, route d'Esch, L-1471 Luxembourg

Custodian Bank
Dexia Banque Internationale à Luxembourg
69, route d'Esch, L-1470 Luxembourg

Central Administration
Dexia Banque Internationale à Luxembourg
69, route d'Esch, L-1470 Luxembourg

Legal adviser under Luxembourg law
Arendt & Medernach
14, rue Erasme, L-2010 Luxembourg

Representative and Payment Service for Switzerland
Banque SYZ & CO S.A.
30, rue du Rhône, CH-1204 Geneva

A. General provisions

The sub-funds' assets consist of eligible financial assets as defined in Annex 1 "Investment restrictions", that is, of transferable securities, money-market instruments, units of UCITS and/or of UCIs, bank deposits and derivative financial instruments.

All the transferable securities of the different sub-funds will be listed on a stock exchange or traded on a regulated market.

B. Description of the sub-funds' investment policy

1) World Opportunities

This sub-fund offers three share classes in order to give investors access to the same portfolio while having the option of subscribing to equities denominated in different accounting currencies or of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth; at least two thirds of the sub-fund's assets are invested at all times in equities and other similar instruments.

The EUR and No Load EUR classes are valued in EURO. The USD class is valued in USD. The EUR and No Load EUR classes differ from the USD class by using financial techniques and instruments intended to hedge exchange-rate risk.

It is pointed out that it is not guaranteed that the EUR and No Load EUR classes will have their exchange-rate risk systematically hedged whenever the USD weakens against the currencies in which the assets of the sub-fund are denominated.

2) Europe Value

This sub-fund offers two share classes in order to give investors access to the same portfolio while having the option of benefiting from a specific expense structure, as these classes are described in table 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth; at least two thirds of this sub-fund's assets are invested at all times in equities and other similar instruments issued by companies having their registered office in Europe.

3) Italian Opportunities

This sub-fund offers two share classes in order to give investors access to the same portfolio while having the option of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in transferable securities of Italian issuers. At least two thirds of the sub-fund's assets are invested at all times in equities and other similar instruments issued by companies having their registered office in Italy.

4) USA Opportunities

This sub-fund comprises three share classes in order to give investors access to the same portfolio while having the option of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in equities and other similar instruments of U.S. issuers. At least two thirds of the sub-fund's assets are invested at all times in transferable securities issued by companies having their registered office in the United States.

The USD and No Load USD classes are valued in USD. The EUR class is valued in EUR. The EUR class differs from the USD and No Load USD classes by using financial techniques and instruments intended to hedge the exchange-rate risk.

It is pointed out that it is not guaranteed that the EUR class will have its exchange-rate risk systematically hedged whenever the USD weakens against the currencies in which the assets of the sub-fund are denominated.

5) Technology

This sub-fund comprises three share classes in order to give investors access to the same portfolio while having the option of subscribing to equities denominated in different accounting currencies or of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in equities and other similar instruments issued by fast-growing companies operating in the high-technology sector and listed in any country having a regulated market. At least two thirds of the sub-fund's assets are invested at all times in equities or other similar instruments issued by companies belonging to the technology sector.

The EUR and No Load EUR classes are valued in EURO. The USD class is valued in USD. The EUR and No Load EUR classes differ from the USD class by using financial techniques and instruments intended to hedge the exchange-rate risk.

It is pointed out that it is not guaranteed that the EUR and No Load EUR classes will have their exchange-rate risk systematically hedged whenever the USD weakens against the currencies in which the assets of the sub-fund are denominated.

6) Italian Value

This sub-fund comprises two share classes in order to give investors access to the same portfolio while having the option of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in equities and other similar instruments of Italian companies whose stock market capitalization is lower than EUR 3 billion. At least two thirds of the sub-fund's assets are invested at all times in equities or other similar instruments issued by companies having their registered office in Italy or operating principally in Italy.

7) Biotechnology

This sub-fund comprises three share classes in order to give investors access to the same portfolio while having the option of subscribing to equities denominated in different accounting currencies or of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in transferable securities issued by companies operating in the biotechnology field and listed in any country having a regulated market. At least two thirds of the sub-fund's assets are invested at all times in equities and other similar instruments issued by companies belonging to the biotechnology sector.

The EUR and No Load EUR classes are valued in EURO. The USD class is valued in USD. The EUR and No Load EUR classes differ from the USD class by using financial techniques and instruments intended to hedge the exchange-rate risk.

It is pointed out that it is not guaranteed that the EUR and No Load EUR classes will have their exchange-rate risk systematically hedged whenever the USD weakens against the currencies in which the assets of the sub-fund are denominated.

8) European Opportunities

This sub-fund comprises two share classes in order to give investors access to the same portfolio while having the option of benefiting from a specific expense structure, as these classes are described in the table of section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in equities and other similar instruments of European issuers. At least 75% of the sub-fund's assets are invested at all times in equities or similar instruments issued by companies based in a member state of the European Community.

9) European Small Cap

This sub-fund comprises two share classes in order to give investors access to the same portfolio while having the option of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in equities and other similar instruments of European issuers, at least two thirds of which have a stock market capitalization of less than EURO 2 billion. At least two thirds of the sub-fund's assets are invested at all times in transferable securities issued by companies having their registered office in Europe.

10) FPP Emerging Markets

This sub-fund comprises three share classes in order to give investors access to the same portfolio while having the option of subscribing to shares denominated in different accounting currencies or of benefiting from a specific expense structure, as these classes are described in the table in section 1.2. above.

The objective of this sub-fund is to provide its investors with capital growth, principally by investing in transferable securities of issuers having their registered office in the emerging countries (Latin America, Asia, Africa and Eastern Europe). At least two thirds of the sub-fund's assets are invested at all times in equities and other similar instruments issued by companies having their registered office in the countries mentioned above. A maximum of 10% of the net assets of the sub-fund may be invested in transferable securities traded on unregulated markets.

The EUR and No Load EUR classes are valued in EURO. The USD class is valued in USD. The EUR and No Load EUR classes differ from the USD class by using financial techniques and instruments intended to hedge the exchange-rate risk.

It is pointed out that it is not guaranteed that the EUR and No Load EUR classes will have their exchange-rate risk systematically hedged whenever the USD weakens against the currencies in which the assets of the sub-fund are denominated.

11) Japan Opportunities

The objective of this sub-fund is to provide its investors with capital growth; at least two thirds of the assets of this sub-fund are invested at all times in equities and other similar instruments issued by companies having their registered office in Japan. The sub-fund may purchase securities traded on the regulated markets listed in Annex I "Investment restrictions" and in particular on the Jasdaq.

The EUR and No Load EUR classes are valued in EURO. The YEN class is valued in YEN. The EUR and No Load EUR classes differ from the YEN class by using financial techniques and instruments intended to hedge the exchange-rate risk.

It is pointed out that it is not guaranteed that the EUR and No Load EUR classes will have their exchange-rate risk systematically hedged whenever the YEN weakens against the currencies in which the assets of the sub-fund are denominated.

12) Future Generation

The objective of this sub-fund is to provide its investors with capital growth through a portfolio at least two thirds of whose assets are invested at all times in equities and other similar instruments issued by companies whose qualities satisfy the sustainable development criteria.

13) Absolute Return

The objective of this sub-fund is to provide its investors with an absolute return which is not correlated with the trend of the main share indices. At least two thirds of this sub-fund's assets are invested at all times in equities and other similar instruments.

The EUR class is valued in EURO and the USD class is valued in USD. The EUR class differs from the USD class by using financial techniques and instruments intended to hedge the exchange-rate risk.

It is pointed out that it is not guaranteed that the EUR class will have its exchange-rate risk systematically hedged whenever the USD weakens against the currencies in which the assets of the sub-fund are denominated.

14) Selection

The objective of this sub-fund is to provide its investors with capital growth by investing in a diversified portfolio of transferable securities listed in the world's main financial centres. At least two thirds of the sub-fund's assets are invested at all times in equities or other similar instruments.

15) Diversified

This sub-fund comprises three share classes in order to give investors access to the same portfolio while having the option of subscribing to equities denominated in different accounting currencies or of benefiting from a specific expense structure, as these classes are described in the table of section 1.2. above.

The objective of this sub-fund is to provide its investors with an appreciation of their investment through a portfolio consisting principally of equities and bonds of issuers of different nationalities and denominated in different currencies.

The EUR and No Load EUR classes are valued in EURO. The CHF class is valued in CHF. The CHF class differs from the EUR and No Load EUR classes by using financial techniques and instruments intended to hedge the exchange-rate risk.

It is pointed out that it is not guaranteed that the CHF class will have its exchange-rate risk systematically hedged whenever the CHF weakens against the currencies in which the assets of the sub-fund are denominated.

16) Euro Short Term

The objective of this sub-fund is to provide its investors with a high degree of capital preservation and steady returns in euros. At least two thirds of this sub-fund's assets are invested at all times in good-quality, liquid, fixed- or floating-rate, euro-denominated bonds with a minimum rating of A-/A3 as well as in money-market instruments denominated in euros.

The average duration of the portfolio must at all times be less than 12 months and the residual term to maturity of each investment less than 5 years at all times.

17) European Corporate Bonds

The objective of this sub-fund is to provide its investors with an appreciation of their investment mainly through a portfolio two thirds of which consist at all times, after deduction of cash, of bonds issued by companies having their registered office in the European Union or which conduct a predominant part of their business activity on the territory of the European Union.

18) European Fixed Income

The objective of this sub-fund is to provide its investors with a capital appreciation by means of a portfolio consisting mainly of bonds denominated in various European currencies and issued by governments, their agencies, or private companies. At least two thirds of the sub-fund's assets, after deduction of cash, are invested at all times in bonds of issuers having their registered office in Europe.

19) US Dollar Bonds

The objective of this sub-fund is to provide its investors with an appreciation of their investment principally through a portfolio consisting of bonds of U.S. or other issuers and denominated in USD. At least two thirds of the sub-fund's assets, after deduction of cash, are invested at all times in bonds denominated in USD.

C. Risk factors of the sub-funds

1) Risk profile of the Equity sub-funds

(i) The attention of subscribers to the sub-funds "World Opportunities", "Europe Value", "Italian Opportunities", "USA Opportunities", "European Opportunities", "Japan Opportunities", "Future Generation", "Absolute Return" is drawn to the fact that the transferable securities which make up these sub-funds are subject to the fluctuations that characterize equities and in particular to volatility risk. The risk involved in investments in equities is significant owing to the dependence of the value of equities on factors that are difficult to foresee. These factors include in particular a sudden or prolonged drop on the financial markets following economic, political or social events or the financial difficulties that one company in particular may encounter.

For the investor, the major risk involved in any investment in equities is the potential loss of value of this investment. Investments in this type of sub-fund are subject to market fluctuations and the investor runs the risk of recovering an amount lower than that which he/she invested.

However, the transferable securities which make up these sub-funds are valued at each valuation date on the basis of the latest price on the main market for the securities in question, on the basis of their latest-known market values or on the basis of their probable realization value determined in good faith by the Board of Directors in accordance with the provisions of paragraph 12.8.1. To the extent that these transferable securities are issued by particularly large-sized companies, they enjoy a high degree of liquidity.

These sub-funds are aimed at experienced investors who wish to benefit from the trend in equities on the different financial markets referred to over the medium/long term.

The recommended duration of investments in this type of sub-fund is at least 3 years.

(ii) The attention of subscribers to the "Technology" and "Biotechnology" sub-funds is drawn to the fact that these sub-funds are subject to the same risks as those described in paragraph (i) above. Moreover, this type of sub-fund invests in transferable securities issued by companies specializing in a specific economic or technological sector. In this context this type of sub-fund may be subject to the conditions and fluctuations specific to the sector concerned.

These sub-funds are aimed at experienced investors who wish to benefit from the long-term trend on the stock market of the economic or technological reference sector. The recommended duration of investments in this type of sub-fund is at least 5 years. Investors are advised to invest only a part of their assets in such sub-funds.

(iii) The attention of subscribers to the sub-funds "Italian Value" and "European Small Cap" is drawn to the fact that these sub-funds are subject to the same risks as those described in paragraph (i) above. Moreover, these transferable securities are issued by companies having a low market capitalization. In this context said securities enjoy a lower degree of liquidity than conventional shares.

These sub-funds are aimed at experienced investors who wish to benefit from the trend in the value of shares issued by companies with a low market capitalization over the medium/long term.The recommended duration of investments in this type of sub-fund is at least 5 years. Investors are advised to invest only a part of their assets in such sub-funds.

(iv) The attention of subscribers to the sub-fund “FPP Emerging Markets” is drawn to the fact that this sub-fund is subject to the same risks as those described in paragraph (i) above. Furthermore, in view of the political and economic situation in the regions concerned, this sub-fund involves the following risks: capital repatriation restrictions, counterparty risk, market volatility or investment illiquidity risks. The sub-fund consequently bears these risks.

This sub-fund is aimed at experienced investors who wish to benefit from the trend in the value of shares on the different financial markets of the target emerging countries over the medium/long term. The recommended duration of investments in this type of sub-fund is at least 5 years. Investors are advised to invest only a part of their assets in this sub-fund.

2) Risk profile of the Bond sub-funds

The attention of subscribers to the sub-funds “Euro Short Term”, “European Corporate Bonds”, “European Fixed Income” and “US Dollar Bonds” is drawn to the fact that these sub-funds are mainly exposed to the interest-rate and credit risks involved in any investment in bonds.

For the investor, the major risk involved in any investment in bonds is the potential loss of value of this investment following (i) an increase in interest rates and/or (ii) a deterioration of the quality of the issuer, or even (iii) its default in reimbursing the capital at the maturity date or in paying interest. For these reasons, the investor runs the risk of recovering an amount lower than that which he/she invested.

These sub-funds are aimed at investors who wish to benefit from the trend on the bond market over the medium or long term. The recommended duration of investments in this type of sub-fund is from 3 to 5 years.

3) Risk profile of the Mixed sub-funds

The attention of subscribers to the “Diversified” and “Selection” sub-funds is drawn to the fact that this type of sub-fund is principally exposed to the risk involved in any investment in equities and bonds as described in paragraphs 1) and 2) above. Consequently, an investor investing in this type of sub-fund runs the risk of recovering an amount lower than that which he/she invested.
However, the Mixed sub-funds generally have a greater risk spread, which thus renders them less sensitive to the risks specific to Equity sub-funds.

This sub-fund is aimed at experienced investors who wish to achieve capital growth thanks to a dynamic diversification of their investments while seeking a risk level lower than that of the stock market alone. The recommended duration of investments in this type of sub-fund is at least 3 years.

D. Performance

Certain sub-funds and classes shall pay the Management Company a performance-related fee.

The sub-funds “World Opportunities”, “Technology”, “Biotechnology”, “FPP Emerging Markets”, and the sub-fund “Europe Value” shall pay, each separately, a quarterly performance fee of a maximum of 20% of the difference between the highest amount of net assets in the quarter concerned and the highest amount of net assets in the previous quarter. This fee will be calculated each time the net asset value is calculated. This calculation will be based on the net asset figures of each sub-fund concerned before deduction of the management fee and the performance fee incurred and will be adjusted to take account of the proceeds of subscriptions received and the amounts paid for the redemption of shares in the classes or sub-funds concerned.

The performance fee will be payable at the end of each quarter. If a negative performance were to be ascertained for a given quarter, a negative fee would be taken into account by having it set off against the fee calculated for the following quarter. This carry-over shall continue, if applicable, until the depreciations incurred have been completely written off.

However, the Board of Directors of the Mutual Fund reserves the right to change the reference date for calculating the performance fee, particularly in the event of a change of Sub-management Company for the sub-funds in question, in which case the prospectus will be duly amended.
The date of initiation of calculation of the performance fee for the No Load EUR and EUR classes of the “Europe Value” sub-fund was set on June 6, 2003.

The date of initiation of calculation of the performance fee for the sub-fund “FPP Emerging Market” was set on July 1, 2003.

The date of re-initiation of calculation of the performance fee for the sub-fund “World Opportunities” was set on September 2, 2003.

The sub-funds “Italian Opportunities”, “USA Opportunities”, “European Opportunities”, “Diversified”, “European Small Cap”, “Selection”, “Japan Opportunities” and “Future Generation” shall pay, each separately, an annual performance fee of a maximum of 10% of the difference between the amount of the net assets at the last valuation date of the current financial year and the amount of the net assets at the last valuation date of the previous financial year. For the first calculation of the performance fee, the basis is the difference between the amount of net assets at the last valuation date of the current financial year and the amount of net assets at the first valuation date of the sub-fund. This fee will be calculated each time the net asset value is calculated. This calculation will be based on the net asset values of each sub-fund concerned before deduction of the management fee and the performance fee incurred and will be adjusted to take account of the proceeds of subscriptions received and of the amounts paid for the redemption of shares in the sub-fund. This fee will be calculated without reference to the historically highest net asset value and will be payable at the end of each financial year.

The “Italian Value” sub-fund shall pay a performance fee of a maximum of 7% according to the principles stated above.

The “Absolute Return” sub-fund shall pay a performance fee of a maximum of 20% according to the principles stated above.

However, the Board of Directors of the Mutual Fund reserves the right to change the reference date for calculating the performance fee, particularly in the event of a change of sub-management company for the sub-funds in question, in which case the prospectus will be duly amended.

E. Pooling

In order to ensure efficient management of the sub-funds’ assets, the Mutual Fund intends to make use of the pooling technique within the scope of the provisions laid down in Annex IV “Pooling” of this prospectus. The effect of this management technique is to achieve economies of scale.

Management of the assets via the pools will enable the shareholders to benefit from the experience of sub-management companies specializing in asset management and appointed by the Management Company.

The assets contributed by the different sub-funds participating in the pools will be invested in shares and bonds of issuers of different nationalities and denominated in different currencies, in keeping with the objective specific to each pool and with the investment policy specific to each participating sub-fund.

In order to ensure efficient management of assets via the pools, the Mutual Fund may make use of techniques and instruments intended to hedge certain risks. These operations shall be carried out within the limits set in Annex I “Investment restrictions” of this prospectus. The Mutual Fund may thus use the financial techniques and instruments intended to hedge exchange-rate risk. However, it is not guaranteed that the pools will have their exchange-rate risk systematically hedged.

4. SHARES

Shares are issued solely as registered shares.

The Register of shareholders is kept in Luxembourg.

Shareholders will be entered by name in the Register kept for this purpose by the Transfer Agent and Registrar on behalf of the Mutual Fund and no certificate representing their shares will be issued unless they expressly request one. The Mutual Fund shall issue a confirmation of enrolment in the Register in lieu of a certificate.

The shares must be fully paid-up and are issued without any indication of face value.

The shares can be divided into one thousandth of one share. Their issue is not limited in number.
The rights attached to the shares are those stated in the Luxembourg law of August 10, 1915 on trading companies and the amendments thereto provided that no derogation is allowed by Law. The shares have an equal voting right, whatever the sub-fund and the class to which they belong; they entitle the holder to the proceeds of liquidation of the Mutual Fund in proportion to their net asset value.

Any amendment to the articles of association that entails a change in the rights of a sub-fund or a class must be approved by a decision of the General Meeting of the Mutual Fund and by that of the shareholders of the sub-fund or class concerned.

5. ISSUE OF SHARES AND SUBSCRIPTION AND PAYMENT PROCEDURE

The Board of Directors shall be authorized to issue shares at any time and without limitation.

5.1. Ordinary subscriptions

The shares of each sub-fund are issued at a price corresponding to the net asset value per share, plus a sales commission subject to the maximum rates laid down in the table in section 1.2. above.

The sales commission is payable to the Distributor, who may retrocede all or part of this commission to the sub-distributors.

5.2. Procedure

Subscription applications are to be sent to the Mutual Fund or directly to the Transfer Agent and Registrar.

Subscription applications received by the Mutual Fund or by the Transfer Agent and Registrar before 5.00 p.m. (Luxembourg time) on the banking day preceding each valuation date will be processed, if they are accepted, on the basis of the net asset value determined on this valuation date. Applications notified after this time-limit will be processed on the next valuation date.

It is pointed out that the net asset value of the “Absolute Return” sub-fund is calculated on the first and fifteenth day of each month. If one of these days is not a banking day in Luxembourg, the net asset value of the sub-fund will be calculated on the next banking day in Luxembourg. Subscription applications for this sub-fund may be sent to the Mutual Fund or the Transfer Agent and Registrar on each banking day until 5.00 p.m. (Luxembourg time) on the banking day preceding the valuation date and will be processed, if they are accepted, on the basis of the net asset value determined on the next valuation date. Applications notified after this time-limit will be processed on the next valuation date. Consequently, subscriptions are made at an unknown net asset value for all the sub-funds.

Subject to the provisions of section 5.3. below, the subscription price of each share is payable in the accounting currency of the chosen sub-fund or class within four banking days following the applicable valuation date. The Mutual Fund may, however, offer investors the option of settling their subscription in one or more currency(ies) other than the accounting currency of a given sub-fund or a class, in which case the switching expenses will be charged to the investor. These currencies are defined, if applicable, in the table of section 1.2. above. The Mutual Fund may also offer investors the option of settling their subscription in several payments staggered over time, according to the provisions of section 5.3. below.

The subscription price is payable in cash or by a contribution in kind of transferable securities and other permitted assets. Contributions in kind can be accepted in accordance with the provisions of Luxembourg law, in particular the obligation for the auditor of the Mutual Fund to draw up a special valuation report, and provided that the transferable securities and other permitted assets are compatible with the investment objectives, policies and restrictions of the sub-fund concerned.

The Mutual Fund reserves the right to:

a) reject all or part of a share subscription application;

b) redeem at any time the shares held by persons who are not authorized to purchase or hold shares of the Mutual Fund.

5.3. Savings scheme

The Board of Directors may propose savings schemes to investors via the distribution networks of the countries in which the Mutual Fund is marketed. The modalities will be described in the sales documents available in each of these countries. Nevertheless, investors will in any event only be able to subscribe via a savings scheme if their Distributor offers this mode of investment.

The amounts to be invested can be paid by means of individual payments made to a savings scheme (hereinafter the "Scheme") which allows investors to stagger the investment in the Mutual Fund according to the criteria chosen by the investor. In particular, when subscribing, the investor must indicate the total value of the subscription, the number of individual payments to the Scheme, the amount of each payment and the frequency thereof.

Investors participating in the Scheme may suspend their participation in it at any time, or terminate it provided that they comply with the modalities described in the sales documents available in each of the countries concerned.

In addition, investors retain the possibility of making direct subscriptions to the Mutual Fund and the amounts to be invested in the Mutual Fund can be paid in a single instalment according to the modalities set out in section 5.2. above.

6. REDEMPTION OF SHARES

6.1. General points

Any shareholder is entitled, at any time and without limitation, to have his/her shares redeemed by the Mutual Fund. The shares redeemed by the Mutual Fund will be cancelled.

6.2. Redemption procedure

Redemption applications must be sent in writing, by telex or fax to the Mutual Fund care of the Transfer Agent and Registrar. The application must be irrevocable (subject to the provisions of section 12.8.2. "Suspension of calculation of the net asset value and of the issue, redemption and switching of shares") and must indicate the number, sub-fund and class of shares to be repurchased, and all the references needed to complete the settlement of the redemption.

The application must be accompanied by the certificates representing the shares to be repurchased (if such certificates have been issued), by the name under which they are registered and by any documents attesting to a transfer.

Redemption applications submitted by the shareholders of the "Absolute Return" sub-fund to the Mutual Fund or the Transfer Agent and Registrar before 5.00 p.m. (Luxembourg time) and no later than 10 banking days before the next valuation date will be processed on the basis of the net asset value determined at the next valuation date.

Redemption applications submitted by the shareholders of all the other sub-funds of the Mutual Fund and sent to the Mutual Fund or the Transfer Agent and Registrar before 5.00 p.m. (Luxembourg time) on the banking day preceding each valuation date will be processed on the basis of the net asset value determined at this valuation date. Applications notified after this time-limit will be processed at the next valuation date. Consequently, redemptions are made at an unknown net asset value for all the sub-funds.

A redemption fee of a maximum of 3% of the net asset value per share of each class of the Mutual Fund will be levied in favour of the Distributor, who may retrocede all or part of this fee to the sub-distributors.

Furthermore, if the redemption applications received by the Mutual Fund or the Transfer Agent and Registrar in the course of a valuation date exceed 10% of the shares outstanding in a given sub-fund, or in the case of the multi-class sub-funds, 10% of the shares outstanding in a given class, the Board of Directors may decide that the redemption of all or part of these shares will be deferred for a period and on the terms determined by the Board of Directors, having regard to the interests of the Mutual Fund. These redemption applications will be processed at the valuation date following this period, and will enjoy priority over applications submitted subsequently.

6.3. Payments

Payment of the price of the redeemed shares will be made within four banking days of the applicable valuation date provided that all the documents attesting to the redemption have been received by the Transfer Agent and Registrar.

Payment will be made in the accounting currency of the sub-fund or the class of shares concerned. The Mutual Fund may, however, offer shareholders the option of receiving the payment of the proceeds of their redemption in one or more currency(ies) other than the accounting currency of a sub-fund or a given class, in which case the switching expenses will be charged to the shareholder. These currencies are defined, as applicable, in the table in section 1.2. above.

The redemption price of the shares of the Mutual Fund may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has appreciated or depreciated.

7. SWITCHING OF SHARES

7.1. General points

Any shareholder may request the switching of all or part of his/her shares of a class within a given sub-fund to shares of the same or another class of the same or another sub-fund provided that their expense structure is identical.

Furthermore, if the switching applications received by the Mutual Fund or the Transfer Agent and Registrar in the course of a valuation date exceed 10% of the shares outstanding in a given sub-fund, or in the case of the multi-class sub-funds, 10% of the shares outstanding in a given class, the Board of Directors may decide that the switching of all or part of these shares will be deferred for a period and on the terms determined by the Board of Directors, having regard to the interests of the Mutual Fund. These switching applications will be processed at the valuation date following this period and will enjoy priority over applications submitted subsequently.

7.2. Procedure

Applications must be sent in writing, by telex or fax to the Mutual Fund or directly to the Transfer Agent and Registrar and must indicate the number of shares concerned, the sub-fund and the class of shares concerned.

The switching application must be accompanied by the certificates representing the shares to be switched (if such certificates have been issued), the name under which they are registered and by any documents proving a transfer.

A switching fee of a maximum of 1% of the net asset value per share of each class may be levied in favour of the Distributor, who may retrocede all or part of this fee to the sub-distributors.

The switching of shares of one class within a sub-fund to shares of the same or another class of the same or another sub-fund charging a higher sales commission shall give rise to payment of the difference between the sales commissions. No redemption fee shall be charged, however, when shares are switched.

Barring a suspension of the calculation of the net asset value per share, switching applications submitted by the shareholders of the “Absolute Return” sub-fund to the Mutual Fund or the Transfer Agent and Registrar before 5.00 p.m. (Luxembourg time) and no later than 10 banking days before the next valuation date will be processed on the basis of the net asset value determined at the next valuation date. Switches shall be effected at a rate calculated by reference to the net asset value of the shares concerned and determined at the next valuation date.

Barring a suspension of the calculation of the net asset value per share, switching applications submitted by the shareholders of all the other sub-funds of the Mutual Fund will be processed at the valuation date following receipt of the application, provided that these applications are received by the Mutual Fund or the Transfer Agent and Registrar before 5.00 p.m. (Luxembourg time), at a rate calculated by reference to the net asset value of the shares concerned and determined on the same day. Consequently, switches are made at an unknown net asset value for all the sub-funds.

The rate at which some or all of the shares in a given sub-fund/class (the "original sub-fund/class") are switched to shares of another sub-fund/class (the "new sub-fund/class") shall be determined strictly according to the following formula :

$$A = \frac{B \times (C - F) \times E}{D}$$

Where:

A. is the number of shares of the new sub-fund/class to be allocated;
B. is the number of shares of the original sub-fund to be converted;
C. is the net asset value per share of the original sub-fund/class as calculated at the valuation date concerned;
D. is the net asset value per share of the new sub-fund/class, as calculated at the valuation date concerned;
E. is the exchange rate at the date concerned between the currency of the original sub-fund/class and the currency of the new sub-fund/class, if applicable;
F. is the switching fee as described above.

8. MARKET TIMING

The practices associated with *Market Timing* are not allowed since they may affect the shareholders' interests.

By *Market Timing* is meant the arbitrage technique by which an investor subscribes and repurchases or systematically converts units or shares of the same undertaking for collective investment within a short space of time by exploiting time differences and/or imperfections or deficiencies in the system used by the undertaking for collective investment to determine the net asset value.

With regard to these practices, the Board of Directors reserves the right, when it deems it appropriate, to instruct the Registrar and Transfer Agent to reject share/unit subscription or switching orders placed by an investor whom it suspects of employing such practices and it may take the necessary measures, if applicable, to protect the other investors. In this respect the Board of Directors will take into consideration the history of the investments made by each investor taken individually and the Registrar and Transfer Agent may group together shares/units held by one and the same shareholder.

This clause is also valid if such practices are suspected on nominee accounts. It will be incumbent upon the holder of the nominee account to prove, in due course and as applicable, that the transactions thought to be suspicious concern investors who have no link with each other.

9. DISTRIBUTION OF PROFITS

It is not planned to pay out dividends but to fully capitalize the income produced by the investments of the sub-funds described in this prospectus.

10.1. Establishment expenses

The initial establishment expenses cover the cost of preparing and printing the prospectus, the notary's fees, the cost of registering the fund with the administrative and stock exchange authorities, the cost of printing certificates and any other expenses in connection with the establishment, promotion and launch of the Mutual Fund.

The expenses relating to the launch of a new sub-fund will be written off over a period not exceeding five years against the assets of that sub-fund, in annual amounts determined by the Board of Directors of the Mutual Fund on an equitable basis.

10.2. Management Company

By way of remuneration for the services described in section 12.5. below, Oyster Asset Management S.A. shall charge the Mutual Fund, at the end of each quarter, a management fee at the maximum annual rates described in the table of section 1.2. above and applied to the average net asset value of each class of shares. A percentage of this management fee shall be payable (i) to the different sub-management companies mentioned in section 12.5. below and (ii) to Global Investment Selection, the Investment Adviser of the Mutual Fund, by way of remuneration for the services described in section 12.6. below.

In addition, Oyster Asset Management S.A. shall receive a performance fee, as described in section 3.D above, which is to be debited directly to certain sub-funds.

10.3. Central administration - Custodian Bank

By way of remuneration for their services, the Custodian Bank, the Domiciliation Agent, the Administrative Agent and the Transfer Agent and Registrar shall each receive fees representing together an annual average of 0.09% of the net assets of each sub-fund (excluding transaction charges and sub-custodian's fees).
However, this overall fee may be higher or lower than the rate indicated above, depending on the net assets of the sub-fund concerned and on the number of transactions conducted.

10.4. Other expenses

The Mutual Fund shall meet all its operating, promotion, auditing and publication expenses.

With the directors' approval, the Mutual Fund may pay for marketing and advertising expenses up to a maximum amount of 0.20% per annum of the net asset value of all the sub-funds taken together (with the exception, however, of the sub-funds "Italian Value" and "Selection") at the end of the financial year; any excess will be covered by Oyster Asset Management S.A.. This fee shall be a maximum rate of 0.40% per annum for the "Italian Value" sub-fund and a maximum rate of 0.50% per annum for the "Selection" sub-fund.

The charges and expenses that can be assigned to a given class of shares and/or a given sub-fund shall be assigned to that sub-fund directly.

Other charges and expenses which cannot be directly assigned to a given share class and/or a given sub-fund will be assigned equally to the different classes within the different sub-funds and/or to the different sub-funds; if the amount of the charges and expenses so requires, they will be assigned to the share classes and/or to the sub-funds in proportion to their respective net assets.

11.1. Taxation of the Mutual Fund

By virtue of the legislation in force and according to current practice, the Mutual Fund is not subject to any Luxembourg tax on income and capital gains. Similarly, the dividends paid by the Mutual Fund are not subject to any Luxembourg withholding tax.

On the other hand, the Mutual Fund is subject in Luxembourg to an annual tax representing 0.05% of the net asset value. This tax is payable quarterly on the basis of the net assets of the Mutual Fund calculated at the end of the quarter to which the tax relates.

Some dividend and interest income from the Mutual Fund's portfolio may be liable to withholding taxes at variable rates levied in the countries where said income originates.

11.2. Taxation of shareholders

Apart from the provisions relating to the application of the European Directive on taxation of savings income as described below, under current legislation shareholders are not subject in Luxembourg to any tax whatsoever on capital gains, income, donations or inheritances or to withholding taxes, with the exception of shareholders who are domiciled or resident in or have a permanent place of business in Luxembourg, and of certain ex-residents of Luxembourg who own more than 10% of the share capital of the Mutual Fund.

The above provisions are based on current law and practice and are subject to amendment.

Potential shareholders are recommended to obtain information and, if necessary, to seek advice on the laws and regulations (such as those concerning taxation and exchange controls) applicable to them when subscribing to, purchasing, holding and realizing shares in their country of origin or their place of residence or domicile.

European Directive on taxation of savings income

The Council of the European Union has adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. This Directive came into force on July 1, 2005.

The Directive provides that the payment of certain forms of interest and income originating from the sale or redemption of units of certain investment funds by a Paying Agent (within the meaning of the Directive) located in a Member State of the European Union or in any other territory as defined in the Directive, to a physical person or to certain entities (residual entities within the meaning of the Directive) resident in another Member State of the European Union or an associated or dependent territory shall either be reported to the fiscal authorities of the country in which the Paying Agent is based (within the meaning of the Directive), or be subject to a withholding tax, depending on the location of the Paying Agent.

During a transitional period Luxembourg, Austria and Belgium shall apply a withholding tax rather than initiate a reporting procedure. However, in such a case the beneficiary has the option of avoiding the withholding tax, either by authorizing the exchange of information, or by providing a certificate of taxation. The rate of withholding tax applicable will be 15% for the first three years of application. This rate will be gradually increased to 35% in 2011 and will be applicable until the end of the transition period (as defined in the Directive).

12.1. General points

Notwithstanding the fact that the Mutual Fund has only one legal status, each sub-fund constitutes a separate body of assets and liabilities.

12.2. Custodian Bank

Dexia Banque Internationale à Luxembourg, Luxembourg, has been appointed custodian of the Mutual Fund's assets under the terms of an agreement of unlimited duration which was concluded on September 3, 2001.

This agreement may be terminated by either party by giving three months' notice in writing.

Dexia Banque Internationale à Luxembourg is a public limited company established at Luxembourg and having its registered office at 69, route d'Esch, L-1470 Luxembourg.

It has conducted banking business ever since it was established and its consolidated statutory equity capital amounted to EUR 2,531,800,293.- at December 31, 2004.

Custody of the Mutual Fund's assets is entrusted to the Custodian Bank, which fulfils the obligations and duties required by Law.

In accordance with banking practice, the Custodian Bank may, on its own responsibility, entrust other banking establishments or financial intermediaries with all or part of the assets of which it has custody.

The Custodian Bank shall, moreover, ensure that:

a) the sale, issue, redemption and cancellation of shares carried out by the Fund or on its behalf take place in accordance with the law or the Mutual Fund's Articles of Association;

b) in operations involving the Mutual Fund's assets, the consideration is paid to it within the customary period;

c) the proceeds from the Mutual Fund are allocated in accordance with the Articles of Association.

12.3. Central Administration

By a services contract for Undertakings for Collective Investment dated September 3, 2001, the Mutual Fund instructed Dexia Banque Internationale à Luxembourg, Luxembourg to provide the services of Administrative Agent, Domiciliation Agent and Paying Agent.

The Administrative Agent is responsible in particular for calculating the net asset values per share, for keeping the books and for the other administrative duties. This contract may be terminated by either party subject to three months' notice in writing.

12.4. Transfer Agent and Registrar

By a Transfer Agent and Registrar's contract dated August 2, 1996, First European Transfer Agent, Luxembourg was appointed Transfer Agent and Registrar of the Mutual Fund. In this capacity First European Transfer Agent is principally responsible for issuing, switching and redeeming shares and for keeping the register of shareholders of the Mutual Fund. This contract may be terminated by either party subject to 90 days' notice in writing.

First European Transfer Agent is a subsidiary of Dexia Banque Internationale à Luxembourg, which controls it. It was established in 1994 as a joint-stock company in the Grand-Duchy of Luxembourg for an unlimited period of time.

12.5. Management Company

The Board of Directors of the Mutual Fund is responsible for the investment policy of each sub-fund.

In order to determine this policy, the Board of Directors may be assisted by a Management Company. On September 3, 2001 the Mutual Fund thus entered into an agreement of unlimited duration with Oyster Asset Management S.A. (the "Management Company") to manage the sub-funds' portfolio of assets, while remaining under the permanent control of the Board of Directors of the Mutual Fund.

This agreement may be terminated by either party according to the modalities provided for therein.

The company Oyster Asset Management S.A. was established on July 26, 2001 in the form of a public limited company. Its registered office is located at 398, route d'Esch, Luxembourg.

The Management Company is assisted by sub-management companies in connection with the performance of its above-described duties. The Management Company thus makes use, under its own responsibility, of the services of the companies indicated in the list of sub-management companies. Investors who so wish may obtain this list of sub-management companies at any time free of charge.

Each sub-management company is in charge of the management of one or more sub-funds. It is specified that the Management Company may at any time decide to alter the assignment of the sub-funds to the different sub-management companies. In such a case the shareholders of the Mutual Fund will be advised by a notice published in the press.

The Management Company may also be assisted, at its own expense, by advisers.

The Management Company has also been appointed by the Board of Directors as the agent in charge of monitoring whether transactions comply with the investment restrictions and in particular of verifying the charges and prices applied by brokers.

12.6. Investment adviser

The Board of Directors may also be assisted by an investment adviser in order to determine the investment policy of each sub-fund.

On September 3, 2001 the Mutual Fund thus entered into an agreement of unlimited duration with Global Investment Selection (the "Investment Adviser"), to obtain recommendations, opinions and advice on the choice of investments and the selection of shares to be purchased or sold for the different sub-funds.

The company Global Investment Selection was established on August 2, 1996 in the form of a joint-stock company. Its registered office is located at 398, route d'Esch, Luxembourg.

12.7. Distributor

The Mutual Fund, acting on behalf of each sub-fund, may enter into agreements with investment agents or distributors, including agents or distributors affiliated to the Distributor, to commercialize and place the shares of each sub-fund in various countries all over the world.

The Mutual Fund has appointed Oyster Asset Management S.A. (the "Distributor") as distributor to market and promote its shares.

The Distributor was appointed by virtue of a distribution agreement between the Mutual Fund and the Distributor, which was concluded on September 3, 2001 for an unlimited duration and was amended by an addendum that took effect on June 6, 2003. Either party may terminate it according to the modalities provided for therein.

The Distributor may enter into agreements with other distributors acting as its agents (individually a "sub-distributor" and collectively the "sub-distributors") in connection with the distribution of the shares.

The Distributor and the sub-distributors, if applicable, have been authorized by the Board of Directors of the Mutual Fund to intervene in the collection of the subscription and redemption orders for the account of the Mutual Fund and the sub-funds concerned and may, in this case, provide "nominee" services to investors subscribing to shares through their agency.

Investors may choose to use this “nominee” service by virtue of which the “nominee” holds the shares in its name and on behalf of the investors, who shall be entitled at any time to claim direct ownership of the shares and who shall provide specific or general voting instructions to the “nominee” so as to allow the latter to vote at general meetings of shareholders.

At present only the sub-distributors shall intervene in the collection of the different orders and shall perform the related “nominee” functions.

The Mutual Fund and the sub-distributors shall comply at all times with any obligation imposed by all applicable regulations, laws and rules governing money laundering and, in particular, with Circular IML 94/112 dated November 25, 1994, supplemented by Circular BCL 98/153 dated November 24, 1998 and CSSF Circular 00/16 dated August 23, 2000, as they may be periodically amended or revised, and shall in addition adopt procedures to ensure that they will comply with this commitment as far as possible. The sub-distributors shall comply at all times, if applicable, with the laws, rules and regulations relating to money laundering that are applicable in their respective jurisdictions.

The sub-distributors shall forward the subscription forms to the Transfer Agent and Registrar and shall transfer the amounts relating to share subscriptions to the Custodian Bank acting on behalf of the Mutual Fund.

12.8. Net asset value

12.8.1 Determination of the net asset value

The net asset value per share of the “Absolute Return” sub-fund is determined in Luxembourg under the responsibility of the Board of Directors on the first and fifteenth day of each month. If one of these days is not a banking day in Luxembourg, calculation of the net asset value per share will be postponed to the first following banking day in Luxembourg.

The net asset value per share of all the other classes and/or, where applicable, of all the other sub-funds of the Mutual Fund is determined on each banking day ("valuation date"), in Luxembourg, under the responsibility of the Board of Directors of the Mutual Fund.

The net asset value is determined by dividing the net assets of each share class and/or of each sub-fund by the total number of shares outstanding in this class and/or in this sub-fund at the valuation date.

It is expressed in the accounting currency defined in the table of section 1.2. above.

For each sub-fund and/or class of shares, the Board of Directors may fix other currencies in which the net asset value per share may be expressed. These currencies will be defined, if applicable, in the table of section 1.2. above.

The sub-funds “World Opportunities”, “Technology”, “Biotechnology”, “USA Opportunities”, “Japan Opportunities”, “Diversified” and “FPP Emerging Markets” are divided into several separate classes which are attached to a common portfolio. The net asset value per share of each class differs according to the holding by these sub-funds of assets and liabilities attributable to a specific class; in particular, currency futures contracts and call or put options on currencies concluded in respect of the classes.

The sub-funds “Future Generation”, “Italian Opportunities”, “Europe Value”, “Italian Value”, “European Opportunities” and “European Small Cap” are divided into several separate classes which are attached to a common portfolio. The net asset value per share of each class differs according to the holding by these sub-funds of assets and liabilities attributable to a specific class and in particular on account of their specific expense structure.

The net asset value of each sub-fund will fluctuate mainly as a function of the value of the assets contained in the underlying portfolio.

The net assets of each sub-fund shall be valued in the following manner:

I. The assets of the Mutual Fund shall comprise in particular:

a) all cash in hand or on deposit, including accrued interest;

b) all bills and notes payable on sight and accounts receivable (including the results of the sale of securities whose price has not yet been collected);

c) all the securities, units, shares, bonds, option or subscription rights and other investments and transferable securities which are owned by the Mutual Fund;

d) all the dividends and distributions receivable by the Mutual Fund (given that the Mutual Fund will be able to make adjustments to take into consideration fluctuations in the market value of the transferable securities caused by practices such as ex-dividend or ex-rights trading or similar practices);

e) all the accrued interest earned by the securities which are owned by the Mutual Fund except, however, if this interest is included in the principal of these securities;

f) the preliminary expenses of the Mutual Fund, to the extent that they have not been written off;

g) all other assets of whatsoever nature, including pre-paid expenses.

The value of these assets shall be determined as follows:

a) The value of cash in hand or on deposit, of bills and notes payable on sight and accounts receivable, of pre-paid expenses and dividends and interest that have been announced or that have matured but have not yet been collected will be constituted by the face value of these assets, unless it proves unlikely that this value can be collected; in the latter case the value will be determined by deducting an amount that the Mutual Fund shall consider adequate in order to reflect the real value of these assets.

b) The valuation of any security that is officially listed or is listed on any other regulated market that operates regularly, is recognized and open to the public is based on its last-known price, the valuation date and, if this security is traded on several markets, on the last-known price on the principal market for this security; if the last-known price is not representative, the valuation will be based on the probable realization value that the Board of Directors shall estimate with prudence and good faith.

c) Securities not listed or not traded on a stock market or on any other regulated market that operates regularly, is recognized and open to the public will be valued by the Board of Directors on the basis of their probable realization value estimated with prudence and good faith.

d) Cash and money-market instruments can be valued at their face value plus accrued interest or on the basis of straight-line depreciation. All other assets can be valued, as far as possible, in the same manner.

e) All the other assets will be valued by the Board of Directors on the basis of their probable realization value, which must be estimated in good faith and according to generally accepted principles and procedures.

The Board of Directors may use its discretion to allow the use of any other generally accepted valuation method if it considers that this valuation reflects more accurately the probable realization value of an asset held by the Mutual Fund.

II. The liabilities of the Mutual Fund shall comprise in particular:

a) all borrowings, bills matured and accounts payable;

b) all known obligations, whether due or not due, including all contractual obligations which have fallen due and which concern payments either in cash or in kind, including the amount of the dividends announced by the Mutual Fund but not yet paid, when the valuation date coincides with the date on which the person who is or who will be entitled to the dividend will be determined;

c) an appropriate reserve for future taxes on capital and income which has accrued up to the valuation date and is determined periodically by the Mutual Fund and, if applicable, other reserves authorized or approved by the Board of Directors;

d) all other liabilities of the Mutual Fund, of any nature and kind whatsoever, with the exception of the liabilities represented by the shares of the Mutual Fund. In order to value the amount of these other liabilities, the Mutual Fund shall take into consideration all the expenditures to be borne by it, including establishment expenses, the expenses payable to its Management Company, accountant, Custodian Bank, Administrative Agent, Domiciliation Agent, Transfer Agent and Registrar, paying agents and permanent representatives at the places of registration, any other agent employed by the Mutual Fund, the expenses of the legal and auditing services, the stock exchange listing expenses, the cost of registering the Mutual Fund and maintaining said registration with governmental institutions, advertising and printing expenditure, including the cost of publicity and preparing and printing the certificates, prospectuses, explanatory notices or declarations of registration, government taxes or levies and any other operating expenses, including the cost of purchasing and selling assets, interest, bank and brokerage charges and postal, telephone and telex expenses. The Mutual Fund may calculate the administrative and other expenditures that are of a regular or periodical nature by making an estimate for the year or any other period by distributing the amount in proportion to the fractions of this period.

III. Every share of the Mutual Fund which is in the process of being redeemed will be treated as a share issued and outstanding until closure on the valuation date applicable to the redemption of this share and its price will be deemed to be a liability of the Mutual Fund from closure on this day until it is paid.

Every share to be issued by the Mutual Fund in accordance with the subscription applications received will be treated as having been issued from closure on the valuation date of its issue price and its price will be treated as an amount due to the Mutual Fund until it has been received by the latter.

IV. Account shall be taken as far as possible of any investment or disinvestment decided by the Mutual Fund until the valuation date.

V. The net asset value of each sub-fund will be calculated in its accounting currency and may be expressed in any other currency(ies) selected by the Board of Directors (see section 1.2. above).

All assets not expressed in the accounting currency of the sub-fund will be converted into this currency at the exchange rate applicable in Luxembourg at the valuation date concerned.

The net asset value of the Mutual Fund is equal to the sums of the net values of the different sub-funds. The capital of the Mutual Fund will at any time be equal to the net asset value of the Mutual Fund and its currency of consolidation is the USD.

VI. A body of common assets will be established for each sub-fund as follows:

a) the proceeds from the issue of shares in a given sub-fund will be attributed in the books of the Mutual Fund to the body of assets established for this sub-fund, and the assets, liabilities, income and expenditure relating to this sub-fund will be attributed to the body of assets of this sub-fund;

b) the credit balances which derive from other assets will be attributed in the books of the Mutual Fund to the same body of assets as those from which they derive. Whenever an asset is re-valued, the increase or decrease in value of this asset will be allocated to the body of assets of the sub-fund to which this asset is attributable;

c) all the liabilities of the Mutual Fund which can be attributed to a particular sub-fund will be assigned to the body of assets attributable to this sub-fund;

d) the assets, liabilities, charges and expenses which are not attributable to a particular sub-fund will be allocated to the different sub-funds in equal units or, provided that the amounts in question warrant it, in proportion to their respective net assets;

e) following any payment of dividends to the shareholders of a sub-fund, the net asset value of this sub-fund will be reduced by the amount of the dividends.

The rules applicable to the sub-funds shall also apply to the different classes of shares existing within certain sub-funds.

12.8.2 Suspension of calculation of the net asset value and of the issue, redemption and switching of shares

The Board of Directors is authorized to suspend temporarily the calculation of the net asset value of one or more sub-funds, as well as the issue, redemption and switching of shares in the following cases:

a) throughout any period during which one of the main markets or one of the main securities exchanges on which a substantial portion of the investments of one or more sub-fund(s) is listed is closed, except on usual closing days, or during which trading is subject to major restrictions or is suspended;

b) when the political, economic, military, monetary or social situation or any act of *force majeure* which is beyond the responsibility or control of the Mutual Fund renders it impossible to dispose of its assets by reasonable and normal means without seriously harming the shareholders' interests;

c) during any breakdown in the means of communication normally used to determine the price of any investment of the Mutual Fund or of ordinary prices on any market or stock exchange whatsoever;

d) when exchange-control or capital-transfer restrictions prevent transactions from being carried out on behalf of the Mutual Fund or when the purchase or sale transactions concerning the assets of the Mutual Fund cannot be conducted at normal exchange rates or when the payments due for redemption or switching of shares in the Mutual Fund cannot, in the Board of Directors' opinion, be conducted at normal exchange rates;

e) as soon as a general meeting of shareholders has been convened at which it will be proposed that the Mutual Fund be wound up.

The suspension will concern one or more sub-funds or classes, depending on the situations in question. The notice of such a suspension and the lifting thereof will be published in a Luxembourg daily, in l'*Agefi* in Switzerland and in any other newspaper or newspapers selected by the Board of Directors.

Shareholders tendering shares for redemption or switching will also be advised of the suspension of calculation of the net asset value.
Subscriptions and pending redemption or switching applications may be withdrawn by written notification provided that the latter is received by the Mutual Fund before the suspension ceases.

Pending subscriptions, redemptions and switches will be taken into consideration on the first valuation date following cessation of the suspension.

The rules applicable to the sub-funds shall also apply to the different share classes existing within certain sub-funds.

12.9. Annual General Meetings and reports

The Annual General Meeting of Shareholders is held each year at the registered office of the Mutual Fund or at any other location in Luxembourg which will be specified in the summons to attend.

The Annual General Meeting is held on the third Thursday of the month of November at 3.00 p.m., or if this is a public holiday, on the next banking day.

Notices of all General Meetings are sent by post to all the registered shareholders, to their address recorded in the Register of shareholders at least eight days before the General Meeting. These notices shall state the time and place of the General Meeting and the conditions of admission, the agenda and the requirements of Luxembourg law for the necessary quorum and majority.

The requirements concerning participation in, quorum and majority at any General Meeting are those laid down in articles 67 and 67-1 (as amended) of the law of August 10, 1915 on trading companies and in the articles of association of the Mutual Fund.

Furthermore, notice may be published in the Mémorial and in a Luxembourg newspaper (the Luxemburger Wort), as well as in the press of the countries in which the Mutual Fund is marketed. The financial notices will be published in the countries in which the Mutual Fund is marketed and in the Luxemburger Wort and l'*Agefi* as far as the Grand-Duchy of Luxembourg and Switzerland respectively are concerned.

The financial year begins on July 1 of each year and ends on June 30 of the following year.

The Mutual Fund publishes a detailed annual report on its activity and the management of its assets, comprising its financial statements expressed in USD, the detailed composition of the assets of each sub-fund and the independent auditor's report.
In addition, it publishes a report after the end of each half-year.

The accounts of the Mutual Fund and the annual reports are audited by PricewaterhouseCoopers.

12.10. Liquidation – Winding up of the Mutual Fund

Liquidation of the Mutual Fund shall take place under the conditions provided for by law.

Should the share capital of the Mutual Fund fall below two thirds of the minimum capital, the Directors must submit the question of winding up the Mutual Fund to the General Meeting of Shareholders, deliberating without any quorum conditions and ruling by a simple majority of the shares represented at the meeting.

If the share capital of the Mutual Fund falls below one quarter of the minimum capital, the Directors must submit the question of winding up the Mutual Fund to the General Meeting of Shareholders deliberating without any quorum conditions: winding-up may be decided by shareholders owning one quarter of the shares represented at the meeting.

The meeting must be convened in such a way that it is held within forty days of the date on which it was ascertained that the net assets fell below two thirds or one quarter respectively of the minimum capital.

Furthermore the Mutual Fund may be wound up by a decision of a General Meeting, ruling according to the relevant provisions of the articles of association.

The decisions of the General Meeting concerning the winding up and liquidation of the Mutual Fund shall be published in the Mémorial. This publication is effected at the instigation of the liquidator or liquidators.

In the event of the Mutual Fund being wound up, liquidation shall be carried out by one or more liquidators appointed in accordance with the articles of association of the Mutual Fund and with the Law. The net proceeds of liquidation shall be distributed to the shareholders in proportion to the number of shares that they hold. Amounts which have not been claimed by the shareholders upon completion of liquidation shall be deposited with the Caisse des Consignations in Luxembourg.

The amounts deposited will no longer be able to be withdrawn if they are not claimed prior to expiry of the period of statutory limitation (30 years).

12.11. Liquidation - merger of sub-funds and / or of share classes

The Board of Directors may decide to merge or liquidate one or more sub-fund(s) or one or more share class(es) by cancelling the shares of this (these) sub-fund(s) or this (these) share class(es) either by reimbursing to the shareholders of this (these) sub-fund(s) and/or this (these) share class(es) the entire net assets relating thereto, or by allowing them to switch to another sub-fund or another share class and by allocating them new shares to the value of their previous shareholding, if the net asset value of the sub-fund(s) and/or share class(es) concerned falls below USD 100,000,- or the equivalent in the accounting currency of the sub-fund or class concerned.

The Board of Directors may also decide to merge one or more sub-funds of the Mutual Fund with one or more sub-funds of another Luxembourg mutual fund subject to part I of the Law.

The Board of Directors may also decide to take one of the above decisions in the event of a change in the social, economic or political situation that is unfavourable to distribution or investment policy in the countries in which either investments are made or the shares of the Mutual Fund are distributed.

In the event of a merger with another OYSTER sub-fund or with a sub-fund of another Luxembourg mutual fund, the shareholders of the sub-fund(s) to be merged may continue to request redemption of their shares, said redemption being carried out free of charge for a minimum period of one month from the date of publication of the merger decision. At the end of this period the remaining shareholders shall be bound by the merger decision.

In the event of a sub-fund or share class being liquidated by a decision of the Board of Directors, the shareholders of the sub-fund(s) or share class(es) to be liquidated may continue to request redemption of their shares until the actual date of liquidation.

For redemptions carried out under these circumstances, the Mutual Fund shall apply a net asset value which takes into consideration the liquidation expenses but which shall not include other expenses. The liquidation proceeds accruing to securities the holders of which did not come forward at the close of the liquidation operations of a sub-fund shall be deposited with the Custodian Bank for six months from the closing date and shall then be deposited with the Caisse des Consignations in Luxembourg.

The decision to merge one or more sub-fund(s) with an undertaking for collective investment organized under Luxembourg law in the form of a *fonds commun de placement* (FCP) subject to part I of the Law as well as the decision to merge one or more sub-fund(s) with another foreign undertaking for collective investment is to be taken by the shareholders of the sub-fund(s) to be merged. The resolutions must be taken unanimously by all the shareholders of the sub-funds in question. If this condition is not met, only the shareholders who voted for the merger are bound by the merger decision; the remaining shareholders are deemed to have applied for their shares to be redeemed.

12.12. Publications

The net asset value per share of each class within each sub-fund, the share issue, redemption and switching prices are published on each valuation date at the registered office of the Mutual Fund in Luxembourg and at that of the Representative, as specified below.

They shall, in addition, be the subject of a notice placed in l'*Agefi* in Switzerland.

12.13. Documents available to the public

The articles of association and financial reports of the Mutual Fund are made available to the public free of charge at the registered office of the Mutual Fund in Luxembourg and at that of the Representative.

Any document provided for in chapter 17 of the Law may be consulted by any shareholder and kept at his/her disposal at the registered office of the Mutual Fund on all banking days during the normal office opening hours.

13. INFORMATION WITH A VIEW TO DISTRIBUTION OF SHARES IN OR FROM SWITZERLAND

Representation and Payment service in Switzerland

By a Representation and Payment service Agreement dated August 2, 1996 and amended on June 3, 2004, Banque SYZ & CO S.A. has been appointed as Representative in Switzerland (the "Representative").

The place of performance, the Payment service and the place of jurisdiction are in Geneva at the Representative's registered office.

Any documentation relating to the Mutual Fund, in particular the Articles of association, the prospectus and the annual and semi-annual reports, may be obtained free of charge from the Representative.

All information relating to the Mutual Fund, in particular any amendments to the Articles of association and the prospectus, will be published in the Feuille Officielle Suisse du Commerce and in l'*Agefi*.

The issue and redemption prices of the shares are published jointly and at regular intervals, but at least twice a month and at each issue or redemption, in l'*Agefi*.

1. The investments of the different sub-funds of the Mutual Fund must consist exclusively of:

a) transferable securities and money-market instruments listed or traded on a regulated market as recognized by its Member State of origin and included in the list of regulated markets published in the Official Journal of the European Union ("EU") or on its official web site (hereinafter "Regulated Market");

b) transferable securities and money-market instruments traded on another regulated market of an EU Member State which operates regularly, is recognized and open to the public;

c) transferable securities and money-market instruments officially listed on a securities exchange of a non-Member State of the EU or which are traded on another regulated market of a non-Member State of the EU which operates regularly, is recognized and open to the public;

d) Recently-issued transferable securities and money-market instruments provided that (i) the conditions of issue comprise the undertaking that the application for official listing on a securities exchange or another regulated market which operates regularly, is recognized and open to the public will be filed and that (ii) the listing be obtained no later than one year after the issue;

e) units of undertakings for collective investment in transferable securities ("UCITS") and/or of other undertakings for collective investment ("UCI") within the meaning of article 1(2), first and second indents of Directive 85/611/EEC as amended, whether or not they are located in an EU Member State, provided that:

- these other UCIs are approved in accordance with legislation which provides that said undertakings be subject to supervision which the CSSF deems to be equivalent to that required by Community legislation and that cooperation between the authorities is sufficiently guaranteed;
- the level of protection guaranteed to the unitholders of these other UCIs is equivalent to that provided for the unitholders of a UCITS and, in particular, that the rules relating to the division of assets, to borrowings, loans and short selling of transferable securities and money-market instruments are equivalent to the requirements of Directive 85/611/EEC;
- semi-annual and annual reports are issued on the activities of the other UCIs which allow the assets and liabilities, profits and transactions to be evaluated for the period under consideration;
- the proportion of assets of the UCITS or other UCIs in which a purchase is envisaged which may, according to their founding documents, be invested in overall terms in units of other UCITS or other UCIs does not exceed 10%;

f) deposits with a banking institution that are reimbursable on request or which can be withdrawn and have a term to maturity of less than or equal to twelve months, provided that the banking institution has its registered office in an EU Member State or, if the registered office of the banking institution is located in a third country, that it is subject to prudential rules which the CSSF deems to be equivalent to those required by Community legislation;

g) derivative financial instruments, including similar instruments giving rise to a cash settlement, which are traded on a regulated market of the type referred to in paragraphs a), b) and c) above, and/or over-the-counter derivative financial instruments ("over-the-counter derivative financial instruments"), provided that:

(i) - the underlying consists of instruments mentioned in point 1 above, of financial indices, interest rates, exchange rates or currencies in which the Mutual Fund may make investments in accordance with its investment objectives;

- the counterparties in transactions on over-the-counter derivative instruments are banking institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and

- over-the-counter derivative instruments are valued reliably and verifiably on a daily basis and can, at the Mutual Fund's initiative, be sold, liquidated or closed out by a symmetrical transaction at any time and at their fair value;

(ii) - these transactions do not under any circumstances lead the Mutual Fund to depart from its investment objectives;

h) money-market instruments other than those traded on a regulated market, provided that the issue or the issuer of these instruments is itself subject to regulation aimed at protecting investors and savings and that these instruments:

- are issued or guaranteed by a central, regional or local authority, by a central bank of an EU Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a third State or, in the case of a federal state, by one of the members that make up the federation, or by a public international organization to which one or more EU Member States belong; or

- are issued by a company whose securities are traded on the regulated markets referred to in points a), b) and c) above; or

- are issued or guaranteed by an institution subject to prudential supervision according to the criteria defined by Community law, or by an institution which is subject to and complies with prudential rules deemed by the CSSF as being at least as strict as those provided for by Community legislation; or

- are issued by other entities belonging to the categories approved by the CSSF, provided that the investments in these instruments are subject to investor protection rules which are equivalent to those laid down in the first, second or third indents, and that the issuer is a company whose capital and reserves amount to at least ten million euros (EUR 10,000,000) and which submits and publishes its annual financial statements in accordance with directive 78/660/EEC, either an entity which, within a group of companies including one or more listed companies, is dedicated to financing the group, or an entity which is dedicated to financing securitization vehicles benefiting from a bank credit line.

2. Any sub-fund of the Mutual Fund may in addition:

a) invest up to a maximum of 10% of its net assets in transferable securities and money-market instruments other than those referred to in point 1 above;

b) hold liquid assets in an ancillary capacity.

3. The Mutual Fund undertakes not to invest its net assets in transferable securities and money-market instruments of one and the same issuer in a proportion which exceeds the limits set below, it being understood that (i) these limits are to be observed within each sub-fund and that (ii) the companies which are grouped together for the purpose of accounts consolidation, within the meaning of directive 83/349/EEC or in accordance with recognized international accounting rules, are to be considered as a single entity for the calculation of the limits described in points a) 2nd paragraph to e), 4 and 5a) below.

a) a sub-fund may not invest more than 10% of its net assets in transferable securities and money-market instruments issued by the same entity.

In addition, the total value of the transferable securities and money-market instruments held by the sub-fund in issuers in which it invests more than 5% of its net assets may not exceed 40% of the value of its net assets. This limit does not apply to deposits with financial institutions which are subject to prudential supervision or to over-the-counter transactions on derivative instruments with these institutions;

b) one and the same sub-fund may invest on aggregate up to 20% of its assets in transferable securities and money-market instruments of the same group;

c) the 10% limit referred to in paragraph a) above may be increased to 35% maximum when the transferable securities and money-market instruments are issued or guaranteed by a Member State of the EU, by its regional or local authorities, by a State which does not belong to the EU or by public international organizations to which one or more EU Member States belong;

d) the 10% limit referred to in paragraph a) above may be increased to a maximum of 25% for certain bonds when they are issued by a banking institution which has its registered office in an EU Member State and is subject, by law, to special public supervision aimed at protecting the holders of these bonds. In particular, the sums deriving from the issue of these bonds must be invested, in accordance with the Law, in assets which sufficiently cover the resultant liabilities throughout the entire duration of validity of the bonds and which are allocated on a preferential basis to reimbursement of the capital and to payment of accrued interest in case of default by the issuer. If a sub-fund invests more than 5% of its net assets in bonds referred to above and issued by the same issuer, the total value of these investments may not exceed 80% of the value of its net assets;

e) the transferable securities and money-market instruments referred to in paragraphs c) and d) above are not taken into account for the application of the 40% limit laid down in paragraph a) above;

f) **By way of derogation, any sub-fund is authorized to invest, according to the principle of risk spreading, up to 100% of its net assets in different issues of transferable securities and money-market instruments issued or guaranteed by a Member State of the EU, by its regional or local authorities, by a State belonging to the OECD or by public international organizations to which one or more EU Member States belong**;

If a sub-fund makes use of the latter possibility, it must then hold securities belonging to at least six different issues, without the securities belonging to the same issue being able to exceed 30% of the total amount of the net assets;

g) without prejudice to the limits set in point 9 below, the 10% limit referred to in point a) above is increased to a maximum of 20% for investments in shares and/or bonds issued by the same entity, when the aim of the Mutual Fund's investment policy is to reproduce the composition of a specific share or bond index which is recognized by the CSSF, on the following bases:

- the composition of the index is sufficiently diversified,
- the index constitutes a representative yardstick of the market to which it relates,
- it appears in an appropriate publication.

The 20% limit is increased to 35% when this turns out to be justified by exceptional market conditions, in particular on regulated markets on which certain transferable securities or certain money-market instruments are largely predominant. The investment up to this limit is permitted only for a single issuer.

4. The Mutual Fund may not invest more than 20% of the net assets of each sub-fund in bank deposits held with the same entity.

5. a) The counterparty risk in an over-the-counter transaction on derivative instruments may not exceed 10% of the sub-fund's net assets when the counterparty is one of the banking institutions referred to in section 1. f) above, or 5% of its assets in other cases.

b) Investments in derivative financial instruments can be realized provided that, on aggregate, the risks to which the underlying assets are exposed do not exceed the investment limits set in points 3 a) to e), 4, 5a) above and 7 and 8 below. When the Mutual Fund invests in index-based derivative financial instruments, these investments are not necessarily combined with these limits.

c) When a transferable security or money-market instrument comprises a derivative instrument, the latter must be taken into account when applying the provisions set out in point 5 d) below, as well as for assessing the risks involved in transactions on derivative instruments, so that the overall risk involved in derivative instruments does not exceed the total net value of the assets.

d) Each sub-fund ensures that the overall risk involved in derivative instruments does not exceed the total net value of its portfolio. The risks are calculated taking account of the current value of the underlying assets, the counterparty, the foreseeable market trend and the time available to liquidate the positions.

e) Each sub-fund ensures that the exposure resulting from the sale of credit default swaps does not exceed 20% of its net assets.

6. a) The Mutual Fund may not invest more than 20% of the net assets of each sub-fund in units of the same UCITS or other open-ended UCIs, as defined in point 1 e) above.

b) Investment in units of UCIs other than UCITS may not exceed, in total, 30% of the net assets of the Mutual Fund.

To the extent that this UCITS or UCI is a legal entity with sub-funds in which the assets of a sub-fund are exclusively liable for the investors' rights relating to this sub-fund and for the rights of creditors whose claim originated at the time of establishment, operation or liquidation of this sub-fund, each sub-fund is to be considered as a separate issuer for the application of the above risk-spreading rules.

7. Notwithstanding the individual limits set in points 3 a), 4 and 5 a) above, a sub-fund may not combine:

- investments in transferable securities or money-market instruments issued by the same entity,
- deposits held with the same entity, and/or
- risks resulting from transactions on over-the-counter derivative instruments with a single entity,

which are greater than 20% of its net assets.

8. The limits laid down in points 3 a), 3 c), 3 d), 4, 5 a) and 7 cannot be aggregated and consequently investment in the transferable securities of one and the same issuer made in accordance with points 3 a), 3 c), 3 d), 4, 5 a) and 7 may not in any event exceed in total 35% of the net assets of the sub-fund concerned.

9. a) The Mutual Fund may not purchase voting shares which would enable it to exert a significant influence on the management of an issuer.

b) The Mutual Fund undertakes not to acquire more than 10% of the non-voting shares of the same issuer.

c) The Mutual Fund undertakes not to acquire more than 10% of the bonds of the same issuer.

d) The Mutual Fund undertakes not to acquire more than 10% of the money-market instruments of the same issuer.

e) The Mutual Fund undertakes not to acquire more than 25% of the units of the same UCITS and/or another UCI.

The limits laid down in points 9 c) to e) above may be disregarded at the time of acquisition if at that time the gross amount of bonds or money-market instruments, or the net amount of the instruments issued, cannot be calculated.

The limits laid down in points 9 a) to e) above are waived with regard to:

- transferable securities and money-market instruments issued or guaranteed by an EU Member State or by its regional or local authorities;
- transferable securities and money-market instruments issued or guaranteed by a non-Member State of the EU;
- transferable securities and money-market instruments issued by public international organizations of which one or more EU Member States are members;
- shares held in the capital of a company of a non-EU State, provided that (i) this company invests its assets mainly in the securities of issuing bodies having their registered offices in that State where (ii) under the legislation of that State such a holding represents the only way in which the Mutual Fund can invest in the securities of issuing bodies of that State, and (iii) this company complies in its investment policy with the rules on risk spreading, counterparty and control limitation laid down in points 3 a), b), 3 c), 3 d), 4, 5 a), 6 a) and b), 7, 8 and 9 a) to e) above;
- the shares held in the capital of subsidiary companies carrying out management, advisory or marketing activities in the country in which the subsidiary is located solely for the exclusive benefit of the Mutual Fund as far as redemption of units at the shareholders' request is concerned.

10. Each sub-fund is authorized to borrow up to 10% of its net assets provided that such borrowing is temporary. Each sub-fund may also purchase currencies by way of back-to-back loans.

Liabilities connected with options contracts, purchases and sales of forward contracts are not deemed to be borrowings for the calculation of the present investment limit.

11. The Mutual Fund may neither grant loans nor act as guarantor for the account of third parties. This restriction is not an obstacle to the acquisition of transferable securities, money-market instruments or other financial instruments that are not fully paid-up.

12. The Mutual Fund may not sell short transferable securities, money-market instruments or other financial instruments mentioned in points 1 e), g) and h) above.

13. The Mutual Fund may not purchase real estate, except if such purchases are indispensable to the direct conduct of its activity.

14. The Mutual Fund may not purchase commodities, precious metals or certificates representing the latter.

15. The Mutual Fund may not use its assets to guarantee securities.

16. The Mutual Fund may not issue warrants or other instruments bestowing the right to purchase shares in the Mutual Fund.

The limits set previously need not be observed when exercising subscription rights attaching to transferable securities or money-market instruments which form part of the assets of the sub-fund concerned.

If the maximum percentages above are exceeded for reasons beyond the control of the Mutual Fund or as a result of the exercise of subscription rights attached to securities in the portfolio, the Mutual Fund must adopt, as a priority objective for its sales transactions, the remedying of that situation, taking due account of its shareholders' interests.

The attention of potential investors is drawn to the fact that the sub-funds will be able to invest in transferable securities issued by emerging countries and which involve a degree of risk greater than in developed countries with regard in particular to:

(1) Volatility

Numerous emerging markets are relatively limited, have low trading volumes, suffer from periods of illiquidity and are characterized by substantial price volatility.

(2) Liquidity shortage

The trading volume on certain emerging markets is significantly lower than that of the largest securities exchanges at the global level. Consequently increasing and selling certain shareholdings may require a certain amount of time and be carried out at unfavourable prices.

(3) Restrictions on investment and repatriation

Certain emerging markets for attractive securities restrict to varying degrees foreign investment in equities. The Mutual Fund may not be able to invest in certain attractive transferable securities owing to the fact that foreign shareholders hold the maximum amount authorized by the current laws.
The repatriation of investment income, capital and the proceeds of sales by foreign investors may require registration and/or government approval and may be subject to exchange-control restrictions.

(4) Clearing risks

The clearing systems of the emerging markets may be less well organized than those of the developed countries. Clearing operations may be delayed and the cash or transferable securities held by the Mutual Fund can be affected on account of failure or malfunctioning of the clearing systems. Market practice may thus require that settlement be completed prior to delivery of the transferable security which is being purchased, or that the delivery of a transferable security which is being sold be completed prior to settlement. In such cases the failure of the stock exchange company or bank (the "Counterparty") through which the transaction is effected may cause a loss to the Mutual Fund.

(5) Political and economic uncertainty and instability

Certain emerging markets can be exposed to social, political and economic uncertainty. Their political and social conditions may have an unfavourable influence on the Mutual Fund's investments in the emerging markets.
Political changes may result in significant changes to the taxation of foreign investors. These changes may concern legislation, how the laws are interpreted or the decision to allow foreign investors to benefit from international tax treaties. Such changes may have a retroactive effect and a negative impact on the return on investment of the Mutual Fund's shareholders.

1. General provisions

In order to ensure efficient management of the portfolio and/or to protect its assets and liabilities, the Mutual Fund may make use in each sub-fund of techniques and instruments which concern transferable securities and money-market instruments.

When these transactions concern the use of derivative instruments, the conditions and limits set in Annex I "Investment restrictions", more particularly, in points 1 g), 5 a) to e), 7 and 8 must be observed.

The use of derivative-instrument transactions or other financial techniques and instruments must not under any circumstances lead the Mutual Fund to depart from the investment objectives set out in the present prospectus.

The Mutual Fund may in particular enter into transactions on options, forward contracts on financial instruments, swap contracts and options on such contracts.

In addition, each sub-fund is, in particular, authorized to engage in transactions the purpose of which is to sell or purchase forward exchange-rate contracts, to sell or purchase forward currency contracts and to sell call options or to purchase put options on currencies in order to hedge its assets against exchange-rate fluctuations or to optimize its yield, that is, with a view to good management of the portfolio.

2. Securities lending and borrowing operations

The Mutual Fund may engage in securities lending and borrowing operations provided that the following rules are complied with:

2.1 Rules intended to ensure proper execution of lending and borrowing operations

The Mutual Fund may only lend or borrow securities within the scope of a standardized lending system organized by a recognized securities clearing system or by a first-rate financial institution specializing in this type of transaction.

In the context of its lending operations, the Mutual Fund must, as a matter of principle, receive a guarantee whose value at the time the lending contract is taken out is at least equal to the overall value at which the securities lent are valued.

This guarantee must be given in the form of cash and/or securities issued or guaranteed by the Member States of the OECD or by their regional or local authorities or by supranational institutions and organizations of a Community, regional or global nature, and frozen in the name of the Mutual Fund until the lending contract expires.

This guarantee will not need to be given if securities lending is done through CLEARSTREAM BANKING or EUROCLEAR or any other similar institution which ensures that the value of the securities lent is reimbursed to the lender by way of a guarantee.

2.2 Conditions and limits of the lending and borrowing operations

The lending operations may not concern more than 50% of the overall value at which the securities in the portfolio are valued.

The lending and borrowing operations may not exceed a period of 30 days.

These limitations do not apply when the sub-fund concerned is entitled at any time to have the contract rescinded and the securities that have been lent returned.

The securities lending operations may not exceed 50% of the overall value at which the securities in the portfolio of each sub-fund are valued.

The Mutual Fund may not dispose of the securities which it has borrowed throughout the entire duration of the borrowing, unless there is coverage by means of financial instruments which allow the Mutual Fund to return the securities borrowed at the close of the operation.

The Mutual Fund may only engage in securities borrowing operations under the following circumstances in connection with the execution of a sale transaction: (i) at a time when these securities are in the process of being registered; (ii) when securities which have been lent are not returned in good time; and (iii) in order to prevent a promised delivery of securities from taking place if the Custodian should fail in its obligation to deliver the securities in question.

3. Securities repurchase transactions

The Mutual Fund may engage in an ancillary capacity in securities repurchase transactions which consist of purchases and sales of securities the clauses of which bestow on the vendor the right to repurchase the securities sold from the purchaser at a price and a date stipulated between the two parties when the contract is entered into.

The Mutual Fund may act either as purchaser or as vendor in securities repurchase transactions. Its intervention in the transactions in question is, however, subject to the following rules:

3.1 Rules intended to ensure proper completion of securities repurchase transactions

The Mutual Fund may only buy or sell securities with a repurchase clause if the counterparties in these transactions are first-rate financial institutions specializing in this type of transaction.

3.2 Conditions and limits of repurchase transactions

Throughout the duration of a securities repurchase contract, the sub-fund concerned may not sell the securities concerned by this contract before repurchase of the securities by the counterparty is exercised or before the repurchase time-limit has expired.

The Mutual Fund must ensure that it keeps the scale of securities repurchases transactions at a level such that it is able to meet its repurchase obligation at all times.

In order to ensure efficient management of its portfolios, the Mutual Fund may manage all or part of the assets of one or more sub-funds on a grouped basis (“pooling”), in compliance with their respective investment policies. The sub-funds may thus take a stake in groups of assets (“pools”) in proportion to the assets that they contribute to them. These pools are not to be considered as separate legal entities and the notional units of account of a pool are not to be considered as shares. The shares of the Mutual Fund are not issued in connection with these pools but solely in connection with each sub-fund concerned, which might participate in them with some of its assets, with the above-mentioned objective. The effect of pooling may be to reduce as well as to increase the net asset value of a sub-fund which participates in a pool: the losses as well as the gains attributable to a pool shall accrue proportionally to the sub-funds holding notional units of account in this pool, thereby altering the net asset value of a participating sub-fund even if the value of the assets contributed by this sub-fund to the pool has not fluctuated.

The pools will be established by transferring from time to time transferable securities, cash and other permitted assets from the sub-funds participating in such pools (provided that such assets are suitable in the light of the investment objective and policy of the participating sub-funds). Subsequently the Board of Directors of the Mutual Fund or its appointed agent (such as the Management Company or a sub-management company) may from time to time make other transfers in favour of each pool. Assets may also be removed from a pool and be re-transferred to the participating sub-fund up to the value of its stake in said pool, which will be measured by reference to notional units of account in the pool or pools.

When a pool is established, these notional units of account will be expressed in a currency which the Board of Directors of the Mutual Fund shall deem appropriate and they will be allocated to each sub-fund participating therein, at a value equal to that of the transferable securities, cash and/or other permitted assets contributed thereto; the value of the notional units of account of a pool will be determined at each valuation date by dividing its net assets by the number of notional units of account issued and/or remaining.

When additional cash or assets are transferred to or withdrawn from a pool, the allocation of units made to the participating sub-fund concerned will be increased or decreased, as the case may be, by the number of units calculated by dividing the amount of cash or the value of the assets transferred or withdrawn, by the current value of a unit. When a contribution is made in cash, it will be treated for the purpose of these calculations as being reduced by an amount which the Board of Directors of the Mutual Fund shall consider suitable to cover the taxes or transaction and investment charges which are likely to be incurred when this cash is invested; if cash is withdrawn, the withdrawal shall comprise, in addition, an amount corresponding to the charges likely to be incurred when the transferable securities and other assets of the pool are realized.

The stake of each sub-fund participating in the pool applies to each investment line of the pool.

The dividends, interest and other distributions which correspond according to their nature to income received in connection with the assets in a pool, will be credited to the participating sub-funds in proportion to their respective stakes in the pool at the time said income is collected. When the Mutual Fund is wound up, the assets which are in a pool will be attributed (subject to creditors’ rights) to the participating sub-funds, in proportion to their respective stakes in the pool.