

LONG TERM INVESTMENT FUND (SIA)

Société d'investissement à capital variable
(a Luxembourg domiciled open-ended investment company)

PROSPECTUS

OCTOBER 2009

1. IMPORTANT INFORMATION

This Prospectus should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to therein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Registrar and Transfer Agent. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

The Registrar and Transfer Agent shall not divulge any confidential information concerning the Investor unless required to do so by law or regulation. The Investor agrees that personal details contained in the application form and arising from the business relationship with the Registrar and Transfer Agent may be stored, modified or used in any other way by the Registrar and Transfer Agent for the purpose of administering and developing the business relationship with the Investor. To this end data may be transmitted to companies being appointed by the Registrar and Transfer Agent to support the business relationship (e.g. external processing centres, despatch or paying agents).

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The Registrar and Transfer Agent may use telephone recording procedures to record any conversation. Investors are deemed to consent to the tape-recording of conversations with the Registrar and Transfer Agent and to the use of such tape recordings by the Registrar and Transfer Agent and/or the Company in legal proceedings or otherwise at their discretion.

The price of Shares in the Company and the income from them may go down as well as up and an Investor may not get back the amount invested.

2. RESTRICTIONS APPLYING TO US INVESTORS

The Company has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the “Investment Company Act”). The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933 as amended (the “Securities Act”) or under the securities laws of any state of the United States of America and such Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. The Shares of the Company may not be offered or sold within the United States or to or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to Investors other than individuals, (i) a corporation or partnership organized or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “US Person” also means any entity organized principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non- US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, unless it is formed and owned by “accredited investors” (as defined in Rule 501 (a) under the Securities Act of 1933) who are not natural persons, estates or trusts.

“United States” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

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4. MANAGEMENT AND ADMINISTRATION

Registered Office:	1, Boulevard Royal L- 2449 Luxembourg
Board of Directors of the Company	
Chairman:	Mr. Pierre Etienne Senior Vice-President Pictet & Cie (Europe) S.A. 1, boulevard Royal, L-2449 Luxembourg
Directors:	Mrs. Michèle Berger Executive Vice-President Pictet Funds (Europe) S.A. 3, boulevard Royal, L-2449 Luxembourg Mr. Frédéric Fasel Senior Vice-President Pictet & Cie (Europe) S.A. 1, boulevard Royal, L-2449 Luxembourg Mr. Jerry Hilger Senior Vice-President Pictet & Cie (Europe) S.A. 1, boulevard Royal, L-2449 Luxembourg Prof. J. Carlos Jarillo, Managing Partner, 23, rue Ferdinand-Hodler 1207 Geneva Switzerland
Day-to-day managers appointed by the Board of Directors	Ms. Michèle Berger Executive Vice-President Pictet Funds (Europe) S.A. 3, boulevard Royal, L-2449 Luxembourg Prof. J. Carlos Jarillo, Managing Partner, 23, rue Ferdinand-Hodler 1207 Geneva Switzerland
Custodian:	Pictet & Cie (Europe) S.A. 1 Boulevard Royal, L 2016 Luxembourg
Central administration Agent:	Pictet & Cie (Europe) S.A. 1 Boulevard Royal, L-2016 Luxembourg

Investment Manager appointed by the Board of Directors:	SIA Funds AG Parkweg 1, 8866 Ziegelbrücke, Switzerland
Global distributor:	Fiprodis 163 Penang Road #02-01 Winsland House II Singapore 238463 Republic of Singapore
Auditors	Deloitte S.A. 560, rue de Neudorf, L-2220 Luxembourg
Promoter:	Pictet & Cie (Europe) S.A. 1, boulevard Royal, L-2449 Luxembourg

5. DEFINITIONS

“Accumulation Share”	a Share which accumulates the income arising in respect of a Share so that it is reflected in the price of that Share
“Articles”	the Articles of Association of the Company as amended from time to time
“Auditor”	the Auditors of the Company, namely Deloitte S.A.
“Business Day”	everyday on which banks are normally open for business in Luxembourg, or such other day as the Directors may decide from time to time
“Central Administration Agent”	Pictet & Cie (Europe) S.A.
"Class"	a Share Class with a specific fee structure, currency of denomination or other specific feature
“Company”	LONG TERM INVESTMENT FUND (SIA)
“Custodian”	Pictet & Cie (Europe) S.A.
“Dealing Day”	a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the relevant class or of the net asset value of the relevant Sub-Fund (unless stated otherwise in this Prospectus) and such other day as the Directors may decide from time to time
“Directors”	the Board of Directors of the Company
“Distribution Share”	a Share which distributes its income
“Investor”	a subscriber for Shares
“Member State”	a State member of the European Union
“Mémorial”	Mémorial C, Recueil des Sociétés et Associations of Luxembourg
“Net Asset Value per Share”	the value per Share of any class of Share determined in accordance with the relevant provisions described under the heading “Calculation of Net Asset Value” as set out in the

Prospectus

“Other Regulated Market”

a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public

“Other State”

any State of Europe which is not a Member State and any State of America, Africa, Asia, Australia and Oceania and, as appropriate, of the OECD (“Organisation for Economic Cooperation and Development”)

“Prospectus”

the present prospectus dated May 2009, as may be amended from time to time

“Registrar and Transfer Agent”

Pictet & Cie (Europe) S.A. under its general appointment as Central Administration Agent of the Company

“Regulated Markets”

a regulated market as defined by the Council Directive 93/22/EEC of 10th May 1993 on investment services in the securities field (“Directive 93/22/EEC”), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operations of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 93/22/EEC

“Regulatory Authority”

the *Commission de Surveillance du Secteur Financier* or its successor

“Share”	a Share(s) of no par value in any one class in the capital of the Company
“Sub-Fund”	a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate class or Share Classes
“UCITS”	an undertaking for collective investment in transferable securities authorised according to Article 1(2) Council Directive 85/611/EEC of 20 December 1985, as amended
“UCITS Directive”	Council Directive EEC/85/611 of 20st December 1985 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended
“Valuation Day”	each Business Day on which the net asset value is calculated, as specified in Appendix I and II for the relevant Sub-Fund

All references herein to time are to Luxembourg time unless otherwise indicated. Words importing the singular shall, where the context permits, include the plural and vice versa.

6. LEGAL STATUS

LONG TERM INVESTMENT FUND (SIA) (the “Company”) is an open-ended investment company of the umbrella type organised as a “société anonyme” under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d’Investissement à Capital Variable (“SICAV”) under Part I of the Luxembourg law of 20th December, 2002 (the “2002 Law”) regarding collective investment undertakings, whose object is to invest in transferable securities under the principle of risk spreading in accordance with, and as more fully described in, its Articles and the Prospectus.

The Company was incorporated for an indefinite period on February 2, 2006, with an initial capital of Euro 31,000. Its articles of incorporation were last amended on July 26, 2006, published in the official gazette Mémorial on August 30, 2006.

The Company is registered at the Trade and Companies Register of Luxembourg under the number B113981.

The Company's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law is EUR 1,250,000, which will be achieved within 6 months as of launch.

7. OBJECTIVES AND STRUCTURE

The exclusive objective of the Company is to place the Company’ funds available to it in transferable securities and other permitted assets of any kind with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios, by offering them access to a world-wide selection of markets and a variety of investment techniques via a range of Sub-Funds catering for many different investment objectives.

The specific investment objective and policy of each Sub-Fund is described in Appendix I and II.

The investments of each Sub-Fund shall at any time comply with the restrictions set out herein, and Investors should, prior to any investment being made, take due account of the risks of investments set out herein. Save aforesaid restrictions, the selection of securities and other authorised assets that make up the portfolio of the various Sub-Funds will not be limited as regards geographical area or economic consideration, nor as regards the type of investment of assets.

As at the time of issue of this Prospectus, the Shares are not listed on the Luxembourg Stock Exchange. However, the Directors may decide to make an application to list such or other Shares on the Luxembourg or any other recognised stock exchange.

A list of those Sub-Funds in existence at the time of this Prospectus, together with a description of their investment objective and policy and main features, is attached as Appendices I and II to this Prospectus. This list forms an integral part of this Prospectus. The Directors may decide to create one or several additional Sub-Funds at any time. Upon creation of such a Sub-Fund, the list contained in the present Prospectus will be updated accordingly.

8. ORGANISATION OF MANAGEMENT AND ADMINISTRATION

The Directors are responsible for managing the Company, monitoring its operations as well as specifying and implementing the investment policy of the Company and of the different Sub-Funds.

8.1 *Day-to-day managers appointed by the Board of Directors*

By way of application of the provisions of article 27 of the Law of 20th December 2002 relating to undertakings for collective investment as well as of the CSSF Circular 03/108, the Board of Directors has delegated the conduct of the Company's business to its two day-to-day managers (the "Managers").

In general, the Managers are in charge of the management of the Company and its Sub-Funds and have to ensure that the various service providers to whom the Company has delegated certain functions (including the functions of central administration and marketing) carry out their duties in compliance with the provisions of the Law of 20th December 2002 relating to undertakings for collective investment, the Company's Articles, the Prospectus as well as the various material contracts and agreements establishing and governing their relation with the Company. The Managers have the duty to ensure that the Company complies with the applicable investment restrictions set out herein and supervise the implementation of the investment policy of the Company's Sub-Funds. The Managers will further ensure that an appropriate risk management process be used.

The Managers have to produce reports on a regular basis to the Board of Directors. Any event deemed important by the Managers will be reported immediately to the Board of Directors.

The Board of Directors has further appointed SIA Funds AG as investment manager of the various Sub-Funds of the Company (the „Investment Manager“), as set out in more details in each Sub-Fund's relevant appendix. The Investment Manager will be managing on a daily basis the relevant Sub-Funds' portfolios with the responsibility of making specific investment choices on behalf of the Company within the framework of allocation criteria established from time to time by the Board of Directors.

SIA Funds AG is a Swiss company founded in 2005, specializing in investment fund management and qualifying as a Swiss Fund Management Company regulated by the Swiss Federal Banking Commission. SIA Funds AG is a member of Strategic Investment Advisors Group which is specialized to advise clients on strategic investing.

8.2 *Custodian and Central Administration*

Under the terms of agreements signed on February 3, 2006, Pictet & Cie (Europe) S.A. has been appointed for an indefinite period to act as the custodian of the Company's assets. Pictet & Cie (Europe) S.A. has also been appointed by the Company as central administration agent pursuant to an agreement signed on 2 October, 2006. These agreements may be terminated by either party by 90 days' written notice.

Pictet & Cie (Europe) S.A. was incorporated as a *société anonyme* under Luxembourg law on November 3, 1989 for an indefinite period. Its fully paid-up capital, as at the date of this Prospectus, amounts to Swiss francs 50 000 000.

The Custodian undertakes, on behalf and in the interests of Shareholders, to be responsible for the safekeeping of cash, securities and other assets making up the Company's assets. It may, with the Directors' agreement, entrust other banks or financial institutions, fulfilling the conditions laid down by the 2002 Law, with the custody of all or part of these assets. The Custodian shall further ensure that the issue and redemption of Shares in the Company and the application of the Company's income are carried out in accordance with the provisions of all applicable Luxembourg laws and the Articles, and that funds from transactions in the assets of the Company are received within the usual time limits.

The Custodian shall undertake all the usual functions of a bank with regard to the deposit of cash and securities. It shall assume its functions and responsibilities in accordance with the provisions of the 2002 Law.

Upon instructions from the Directors, the Custodian shall undertake all acts of disposal of the Company's assets. It carries out orders and complies with Directors' instructions provided that these conform with legal provisions and the Articles of Incorporation.

The Custodian is entitled to a fee calculated on the net assets of the Company and payable on a quarterly basis, as further detailed under the Section “Company Expenses”. The fees paid to the Custodian will be shown in the Company’s financial statements.

8.3 *Statutory Auditors*

The auditing has been entrusted to Deloitte S.A., 560, route de Neudorf, L-2220 Luxembourg.

9. RIGHTS OF THE SHAREHOLDERS

9.1 *Shares*

The Shares in each Sub-Fund are only issued in registered form, with no par value and fully paid-up. Shares may be issued in fractions up to five decimal places. All owners of Shares will have their names entered into the Shareholders' register which will be held at the Company’s registered office. No certificates will be issued and Shareholders will only receive a confirmation that their names have been recorded in the Shareholders' register. Shares may also be held and transferred through accounts maintained with clearing systems.

Shares repurchased by the Company may be cancelled.

All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Sub-Fund and Share Class to which they pertain. The Shares carry no preferential and pre-emptive rights.

Each Share gives right to one vote. Fractions of Shares do not, however, possess voting rights. In the case of a joint holding, only the first named Shareholder may vote.

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether a Shareholder is the beneficial owner of the Shares which he/she holds.

If it shall come to the Directors’ attention at any time that Shares are beneficially owned by a United States Person, the Company will have the right to compulsorily redeem such Shares.

The transfer of registered Shares may be effected by delivery to the Registrar and Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant shareholding confirmation to be cancelled.

9.2 *Sub-Funds and Share Classes*

Appendix I to the Prospectus lists the Sub-Fund(s) already in existence at the time of issue of this Prospectus, the Shares of which are offered to subscription and the relevant Share Classes available therein (if any).

The Directors may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more Share Classes and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Sub-Fund, or one or more Share Classes within a Sub-Fund to further subscriptions.

The Directors may decide to create within each Sub-Fund different Share Classes whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

Shares may be issued as Accumulation or Distribution Shares at the Directors' discretion. Investors may enquire at the Registrar and Transfer Agent or their Distributor which type of Shares are available within each Class and Sub-Fund.

9.3 *Principle of Solidarity and Severability*

The subscription price for Shares in each Class is invested in the assets of the relevant Sub-Fund. In principle, all assets and liabilities related to a specific Sub-Fund are allocated to that Sub-Fund. To the extent that costs and expenses are not attributable to a specific Sub-Fund, they shall be shared out proportionally among the various Sub-Funds according to their net asset values or, if circumstances warrant it, allocated on an equal basis to each Sub-Fund.

The Company constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

9.4 *General Meetings of Shareholders*

The annual general meeting of Shareholders shall be held each year at the Company's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.

The annual general meeting of Shareholders shall be held on the last Friday of April at 11 a.m. or, if this happens to be a bank holiday in Luxembourg, on the next following Business Day, and for the first time in 2007.

Convening notices shall be sent to all registered Shareholders at least 8 days prior to the annual general meeting. These notices shall include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as laid down by Luxembourg law. Notices shall be published in the Mémorial and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Directors may decide.

The legal requirements as to notice, quorum and voting at all General and Sub-Fund or Class Meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only.

10. SUBSCRIPTION

Subscriptions for Shares in each Sub-Fund already in operation shall be accepted at the issue price, as defined bellow under "Issue Price", at the office of the Registrar and Transfer Agent as well as at any other establishments authorized to do so by the Company.

10.1 *How to subscribe*

Investors subscribing for Shares for the first time should complete a subscription form and send it by post directly to the Registrar and Transfer Agent. Subscription forms may also be accepted by facsimile transmission or other means approved by the Registrar and Transfer Agent, provided that the original is immediately forwarded by post. Subscription forms from non-FATF residents will only be accepted once

the original signed subscription form and other applicable identification documents have been received and approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, for any subscription received by the Registrar and Transfer Agent prior to 16.00 hours at the latest on the last Business Day before the Valuation Day, the Net Asset Value calculated on that Valuation Day will be applicable.

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, for any subscription arriving at the Registrar and Transfer Agent after the deadline set at 16.00 hours on the last Business Day before a Valuation Day, the Net Asset Value applicable will be the Net Asset Value as calculated on the following Valuation Day.

Subsequent subscription for Shares does not require completion of a second application form. However, Investors shall provide written instructions as agreed with the Registrar and Transfer Agent to ensure smooth processing of subsequent subscription. Instructions may also be made by letter, facsimile transmission, in each case duly signed, or such other means approved by the Registrar and Transfer Agent.

Each Investor will be given a personal account number which, along with any relevant transaction number should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Registrar and Transfer Agent or any distributor.

Different subscription procedures may apply if applications for Shares are made through distributors.

All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

10.2 How to pay

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, the amount for the issue price shall be paid or transferred, in the reference currency of the relevant Sub-Fund, within three Business Days following the relevant Valuation Day into the account of Pictet & Cie (Europe) S.A. or of the distributor, to the order of the Company with reference to the Sub-Fund(s) concerned.

Payment should be made by electronic bank transfer net of all bank charges (i.e. at the Investor's expense).

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Registrar and Transfer Agent against any existing holding of the applicant in the Company. In all cases, any confirmation of transaction and any money returnable to the Investor will be held by the Registrar and Transfer Agent without payment of interest pending receipt of the remittance.

Payments in cash will not be accepted. Third party payments will only be accepted at the Registrar and Transfer Agent's discretion.

Payment should normally be made in the currency of the relevant Share Class. However, a currency exchange service for subscriptions is provided by the Registrar and Transfer Agent on behalf of, and at the cost and risk of, the Investor. Further information is available from the Registrar and Transfer Agent or any of the Distributors on request.

Different settlement procedures may apply if applications for Shares are made through distributors.

10.3 General

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Registrar and Transfer Agent and/or the Company in their absolute discretion reserve the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

The Registrar and Transfer Agent and/or the Company will normally accept applications with instructions for the subscription to be effected at a date later than the date on which such application is made. To be valid, any such application must specify the date on which it is to be effected and a subsequent confirmation of this application must be received by the Registrar and Transfer Agent on the relevant date prior to 16:00.

10.4 Contribution in Kind

The Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in under “Calculation of Net Asset Value” below and will be the subject of the Company auditor’s report drawn up in accordance with the requirements of Luxembourg laws. This report will be available for inspection at the registered office of the Company and any related costs incurred will be borne by the Investor. Should the Company not receive good title on the assets, contributed this may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Registrar and Transfer Agent against any existing holding of the applicant in the Company.

10.5 Anti money laundering procedures

Pursuant to the Luxembourg law of 19 February 1973, as amended, to combat drug addiction, the law of 5 April 1993, as amended, relating to the financial sector, the law of 12 November 2004 relating to money laundering and to the circular of the supervisory authority IML 05/211, obligations have been imposed on professionals of the financial sector to prevent the use of UCITS funds such as the Company for money-laundering purposes. Within this context a procedure for the identification of Investors has been imposed. That is, the subscription form of an Investor must be accompanied, in the case of individuals, by, inter alia, a copy of the passport or identification card and/or in the case of legal entities, a copy of the statutes and an extract from the commercial register with an indication of the beneficial owners and authorised signatories (any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Such information shall be collected for verification purposes only and shall be covered by the banking and professional secrecy imposed on the Custodian and Central Administration Agent.

Such identification procedure may be waived by the Registrar and Transfer Agent in the following circumstances:

- a) in the case of subscription through an intermediary resident in a country which imposes an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering;
- b) in the case of subscription through an intermediary whose parent is subject to an identification obligation equivalent to that required by Luxembourg law and where the law applicable to the parent imposes an equivalent obligation on its subsidiaries or branches.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the conclusions of the Financial Action Task Force (FATF) report on money laundering are deemed to have an identification obligation equivalent to that required by Luxembourg law.

The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption.

11. ISSUE PRICE

The issue price for Shares in each Class is equal to the Net Asset Value of each Share in that Class, calculated on the first Valuation Day following the applicable day of subscription.

Intermediaries involved in the distribution of shares may charge additional fees to their clients subscribing in the Company via them.

This issue price will also be increased to cover any duties, taxes and stamp duties which may have to be paid.

12. REDEMPTION OF SHARES

12.1 Procedure

Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as determined under "Redemption Price" below, by addressing an irrevocable application for redemption to the Registrar and Transfer Agent, or other authorized establishments. Instructions to redeem Shares may be communicated directly to the Registrar and Transfer Agent either by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, for any request for redemption received by the Registrar and Transfer Agent prior to 16.00 hours at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on that Valuation Day will be applicable.

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, for any request for redemption received by the Registrar and Transfer Agent after the deadline of 16.00 hours on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.

However, if the redemption day is, for any reason, not a Business Day, instructions to redeem Shares as per above will be moved to the immediately following Business Day, in which case the calculation of the net asset value to be applied to the transaction will be moved accordingly as per above.

Redemption instructions can only be executed when any previously related transaction has been completed.

Instructions may be given to the Registrar and Transfer Agent by completing the form requesting redemption of Shares or by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent where the account reference and full details of the redemption must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

Unless waived by the Registrar and Transfer Agent, if, as a result of any redemption request, the amount invested by any Shareholder in a Share Class in any one Sub-Fund falls below an amount determined by the Directors as minimum for that Share Class, it will be treated as an instruction to redeem the Shareholder's total holding in the relevant Class.

Different redemption procedures may apply if instructions to redeem Shares are communicated via distributors.

All instructions to redeem Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

12.2 *Redemption Proceeds*

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, redemption proceeds are normally paid by bank transfer within three Business Days from the relevant Valuation Day, provided the Registrar and Transfer Agent is in receipt of, and approves all documents required. The Company or Registrar and Transfer Agent are not responsible for any delays or charges incurred at any receiving bank or settlement system. Redemption proceeds will normally be paid in the currency of the relevant Share Class. On request, redemption proceeds paid by bank transfer may be paid in most other currencies on behalf of, at the cost and risk of, the Shareholder.

If, in exceptional circumstances and for whatever reason, redemption proceeds cannot be paid within five Business Days from the relevant Valuation Day, for example when the liquidity of the relevant Sub-Fund does not permit, then payment will be made as soon as reasonably practicable thereafter (not exceeding, however, thirty Business Days) at the Net Asset Value per Share calculated on the relevant Valuation Day.

If, on the settlement date, banks are not open for business in the country of the settlement currency of the relevant Class of Share, then settlement will be on the next Business Day on which those banks are open.

Redemption requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

In addition, the Registrar and Transfer Agent and/or the Company will normally accept requests for redemption of Shares to be effected at a date later than the date on which such request is made. To be valid, any such application must specify the date on which it is to be effected and a subsequent confirmation of this application must be received by the Registrar and Transfer Agent on the relevant date prior to 16:00, save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund.

Different settlement procedures may apply if instructions to redeem Shares are communicated via distributors.

12.3 *General*

Third party payments will only be accepted at the Registrar and Transfer Agent's discretion.

13. REDEMPTION PRICE

The redemption price for Shares in each Class is equal to the Net Asset Value of each Share in that Class as calculated on the first Valuation Day following the bank business day on which application for redemption has been accepted.

Intermediaries involved in the distribution of shares may charge additional fees to their clients redeeming their Shares in the Company via them.

The redemption price will also be reduced to cover any duties, taxes and stamp duties which might have to be paid.

The redemption price could be higher or lower than the subscription price paid, depending on changes in the Net Asset Value.

14. CONVERSION OF SHARES

14.1 Procedure

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, shareholders are entitled at any time to convert all or part of their Shares at the conversion price as determined under "Conversion Price" below, by addressing an irrevocable application for conversion to the Registrar and Transfer Agent, or other authorized establishments. Instructions to convert Shares may be communicated directly to the Registrar and Transfer Agent either by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, for any request for conversion received by the Registrar and Transfer Agent prior to 16.00 hours at the latest on the last Business Day before a Valuation Day, the Net Asset Value calculated on that Valuation Day will be applicable.

Save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund, for any request for conversion received by the Registrar and Transfer Agent after the deadline of 16.00 hours on the last Business Day before a Valuation Day, the Net Asset Value applicable will be calculated on the following Valuation Day thereafter.

However, if the conversion day is, for any reason, not a Business Day, instructions to convert Shares as per above will be moved to the immediately following Business Day, in which case the calculation of the net asset value to be applied to the transaction will be moved accordingly as per above.

In cases where dealing is suspended in a Sub-Fund from or to which a conversion has been requested, the processing of the conversion will be held over until the next common Dealing Day where dealings are no longer suspended. Conversion instructions can only be executed when any previously related transaction has been completed.

Instructions may be given to the Registrar and Transfer Agent by completing the conversion form or by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent where the account reference and the number of Shares to be converted between named Share Classes must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

Shares of any Class in a Sub-Fund may be converted on any Valuation Day into Shares of the same Class of another Sub-Fund, notwithstanding their distribution policy, except where there is a suspension of the calculation of the Net Asset Value per Share of those Sub-Funds or Classes, as described below. In addition, the Registrar and Transfer Agent may, at its discretion, accept instructions to convert from Shares of one Class of a Sub-Fund into Shares of another Class of the same Sub-Fund.

The number of Shares issued upon conversion will be based upon the respective Net Asset Value per Share of the Shares of the two relevant Sub-Funds on the Valuation Day on which the conversion request is effected. Due to the settlement period necessary for redemptions, conversion transactions will not normally be completed until the proceeds from the redemption are available.

Unless waived by the Registrar and Transfer Agent, if, as a result of any conversion request, the amount invested by any Shareholder in a Share Class in any one Sub-Fund falls below an amount determined by the Directors as minimum for that Share Class, it will be treated as an instruction to convert the Shareholder's total holding in the relevant Class.

Conversion requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

In addition, the Registrar and Transfer Agent and/or the Company will normally accept requests for conversion of Shares to be effected at a date later than the date on which such request is made. To be valid, any such application must specify the date on which it is to be effected and a subsequent confirmation of this application must be received by the Registrar and Transfer Agent on the relevant date prior to 16:00, save as may be otherwise set out in Appendix I and II regarding a certain Sub-Fund.

Different conversion procedures may apply if instructions to convert Shares are communicated via distributors.

All instructions to convert Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

14.2 Conversion Price

The conversion price is based on the respective Net Asset Values as calculated on the Valuation Day of the relevant Classes.

A conversion commission of up to 1% of the Net Asset Value of the Shares of the Class into which conversion is requested may be charged by the Fund at the discretion of the Board of Directors, to protect investors against excessive trading due to conversion between the Sub-Funds.

No Share fractions shall be attributed upon conversion to the converting Shareholders who shall be deemed to have requested the redemption thereof. In such case, the relevant Shareholder shall be reimbursed the corresponding amount resulting from the differences between the Net Asset Values of the converted Shares.

15. CALCULATION OF NET ASSET VALUE

The Net Asset Value as well as the issue, redemption and conversion prices of Shares are calculated by the Central Administration Agent for each Sub-Fund in the reference currency applicable for the Sub-Fund on the basis of the last known prices, at intervals which may vary for each Sub-Fund and are specified in the Appendix (each a “Valuation Day”).

The Net Asset Value of a Share of each Sub-Fund will be calculated by dividing the Net Asset Value attributable to that Sub-Fund, being the proportionate value of its assets less its liabilities, by the total number of Shares outstanding in that Sub-Fund.

The Company's total net assets will be expressed in Euro and correspond to the difference between the total assets and the total liabilities of the Company. In order to calculate this value, the net assets of each Sub-Fund will, unless they are already expressed in Euro, be converted into Euro, and added together.

The assets of the Company shall be valued as follows:

- a) securities and other assets listed or dealt in on a stock exchange or another regulated market will be valued at the last available price; where such securities or other assets are listed or dealt in one or by more than one stock exchange or any other regulated market, the Directors shall make regulations for the order of priority in which stock exchanges or other regulated markets will be used for the provisions of prices of securities or assets;
- b) assets not listed or dealt in on a stock exchange or another organised market, or assets so listed or dealt in for which the last available price is not representative of a fair market value, will be valued, prudently and in good faith, on the basis of their estimated sale prices;

- c) cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received will be valued at their face value with interest accrued;
- d) the units/shares of open-ended undertakings for collective investment will be valued on the basis of the last known Net Asset Value or, if the price so determined is not representative of their fair market value, will be valued as the Directors may deem fair and reasonable. Units/shares of closed-ended undertakings for collective investment will be valued on the basis of their last available market value;
- e) liquid assets and money market instruments which are not listed or dealt in on a stock exchange or another regulated market with remaining maturity of less than twelve months will be valued at their nominal value increased by any interest accrued thereon, if any, such global value being amortised pursuant to the amortised costs method;
- f) futures, forward and options contracts not dealt in on a stock exchange or another regulated market will be valued at their liquidating value determined pursuant to the policies established in good faith by the Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts dealt in on a stock exchange or another organised market will be based on the last available settlement prices published by such stock exchange or other regulated market where these particular futures, forward or options contracts are traded. If a futures, forward or options contract could not be liquidated on the Valuation Day of the relevant assets, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;
- g) cash flows which result from swap transactions are calculated at the date of valuation of the zero-coupon swap rate corresponding to the maturity date of these cash flows. The value of the swaps is therefore derived from the difference between these two calculations;
- h) for each Sub-Fund, securities whose value is expressed in a currency other than the reference currency of that Sub-Fund will be converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre which is most representative for those securities.
- g) any other security, instrument or asset will be valued, prudently and in good faith, on the basis of their estimated sale prices by the Directors.

If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures..

In cases when applications for subscription or redemption are sizeable, the Directors may calculate the value of the Shares on the basis of rates during the trading session on the stock exchanges or markets during which the necessary securities for the Company could be bought or sold. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

16. SUSPENSION/DEFERRAL OF CALCULATION OF NET ASSET VALUE, SUBSCRIPTIONS AND REDEMPTIONS

The Company reserves the right not to accept instructions to redeem or convert on any one Dealing Day more than 10% of the total value of Shares in issue of any Sub-Fund. In these circumstances, the Directors may declare that any such redemption or conversion requests will be deferred until the next Dealing Day and will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Registrar and Transfer Agent.

The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Company are invested or in exceptional circumstances where the liquidity of the Company is not sufficient to meet the redemption requests.

The Board may temporarily suspend or defer the calculation of the Net Asset Value of any Share Class of any Sub-Fund and the issue and redemption of any Share Class in such Sub-Fund, as well as the right to convert Shares of any Class in any Sub-Fund into Shares of the same Class of the same Sub-Fund or any other Sub-Fund in the following circumstances:

- when one or more stock exchanges or regulated markets, which provide the basis for valuing a substantial portion of the Company's assets, or when one or more foreign exchange markets in the currency in which the net asset value of Shares is expressed or in which a substantial portion of the Company's assets is held, are closed other than for ordinary holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations;
- when, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the Company, the disposal of the Company's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests;
- in the case of a breakdown in the normal means of communication used to determine the value of an asset in the Company or when, for whatever reason, the value of an asset in the Company cannot be calculated as rapidly and as accurately as required;
- if, as a result of exchange controls or other restrictions on the movement of capital, transactions for the Company are rendered impracticable or if purchases or sales of the Company's assets cannot be made at normal rates of exchange;
- upon massive requests for redemption, the Company reserves the right to redeem the Shares at a redemption price determined as soon as the necessary sales of assets have been made, taking into account the interests of Shareholders as a whole, and has been in a position to affect the proceeds therefrom. One single price will be calculated for all the subscription, redemption and conversion requests tendered at the same time;
- in the case of the suspension of the calculation of the net asset value of one or several of the undertakings for collective investment in which the Company has invested a substantial portion of its assets;
- following the occurrence of an event giving rise to the winding-up of a Sub-Fund or of the Company as a whole;
- if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to a particular Share Class in the preparation or use of a valuation or the carrying out of a later or subsequent valuation;
- during any other circumstance or circumstances where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Company or its Shareholders might so otherwise have suffered.

The suspension of the calculation of the Net Asset Value of any Sub-Fund or Class shall not affect the valuation of other Sub-Funds or Classes, unless these Sub-Funds or Classes are also affected.

In such cases of suspension or deferral, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Sub-Funds affected by the suspensions shall be notified in the event that the

suspension period is extended. Furthermore, a Shareholder may withdraw his request in respect of any Shares not redeemed or converted, by notice in writing received by the Registrar and Transfer Agent before the end of such period.

The Company may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares in one or more Sub-Funds to individuals or corporate bodies resident or domiciled in some countries or territories. The Company may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Company.

In addition, the Company is entitled to:

- a) reject, at its discretion, any application to subscribe to Shares;
- b) redeem, at any time, Shares which have been acquired in violation of a measure of exclusion taken by the Company.

17. MARKET TIMING

The Company does not knowingly allow investments which are associated with market timing practices or any other excessive transactional practice which may adversely affect the performance of the Company or harm Investors. The Company reserves the right to reject any subscription or conversion request by, or may decide to redeem the whole holding of, an investor suspected of such practices. It will also take all necessary steps to protect Investors in the Company.

18. DIVIDENDS

The Directors reserve the right to introduce a distribution policy which may vary per Sub-Fund and Share Class, as described in Appendix I and II. In addition, the Directors may decide to declare interim dividends.

The Directors may also decide that dividends be automatically reinvested by the purchase of further Shares.

No dividend distribution which may result in the Companies' net assets being below EUR 1,250,000 can be made.

Dividends not claimed within 5 years following their payment are liable to be forfeited in accordance with the provisions of Luxembourg laws and will accrue for the benefit of the relevant Sub-Fund.

19. COMPANY EXPENSES

19.1 *Management Fees*

The Investment Manager and the Investment Advisor are entitled to receive from the Company a management fee and an advisory fee, respectively, payable out of the assets of the relevant Sub-Fund on a quarterly basis at a total annual rate which could vary per Sub-Fund as set out in Appendix I and II; both such fees will not exceed 1,5% in total of the average net asset value of the the relevant sub-Fund as determined during the relevant quarter concerned.

19.2 *Performance Fees*

The Investment Manager and the Investment Advisor will also receive jointly from the Company a performance fee, paid quarterly, as more fully described per Sub-Fund concerned in Appendix I and II, such fee to be shared between themselves as it may be agreed from time to time.

Investors should refer to Appendix I and II for further details as to the exact management fee as well as, where applicable, the performance fee, paid by each Sub-Fund.

The Custodian and the Central Administration Agent are remunerated in accordance with customary practice in the Luxembourg financial market up to a maximum of 0,50% per annum of the concerned sub-Fund's total average net assets, payable on a quarterly basis.

The amounts charged are shown in the Company's financial reports.

The Company bears all costs and expenses directly incurred in the operations including the following:

- all operational costs, including fees payable to accountants, any paying agent and permanent representatives in places of registration;
- all costs and expenses associated with other agents employed by the Company, including fees for legal and auditing services, promotional activities, printing, reporting and publishing expenses, including the cost of advertising or preparing, printing and filing of prospectuses, explanatory memoranda or registration statements, and other documents required by law or regulations;
- all costs for the listing of the Shares of the Company on any stock exchange or regulated market and all other operating expenses, including the cost of buying and selling assets, interest, bank charges, brokerage and charges on transactions involving securities in portfolio, postage, telephone and telex;
- all taxes and duties which might be due on the Company's assets or income earned by the Company, in particular the subscription tax (0.05% per annum) charged on the Company's net assets or governmental charges.

The Company shall bear its incorporation expenses, including the costs of drawing up and printing the Prospectus, notary public fees, the filing costs with administrative and stock exchange authorities, and any other costs pertaining to the setting up and launching of the Company.

These expenses, estimated at a maximum of 30,000 EUR, will be borne by the Sub-Fund created at the launch of the Company. These expenses may, at the discretion of the Board of Directors, be amortised on a straight line basis over 5 years from the date on which the Company commenced business. The Board of Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised.

The expenses incurred by the Company in relation to the launch of additional Sub-Funds will be borne by, and payable out of the assets of, those Sub-Funds and will be amortised on a straight line basis over 5 years from the launching date.

All recurring expenditure shall be charged first to the Sub-Fund's income, then to realized capital gains, then to the Sub-Fund's assets. Other expenses may be amortised over a period not exceeding five years.

Costs and expenses which cannot be allotted to one specific Sub-Fund or Class will be charged to the different Sub-Funds or Classes proportionately to their respective net assets or allocated in such way as the Directors will determine prudently and in good faith.

20. TAX ASPECTS

The Company is subject to Luxembourg tax legislation.

20.1 *The Company*

In accordance with Luxembourg legislation currently in force (which, is therefore, subject to any future changes), the Company is not subject to any tax on income, capital gains tax or wealth tax.

The Company's net assets are subject to a subscription tax of 0.05% per annum payable at the end of each calendar quarter and calculated on the basis of the Company's total net assets at the end of the relevant quarter; such tax is reduced to 0.01% per annum in respect of Classes comprising institutional investors only (as per article 129 of the Law of 20 December 2002), as well as in respect of liquidity funds. This tax is not applicable for the portion of the assets of a Sub-Fund invested in other Luxembourg undertakings for collective investment already subject to *taxe d'abonnement*.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Company except a one-off payment of EUR 1,250 upon incorporation of the Company.

20.2 Shareholders

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, and except for certain former residents of Luxembourg and non-residents if owning more than 10% of the share capital of the Company, disposing of it in whole or part within six months of acquisition.

However, it is incumbent upon any purchasers of Shares in the Company to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.

21. EUROPEAN UNION TAX CONSIDERATIONS

The Council of the European Union adopted on June 3, 2003, a Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. Under the Directive, EU Member States will be required to provide the tax authorities of another EU Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other EU Member State. Austria, Belgium and Luxembourg have opted instead for a withholding tax system for a transitional period in relation to such payments. Certain other countries, including the Swiss Confederation, the Caribbean countries, UK Channel Islands, Isle of Man, the Principality of Monaco and the Principality of Liechtenstein, will also be introducing measures equivalent to information reporting or withholding tax.

The law implementing the Directive in national legislation in Luxembourg was adopted on June 21, 2005 (the "Law").

Pursuant to the Law, from July 1st, 2008 until June 30th, 2011 the applicable withholding tax rate will be 20% a, rising to 35% from July 1, 2011.

Article 9 of the Law provides that no withholding tax will be withheld if the beneficial owner expressly authorizes the paying agent to report information in accordance with the provisions of the Law.

If withholding tax is applied, any dividends distributed by a fund will be subject to the directive if more than 15% of a fund's assets are invested in debt claims (as defined in the above mentioned Directive). Proceeds realised by shareholders on the disposal of shares will be subject to such reporting or withholding if more than 40% of a fund's assets are invested in debt claims.

As the Company qualifies as a UCITS under Part I of the 2002 Law, it may come within the scope of the Law. However, it is the investment policy pursued by each Sub-Fund that will determine whether dividends distributed by such Sub-Fund and capital gains realised by Shareholders on the disposal of Shares in such Sub-Fund will be subject to such reporting or withholding; such matter will therefore be specified for each Sub-Fund separately in Appendix I and II.

22. UNITED KINGDOM TAXATION

The following paragraphs, which are intended as a general guide only, summarise advice received by the Directors as to the position of Shareholders who are resident or ordinarily resident in the UK. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay. This summary is based on the law and proposed law as at the date of this document.

22.1 *Taxation of the Fund*

The Directors intend that the affairs of the Fund should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Fund does not carry on a trade in the UK (whether or not through a permanent establishment situated therein) the Fund will not be subject to UK corporation tax or income tax (except on UK source income) or UK tax on chargeable gains. The Directors of the Fund and the Investment Manager each intend that the respective affairs of the Fund and the Investment Manager are conducted so that these requirements are met insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

22.2 *Taxation of Shareholders*

Taxation of distribution

Subject to their personal circumstances, individual Shareholders resident in the UK for taxation purposes will, in general, be liable to UK income tax in respect of the gross amount of the dividends received or other distributions by the Fund, whether or not such distributions are reinvested in further shares of the Fund. Provided the fund is not substantially invested in interest bearing assets (see below) a shareholder who is an individual will generally be chargeable to UK income tax on dividends received from the Company at the dividend ordinary rate of 10% or, to the extent that the amount of the gross dividend when treated as the top slice of his or her income exceeds the threshold for the higher rate tax, at the dividend upper rate of 32.5% (with effective rate of 25% after deducting a non payable dividend tax credit). From 6 April 2010, a new 42.5 % dividend additional rate (with effective rate of 36.11% after deducting a non payable dividend tax credit) will apply where dividend income forms part of an individual's taxable income in excess of £150,000.

Special rules apply to UK resident individual shareholders who are not domiciled in the UK or are resident but not ordinarily resident in the UK

Shareholders who are subject to UK corporation tax should generally expect to be exempt from UK taxation in respect of dividends from the Fund, subject to the non-qualifying investments test which is outlined below and provided the dividend income would not fall to be treated as trading income.

Taxation of gains

Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 (the “Taxes Act”) provides that if an investor who is resident or ordinarily resident in the UK for taxation purposes holds a “material interest” in a collective investment scheme that constitutes an “offshore fund” and that collective investment scheme does not qualify as a “distributing fund” throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (“offshore income gain”) and not as a capital gain. The Shares will constitute “material interests” in an offshore fund for the purpose of those provisions of the Taxes Act.

This treatment would not apply where the Fund is certified by the UK HM Revenue & Customs as a distributing fund throughout the period during which the Shares have been held. The investment and any distribution policies of the Fund are currently not constituted to enable the Fund to qualify as a distributing fund and it is not currently intended that the Fund will apply to the UK HM Revenue & Customs for certification as a distributing fund in respect of each account period of the Fund. Where such certification is sought this may be sought retrospectively and there can be no guarantee that certification will be obtained for account periods of the Fund. The effect of certification as a distributing fund would be that any gains

arising to Shareholders resident or ordinarily resident in the UK on a sale, redemption or other disposal of Shares would be taxed as capital gains and not as offshore income gains.

22.3 New offshore funds rules effective from 1 December 2009

A new regime for offshore funds applies with effect for periods of account beginning on or after 1 December 2009, in accordance with Schedule 22 Part 1 of the Finance Act 2009 and the draft Offshore Funds (Tax) Regulations 2009 (the “Regulations”). Under the new rules, the definition of an offshore fund is based on a characteristics approach detailed in section 40A Finance Act 2008. Investors will be considered to have an interest in an offshore fund if they do not have day to day control over the management of the fund’s property and if a reasonable investor would expect to realise any investment based entirely or almost entirely by reference to the net asset value of the fund.

The proposed changes to the offshore fund rules will replace distributing fund status with “reporting fund” status. Under the new reporting fund regime, an investor who is resident or ordinarily resident in the UK for taxation purposes and holds an interest in an offshore fund will be taxed on any accrued gain at the time of sale, redemption or other disposal as an offshore income gain, unless the fund is regarded as a reporting fund throughout the period during which the investor holds an interest. If reporting fund status is obtained, investors shall be subject to tax on reported income attributable to the investor. Any gain accruing to the investor upon the sale, redemption or other disposal of their interest in a reporting fund will be subsequently taxed as a capital gain, but any undistributed income relating to that interest that has been subject to tax is treated as capital expenditure for the purpose of computing the amount of the chargeable gain. The Fund intends to seek reporting fund status for the period of account between 1 January 2010 and 31 December 2010 and the subsequent periods, subject to any consultation with Shareholders or their advisors. While the Directors of the Fund intend to conduct the business of the Fund in such a manner as to enable the Fund to qualify as a reporting fund it cannot be guaranteed that such certification will be obtained, or that, once obtained, it will continue to be available for any future fiscal year of the Fund.

22.4 The non-qualifying investments

Persons within the charge to UK corporation tax should note that the regime for the taxation of most corporate debt contained in Part 6 of the UK Corporation Tax Act 2009 (the “loan relationships regime”) provides that, if the person holds an interest in an offshore fund at any time in an accounting period such a person holds a material interest in an offshore fund within the meaning of the relevant provisions of the Taxes Act. If there is a time in that period when that fund fails to satisfy the “non-qualifying investments” test, the material interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the non-qualifying investments test at any time when more than 60 per cent of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the non-qualifying investments test.

On the basis of the investment policies of the Fund, it is intended that the Fund shall not invest more than 60 per cent of its assets in government and corporate debt securities or as cash on deposit or in certain derivative contracts or in other non-qualifying collective investment schemes and hence is expected to satisfy the non-qualifying investments test. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied. In the eventuality of failing the “non qualifying investments” test, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires Shares may, depending on their own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The attention of Shareholders subject to UK income tax is drawn to Section 39 of Finance Act 2009 which provides that certain distributions from offshore funds that are economically similar to payments of yearly interest will be chargeable to tax as if they were yearly interest. A distribution is treated as interest if the offshore fund, at any time during the ‘relevant period’, holds more than 60 per cent of its assets in the form of qualifying investments. As such, where the offshore fund fails to satisfy this test then any

distribution will be treated as interest for income tax purposes and the UK investors will be subject to income tax on such distributions at their appropriate marginal rate up to 40% to 5 April 2010, 50% thereafter.

22.5 *Controlled foreign companies legislation*

The attention of companies resident in the UK for taxation purposes is drawn to the fact that the “controlled foreign companies” legislation contained in Chapter IV of Part XVII of the Taxes Act could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of the Fund arising in an accounting period, if at the same time the Fund is controlled (as “control” is defined in Section 755D of the Taxes Act) by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes, or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the Fund, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The “chargeable profits” of the Fund do not include any of the capital gains of the Fund. The effect of these provisions could be to render such companies liable to UK corporation tax in respect of the income of the Fund.

22.6 *Other anti-avoidance provisions*

An investor who is an individual who has ceased to be resident or ordinarily resident in the UK for tax purposes for a period of less than five years of assessment and who disposes of their interest during that period may also be liable, on his return to the UK, to UK income tax on any offshore income gain.

The attention of individuals ordinarily resident in the UK is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007. These Sections contain anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Fund.

The attention of persons resident or ordinarily resident in the UK for taxation purposes is drawn to the provisions of section 13 Taxation of Chargeable Gains Act 1992 (“section 13”) and the supplementary provision of section 762 of the Taxes Act (“section 762”). Section 13 could be material to any such person who has an interest in the Company as a “participator” for UK taxation purposes (which term includes, but is not limited to, a shareholder) at a time when a chargeable gain accrues to the Company (such as on a disposal of any of its investments) if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” company for those purposes. The provisions of section 13 would result in any such person who is a participator being treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for UK taxation purposes does not exceed one-tenth of the gain. Section 13 was extended with effect from 6 April 2008 to individuals domiciled outside the UK, subject to the remittance basis in particular circumstances.

As disposals of certain Interests in offshore funds are subject to tax as offshore income gains, the provisions of section 762 substitute “offshore income gains” for any reference to “chargeable gain” in section 13. There is some uncertainty as regards whether section 762 actually operates in the way that it was intended, since it may be interpreted as only applying to offshore income gains generated by offshore funds, as opposed to any capital gains accruing to the offshore funds. Despite this uncertainty, it would be prudent to assume that section 762 applies to all capital gains realized by offshore funds in the same way as section 13, since this would appear to have been the intention of the UK tax authorities when the legislation was drafted.

22.7 Stamp duty

Transfers of Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within the UK when the transfer will be liable to UK ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid and rounded up (if necessary) to the nearest multiple of £5. No UK stamp duty reserve tax is payable on such transfers. It should be noted that the levels and bases of, and reliefs from, taxation can change.

22.8 Withholding Tax

Capital gains and other revenues received by the Fund may be subject to withholding or similar taxes imposed on foreign corporations by the country in which such gains or other revenues originate. In these jurisdictions taxes may be withheld at source on dividend and other income derived by the Fund. Capital gains derived by the Fund in such jurisdictions may often be exempt from income or withholding taxes at source. However, the treatment of capital gains varies among jurisdictions and may result in a liability to tax arising for investors in accordance with tax laws in certain jurisdictions.

23. FINANCIAL YEAR

The financial year of the Company ends on the 31st of December each year and for the first time on the 31st of December 2006.

24. PERIODICAL REPORTS AND PUBLICATIONS

The Company publishes an audited annual report within 4 months after the end of the financial year and an unaudited semi-annual report within 2 months after the end of the period to which it refers. The first report will be an unaudited semi-annual report as at 30 June 2006.

The annual report includes accounts of the Company and of each Sub-Fund.

All these reports will be made (free of charge) available to the Shareholders upon request at the registered office of the Company, the Custodian and other establishments appointed by the Custodian.

The Net Asset Value per Share of each Sub-Fund as well as the issue and redemption prices will be made public at the offices of the Custodian.

Any amendments to the Articles will be published in the Mémorial.

25. RIGHTS ON A WINDING-UP, DURATION - MERGER - DISSOLUTION OF THE COMPANY AND THE SUB-FUNDS

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an Extraordinary Meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidators to the Shareholders of the relevant Sub-Fund in proportion to the value of their holding of Shares.

If and when the net assets of all Classes in a Sub-Fund fall below an amount considered by the Directors or, as appropriate, by the general meeting of Shareholders of the relevant Sub-Fund or Share Class, as the minimum level allowing that Sub-Fund or Share Class to be operated in an economically efficient manner, or if any economic or political situation would constitute a compelling reason therefore, or in order to proceed to an economic rationalisation, or if required in the interest of the Shareholders of the relevant Sub-Fund, the Directors may decide to redeem all the Shares of that Sub-Fund. In any such event Shareholders will be notified by redemption notice published in such newspapers determined by the Directors in

accordance with Luxembourg laws at least one calendar month prior to compulsory redemption, and will be paid the Net Asset Value of the Shares of the relevant Class held as at the redemption date.

Under the same circumstances as described above, the Directors may decide to merge any Sub-Fund with one or more other Sub-Funds or merge any Sub-Fund into other collective investment undertakings governed by Part I of the 2002 Law or reorganise the Shares of a Sub-Fund into two or more Classes or combine two or more Share Classes into a single Class providing in each case it is in the interests of Shareholders of the relevant Sub-Funds. Publication of the decision will be made as described above including details of the merger and will be made at least one calendar month prior to the merger taking effect during which time Shareholders of the Sub-Fund or Share Classes to be merged may request redemption of their Shares free of charge. The decision to merge or liquidate a Sub-Fund may also be made at a meeting of Shareholders of the particular Sub-Fund concerned. When such merger is to be implemented with a fonds commun de placement (i.e. a collective investment undertaking of the contractual type having the legal structure of an unincorporated co-proprietorship) or a foreign based collective investment undertaking, resolutions shall be binding only such Shareholders who have expressly indicated their consent thereto.

Under the same circumstances as described above, the Directors may also decide upon the reorganisation of any Sub-Fund by means of a division into two or more separate Sub-Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more separate Sub-Funds resulting from the reorganisation. Such publication will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or switch of their Shares, free of charge, before the reorganisation becomes effective.

Any liquidation proceeds from the liquidation of a Sub-Fund remaining unclaimed after a period of six months will be deposited in escrow at the "Caisse de Consignations". Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg laws.

26. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are deposited and kept available for inspection at the offices of the Custodian and the Company's registered office:

- the Articles;
- the Prospectus;
- the Custodian Agreement concluded on February 3rd 2006 between Pictet & Cie (Europe) S.A. and the Company;
- the Central Administration Agent Agreement concluded on October 2nd, 2006 between Pictet & Cie (Europe) S.A. and the Company;
- the Investment Management Agreement effective as of March 28th, 2007 between SIA Funds AG and the Company;
- the Global Distributor Agreement dated March 28th, 2007 between Fiprodis and the Company;
- the annual and semi-annual reports of the Company.

27. INVESTMENT RESTRICTIONS

The Board of Directors has adopted the following restrictions relating to the investment of the Company's assets and its activities. These restrictions and policies may be amended from time to time by the Board of Directors if and as it shall deem it to be in the best interests of the Company, in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund. Those restrictions contained in paragraph (E) below are applicable to the Company as a whole.

27.1 *Investments in eligible assets*

- (A) (1) Investments in the Company shall comprise exclusively:
- a) transferable securities and Money Market Instruments listed or dealt in on a Regulated Market; and /or
 - b) transferable securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State; and /or
 - c) transferable securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State; and / or
 - d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, a official stock exchanges in an Other State or on an Other Regulated Market referred to above under (a) to (c) and that such a listing will be obtained within one year of the date of issue.
 - e) units of UCITS and/or other UCIs, whether situated in an Member State or not, provided that:
 - such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (at the time of the present prospectus, the laws of Canada, Hong Kong, Japan, Norway, Switzerland or the United States),
 - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
 - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
 - f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more that 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law; and/or
 - g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to in subparagraphs (a) to (c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments covered by this section (A)(1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
 - the counterparties to OTC derivative transactions are first class specialized institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.
- h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to in (a) to (c) above, or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law, or
 - issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net asset value of any Sub-Fund in transferable securities and money market instruments other than those referred to under (A)(1) above.

(B) Each Sub-Fund may hold ancillary liquid assets.

(C) (1) Each Sub-Fund may invest no more than 10% of its net asset value in transferable securities or Money Market Instruments issued by the same body.

Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

(2) (i) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the net asset value of such Sub-Fund;

(ii) This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

- (3) (i) The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (A)(1) (f) above or 5% of its net assets in other cases.

(ii) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (C)(1), (C)(2)(i), (C)(3)(i) and (v), (C)(4), (C)(5) and (C)(6)(i) and (iii). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (C)(1), (C)(2)(i), (C)(3)(i) and (v), (C)(4), (C)(5) and (C)(6)(i) and (iii).

(iii) When a transferable security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A)(1)(g), 2d indent, and (C)(3)(iv) as well as with the risk exposure and information requirements laid down in this Prospectus.

(iv) The Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

(v) Notwithstanding the individual limits laid down in paragraph (C)(1), C(2)(i) and C(3)(i), a Sub-Fund may not combine:

- investments in transferable securities or money market instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

- (4) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities or by any Other State or by public international bodies of which one or more Member States are members.

- (5) (i) The limit of 10% set forth below under (C)(1) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(ii) The securities and Money Market Instruments specified under (i) and (C)(4) above shall not be included in the calculation of the limit of 40% under (C)(2)(i).

- (6) (i) The limits set out in paragraphs (C)(1), C(2)(i), (C)(3)(i) and (v), (C)(4) and (5)(i) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivative instruments made

with this body, effected in accordance with paragraphs (C)(1), C(2)(i), (C)(3)(i) and (v), (C) (4) and (5)(i) may not, in any event, exceed a total of 35% of each Sub-Fund's net asset value.

(ii) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

(iii) A Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (7) **Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or by any OECD member state, or by public international bodies of which one or more Member States are members, the Company may invest 100% of the net asset value of any Sub-Fund in such securities and money market instruments provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Sub-Fund.**

Subject to having due regard to the principle of risk spreading, a Sub-Fund need not comply with the limits set out in Articles 43 to 46 of the law of 20th December 2002 relating to undertakings for collective investment for a period of 6 months following the date of its authorisation and launch.

- (8) Without prejudice to the limits set forth hereafter under (E), the limits set forth in (C)(1) are raised to a maximum of 20 % for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund 's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg regulatory authority, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit of 20% is raised to 35% where this proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- (D) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans for the purpose of acquiring foreign currency are not considered to be borrowings.

- (E) (i) The Company may not acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.

(ii) The Company may acquire no more than (a) 10% of the non-voting shares of the same issuer, (b) 10% of the debt securities of the same issuer, and/or (c) 10% of the money market instruments of any single issuer. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of instruments in issue cannot be calculated.

The limits set out in paragraph (E)(i) and (ii) above shall not apply to:

- (i) transferable securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
 - (ii) transferable securities and Money Market Instruments issued or guaranteed by any Other State;
 - (iii) transferable securities and Money Market Instruments issued by public international bodies of which one or more Member States are members; or
 - (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Sub-Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the law of 20th December 2002 relating to undertakings for collective investment.
- (F) (i) Each Sub-Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph (A)(e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of investment limit, each sub-fund of a UCI with multiple Sub-Funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various Sub-Funds vis-à-vis third parties is ensured.

- (ii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 10% of the net asset of a Sub-Fund.
- (iii) When a Sub-Fund invests in the units of other UCITS and/or other UCIs linked to the Company by common management or control, or by a direct or indirect holding of more than 10%, or managed by a management company linked to the relevant Investment Manager, no subscription or redemption or management or performance fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.
- (iv) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.
- (v) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.

The investment limits laid down above may be exceeded whenever subscription rights attaching to securities which form part of the Company's assets are being exercised.

If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Company's control, the Company shall endeavour as a priority aim to redress the balance, while taking due account of the interests of the Company's Shareholders.

27.2 Prohibited Investments

- (A) The Company will not make investments in precious metals or certificates representing these.

- (B) The Company may not enter into transactions involving commodities or commodity contracts, except that the Company may employ techniques and instruments relating to transferable securities within the limits set out in paragraph 3. below.
- (C) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (D) The Company may not carry out uncovered sales of transferable securities, other financial instruments or Money Market Instruments referred to in 1.(A) (1) (e), (g) and (h).
- (E) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans for the purposes of acquiring foreign currency are not considered to be borrowings.
- (F) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (G) The Company will not underwrite or sub-underwrite securities of other issuers.

27.3 *Special Techniques and Instruments*

(A) General

Unless further restricted by the investment policies of a specific Sub-Fund as described in the Appendix below, the Company may employ techniques and instruments relating to transferable securities and Money Market Instruments for efficient portfolio management purposes or for hedging purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down above under "1. Eligible Investments".

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

(B) Securities lending

Unless further restricted by the investment policies of a specific Sub-Fund as described in the Appendix below, the Company may enter into securities lending and borrowing transactions provided that they comply with the following rules:

- 1) The Company may only lend securities which it holds in portfolio through a standard securities lending scheme, organised by an authorized securities clearing house or a first-rate financial institution specialized in such operations.

Securities lending operations may not involve more than 50% of the estimated total value of the securities held in portfolio, it being understood that this ceiling is not applicable if the Company is entitled to demand, at all times, that the contract be terminated and the securities returned. Securities lending operations may not last for longer than 30 days.

Under the terms of securities lending operations, the Company shall in principle receive in return a guarantee whose value at the time of the conclusion of the contract shall be at least equal to the

total estimated value of the securities lent and shall remain so for the duration of the securities lending transaction. This guarantee shall be in the form of:

- liquid assets, and/or
- securities issued or guaranteed by OECD member states, by their local authorities or by supranational institutions and undertakings of a community regional or worldwide nature and/or by first class financial institutions, and blocked in the Company's name until the contract to lend securities expires, and /or
- shares listed on an EU stock exchange issued by a highly rated financial institution and entered in an escrow account in the name of the Company until the expiry date of the loan contract

Such a guarantee shall not be required if the securities lending is made through recognized clearing institutions or through any other organisation assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise.

- 2) The Company may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Custodian fails to make delivery.

The securities borrowed by the Company may not be disposed of during the time they are held by the Company, unless they are covered by sufficient financial instruments which enable the Company to reconstitute the borrowed securities at the close of the transaction.

Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund, nor may they last for longer than 30 days.

(C) Repurchase Agreements

- 1) The Company may, from time to time and on an ancillary basis, enter into repurchase agreements, which consist in the purchase and sale of securities whereby the terms of the agreement entitle the seller to repurchase from the purchaser the securities at a price and at a time agreed amongst the two parties at the conclusion of the agreement. The Company may act either as purchaser or seller in repurchase transactions. The Company may purchase or sell securities in the context of a repurchase agreement only if its counterpart is a highly rated financial institution specialized in this type of transactions. During the lifetime of a repurchase agreement, the Company may not sell the securities which are the object of the agreement either before the repurchase of the securities by the counterparty has been carried out or the repurchase period has expired. , The Company must ensure to maintain the importance of purchased securities subject to a repurchase obligation at a level such that it is able, at all times, to meet its obligations to redeem its own Shares at the request of its Shareholders.

28. RISK MANAGEMENT PROCESS

The Company will employ a risk-management process which enables it with the Investment Managers to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Company or the relevant Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments. The Company will more specifically use the VAR method, coupled with stress testing in order to evaluate the market risk component of the overall risk associated with derivative financial instruments.

29. RISK CONSIDERATIONS

29.1 *General*

The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in equities, fixed income securities, currency instruments, derivatives and other similar instruments. Investors should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. Where the currency of the relevant Sub-Fund varies from the Investor's home currency, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

The Company bears the general risks laid down below. However, each Sub-Fund is subject to specific risks, which the Board of Directors will seek to lower, as listed in the Appendix I and II.

29.2 *Equity Securities*

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher, because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

29.3 *Investment in Collective Investment Schemes*

Investment in collective investment schemes may embed a duplication of the fees and expenses charged to the Company, i.e. setting-up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, custodian bank fees and other service providers' fees. The accumulation of these costs may entail higher costs and expenses than would have been charged to the Company if the latter had invested directly. The Company will however seek to avoid any irrational multiplication of costs and expenses to be borne by investors.

Also, the Company must ensure that its portfolios of targeted collective investment schemes present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to meet redemption requests as and when they are submitted. Any absence of liquidity may impact the liquidity of the Company's Shares and the value of its investments.

29.4 *Investment in Warrants*

Investors should be aware of, and prepared to accept, the greater volatility in the prices of warrants which may result in greater volatility in the price of the Shares. Thus, due to their nature, warrants may involve Shareholders in a greater degree of risk than conventional securities would do.

29.5 *Stock Market Volatility*

The net asset value of the Company will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

29.6 *Issuer-Specific Risk*

The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

29.7 *Interest Rate Risks*

The net asset value of the Company will change in response to fluctuations in interest rates. Generally, interest rate risk involves the risk that when interest rates decline, the market value of bonds tends to increase, and vice versa. The extent to which the price of a bond changes as the interest rates move may differ by the type of the debt securities.

29.8 *Investment in derivative instruments*

Under certain conditions, the Company may use options and futures on securities, indices and interest rates, as described in the Prospectus under “Investment Restrictions”, for the purpose of efficient portfolio management. Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts. In order to facilitate efficient portfolio management and to better replicate the performance of the benchmark, the Company may finally, for a purpose other than hedging, invest in derivative instruments. The Company may only invest within the limits set out in the Prospectus under “Investment Restrictions”.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact which may work for or against the Investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.a., changing supply and demand relationships, government, fiscal, monetary and exchange control programs and policies, national and international political and economic events and government intervention in certain markets, particularly in the currency and interest rate markets. Futures are also subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached.

Transactions in options also carry a high degree of risk. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

29.9 *Political and/or Regulatory Risks*

The value of the Company’s assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

29.10 Funds Investing in Lower Rated, Higher Yielding Debt Securities

The Sub-Funds may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in these Sub-Funds is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

29.11 Market and Settlement Risks

- The securities markets in some countries lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.
- Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets.
- The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.
- Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

29.12 Foreign Exchange/Currency Risk

Although Shares in the Company may be denominated in a particular currency, the Company may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Company as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Company's investments are denominated. The Company may therefore be exposed to a number of risks as follows:

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.
- It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

29.13 Execution and Counterparty Risk

The Company may be subject to the risk of the inability of the counterparty, or any other entities, in or with which an investment or transaction is made, to perform in respect of undertaken transactions, whether due to insolvency, bankruptcy or other causes.

In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

29.14 *Illiquidity/Suspension of Share dealings.*

Some Sub-Funds may face temporary illiquidity situations due to parameters such as market activity, small volumes of investments or difficulties in the pricing of underlying investments.

Under certain exceptional circumstances, such as unusual market conditions, an unusual volume of repurchase requests or other, illiquidity situations may lead the Company to suspend or defer the redemption or conversion of Shares .

29.15 *Custody Risk*

Local custody services in some of the market countries in which the Company may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

29.16 *Taxation*

Potential investors' attention is drawn to the taxation risks associated with investing in the Company. Further details relating to the Luxembourg tax legislation are given under the heading "Tax Aspects" in the main part of the prospectus. However, nothing in this Prospectus may be construed any tax advice and investors should consult their own professional advisers regarding any tax issues in the context of any contemplated investment in the Company.

Appendix I
SUB-FUNDS IN OPERATION

30. LONG TERM INVESTMENT FUND (SIA) - CLASSIC

30.1 *Objectives and investment policy*

Profile of the typical investor: this Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and it requires an investment horizon of at least 5 years.

Investment Objective

To provide long-term capital appreciation, primarily through investment in a portfolio of equity securities of undervalued companies worldwide with a high growth and profitability potential.

Investment Policy

The Sub-Fund will invest at least two thirds of its total assets in equity and equity related securities issued by companies listed on official stock exchanges.

The portfolio will be made of a limited, yet diversified, selection of securities considered by the Investment Manager as offering the greatest potential for profitability, which is key in the Sub-Fund's long term investment philosophy. Investment risk will be spread by preserving a neutral bias, hence there will apply no restrictions as to specific currency, sector or regional weights.

The securities of the portfolio will mainly consist of ordinary or preferred shares, convertible bonds, and to a lesser extent, warrants on transferable securities and options. The Sub-Fund may also invest up to 10% of its net assets in other open-ended undertakings for collective investment.

The Sub-Fund will be normally fully invested; however, if the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, on an ancillary basis and for defensive purposes, hold liquid assets, Money Market Funds and money-market instruments which are traded regularly and whose residual maturity does not exceed 12 months.

Within the limits set out in the investment restrictions in the main body of the Prospectus, the Investment Manager may use derivative techniques and instruments for hedging purposes or for efficient portfolio management, in order to improve the returns of the Sub-Fund. In particular, the Sub-Fund may use call or put options and/or futures and/or forward contracts on transferable securities, interest rates, currencies, indices and other financial instruments, such as swaps agreements, traded on Regulated Markets or over-the-counter.

Investments in debt securities, within the meaning of Council Directive 2003/48/EC ("EU Savings Directive") on the taxation of savings income, will be limited to 15% of the Sub-Fund's net assets; in exceptional circumstances only, when market conditions so command, such limit may be exceeded but, in any event, investments of this kind will then not exceed 40% of the Sub-Fund's net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Sub-Fund will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.

30.2 *Risk Factors*

The Sub-Fund is subject to the specific risks linked to investments in equity securities and collective investment schemes as well as to market volatility linked to the investment in derivative instruments and warrants. Furthermore, a risk of illiquidity of the Sub-Fund may not be excluded; finally, to the extent the Sub-Fund may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to "Risk Considerations" in the Prospectus.

30.3 *Performance History*

As the Sub-Fund has not had a complete financial year as yet, no performance figures are available at present.

30.4 *Dividend Policy*

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

30.5 *Share Classes*

LONG TERM INVESTMENT FUND (SIA) - Classic

Class reference	ISIN	Class Currency	Class specific information
Classic II CHF	LU0423699775	CHF	These Share Classes are available to subscriptions
Classic II EUR	LU0423699429	EUR	
Classic II USD	LU0423699692	USD	
Classic II GBP	LU0457694296	GBP	
Classic CHF	LU0301246772	CHF	These Share Classes are closed to subscriptions. Conversions between these Share Classes are however permitted.
Classic EUR	LU0244071956	EUR	
Classic USD	LU0301247077	USD	

Reference currency

For reporting purposes, the assets of the Sub-Fund are consolidated in Euro (EUR); however, Shares in this Sub-Fund are also offered in CHF and USD.

30.6 *General information on the Sub-Fund's Share Classes*

Management of the Sub-Fund

SIA Funds AG

Frequency of calculation of NAV

Daily.

Management and Distribution fees specific to this Sub-Fund

1,5%

Other fees

Performance fee: The Investment Manager and the Global Distributor will receive a performance fee, paid quarterly, based on the net asset value (NAV), equivalent to 15 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The latest NAV per share after deduction of performance fee during the previous

- calculation period; and
- The latest high water mark.

The high water mark for the first period is the initial NAV per share.

Provision will be made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the high water mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the high water mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

For the Share Classes “Classic CHF, Classic EUR and Classic USD, the calculation period corresponds to each calendar quarter.

For the Share Classes “Classic II CHF, Classic II EUR and Classic II USD the first performance fee calculation period will begin on June 1st, 2009 and ends at the end of the second quarter of 2009, i.e. 30 June 2009. Thereafter, the calculation period corresponds to each calendar quarter.

Performance fees are payable within 15 business days following the closing of the quarterly accounts.

The formula for the calculation of the performance fee is as follows:

F	=	0
		If $(B / E - 1) \leq 0$
F	=	$(B / E - 1) * E * C * A$
		If $(B / E - 1) > 0$
The new high water mark	=	Max (E ; D)
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (15%)	=	C
NAV per share after performance	=	D
High water mark	=	E
Performance fee	=	F

31. LONG TERM INVESTMENT FUND (SIA) - ALPHA

31.1 *Objectives and investment policy*

Profile of the typical investor: this Sub-Fund is a higher risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long term returns than minimising possible short term losses, hence it requires an investment horizon of at least 5 years.

Investment Objective

To provide long-term capital appreciation, primarily through investment in a select portfolio of equity securities of undervalued companies worldwide which the Investment Manager believes offer the best potential for high future growth and profitability. To achieve this, the Investment Manager will adopt an active management strategy, by aggressively positioning the portfolio according to prevailing market conditions on the basis of a selected number of securities which it believes have the potential to provide enhanced returns relative to the market. The portfolio will be essentially identical to that of “LONG TERM INVESTMENT FUND (SIA) – Classic”, another Sub-Fund of the Company. In addition to the investment policy of this latter one, the Investment Manager of the Sub-Fund will try to isolate the portfolio returns from the vagaries of the markets by taking a short position against the indices via the use of derivative techniques and instruments, as set out in more details below. In this way, the net returns of the Sub-Fund will only amount to the outperformance of the Sub-Fund’s portfolio, regardless of what the markets do. Over time, this strategy should lead to a lower volatility than that of the “Classic” Sub-Fund: if the securities are well picked, the Sub-Fund will post relatively good results when the markets are down and less good when they are up.

Investment Policy

The Sub-Fund will invest at least two thirds of its total assets in equity and equity related securities issued by companies listed on official stock exchanges.

The portfolio will be made of a limited, yet diversified, selection of securities considered by the Investment Manager as offering the greatest potential for profitability, which is key in the Sub-Fund’s long term investment philosophy. Investment risk will be spread by preserving a neutral bias, hence there will apply no restrictions as to specific currency, sector or regional weights.

The securities of the portfolio will mainly consist of ordinary or preferred shares, convertible bonds, and to a lesser extent, warrants on transferable securities and options. The Sub-Fund may also invest up to 10% of its net assets in other open-ended undertakings for collective investment.

The Sub-Fund will be normally fully invested; however, if the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, on an ancillary basis and for defensive purposes, hold liquid assets, Money Market Funds and money-market instruments which are traded regularly and whose residual maturity does not exceed 12 months.

Within the limits set out in the investment restrictions in the main body of the Prospectus, the Investment Manager will use derivative techniques and instruments for hedging purposes or for efficient portfolio management, in order to improve the returns of the Sub-Fund. In particular, the Sub-Fund may use call or put options and/or futures and/or forward contracts on transferable securities, interest rates, currencies, indices and other financial instruments, such as swaps agreements, traded on Regulated Markets or over-the-counter.

Investments in debt securities, within the meaning of Council Directive 2003/48/EC (“EU Savings Directive”) on the taxation of savings income, will be limited to 15% of the Sub-Fund’s net assets; in exceptional circumstances only, when market conditions so command, such limit may be exceeded but, in any event, investments of this kind will then not exceed 40% of the Sub-Fund’s net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Sub-Fund will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.

31.2 Risk Factors

The Sub-Fund is subject to the specific risks linked to investments in equity securities and collective investment schemes as well as to market volatility linked to the investment in derivative instruments and warrants. Furthermore, a risk of illiquidity of the Sub-Fund may not be excluded; finally, to the extent the Sub-Fund may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to “Risk Considerations” in the Prospectus.

31.3 Performance History

As the Sub-Fund has not had a complete financial year as yet, no performance figures are available at present.

31.4 Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

31.5 Share Classes

LONG TERM INVESTMENT FUND (SIA) - Alpha

Class reference	ISIN	Class Currency	Class specific information
Alpha II CHF	LU0423700029	CHF	These Share Classes are available to subscriptions
Alpha II EUR	LU0423699858	EUR	
Alpha II USD	LU0423699932	USD	
Alpha II GBP	LU0457693215	GBP	
Alpha CHF	LU0301246855	CHF	These Share Classes are closed to subscriptions. Conversions between these Share Classes are however permitted.
Alpha EUR	LU0244072178	EUR	
Alpha USD	LU0301247150	USD	

Reference currency

For reporting purposes, the assets of the Sub-Fund are consolidated in Euro (EUR); however, Shares in this Sub-Fund are also offered in CHF and USD.

31.6 General information on the Sub-Fund's Share Classes

Management of the Sub-Fund

SIA Funds AG

Frequency of calculation of NAV

Daily.

Management and Distribution fees specific to this Sub-Fund

1,5%

Other fees

Performance fee: The Investment Manager and the Global Distributor will receive a performance fee, paid quarterly, based on the net asset value (NAV), equivalent to 20 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The latest NAV per share after deduction of performance fee during the previous calculation period; and
- The latest high water mark.

The high water mark for the first period is the initial NAV per share.

Provision will be made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the high water mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the high water mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

For the Share Classes “Alpha CHF, Alpha EUR and Alpha USD, the calculation period corresponds to each calendar quarter.

For the Share Classes “Alpha II CHF, Alpha II EUR and Alpha II USD, the first performance fee calculation period will begin on June 1st, 2009 and ends at the end of the second quarter of 2009, i.e. 30 June 2009. Thereafter, the calculation period corresponds to each calendar quarter.

Performance fees are payable within 15 business days following the closing of the quarterly accounts.

The formula for the calculation of the performance fee is as follows:

F	=	0
		If $(B / E - 1) \leq 0$
F	=	$(B / E - 1) * E * C * A$
		If $(B / E - 1) > 0$
The new high water mark	=	Max (E ; D)
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (20%)	=	C
NAV per share after performance	=	D
High water mark	=	E
Performance fee	=	F

32. LONG TERM INVESTMENT FUND (SIA)- GLOBAL ENERGY VALUE

32.1 Objectives and investment policy

Profile of the typical investor: this Sub-Fund is a high risk vehicle aiming to provide capital growth. It may be suitable for investors who are seeking long term growth potential offered through investment in equities and it requires an investment horizon of at least 5 years.

Investment Objective

To provide long-term capital appreciation, primarily through investment in a portfolio of equity securities of energy companies worldwide.

Investment Policy

The Sub-Fund will invest at least two-thirds of its total assets in equity and equity related securities issued by energy related companies worldwide, such as oil, gas and coal exploration and production (E&P), refiners and all other kind of service providers to the energy industry..

Investment risk will be spread by preserving a neutral bias, hence there will apply no restrictions as to specific currency, sector or regional weights.

The securities of the portfolio will consist of ordinary or preferred shares, convertible bonds, and to a lesser extent, warrants on transferable securities and options. The Sub-Fund may also invest up to 10% of its net assets in other open-ended undertakings for collective investment.

The Sub-Fund will be normally fully invested; however, if the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, on an ancillary basis and for defensive purposes, hold liquid assets, Money Market Funds and money-market instruments which are traded regularly and whose residual maturity does not exceed 12 months.

Within the limits set out in the investment restrictions in the main body of the Prospectus, the Investment Manager may use derivative techniques and instruments in order to hedge the risk from a drop in the price of oil or for efficient portfolio management,. In particular, the Sub-Fund may use call or put options and/or futures and/or forward contracts on transferable securities, interest rates, currencies, indices and other financial instruments, such as swaps agreements, traded on Regulated Markets or over-the-counter.

Investments in debt securities, within the meaning of Council Directive 2003/48/EC (“EU Savings Directive”) on the taxation of savings income, will be limited to 15% of the Sub-Fund’s net assets; in exceptional circumstances only, when market conditions so command, such limit may be exceeded but, in any event, investments of this kind will then not exceed 40% of the Sub-Fund’s net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Sub-Fund will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.

32.2 Risk Factors

The Sub-Fund is subject to the specific risks linked to investments in equity securities and collective investment schemes as well as to market volatility linked to the investment in derivative instruments and warrants. Furthermore, a risk of illiquidity of the Sub-Fund may not be excluded; finally, to the extent the Sub-Fund may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to “Risk Considerations” in the Prospectus.

32.3 Performance History

As the Sub-Fund has not had a complete financial year as yet, no performance figures are available at present.

32.4 Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

32.5 Share Classes

LONG TERM INVESTMENT FUND (SIA) - Global Energy Value

Class reference	ISIN	Class Currency
Global Energy Value-CHF Class	LU0301246939	CHF
Global Energy Value-EUR Class	LU0244072335	EUR
Global Energy Value-USD Class	LU0301247234	USD
Global Energy Value-GBP Class	LU0457696077	GBP

Reference currency

EURO; however, Shares in this Sub-Fund are also offered in CHF, GBP and USD

Management of the Sub-Fund

SIA Funds AG

Frequency of calculation of NAV

Daily.

Management and Distribution fees specific to this Sub-Fund

1,5%

Other fees

Performance fee: The Investment Manager and the Global Distributor will receive a performance fee, paid quarterly, based on the net asset value (NAV), equivalent to 15 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark is defined as the greater of the following two figures:

- The latest NAV per share after deduction of performance fee during the previous calculation period; and
- The latest high water mark.

The high water mark for the first period is the initial NAV per share.

Provision will be made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has

been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realised may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the high water mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the high water mark at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

The first performance fee calculation period will begin at the end of the initial subscription period and terminate at the end of the first quarter of 2006, i.e. 31 March 2006. Thereafter, calculation period shall correspond to each calendar quarter.

Performance fees are payable within 15 business days following the closing of the quarterly accounts.

The formula for the calculation of the performance fee is as follows:

$$\begin{aligned}
 F &= 0 && \text{If } (B / E - 1) \leq 0 \\
 F &= (B / E - 1) * E * C * A && \text{If } (B / E - 1) > 0 \\
 \\
 \text{The new high water mark} &= \text{Max } (E ; D) \\
 \\
 \text{Number of shares outstanding} &= A \\
 \text{NAV per share before performance} &= B \\
 \text{Performance fee rate (15\%)} &= C \\
 \text{NAV per share after performance} &= D \\
 \text{High water mark} &= E \\
 \text{Performance fee} &= F
 \end{aligned}$$

APPENDIX II

SUB-FUNDS NOT ACTIVATED YET

33. LONG TERM INVESTMENT FUND (SIA) - STABILITY

33.1 *Objectives and investment policy*

Profile of the typical investor: this Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for investors seeking prudent balanced diversification, combining mainly the relative stability of the debt markets over the long term and the growth potential of a core equity strategy. The recommended investment horizon is 3 to 5 years.

Investment Objective

To provide long-term capital appreciation, primarily through investment in a select portfolio of worldwide equity and debt securities. To achieve this, the Investment Manager will attempt to hold volatility to a minimum while providing a healthy net return above basic interest rates.

Investment Policy

The Sub-Fund will invest at least two thirds of its total assets in equity and debt securities.

As regards the equity side of investments, the Sub-Fund will invest, but will not be limited to, in equity and equity related securities issued by undervalued companies listed on official stock exchanges. Such securities may consist of ordinary or preferred shares, convertible bonds, and to a lesser extent, subscription rights on transferable securities and warrants on transferable securities and options.

As regards the fixed income side, the portfolio of the Sub-Fund will include, but will not be limited to, bonds and other fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-national and corporate issuers worldwide. To provide a strong element of stability, an important part of the fixed income side will be invested in top-quality bonds, that is bonds with an investment grade (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

Investment risk will be spread by preserving a neutral bias, hence there will apply no restrictions as to specific currency, sector or regional weights.

The Sub-Fund may also invest up to 10% of its net assets in other open-ended undertakings for collective investment.

The Sub-Fund will be normally fully invested; however, if the Investment Manager considers this to be in the best interest of the shareholders, the Sub-Fund may also, on an ancillary basis and for defensive purposes, hold liquid assets, Money Market Funds and money-market instruments which are traded regularly and whose residual maturity does not exceed 12 months.

Within the limits set out in the investment restrictions in the main body of the Prospectus, the Investment Manager will use derivative techniques and instruments in order to systematically hedge away all market risks. In particular, the Sub-Fund may use call or put options and/or futures and/or forward contracts on transferable securities, interest rates, currencies, indices and other financial instruments, such as swaps agreements, traded on Regulated Markets or over-the-counter. The Sub-Fund may also invest, within the limits permitted by law, in structured products that have a daily liquidity and are listed on organised OECD markets.

Investments in debt securities, within the meaning of Council Directive 2003/48/EC (“EU Savings Directive”) on the taxation of savings income, will not exceed 40% of the Sub-Fund’s net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Sub-Fund will not be subject to the reporting or withholding requirements imposed by the EU Savings Directive.

33.2 Risk Factors

The Sub-Fund is subject to the specific risks linked to investments in equity securities and collective investment schemes as well as to market volatility linked to the investment in derivative instruments and warrants. Furthermore, a risk of illiquidity of the Sub-Fund may not be excluded; finally, to the extent the Sub-Fund may invest in securities of emerging markets, it may further be subject to risks related to such type of investments. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to “Risk Considerations” in the Prospectus.

33.3 Performance History

As the Sub-Fund has not had a complete financial year as yet, no performance figures are available at present.

33.4 Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, no dividend shall be paid out. However, the Directors reserve their right to revise this policy at their discretion.

33.5 Share Classes

LONG TERM INVESTMENT FUND (SIA) - Stability

Reference currency

EURO; however, Shares in this Sub-Fund may also be offered in CHF and USD.

Management of the Sub-Fund

SIA Funds AG, Pfäffikon

Frequency of calculation of NAV

Daily

Management and Distribution fees specific to this Sub-Fund

1,5%

Other fees

Performance fee: The Investment Manager and the Global Distributor will receive a performance fee, paid quarterly, based on the net asset value (NAV), equivalent to 15 % of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

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The first performance fee calculation period will begin at the end of the initial subscription period and terminate at the end of the first quarter of 2006, i.e. 31 March 2006. Thereafter, calculation period shall correspond to each calendar quarter.

Performance fees are payable within 15 business days following the closing of the quarterly accounts.

The formula for the calculation of the performance fee is as follows:

F	=	0
		If $(B / E - 1) \leq 0$
F	=	$(B / E - 1) * E * C * A$
		If $(B / E - 1) > 0$
The new high water mark	=	Max (E ; D)
Number of shares outstanding	=	A
NAV per share before performance	=	B
Performance fee rate (15%)	=	C
NAV per share after performance	=	D
High water mark	=	E
Performance fee	=	F