

GLOBAL FUND SELECTION SICAV

Investment company
with variable capital

Luxembourg

(Société d'investissement à Capital Variable)

R.C.S. Luxembourg N° B.65.035

VAT N° : LU 21640950

Prospectus

August 2011

This Prospectus has been written in German language and has been translated to English. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the German version shall always prevail.

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Introduction

GLOBAL FUND SELECTION SICAV (the "Company") has been incorporated under Part II of the Luxembourg law of 17 December 2010 on undertakings for collective investments in the list of Luxembourg investment funds. However, this entry does not include a rating by a Luxembourg supervisory authority with regard to the contents of this Prospectus or with regard to the value of the assets held by the Company. Any indication to the contrary is unauthorised and unlawful.

The public notification of the Company (*notice légale*) required by Luxembourg law with regard to the issue and sale of shares (the "Shares") has been deposited with the Registry of the District Court of Luxembourg (*tribunal d'arrondissement à Luxembourg*).

The issue of this Prospectus ("Prospectus") and the offering of shares in the Company may be restricted in certain jurisdictions. Anyone who receives this Prospectus should inquire about any such restrictions and comply with them. The Prospectus does not contain any offering aimed at persons to whom such an offering cannot legally be made.

Any information or communication from distributors, sellers or other persons not listed in the Prospectus is to be regarded as unauthorised and therefore irrelevant.

IMPORTANT NOTE: Shares in the Company are offered on the basis of the information and data contained in the Prospectus or the documents to which the Prospectus relates, including the latest annual report and, if applicable, any subsequent semi-annual report and other information or data in this context are not permitted. If in doubt about the content of the Prospectus, please consult a broker, a bank clerk, solicitor, accountant or other professional investment adviser. This Prospectus may not be brought into circulation in the United States of America.

The personal data of the buyers and/or distributors shall be processed by KBL EUROPEAN PRIVATE BANKERS S.A., KREDIETRUST Luxembourg S.A. and EUROPEAN FUND ADMINISTRATION S.A. ("EFA") in such a way as to allow the proper management of the Company, the execution of transactions according to the prospectus conditions and the service agreements, the correct execution of payments and the proper organisation of general meetings. Shareholders and/or distributors are entitled to access their data to allow them to be modified, corrected and updated.

In Luxembourg, there is the possibility of launching a Fast Track process (cf. Association of the Luxembourg Fund Industry website), which allows the creation of side pockets for not only short-term illiquid investments of a fund under certain, very limited circumstances.

The Board reserves the right in exceptional cases to apply for this Fast Track process for such investments, in order to safeguard the investors' interests.

In this brochure EURO stands for the common currency of the EU Member States participating in the economic and monetary union.

Administration

Board of Directors

Board members

Chairman Mr HARALD WANKE

Chairman of the Board,
Sparkasse Schwaz AG, Schwaz

MICHEL PIPAZ

Head of Investment Advisory, Private Banking &
Key Accounts with Sparkasse Kufstein, Kufstein

MARKUS LACKNER

Head of Asset Liability Management
Sparkasse Schwaz AG, Schwaz

ANDRÉ SCHMIT

Conducting Officer
Kredietrust Luxembourg S.A.

Promoter:

Sparkasse SCHWAZ AG, Schwaz

Registered office:

11, Rue Aldringen
L-1118 Luxembourg

Investment manager:

Sparkasse SCHWAZ AG, Schwaz

Custodian bank:

KBL EUROPEAN PRIVATE BANKERS S.A.
L-2955 Luxembourg, 43, Bd. Royal

Domiciliary, registrar and
transfer agent:

Kredietrust Luxembourg S.A.
L-2960 Luxembourg, 11, Rue Aldringen

Auditor:

Deloitte S.A.
L - 2220 Luxembourg, 560, rue de Neudorf

The Company

The Company is an investment fund that was incorporated under Luxembourg law as a corporation in the form of an investment company with variable capital (*société d'investissement à capital variable, SICAV*). The Articles of Association were published in the Official Journal of the Grand Duchy of Luxembourg (Mémorial C) on 31.7.1998.

The Company was incorporated on 6.7.1998.

The Company's capital corresponds at all times to the aggregate net assets of all of the Company's sub-funds. In accordance with the Company's Articles of Association ("Articles of Association") the Company's Board of Directors ("Board") may issue shares in each sub-fund. Each sub-fund is comprised of separate collective assets that are invested in accordance with the relevant investment objectives for the underlying sub-fund.

The minimum capital of the Company, which must be achieved within 6 months of the approval of the Company as an undertaking for collective investment under Luxembourg law is EUR 1,250,000.00.

The Company is registered in the Commercial Register at the District Court of Luxembourg under the number B 65 035. Copies of the Articles of Association are available at the District Court and the company's headquarters in Luxembourg.

Umbrella Structure

The Company was established as an "umbrella fund", which allows investors to choose between one or more investment objectives by investing in one or more sub-funds within the same organisation. Currently, shares are offered in two sub-funds. The Board may decide from time to time that the Company issues shares of other classes whose sub-funds have different investment objectives. In such a case, the Prospectus will be adjusted accordingly. In the relationship between the shareholders (but not with regard to third parties), the assets of each sub-fund are segregated from the assets of the other sub-funds. To determine the total net assets of the Company, the assets of the various sub-funds are converted into EURO, unless they are already denominated in EURO.

Copies of the Prospectus and subsequent editions of the Prospectus can be obtained from the Domiciliary, Registrar and Transfer Agent.

Profile of the investor group, risk profile and investment policy

The Company is an open ended investment company which invests in part in other investment funds or in other shares. Each portfolio may be temporarily held mostly in bank deposits, where this is necessary in the interests of shareholders or for the protection of the sub-fund or in the interests of the specific investment policy of the relevant sub-fund. Each portfolio (sub-fund) has different investment objectives, which are described as follows.

GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND

Profile of the investor group

The investor group includes both private and institutional investors who want to invest in equity, fixed income and market neutral funds.

Risk profile

This sub-fund is suitable for risk-taking investors who can accept some variation of capital and aim at a minimum holding period of ten years.

Asset Allocation

The main investment policy of the Global Fund Selection SICAV - Growth sub-fund is kept flexible. Up to 80% of the net asset value may be invested in equity funds (incl. European and/or American equity ETFs). Investments in fixed income and money market funds (incl. European and/or American fixed income and money market ETFs) are possible without restriction but are only made when the Investment Manager negatively assesses future developments in the equity markets and therefore uses the short term fixed income and money market funds as a defensive investment instrument. Up to 50% of the net sub-fund assets may be invested in shares or units of open-ended investment funds (incl. European and/or American ETFs), trading in financial derivatives (incl. exchange traded commodities "commodity futures") and which were established under the law of a Member State of the European Union (EU), Canada, the United States of America, Switzerland, Japan or Hong Kong. These investment funds must meet the general requirements as they exist in the investment laws of the Grand Duchy of Luxembourg with a view inter alia to the investment policy and risk diversification.

Of these in turn, 60% (i.e. 30% of the net sub-fund assets) may be invested in shares or units of open-ended investment funds which trade in financial derivatives and which were not established under the law of a Member State of the European Union (EU), Canada, the United States of America, Switzerland, Japan or Hong Kong.

Investors are invited to consult the risks linked to such investments explained in the "Please Note" section.

Investments are only made in funds that have achieved good results in the past, that are managed by first-class managers and that have a renowned custodian bank and a reputable auditor.

All these investment funds must have a sufficient risk diversification.

Investment restrictions for the sub-fund:

- a) No more than 10% of net sub-fund assets may be invested in securities that are not listed on a stock exchange or not traded on another regulated market which is recognised, open to the public and operates according to the rules.
- b) No more than 10% of securities of the same type and from the same issuer may be bought.
- c) No more than 20% of the net sub-fund assets may be invested in securities of one issuer.
- d) Loans may only be included in the short-term and up to 10% of the net sub-fund assets, however, any loans are subject to the approval of the Custodian bank.
- e) No transactions may be charged to the net sub-fund assets that involve the sale of securities that do not belong to the fund assets.
- f) There must be no pledges and any other encumbrances of securities and loans belonging to the net sub-fund assets.
- g) No investments may be made in investment funds with additional funding obligations.

The restrictions set out under a), b), c) above shall not apply to instruments which are issued or guaranteed by OECD member countries or their public authorities or by supranational institutions and undertakings at EU, regional and global level.

Nor do the restrictions set out under a), b), c) apply to investments in other open-ended investment funds, if these investment funds meet the general requirements as they exist in the investment laws of the Grand Duchy of Luxembourg with a view inter alia to the investment policy and the risk diversification and if these investment funds were established under the laws of a Member State of the European Union (EU), Canada, the United States of America, Switzerland, Japan or Hong Kong, and are established there and subject to permanent supervision by a supervisory authority set up by law to protect investors. No more than 20% of the net sub-fund assets may be invested in any one such investment fund.

As part of umbrella fund structures, each sub-fund of an umbrella fund is to be understood as a single issuer for the purpose of these investment restrictions if these sub-funds have different investment policies and were established in accordance with the law of a Member State of the European Union (EU), Canada, the United States of America, Switzerland, Japan or Hong Kong. When investing in umbrella funds, the investment restriction under c) shall not apply. However, on no account may more than 30% of the net sub-fund assets be invested in any one such umbrella fund.

Investments in open-ended investment funds, which have not been incorporated under the laws of a Member States of the European Union (EU), Canada, the United States of America, Switzerland, Japan or Hong Kong, may not exceed 30% of the net sub-fund assets. For such systems, the investment restriction mentioned under a) shall not apply.

No units or shares of real estate funds or venture capital funds may be bought.

The sub-fund may invest up to 10% of the net sub-fund assets in funds of funds that comply with Directive 85/611/EEC. Investments in closed-ended funds are subject to the investment restrictions that apply to normal securities. (See points a to c).

GLOBAL FUND SELECTION SICAV – ALPENBOND SUB-FUND

Profile of the investor group

The investor group includes both private and institutional investors who want to invest mainly in fixed income funds. For hedging purposes, the use of derivative financial instruments is possible.

Risk profile

This sub-fund is suitable for risk-averse investors who can accept a small fluctuation of capital and aim at a minimum holding period of four years:

Asset Allocation

The Fund's assets are invested according to the following demonstrative investment policy principles:

When selecting the fixed income funds, alongside euro-denominated government bonds, euro-denominated bonds of credit institutions and/or companies are also acquired with no sector restrictions for the fund's assets.

Furthermore, investments in money market instruments may also be made.

No investments are made in investment funds.

Derivative financial instruments are used only for risk mitigation (hedging);

When selecting the instruments, aspects such as safety and returns are the main considerations. It should be noted that the above-mentioned investment opportunities do not only come with possible price increases but are also subject to risks.

Past performance is not a guarantee that such returns can be achieved again in the future. The sub-fund seeks to minimise the risk inherent to investment opportunities and to increase the chances. However, no guarantee can be given of a projected success of the investment.

Loans of up to 10% of the net sub-fund assets are currently permitted in the investments.

Investment restrictions for this sub-fund:

- a) No more than 10% of the net sub-fund assets are invested in securities and money market instruments that are not listed on a stock exchange or not traded on another regulated market which is recognised, open to the public and operates according to the rules.
- b) No more than 10% of securities of the same type and from the same issuer may be bought.
- c) No more than 20% of the net sub-fund assets may be invested in securities of one issuer.
- d) Loans may only be included in the short-term and up to 10% of the net sub-fund assets, however, any loans are subject to the approval of the Custodian bank.

- e) No transactions may be charged to the net sub-fund assets that involve the sale of securities and money market instruments that do not belong to the fund assets.
- f) There must be no pledges and no other encumbrances of securities, money market instruments and receivables belonging to the net sub-fund assets.
- g) Cash and cash equivalents may be held on an ancillary basis.

The restrictions set out under under a), b), c) above shall not apply to instruments which are issued or guaranteed by OECD member countries or their public authorities or by supranational institutions and undertakings at EU, regional and global level.

Derivative financial instruments

I. Listed and unlisted derivative financial instruments

For this sub-fund, derivative financial instruments (derivatives), including equivalent cash instruments, which are admitted to an exchange or traded on a regulated markets, or derivative financial instruments that are not admitted to an exchange or traded on a regulated market (OTC derivatives) may be used, provided that

- A) the underlying assets are investments in which the sub-fund may invest according to the investment objectives specified in this Prospectus,
- B) the counterparties in the transactions with OTC derivatives are supervised institutions of a category that have been approved by the Supervisory Authority by decree,
- C) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can, at any time at the initiative of the sub-fund, be sold at their fair value, liquidated or closed by an offsetting transaction.

II. Purpose

Derivative financial instruments may only be used for hedging purposes.

IV. Securities loan

The sub-fund is authorised to temporarily transfer securities up to 30% of the net sub-fund assets under a recognised securities loan to third parties on the condition that the third party is obliged to transfer back the transferred securities after a predetermined loan period. The premiums received for this are an additional source of income.

General criteria for all sub-funds

Note: Investments in other investment funds may increase the costs of the Company, as the Company must bear its share of the running costs of such investment funds.

In addition, the purchase of units or shares in these funds may be subject to individual brokerage commissions and fees.

The liquidity of the investment in other investment funds may be diminished due to legal, administrative, statutory or contractual restrictions with regard to the redemption of units or shares of such investment funds.

Furthermore, the value of investments in other investment funds may be affected by measures such as exchange control, foreign jurisdictions (including the legislation on withholding taxes) or other, legal, economic or political conditions in countries where these other investment funds conduct the investment, or by changes in the legal, economic or political situation of such countries.

If investments in other investment funds include such investments funds that are not under permanent supervision by a supervisory authority, which is established by law to protect investors in their State of origin, the investments in the Company are subject to the risks involved.

Investments in investment funds that trade in financial derivatives are, like direct investments in such products, subject to various risks that may affect the performance of the shares of the Company indirectly.

Risk factors:

- 1. The prices of financial derivative instruments are volatile.**
- 2. The selected funds operate with high leverage by buying contracts whose gross values are often exceeded by the fund assets many times over. Through the leverage, the volatility of the performance of the selected funds is increased.**
- 3. The trading in financial derivatives may be illiquid. The selected funds may encounter situations where they are unable to carry out transactions at reasonable prices or at all, if no adequate liquidity exists on the market.**

CONSULTING AND MANAGEMENT

The Board of Directors is responsible for the management and control of the Company, including the determination of the investment policy.

Investment manager

For the GLOBAL FUND SELECTION SICAV - ALPENBOND SUB-FUND and GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND, the Board has appointed the SPARKASSE SCHWAZ AG as Investment Manager and entrusted it with the task of supporting the Board of Directors in the supervision of the Company's commercial activities and of ensuring compliance with the investment policy and strategy in accordance with the provisions of the Prospectus and the decisions of the Board of Directors.

The SPARKASSE SCHWAZ AG was established under Austrian law as a legal entity under private law. The SPARKASSE SCHWAZ AG is a universal bank whose capital as at 31.12.2010 amounted to EUR 104.74 million. It is a member of the Austrian Savings Banks Association.

Custodian Bank and Administration

Custodianship of assets

KBL EUROPEAN PRIVATE BANKERS S.A. Has been appointed as Custodian Bank for the assets of the Company.

KBL EUROPEAN PRIVATE BANKERS S.A. was incorporated in Luxembourg as a public company on 23 May 1949. Its headquarters are located at 43, Boulevard Royal, Luxembourg. Since its creation, it has been active in the banking sector and its capital including reserves as of 31 December 2010 amounted to EURO 1,390,551,487.42.

The Custodian Bank or the Company may terminate the appointment of the Custodian Bank at any time by sending a written notice to the other party within a period of 90 days. If the appointment of the Custodian Bank is terminated, the Company shall make every effort, in all conscience, to appoint within two months after the completion of the appointment a new Custodian Bank which assumes the responsibility and functions of the Custodian Bank. As long as a new Custodian Bank has not been appointed, the previous Custodian Bank shall carry out all necessary steps to safeguard the interests of shareholders.

After the completion, as described above, the appointment of the existing Custodian Bank shall still be valid as long as is necessary to ensure the transfer of all assets of the Company to the new Custodian Bank.

The Custodian Bank shall fulfil its functions and its responsibility in accordance with the provisions of the Law of 17 December 2010.

The Custodian Bank must ensure:

- that the issue and redemption and cancellation of shares are effected by the Company or on its behalf in accordance with the law and its Articles of Association;
- that in its transactions relating to the company's assets, the consideration is transferred within the usual time limits;
- that the Company's income is used in accordance with the Articles of Association.

Administration

Kredietrust has been appointed Domiciliary, Administrative, Registrar and Transfer Agent. In this capacity, Kredietrust is responsible for the general administrative functions required by Luxembourg law, such as organising the issue and redemption of shares, calculating the share value and the custody of the bank statements. In order to meet all or part of its duties and obligations, in full respect of its responsibilities, KREDIETRUST may, in its capacity as an administrative, registrar and transfer agent, retain the services of EUROPEAN FUND ADMINISTRATION S.A ("EFA"), Luxembourg.

Kredietrust was incorporated as a corporation under the laws of the Grand Duchy of Luxembourg on 16 February 1973. The registered office is located at 11, rue Aldringen, Luxembourg. Kredietrust is a member of KBC Group S.A.

Form of the shares

Shares in the Company are not offered, nor is the Company managed or intended to serve as an instrument for frequent trading with the aim of exploiting the short-term fluctuations in the securities markets. Such trading activity, often called "market timing", can result in actual or potential harm to the Shareholders. Accordingly, the Company may reject any subscription or conversion of shares if there is reason to believe that this is an attempt at "market timing" activity connected to the means of the Company.

Shares may be issued as registered or bearer shares. Registered shares are issued in non-certificated or certificated form. Unless investors express any wish to the contrary, they will receive non-certificated registered shares.

Share certificates may be issued in denominations of 1, 5, 10 or 100 shares.

A shareholder register is kept at the Company's registered office for all registered shares issued.

Regardless of the sub-fund to which it belongs, each share entitles the holder to one vote.

Bearer shares may be certificated by global certificates, which are deposited with clearing houses such as Clearstream Banking and/or Euroclear.

It is up to the Board to provide for the issue of distribution and/or accumulation shares in a sub-fund. In the case of the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND only accumulation shares are issued. In the case of the GLOBAL FUND SELECTION SICAV - ALPENBOND SUB-FUND BOTH accumulation shares and distribution shares are issued.

If both share classes are provided in a sub-fund, the shares may be issued, as requested by the shareholders, either as:

- Distribution shares with the right to a distribution in the form of a dividend in proportion to the annual result of the sub-fund (Class A)

or as

- Accumulation shares, whose units are reinvested in the operating result of the sub-fund (Class B).

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With the granting of dividends to the distribution shares of a sub-fund, the portion of the net assets that may be granted to the totality of the distribution shares of this sub-fund will be reduced by the total amount of the distributed dividends, while the portion of the net assets that can be granted to the total of the accumulation shares of this sub-fund, will rise.

The holders of dividend shares have the right to convert them into accumulation shares and vice versa.

Dividend policy

The Annual General Meeting shall decide on a proposal of the Board of Directors on the use of earnings within the framework laid down by law.

For distribution shares, a dividend can be paid out without taking into account the realised or unrealised capital gains or losses. The Board of Directors intends to propose to the Annual General Meeting, the reinvestment of realised or unrealised capital gains.

The annual net investment income of each sub-fund will be distributed between the distribution shares on the one hand and the Accumulation shares, on the other, in proportion to the net assets that coincide with the class of shares representing these shares respectively.

The proportion of the year's net income that is granted to the distribution shares of a sub-fund shall be distributed to the owners of these shares in the form of cash dividends.

The proportion of the year's net income that is granted to the accumulation shares of a sub-fund will be capitalised in favour of the accumulation shares.

All decisions of the general meeting of shareholders on the distribution of dividends to distribution shares of a sub-fund must be approved in advance by the holders of such a class of shares, by a simple majority of shareholders present and voting.

Dividends may be paid in the currency of the relevant sub-fund or in any other chosen by the Board of Directors. The Board also determines the time and place of payment.

Any declared dividend that has not been withdrawn by their beneficiaries within five years after they are granted shall lapse and returned to the relevant sub-fund. No interest shall be paid on a dividend established and available to the beneficiary by the Company. The dividend announcements and the name of the paying agent shall be published in a Luxembourg newspaper and in any other newspaper determined by the Board.

Drawing and issuing shares

Measures to prevent money laundering and terrorist financing require a thorough examination of the identity of an investor in accordance with the applicable Luxembourg laws and regulations relating to these measures. The Company (and the administrator acting on behalf of the Company) reserves the right to request information that is necessary to verify the identity of an investor in accordance with the laws and regulations mentioned above. In case of delay or failure by the investor to submit the information required for verification purposes, the Company (and the agent or administrator acting on behalf of the Company) may refuse to accept the application and all subscription monies or refuse redemption of subscribed shares.

Current subscriptions

Shares of the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND and of the GLOBAL FUND SELECTION SICAV - ALPENBOND SUB-FUND may be issued on any valuation day. Subscription orders received no later than 17:00 (Luxembourg time) on a banking day before the valuation day in Luxembourg at the headquarters of the Company shall be treated on the basis of the net asset value of the share of the relevant sub-fund determined on the following banking day (valuation date).

The minimum investment for an initial investment in the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND is EUR 4,000. For subsequent subscriptions, the minimum investment in the GROWTH sub-fund is EUR 100. There is no minimum investment for the GLOBAL FUND SELECTION SICAV - ALPENBOND SUB-FUND. The monitoring of compliance with these conditions is the responsibility of the Distributor who has accepted the customer's order.

Subscriptions must be sent to Kredietrust, 11, rue Aldringen, L-2960 Luxembourg. Subscriptions can be accepted as a fax, but the original subscription application must be sent immediately to the aforementioned address in this case.

A sales commission of up to 5% of the share value for the GLOBAL FUND SELECTION SICAV -GROWTH SUB-FUND or up to 2.5% of the share value for the ALPENBOND sub-fund in favour of the point of sale or other intermediaries may be levied and charged to the investors. The subscription price shall be paid within five banking days after the corresponding valuation day.

Conversion of shares

As soon as the company sets up further sub-funds, the shareholders will be able to have the opportunity to convert shares from one sub-fund to another sub-fund on each valuation date, by sending Company an irrevocable written order to convert them into shares in another sub-fund.

The net asset value taken into consideration is, for each share of a sub-fund, the net asset value that is determined on the first valuation day following receipt of the request.

The price at which the shares are converted is calculated using the following formula:

$$A = B \times C \times E$$

D

Where:

A is the number of shares to be allocated to the new sub-fund;

B is the number of shares to be converted from the original sub-fund;

C is the valid net asset value of the original sub-fund on the respective date;

D is the valid asset value of the new sub-fund on the respective date;

E is the authoritative exchange rate of the respective currencies on the respective day;

If an outstanding balance remains after a conversion, this must be withdrawn and the proceeds will be paid to the shareholder.

At the time of the conversion, a fee of up to 0.5% of the share value for the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND and GLOBAL FUND SELECTION SICAV - ALPENBOND SUB-FUND are payable to the point of sale or other agents and charged to the investors.

Redemption

According to the method described in detail below, the Company may at any time redeem its shares within the legal limits.

On any valuation day, shareholders may redeem their shares in whole or in part.

Applications by shareholders for the redemption of shares shall be made to the Company or one of the Distributors. Redemption applications received no later than 17:00 (Luxembourg time) on a banking day before the valuation day in Luxembourg at the Company's registered office will be handled on the basis of the net asset value of shares of the relevant sub-fund determined on the next business day (the valuation date).

Each shareholder may request the redemption of all or part of the shares held by the Company, whereby the Company is not required, on a valuation day (as defined in the section "Calculation of share value") to redeem more than 10% of the shares in circulation in a sub-fund.

This restriction applies to all shareholders who have applied to redeem their shares in such a sub-fund on an appropriate valuation date, with respect to all of the shares they have offered for redemption in this Sub-Fund.

The conversion of shares is treated as a redemption in this context.

The redemption price will be paid on the basis of the share value, which is determined according to the provisions in the chapter "determination of the share value". The redemption price will be paid out within five banking days after the applicable valuation date or on the date on which the share certificates (if issued) are received by the Company, if this is a later date.

If, in exceptional circumstances, the relevant sub-fund for which the shares are offered for redemption does not have sufficient liquidity to pay the redemption price by that deadline, the payment shall be executed without interest, as soon as it can be done reasonably.

Applications for redemption must be made or confirmed in writing by the investor and shall be sent to the registered office of the Company in Luxembourg or to other persons or agents designated by the Company as agents for the redemption of shares. Share certificates must be received by the Company or the competent authorities in the proper form and be accompanied by documentary evidence of the transfer before the redemption price is paid. Shares redeemed by the Company will be cancelled.

Determination of share value

The share values of the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND and GLOBAL FUND SELECTION SICAV - ALPENBOND SUB-FUND are denominated in EURO. The share value of the four sub-funds shall be determined **weekly**, every Wednesday, provided it is a bank business day in Luxembourg ("Valuation Date"). If Wednesday is not a bank business day in Luxembourg, the following business day in Luxembourg shall be used as a valuation day. It is calculated by dividing the net fund assets of a sub-fund, i.e. the difference between the asset and liabilities attributable to such a sub-fund, by the number of shares of this sub-fund in circulation, whereby the result is rounded up to the nearest hundredth in the currency in which the relevant sub-fund is denominated. When distributing the net assets, the outstanding distribution shares and accumulation will be taken into account.

The valid stock value and the issue and redemption prices are available at the registered office of the Company and at the points of sale.

The valuation of the fund assets is carried out as follows:

A. The assets of a sub-fund of the Company include:

- a) Cash and ongoing due or deposited cash equivalents including accrued interests;
- b) Notes payable and debentures and other overdue receivables (including not incoming receivables from the sale of securities);
- c) all securities, shares, bonds, debentures, options, stock or shares of investment funds, subscription rights, warrants, and the market value of all open positions and other investments and securities belonging to the Company;
- d) Dividends and other cash distributions or other distributions in favour of the Company to the extent to which it is known to the Company (though the Company can adjust the market value of securities using various trading practices such as trading ex-dividends or ex-rights);
- e) interests accrued on any interest-bearing securities held by the Company are included, except in the case where such interests are in the principal amount of the underlying security;
- f) unamortised preliminary expenses of the Company, provided that such preliminary expenses may be written off directly on the Company's capital; as well as
- g) other assets, including prepaid expenses.

The value of these assets is determined as follows:

1. The value of cash, notes payable, notes and accounts receivable, prepaid expenses, cash dividends and promised or accrued but not yet received interests will be valued at the full value, unless the payment or receipt of the full amount is not likely, in which case an amount is deducted from the value which, in the view of the Board of Directors, is appropriate to reflect the true value.
2. Securities that are listed on a stock exchange or traded on a regulated or organised market will be valued based on their last available price, in accordance with the publication of this price by a pricing system specified by the Board. If these rates do not adequately reflect the market value of such securities or if securities present in the corresponding portfolio are not listed or traded in the aforementioned manner, the valuation is determined on the basis of selling prices likely to be achieved following a factual assessment in all conscience by the Board or under its responsibility.
3. Assets or liabilities in currencies other than that in which the net asset value of the underlying sub-fund are denominated, are valued at market prices or exchange rates which apply at the time of determination of the share value.
4. The valuation of units or shares of other open-ended investment funds corresponds to the price that was last determined by the guidelines of this investment fund.

B. The liabilities of a sub-fund of the Company include:

- a) Bills and other amounts due;
- b) the fees of the Custodian Bank, the Investment Advisor, the Investment Manager, the Registrar and Transfer Agent, the Domiciliary and Administrative Agent; other operational costs including, but not limited to, the costs of buying and selling securities, public charges, expenses for legal and auditing services, interests, costs for reporting, cost of publishing the issue and redemption prices, costs of issuing annual and semi-annual reports as well as postal, telephone and telex costs; reasonable advertising costs;
- c) all liabilities known, due or not yet due;
- d) adequate provisions for the taxes owed at the time of valuation and other provisions or reserves, as determined and approved by the Board; and
- e) other liabilities of the Company towards third parties.

For the valuation of its liabilities, the Company may take into account all administrative costs and other expenses of a regular or periodic nature in such a way that it values them for the full year or for another period of time and defines them for the relevant periods of time.

C. For the purpose of valuation under this chapter, the following rules apply:

- a) Shares that are due for redemption will be treated as shares in circulation and taken into account up to the date immediately following the valuation date set by the Board; from that date until the settlement of the transaction, they shall be considered as a liability of the Company;

- b) Investments, account balances and other assets denominated in currencies other than the currency in which the share value of the relevant sub-fund is denominated shall be valued taking into account the market or foreign exchange rate valid at the valuation date; and
 - c) Purchases or sales of securities are carried out wherever possible on the valuation date on which the Company makes the acquisition.
- D. To determine the share value of a sub-fund, the Articles of Association provides, among other things, that:

For each sub-fund, a separate portfolio of assets is maintained, to which the assets, liabilities, income and expenses of this sub-fund are to be assigned and in this context the following provisions apply:

- a) The proceeds from the issue or allotment of shares of a sub-fund are entered in the portfolio of assets set up for this sub-fund, and the underlying assets and liabilities, income and expenses are allocated to this portfolio in accordance with the provisions of this Article;
- b) Assets that are derived from other assets are allocated in the books of the Company to the portfolio that includes the assets from which the underlying assets are derived and each time an asset is valued the increase or decrease in value is also assigned to the underlying portfolio;
- c) if the Company incurs a liability that relates to an asset in a particular portfolio or to a transaction made in connection with an asset of a particular portfolio, such liability shall be allocated to the underlying portfolio;
- d) if an asset or liability of the Company cannot be allocated to a particular portfolio, this asset or liability is allocated to all the portfolios in proportion to the share of the respective net asset value of the underlying portfolios in the total net assets of the Company. The liabilities of a sub-fund shall be binding on the Company as a whole, unless a contrary agreement has been reached with the creditors;
- e) with the granting of dividends to the distribution shares of a sub-fund, the part of the fund assets that can be granted to the totality of the distribution shares of this sub-fund is reduced by the total amount of the distributed dividends, while the part of the fund assets that can be granted to the totality of the accumulation shares of this sub-fund will increase.

Suspension of share value calculation and the issue of shares

The Company may suspend share value calculation, the issue, redemption and suspend, if applicable, the conversion of shares in each sub-fund under the following conditions:

- a) During a time in which a market or stock exchange on which a substantial portion of the investments of the sub-fund are listed or traded, is closed for reasons other than because of regular holidays, or during which trading on such exchanges or markets is restricted or suspended;

- b) in emergencies, in which the Company does not hold the assets of a sub-fund properly or such assets cannot be reasonably valued without serious prejudice to the interests of shareholders;
- c) during the period of collapse of the communication channels that are normally used to determine prices or to value the investments of a sub-fund or the daily price position on a market or stock exchange;
- d) during a time in which the transfer of monies in connection with the realisation of investments or in connection with the payment for capital invested in a sub-fund is not possible or cannot be carried out at normal costs or currency exchange rates;
- e) during a time in which, in the opinion of the Board, it would be impracticable or unfair towards the shareholders due to unusual circumstances, to continue trading with the shares of a sub-fund;
- f) after the decision to liquidate the Company from the date on which the first notice of the meeting of shareholders is published for the resolution in relation to the liquidation;

Shareholders who have applied for a redemption of their shares will be notified of any such suspension within seven days of receipt of the redemption request and will be immediately informed of the termination of such suspension.

The Company will also announce the suspension by publishing a notice in daily newspapers in accordance with the decision of the Board of Directors.

The suspension in respect of a sub-fund has no effect on the calculation of the share value or the issue, redemption and conversion with respect to other sub-funds.

Costs

Investment manager

For his services, the Investment Manager receives a fee, which is payable quarterly in arrears and a monthly fee of up to 0.15% (1.8% pa) (plus any value added tax) of the net assets of the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND, and a monthly fee of up to 0.07% (0.84% pa) (plus any value added tax) of the net assets of the GLOBAL FUND SELECTION SICAV - ALPENBOND SUB-FUND corresponding to the valuations of the average net sub-fund assets during the preceding month.

In addition, he will receive a performance fee, the amount of which will be calculated as follows:

For each calendar year, the aforementioned sub-funds pay the Investment Manager an annual profit share of up to 5% of the increase in net asset value of the shares of both sub-funds. For the first financial year, no profit share is paid out. For the next financial year, the Board of Directors of the Company will decide each time prior to the determination of the first net asset value, whether and in what amount an eventual profit share will be paid out. The exact amount of the profit share will be mentioned in the annual reports and can always be obtained at the registered office of the Company. The calculation is made for each calendar year based

on the last net asset value of the previous year or the net asset value valid at the end of a previous financial year on which the last profit share was paid out, whichever is greater. If a profit share was paid out at the end of a financial year, the calculation for the following financial year is made on the basis of this higher net asset value. As part of the calculation, the average number of shares in circulation during the relevant financial year is taken into consideration.

Other costs

The Company pays

The Custodian Bank and Kredietrust in total an annual fee of:

up to 0.25% on the portion of the net assets of each sub-fund under EURO 25 million

up to 0.15% on the portion of the net assets of each sub-fund between EURO 25 million and EURO 40 million

up to 0.10% on the portion of the net assets of each sub-fund between EURO 40 million and EURO 60 million

up to 0.075% on the portion of the net assets of each sub-fund between EURO 60 million and EURO 100 million

up to 0.04% on the portion of the net assets of each sub-fund in excess of EURO 100 million

with an annual minimum of up to EURO 35,000 per Fund

The exact amount of the fees shall be published in the annual financial report and are covered by a an agreement.

In addition, the Company will bear all other costs of day-to-day management, fees that are paid to permanent representatives in countries where the shares of the Company are authorised for public distribution, fees to any other agent of the Company, fees for legal and auditing services, further fees for advertising, printing, reporting and publication, including the cost of advertisement or preparing and printing prospectuses, explanatory promotional material or register data, taxes, public expenses, costs for the listing of its shares on stock exchanges or other regulated markets and all the other operating costs, including the cost of buying and selling assets, interests, bank charges, brokerage charges, postage, telephone and telex costs.

When the members of the Board receive compensation, this compensation is decided by the annual general meeting of shareholders.

The Directors also receive compensation for expenses they incur in connection with the business of the Company.

The cost of incorporating the Company and the initial issue of shares were estimated to be EURO 24,789.35. They are borne by the Company and amortised over the first five years of the life of the Company.

If new sub-funds are created, the related preliminary expenses will be borne by this sub-fund alone.

Taxes

The Company

Under current legislation and current administrative practice, the Company is not subject to income tax in Luxembourg. Nor are the dividends that are paid out by the Company subject to any Luxembourg withholding tax. However, the Company pays an annual tax in Luxembourg of 0.05% of its net assets. This tax is payable quarterly and is calculated on the net assets of the Company at the end of the corresponding quarter. Stamp duties or other taxes on the issuance of shares of the Company do not exist in Luxembourg, except for a one-off tax of EUR 1,250, which was paid upon incorporation.

Under current legislation and current administrative practice, no tax is payable on the realised or unrealised capital gains of the assets of the Company in Luxembourg.

Capital gains, dividends and interests on securities issued in other countries, may be subject to withholding taxes or taxes on the capital gain levied by these countries. The Company may furthermore be subject to specific local taxation in countries where their assets are traded.

Shareholders

Under current law, the shareholders are subject to no taxes on capital gains, income, inheritance or on other taxes in Luxembourg (except for shareholders who maintain their domicile or permanent residence or a permanent establishment in Luxembourg. It also does not apply to certain former residents of Luxembourg who hold more than 10% of the Company's capital).

It is recommended that investors consult their professional advisers with respect to taxes or the other legal consequences of purchasing, holding, transferring or selling shares in the Company under the laws of the countries of their citizenship, place of residence or domicile ,

General Meeting

The annual general meeting of shareholders of the Company is held at the registered office of the Company in Luxembourg on the first Tuesday of April of each year at 11 a.m. or if such day is not a banking day in Luxembourg, on the next banking day. In addition, separate meetings of shareholders of a sub-fund may be held, unless amendments concern the rights of the shareholders of this sub-fund with regard to shareholders of another sub-fund.

Invitations to all general meetings shall be published in accordance with Luxembourg law in the Mémorial, in the "Luxemburger Wort" in Luxembourg. These invitations shall include the agenda, specific time and place of the meeting and the conditions for admission to the meeting and refer to the provisions of Luxembourg law with regard to the majority required for attendance and voting at the relevant meeting. The requirements regarding the majorities correspond to those set out in articles 67 and 67-1 of the law of 10 August 1915 on commercial companies including subsequent amendments and additions of the Grand Duchy of Luxembourg and in the Articles of Association.

Reporting and accounting

Audited annual reports and unaudited semi-annual reports are available at the registered office of the Company.

The Company's financial year begins on 1 January and ends on 31 December.

The Annual Report contains the audited closing accounts of all sub-funds of the Company and the consolidated financial statements of the Company.

Dissolution and liquidation of the Company and the sub-funds

After the dissolution of the company, its liquidation is carried out by one or more liquidators, who can be physical or legal persons and are appointed by the general meeting of shareholders which decides on the dissolution. The general meeting of shareholders will also determine the powers and the remuneration of the liquidators.

The net liquidation income of each sub-fund will be distributed by the liquidators to shareholders of this sub-fund in proportion to their shareholdings.

Amounts that are not claimed by shareholders on completion of the liquidation will be deposited in an escrow account at the "Caisse de Consignations". Amounts that are not claimed from this account within the specified period lapse in accordance with applicable provisions of Luxembourg law.

If the capital falls below 2/3 of the minimum capital of EUR 1,250,000, the Board is required by law to submit to the general meeting of shareholders a decision on the dissolution of the Company. This general meeting is not subject to any quorum and the decision to wind up the Company can be taken by a simple majority of the shares present or represented.

If the capital falls below 1/4 of the minimum capital, the Board of Directors is required by law to submit to the general meeting of shareholders a decision on the dissolution of the Company. This general meeting is not subject to any quorum and the decision to wind up the Company may be adopted by 1/4 of the shares present and represented.

If during 30 consecutive days, and for any reason, the net assets of a sub-fund are less than EUR 1,453,456.68 or the equivalent in another currency, provided that the sub-fund is denominated in this currency, or if the Board of Directors consider it to be appropriate because of changes in the economic or political situation and its impact on a sub-fund, the Board of Directors may, after informing the concerned shareholders within 30 days, redeem all shares (but not a part of them) of the relevant sub-fund on the next valuation date following the end of the 30-day period at the current share value, including the anticipated realisation and liquidation costs, but without redemption costs, or merge that sub-fund with another sub-fund of the Company or another Luxembourg undertaking for collective investment ("UCI").

The closure of a sub-fund with the compulsory redemption of all relevant shares or its merger with another sub-fund of the Company or with another Luxembourg UCI, which are decided for reasons other than those based on the minimum size of the fund assets or changes in the economic or political situation relating to the underlying sub-fund, may take place only after prior approval by the general meeting of shareholders of this sub-fund during which this general meeting decides that the sub-fund will be dissolved or merged, provided that such general meeting is properly convened and held, without this General Meeting being subject to a quorum. This General Meeting may decide with a majority of 50% of the shares present or represented.

A merger that was decided by the Board in the form described previously or approved by the shareholders of the underlying sub-fund will be binding on the shareholders of the underlying sub-fund for a period of 30 days after prior notification, during which period shareholders

may redeem their shares without redemption costs. The Company shall notify the shareholders of bearer shares, if they have been issued, by publishing a notice in daily newspapers in accordance with the decision of the Board, unless the addresses of all shareholders are known to the Company.

All amounts not claimed by the shareholders upon liquidation of the sub-fund will be deposited with the Custodian Bank for a period of up to 6 months after termination of the liquidation. After that period, the amounts will be deposited with the Caisse de Consignations. If amounts are not collected within a period of 30 years, these amounts will be forfeited.

Accompanying agreements

The following agreements, which are not agreements under the current management, have been concluded:

- a) an agreement appointing Sparkasse Schwaz AG as Investment Manager;
- b) an agreement on the appointment of KBL EUROPEAN PRIVATE BANKERS S.A. by the Company to act as Custodian Bank of the Company;
- c) an agreement on the appointment of Kredietrust Luxembourg S.A. by the Company as Domiciliary, Registrar and Transfer Agent;

All aforementioned agreements can be modified by a joint declaration by the contracting parties, which shall be made for the Company through its Board.

Documents available for inspection

A copy of the Articles of Association and the most recent reports of the Company can be obtained at the registered office of the company, where the aforementioned accompanying agreements are available for inspection. All financial reports can also be obtained at the point of sale.

The valid share value and the issue and redemption prices are available at the registered office of the Company and at the points of sale.

SPECIAL INFORMATION FOR INVESTORS IN AUSTRIA

General

Shares of the GLOBAL FUND SELECTION SICAV may also be distributed to the public in Austria. In accordance with legal regulations, the distribution notice was reimbursed pursuant to Section 30 of the Investment Fund Act of 1993. The investment company is not subject to the supervision of the Federal Ministry of Finance nor any other government supervision by an Austrian authority.

Any claims against the investment company, the management company or the Distributor in relation to the distribution of the investment units shall be brought before the courts of Vienna. The statement of claim and all other documents may be served on the representative. Article 3 of the Austrian Consumer Protection Law shall apply to Austrian investors. The German version shall be considered as authoritative for this Prospectus and for other publications.

Paying and Information Agent, Representative and Distributor

The Sparkasse Schwaz AG has been appointed as paying and information agent, representative pursuant to article 25 Z1 of the Investment Fund Act 1993 and as Distributor in Austria. The capital according to article 23 of the Austrian Banking Act amounted on 31.12.2010 to EURO 104.74 million. An agreement concluded between the GLOBAL FUND SELECTION SICAV and Sparkasse Schwaz AG ensures that all payments made by and to shareholders will be immediately forwarded to the Custodian bank or the shareholders.

Investors can obtain this Prospectus from the registered office of the paying and information agent and consult the Articles of Association. The latest annual and semi-annual reports and the agreements listed under "accompanying contracts" of this Prospectus are also available from this registered office. The current prices for subscriptions and any redemptions are published in the daily newspaper "DER STANDARD".

Additional information on the Company and funds

The Company's financial year ends on 31 December of each year. No shareholders have a controlling influence.

The GLOBAL FUND SELECTION SICAV was launched on 6.7.1998. The sub-funds are not listed. The effective date for the financial statements and the annual reports shall be 31 December of each year.

The current annual report, or semi-annual reports if the date for the annual report at the issuance of this Prospectus dates back more than eight months, is enclosed with this Prospectus.

Taxation of income of the sub-funds of the Global Fund Selection SICAV in Austria

Taxation

Taxation of income of the sub-funds of the Global Fund Selection SICAV in Austria

Taxation

Investors should note that the tax representative appointed for the Global Fund Selection SICAV is PwC Pricewaterhouse Coopers Wirtschaftsprüfung und Steuerberatung Gesellschaft m.b.H., Erdbergstrasse 200, 1030 Vienna, Austria in accordance with article 42 and article 40 para. 2 line 2 of the Investment Fund Act 1993. The tax representative shall provide the Federal Ministry of Finance once a year with evidence of the deemed distributions of all sub-funds of the Global Fund Selection SICAV offered for public sale and offered to the public in Austria. This proof of deemed distributions forms the basis of taxation for Austrian investors.

The following table provides only a general overview based on the current and future legal situation of the foundations of Austrian's taxation of the income from shares in the aforementioned funds for fully-liable tax residents in Austria.

On 30 December 2010, the Budget Implementation Act 2011 (BBG 2011), significantly amending among others the taxation of investment funds, was published in the Federal Law Gazette. Other changes to fund taxation are expected by the Investment Funds Act 2011, which should enter into force on 1 July 2011.

No statement is made about peculiarities to be observed in individual cases. Precise statements concerning the taxation of individual shareholders cannot be made. **Please note in connection with the Budget Implementation Act 2011 , that the date of purchase and sale of the fund units is decisive for the respective applicable law.** It is therefore recommended that shareholders contact their tax advisor regarding the taxation of share ownership.

Significant changes in fund taxation by the Finance Act 2011

Previously, unrealised gains from the sale of capital assets that are part of the private assets of a natural person were only taxable under certain conditions, such as whether it was a speculative transaction in accordance with article 30 of the Income Tax Act or if a participation in a shareholding of at least 1% (article 31 of the Income Tax Act) is sold. In the future, however, realised gains from the sale of capital assets by natural persons will always be taxed at a rate of 25%, regardless of how long the investment was held prior to the sale (article 27 para 3 and 4 of the Income Tax Act).

The 25% tax on realised gains is withheld from the domestic Custodian bank or paying agent. In the absence of a domestic depository or paying agent, the capital gains realised are to be assessed. Realised losses can only be asserted by assessment.

Due to the changes in the taxation of realised capital gains, the taxation of shares in investment funds will also be reformed extensively.

General information

Investment funds are transparent under Austrian tax law. This means that the fund's income is not taxed at fund level but at investor level.

Austrian tax law considers in principle all interests, dividends and other income generated by the fund after offsetting the costs incurred by the fund ("ordinary income"), as well as certain portions of the realised capital gains, as taxable income, regardless of whether it is distributed to the investors or reinvested in the fund ("deemed distributions").

I. Previous legal situation (until 30 September 2011)

In the following cases, the existing legal situation is to be applied:

- Acquisition of shares up to 31 December 2010
- Acquisition of shares from 1 January 2011 and their sale before 1 October 2011

As a reporting fund¹ the following taxation applies to the aforementioned fund:

Private investors

For private investors, the interests, dividends² and other income of a fund, less all costs incurred by the fund, and 20% of the realised capital gains from the sale of shares and related derivative instruments is subject to a 25% tax. Realised capital gains from the sale of bonds and any related derivative instruments are tax exempt for private investors. If withholding taxes are deducted from the fund distributions, these may be credited up to 15% of the ordinary income, against the Austrian investment income tax ("CGT").

The Austrian Custodian bank is required to withhold 25% capital gains tax on the taxable portion of distributions and on the deemed distributions. This withheld capital gains tax basically has a final taxation effect for private investors for income tax purposes. This means that private investors do not have to include the fund income in their personal income tax return.

¹ The Fund reports the net interest income on a daily basis, the taxable income components of distributions periodically and the amount of the deemed distributions of the funds calculated by the tax agent annually to the Oesterreichische Kontrollbank. Based on this information the capital gains tax is deducted by the investor's Austrian custodian bank.

² The dividend income earned from investment funds in "low tax countries" are exempt from the 25% tax. Due to the lack of corporate bias in the source country, here in Austria the normal income tax rate shall continue to apply, taking into account the corporation tax paid in the source country by means of an assessment. The Federal Ministry of Finance may specify in a regulation to which investments this applies. A relevant decree has not yet been issued.

If fund units are held in foreign portfolios, the dividends and deemed distributions of the Fund are to be incorporated into the investor's income tax return and will be taxed at a 25% special tax rate.

The deemed distributions of a Fund are usually considered to have been remitted to the private investor four months after the fund's financial year in which they were generated.

For private investors generating income from investment funds there is further the possibility of opting for the lower rate tax rate (application for tax assessment). However, this application cannot be made separately from other capital income, but includes all final taxation income and income subject to the special tax rate.

Taxation of income of the current financial year in the case of purchase or sale

For reporting funds, a private investor buying shares in an Austrian portfolio receives a capital gains tax credit for the net interest income generated since the beginning of the fund's financial year. This procedure ensures that only the investor's interest income, generated in the period in which he held the investment, is taxed.

Therefore, at the time of sale, the investor will only be deducted capital gains tax on the net interest income generated since the beginning of the fund's financial year.

Speculation tax

If fund units are sold on by the investor within the speculation period of one year, the resulting speculative gains shall be subject to taxation by way of the income tax return in addition to the income tax rate of the investor. Speculative gains may only be offset against speculative losses of the same calendar year. Speculative losses cannot be carried forward to the following year.

Safeguard tax

For reporting funds, unlike non-reporting funds, the Austrian Custodian Bank does not withhold any safeguard tax at the end of the year.

Natural person - operating assets

If the fund units are held as the business assets of a natural person (sole trader, partnerships), basically the above mentioned taxation for private investors is applied with the following exceptions:

Although the fund's ordinary income (interests, dividends and other income less costs) is also subject to final taxation through the capital gains tax deduction, this does not apply to realised capital gains:

All realised capital gains (both from the sale of shares as well as from the sale of bonds) are subject to taxation at the income tax rate and are therefore to be included in the income tax return of the natural person who holds their shares as business assets. If capital gains tax is withheld on realised capital gains, this can be credited to the investor's income tax.

Legal person - operating assets

All ordinary income and all realised capital gains of the fund are subject to taxation via the 25% corporation tax. The income is to be included in the income tax return of the corporation. To avoid double taxation in case of sale, the annual taxable deemed distributions are to be attributed to acquisition costs. This lowers the taxable sales proceeds at the time of sale by the income components already taxed in previous years.

Legal persons have the opportunity to avoid the capital gains tax deduction by submitting a declaration of exemption to the Austrian Custodian bank. If no exemption declaration is submitted, the deducted capital gains tax shall be deducted from the corporation tax.

Corporate investors are considered to have accrued the deemed distributions at the end of the fund's financial year.

II. New legislation (as of 1 October 2011)

In the following cases the new legal situation is to be applied:

- Acquisition of fund units from 1 January 2011 and their sale after 30 September 2011

The investment fund itself is still not taxable in terms of income generated by the fund. Income from investment funds will continue to be taxed according to the principle of transparency at the level of the shareholder.

Instead of the current three categories of foreign funds (black, white and brighter-than-white funds) in future there will only be two tax categories:

- Foreign funds that have appointed a tax representative, that reports on the amount of tax on the dividends and the deemed distributions to the Austrian Kontrollbank;
- foreign funds that have not appointed a tax representative and are therefore subject to the flat-rate taxation.

Taxation as deemed distributions

As in the past, the income reinvested in the fund are to be taxed annually as deemed distributions. For private investors, this is subject to the capital gains tax of 25% (if the paying agent is based in the country) or it is to be assessed and taxed at the 25 per cent special tax rate. This applies regardless of whether the shares are held as personal or business assets. If the shares are held by a corporation, the deemed distributions are subject to corporation tax of 25%.

The taxable deemed distributions consist of

- the ordinary income (interests, dividends, other ordinary income) less expenses of the fund, and

- 60% of the realised capital gains from the sale of capital assets and income from derivatives together (the increase to 60% is gradual - see transitional arrangements).

If the fund units are held as business assets, then 100% of the realised capital gains from the sale of capital assets and income from derivatives are taxable.

If the capital losses realised in the fund are higher than the realised capital gains, the resulting loss is offset against the ordinary income of the fund. If such offsetting is not possible, it can be offset against the income of the fund in the following years.

Taxation of the dividend

Distributed ordinary income and 100% of the distributed realised capital gains are subject to withholding tax of 25% or the 25 per cent special tax rate (if the fund units are held by a natural person as private or business assets) or the corporation tax of 25% for corporations.

Sales of fund units by the investor

If a natural person sells fund units held as private or business assets, the domestic depository or paying agent shall retain 25% capital gains tax on the capital gains. This arises from the difference between sales proceeds and acquisition costs, whereby the subscription fees in principle should not be considered as incidental acquisition costs.

To avoid double taxation of the capital gain, deemed distributions taxed annually increase the acquisition costs of the fund share.

Proof of taxable income

The tax on the dividends and on the deemed distributions is to be demonstrated by an Austrian tax representative and reported by them to the Oesterreichische Kontrollbank (OeKB). The period, the structure and content of the notifications to the OeKB are to be regulated in an ordinance of the Federal Ministry of Finance, where it can be assumed that the content of the notifications will be much more extensive than has been the case to date.

If no notification of the tax on the deemed distributions is made through a tax representative to the OeKB, the taxable deemed distributions must be calculated on a flat-rate basis.

Abolition of the daily notification for domestic funds and foreign brighter-than-white funds

Since, in future, upon the sale of fund shares, the difference between sales proceeds and (amortised) acquisition costs is taxable, the requirement for daily reporting of capital gains attributable on the net interest income to the OeKB no longer applies from 1 October 2011. The need for daily reporting of the EU withholding tax is expected to remain unchanged.

Safeguard tax

As, according to the new fund taxation regime not only domestic and brighter-than-white fund, but all funds are subject to the capital gains tax regime (inasmuch as the Units are held in a domestic Custodian bank), the safeguard tax also no longer applies.

Natural person - operating assets

All realised capital gains are now subject to the 25% tax.

III. Special transitional arrangements

Gradual increase of the tax base to 60%

The Finance Act 2011 provides for a gradual increase of the taxable capital gains to 60% as follows (the increase in the tax base to 60% also applies to shares acquired before 1 January 2011):

- If the fund's financial year begins before 1 July 2011, 20% of the realised capital gains on equities and the related derivatives are taxable. Realised capital gains from debt securities and the related derivatives are tax-free.
- If the fund's financial year begins during the period 1 July 2011 to 31 June 2011, then 30% of the realised capital gains on shares and related derivatives are taxable. **Realised capital gains from debt securities and related derivatives remain tax-free.**
- If the fund's financial year begins in the calendar year 2012, then 40% of the total realised capital gains (i.e. from shares and debt securities) and the income from derivatives are taxable.
- If the fund's financial year begins in the calendar year 2013, then the percentage shall be increased to 50%.
- If the fund's financial year starts from the calendar year 2014, then 60% of the total realised capital gains and the income from derivatives are taxable.

Disclaimer

Investors should note that the tax information in this section has been prepared in accordance with the legal situation in March 2011 and subsequent changes to the legislation and the application of the law may affect the accuracy of such information.

April 2011

SUBSCRIPTION CERTIFICATE

GLOBAL FUND SELECTION SICAV

SICAV - investment company with variable capital

11, rue Aldringen, Luxembourg

Luxembourg Commercial Register No. B 65.035

The public notification has been deposited with the court registry of the District of and in Luxembourg.

SUBSCRIPTION

Surname: _____ First _____ name:

Address:

confirms that they have received and read

the present Prospectus

the last annual report

the semi-annual report

the copy of the subscription certificate

of the GLOBAL FUND SELECTION SICAV and subscribes to:

_____ number of shares in the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND (CAP – LU0089442379)

_____ number of shares in the GLOBAL FUND SELECTION SICAV – ALPENBOND SUB-FUND (CAP – LU0213942468)

_____ number of shares in the GLOBAL FUND SELECTION SICAV – ALPENBOND SUB-FUND (DIS - LU0213942112)

N.B. Subscription fee: 5% (for the Growth sub-fund) and 2.5% (for the Alpenbond sub-fund) (at the time of subscription by the investor). The Company will pay the Investment Manager an advisory fee, equivalent to up to 2.04% per annum of the net assets of the relevant sub-fund.

The personal data of the buyers and/or distributors shall be processed by KBL EUROPEAN PRIVATE BANKERS S.A., KREDIETRUST Luxembourg S.A. and EUROPEAN FUND

ADMINISTRATION S.A. ("EFA") in such a way as to allow the proper management of the Company, the execution of transactions according to the prospectus conditions and the service agreements, the correct execution of payments and the proper organisation of general meetings. Shareholders and/or distributors are entitled to access their data to allow them to be modified, corrected and updated.

Accepted and signed:

SUBSCRIPTION CERTIFICATE

GLOBAL FUND SELECTION SICAV**SICAV - investment company with variable capital****11, rue Aldringen, Luxembourg****Luxembourg Commercial Register No. B 65.035**

The public notification has been deposited with the court registry of the District of and in Luxembourg.

SUBSCRIPTION

Surname: _____ First _____ name: _____

Address: _____

confirms that they have received and read

the present Prospectus

the last annual report

the semi-annual report

the copy of the subscription certificate

of the GLOBAL FUND SELECTION SICAV and subscribes to:

_____ number of shares in the GLOBAL FUND SELECTION SICAV - GROWTH SUB-FUND (CAP – LU0089442379)

_____ number of shares in the GLOBAL FUND SELECTION SICAV – ALPENBOND SUB-FUND (CAP – LU0213942468)

_____ number of shares of the GLOBAL FUND SELECTION SICAV – ALPENBOND SUB-FUND (DIS - LU0213942112)

N.B. Subscription fee: 5% (for the Growth sub-fund) and 2.5% (for the Alpenbond sub-fund) (at the time of subscription by the investor). The Company will pay the Investment Manager an advisory fee, equivalent to up to 2.04% per annum of the net assets of the relevant sub-fund.

The personal data of the buyers and/or distributors shall be processed by KBL EUROPEAN PRIVATE BANKERS S.A., KREDIETRUST Luxembourg S.A. and EUROPEAN FUND

ADMINISTRATION S.A. ("EFA") in such a way as to allow the proper management of the Company, the execution of transactions according to the prospectus conditions and the service agreements, the correct execution of payments and the proper organisation of general meetings. Shareholders and/or distributors are entitled to access their data to allow them to be modified, corrected and updated.

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