

Degroof Global

Open-Ended Investment Company

CUSTODIAN



*Degroof Global ISIS Low sub-fund
Degroof Global ISIS Medium sub-fund
Degroof Global ISIS High sub-fund
Degroof Global Ethical sub-fund
Degroof Global Reactive 5 Winter sub-fund
Degroof Global Reactive 10 Summer sub-fund
Degroof Global Reactive 5 Autumn sub-fund
Degroof Global Reactive 10 Winter sub-fund*

PROSPECTUS
JANUARY 2011

Subscriptions can only be accepted on the basis of this prospectus (the "Prospectus") which is only valid if accompanied by the last available annual report and, if applicable, the last available half-yearly report if the latter was published after the last annual report. Such documents form part of the Prospectus. Subscriptions may also be accepted on the basis of the simplified prospectuses.

Degroof Global
Open-Ended Investment Company
R.C. Luxembourg N° B 24,822

Board of Directors

Chairman

Mr Eric NOLS
Director and Chairman of the Executive Board
DEGROOF FUND MANAGEMENT COMPANY S.A.

Directors

Mr Vincent PLANCHE
Director, Member of the Executive Board
DEGROOF FUND MANAGEMENT COMPANY S.A.

Mr Benoît DEHEM
Director, Member of the Executive Board
DEGROOF FUND MANAGEMENT COMPANY S.A.

Mr Patrick WAGENAAR
Manager
BANQUE DEGROOF LUXEMBOURG S.A.

Mr Olivier MASSE
Manager
BANQUE DEGROOF LUXEMBOURG S.A.

Mr Eric LOBET
Manager
BANQUE DEGROOF LUXEMBOURG S.A.

Registered Office

12, Rue Eugène Ruppert
L-2453 Luxembourg

Management Company

DEGROOF GESTION INSTITUTIONNELLE - LUXEMBOURG
12, Rue Eugène Ruppert
L-2453 Luxembourg

Manager

DEGROOF FUND MANAGEMENT COMPANY S.A.
16-18, Rue Guimard
B-1040 Brussels

Investment adviser

FORUM ETHIBEL ASBL
333/7, Rue du Progrès
B-1030 Brussels
for the Degroof Global Ethical sub-fund

Distributors

BANQUE DEGROOF LUXEMBOURG S.A.
12, Rue Eugène Ruppert

L-2453 Luxembourg

BANQUE DEGROOF S.A.
44, rue de l'Industrie
B-1040 Brussels

and any other company which has concluded a distribution agreement with the Management Company. The Distributors are listed in the annual and semi-annual reports of the Investment Company.

Custodian bank

BANQUE DEGROOF LUXEMBOURG S.A.
12, Rue Eugène Ruppert
L-2453 Luxembourg

Central administration

BANQUE DEGROOF LUXEMBOURG S.A.
12, Rue Eugène Ruppert
L-2453 Luxembourg

Corporate auditor

KPMG AUDIT S.À R.L.
9, Allée Scheffer
L-2520 Luxembourg

The Prospectus is published in the framework of the ongoing offer of shares of the Open-ended Investment Company “Degroof Global” (hereinafter the “Investment Company”).

The Investment Company is an undertaking for collective investment (“UCI”) subject to Part I of the law of 20 December 2002 on undertakings for collective investment, as amended.

The Prospectus may not be used for the purpose of an offer or solicitation for sale in any country or in any circumstances where such offer or solicitation is not authorised. Potential subscribers having received a copy of the Prospectus or the attached Application Form in a country other than the Grand Duchy of Luxembourg are not authorised to consider such documents as an invitation to buy or subscribe the Shares, except if in the relevant country such a solicitation is authorised, with or without registration with the local authorities, or if such subscribers are abiding to the applicable regulation in the said country and obtain the required authorisation from any local authority and to conform to any registration.

The Board of Directors of the Investment Company has taken all necessary precautions to ensure that on the date of publication of the Prospectus, its content is exact and precise as regards all questions of importance dealt with therein. All the Directors take responsibility accordingly.

Potential subscribers for shares are invited to ascertain personally or request the assistance of their banker, stockbroker, legal adviser, accountant or tax adviser in order to establish fully any possible legal or tax implications, or possible consequences relating to foreign exchange restrictions or controls to which subscription, ownership, repurchase, conversion or transfer transactions may give rise pursuant to the laws in force in the country in which those persons are resident, domiciled or established.

Nobody is authorised to furnish information other than that contained in this Prospectus, in the simplified prospectuses and the documents mentioned therein.

Any information given by a person not mentioned in the Prospectus should be regarded as non authorised. Information contained in the Prospectus is relevant at the time of issue of the Prospectus; in order to reflect significant changes in this document, the Prospectus will be updated when necessary. Accordingly, potential subscribers are recommended to ascertain from the Investment Company whether a more recent prospectus exists.

All references in the Prospectus to Euro refer to the currency of the European Union Member States participating in the single currency. All references in the Prospectus to USD relate to the currency which is legal tender in the United States of America. When the net asset value of a sub-fund or of one of its shares is expressed in Euro, that currency simply translates the value of the underlying portfolio. The non-invested assets are not necessarily Euro deposits.

Copies of the Prospectus can be obtained on the conditions indicated above from the Investment Company’s registered office, from Management Company’s registered office or from the Distributors.

Processing of personal data

Some personal data concerning investors (including but not limited to the name, address and amount invested by each investor) may be collected, recorded, stored, adapted, transferred and processed by the Investment Company, the Management Company, the Administrative Agent, the Custodian Bank, the Transfer Agent, and any other person providing services to the Investment Company and the financial intermediaries of the said investors.

Such data may in particular be used for accounting and administration purposes in connection with the remuneration paid to distributors, as well as for the purposes of complying with identification requirements imposed by laws to combat money laundering and the financing of terrorism, keeping the register of registered shares, processing subscription, repurchase and conversion applications and dividend payments to shareholders and providing targeted services to clients. Such information shall not be transmitted to unauthorised third parties.

The Investment Company may delegate the processing of personal data to another entity (the “Delegate”) (such as the Management Company, the Transfer Agent). The Investment Company undertakes not to transmit personal data

to unauthorised third parties, i.e. third parties other than the Delegate unless required to do so by law or on the basis of the investor's prior agreement.

All investors are entitled to access their personal data and may request amendments if the said data are inaccurate or incomplete.

In applying for the Investment Company's shares, all investors accept that their personal data may be processed in this way.

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THE INVESTMENT COMPANY

Degroof Global is an open-ended investment company set up under the name of “ISIS” for an unlimited duration in Luxembourg on 26 September 1986 in the form of a public limited company incorporated under the laws of Luxembourg. It is subject to the amended law of 10 August 1915 on trading companies, as well as to the amended law of 20 December 2002 on collective investment undertakings.

The registered office of the Company is established at L-2453 Luxembourg, 12, Rue Eugène Ruppert. The Investment Company is registered on the Luxembourg Trade Register under the number B 24,822.

Its Articles of Association were published in the Memorial C, Official Journal of Companies and Associations (the “Memorial”) on 21 October 1986 and were filed with the Clerk of the Luxembourg District Court, with the legal notice relating to the issue and sale of shares. The Articles of Association were amended by Extraordinary General meetings held successively on 13 July 1990, 16 March 1999, 25 July 2005 and 3 May 2007; the amendments were published in the Official Journal of Companies and Associations successively on 20 September 1990, 2 December 2000, 11 August 2005 and 1st June 2007. Any interested party may consult or obtain a copy of the coordinated Articles of Association from the Investment Company’s registered office.

The Central Administration of the Investment Company is located in Luxembourg.

The Investment Company’s minimum capital shall be Euro 1,250,000.-. The amount of the Investment Company’s registered capital shall, at all times, be equal to the value of the net assets of all the sub-funds together; the consolidation currency of all the sub-funds together shall be the Euro. It is represented by fully paid-up shares with no nominal value.

As an Open-ended Investment Company, the Investment Company may issue and repurchase its shares at prices based on the applicable net asset value.

In accordance with the Investment Company’s Articles of Association, the shares may be issued, at the choice of the Board of Directors, under the various sub-funds of the Investment Company. The shares within each sub-fund may be divided into different classes of shares (the “classes”) which in turn may be sub-divided into different categories. A distinct mass of net assets is established for each sub-fund and invested in accordance with the investment objective of the sub-fund in question. Consequently, the Investment Company is conceived as a UCI with multiple sub-funds allowing investors to choose between several investment objectives and to invest, accordingly, in one or more sub-funds of the Investment Company.

The Board of Directors may decide at any time that the Investment Company shall issue shares in other sub-funds whose investment objectives will be different from those of the existing sub-funds. When new sub-funds are created, the Prospectus shall be amended accordingly with detailed information on the new sub-funds.

For each sub-fund, the Board of Directors may decide at any time to issue different classes whose assets are invested jointly according to the specific investment policy of the sub-fund but where a specific cost structure, a special hedging policy or other specific characteristics apply to each distinct class of shares.

The shares in each sub-fund and each class may be distribution shares or capitalisation shares, at the shareholder’s choosing. The rights of capitalisation shares and distribution shares are described below under the heading “The shares”.

Any shareholder who holds capitalisation shares in any sub-fund or class whatsoever may, within the given sub-fund or class, convert them into distribution shares and vice versa. All shareholders also have the right to switch from one sub-fund to another and to request that their shares be converted from shares in a given sub-fund to another sub-fund. Likewise, shareholders may request that all or part of their shares in a specific class of shares be converted into

shares in the same class of shares in another sub-fund. The terms and conditions applying to any such conversion of shares are described below under the heading “Conversion of shares”.

All shareholders may request the Investment Company to repurchase their shares, in accordance with the terms and conditions described below under the heading “Repurchase of shares”.

The Degroof Global ISIS Low, Degroof Global ISIS Medium, Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds have two classes which differ according to the type of investors:

- class A shares intended for institutional investors;
- class B shares intended for retail investors.

The assets of the classes will be invested jointly in accordance with the sub-fund’s specific investment policy.

Shares in the Degroof Global ISIS Low, ISIS Medium and ISIS High sub-funds are listed on the Luxembourg stock exchange. Shares in the Degroof Global Ethical, Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds are not listed.

An application form is attached to the Prospectus.

THE MANAGEMENT COMPANY

The Board of Directors of the Investment Company is invested with the widest possible powers to act in any circumstances, on behalf of the Investment Company, subject to the powers expressly reserved by law to the general meeting of shareholders.

The Board of Directors of the Investment Company is responsible for the administration of the Investment Company as well as for determining the investment policy to be followed by each sub-fund.

The Board of Directors of the Investment Company has appointed a management company, DEGROOF GESTION INSTITUTIONNELLE – LUXEMBOURG (the “Management Company”), subject to chapter 13 of the amended Law of 20 December 2002 on undertakings for collective investment, for the management and implementation of these investment policies, the administration, and the marketing of the Investment Company.

DEGROOF GESTION INSTITUTIONNELLE - LUXEMBOURG is a public limited company incorporated under the laws of Luxembourg, set up for an unlimited period in Luxembourg on December 20, 2004. It has its registered office at 12 Rue Eugène Ruppert, L-2453 Luxembourg. Its authorised capital which is fully paid-up is Euro 2,000,000.-. Its main purpose is the collective management of UCITS approved according to Directive 85/611/EEC, as well as the management of other UCI. The collective management activities in respect of UCITS and UCI include portfolio management, administration and marketing. Moreover, it may provide discretionary management services of other investment portfolios for institutional clients.

An outline convention of collective portfolio management was signed on 26 July 2005 and updated on 4 May 2007 between DEGROOF GESTION INSTITUTIONNELLE - LUXEMBOURG and the Investment Company for an unlimited period. Under the terms of this convention, the Management Company shall ensure a separate management of the portfolio of each individual sub-fund of the Investment Company, the duties of a Central Administration of the Investment Company, as well as the marketing of the Investment Company. The Management Company has delegated, under its responsibility, the management of the sub-funds to DEGROOF FUND MANAGEMENT COMPANY S.A., the central administration of the Investment Company to BANQUE DEGROOF LUXEMBOURG S.A. and the marketing of the Investment Company to the Distributors mentioned under the heading “Distributors”.

In addition, the Management Company is responsible for the management of the risks relating to the portfolio positions of the Investment Company’s sub-funds and measuring the contribution of these positions to the general

risk profile of the corresponding sub-fund portfolios. The Management Company uses a risk management method which enables it to control and measure these risks at all times.

Its Board of Directors is made up of the following people:

- Mr Geert De Bruyne, Chairman of the Board of Directors
- Mr Jean-Luc Neyens, Managing Director
- Mr Alain Devresse, Managing Director
- Mr Patrick Wagenaar, Director
- Mr Vincent Planche, Director
- Mr Benoît Daenen, Director
- Mr Jean-Michel Gelhay, Director

ORGANISATION OF THE INVESTMENT COMPANY

The Management Company has delegated the management of the Degroof Global ISIS Low, ISIS Medium and ISIS High, Degroof Global Ethical, Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds to DEGROOF FUND MANAGEMENT COMPANY S.A. (the “Manager”).

For this purpose, a management agreement was signed for an unlimited period on 26 July 2005 and last updated on 06.12.10 between the Management Company and DEGROOF FUND MANAGEMENT COMPANY S.A. Under that agreement, DEGROOF FUND MANAGEMENT COMPANY S.A. is responsible for the day-to-day management of the assets of the portfolio specific to each sub-fund of the Investment Company; in this regard the Manager shall comply with the specific management terms of each sub-fund.

In payment of these services, DEGROOF FUND MANAGEMENT COMPANY S.A. shall receive from the Management Company an annual commission of:

- 0.20% for the Degroof Global ISIS Low, ISIS Medium and ISIS High, Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds, with a minimum of 60,000.- Euro per sub-fund
- 0.40% for the Degroof Global Ethical sub-fund, with a minimum of 60,000.- Euro, less the commission due to FORUM ETHIBEL ASBL as defined below.

These fees are payable quarterly and are calculated on the average value of the net assets of each sub-fund during the quarter under review.

As regards the Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds, DEGROOF FUND MANAGEMENT COMPANY S.A. shall also receive from each sub-fund separately via the Management Company, a performance fee equal to 5% of the positive increase in the net asset value (“NAV”) per share before the calculation of the performance fee, in comparison with the benchmark NAV per share.

The benchmark NAV per share, after performance fee, is the previous highest NAV per share ever attained by the sub-fund in question

A provision shall be created for the performance commission every time the NAV is calculated on the basis of the number of shares of the sub-fund in circulation on the day the NAV is calculated.

The amount thus calculated shall be paid to DEGROOF FUND MANAGEMENT COMPANY S.A. at the end of every quarter.

DEGROOF FUND MANAGEMENT COMPANY S.A. was set up in Brussels on 17 March 2003 in the form of a public limited company incorporated under Belgian law. Its authorised capital which is fully paid-up is Euro 1,500,000.-. Its object is the collective management of portfolios of public, institutional or private undertakings for collective investment incorporated under Belgian or foreign laws. It may manage investment portfolios, manage and market undertakings for collective investment.

For the management of the Degroof Global Ethical sub-fund, the Manager will be assisted by an Investment Adviser.

FORUM ETHIBEL ASBL has agreed to act as Investment Adviser for the Degroof Global Ethical sub-fund. For that purpose, a cooperation agreement was concluded on 26 July 2005 and updated on 4 May 2007 between VIGEO BELGIUM S.A. and DEGROOF FUND MANAGEMENT COMPANY S.A. for a period of unlimited duration. Under the said contract, DEGROOF FUND MANAGEMENT COMPANY S.A. obtains from the Investment Adviser its opinions and advice on the ethical nature of shares to be acquired or sold; in addition, the Investment Adviser carries out checks to ensure that its advice and opinions have been respected and certifies that the portfolio complies with ethical investment criteria.

FORUM ETHIBEL ASBL, having its registered office at 333/7 rue du Progrès, B-1030 Brussels, is an independent firm of consultants specialised in the field of socio-ethic and ecological investments. Its main object is to analyse the economic and financial aspects of companies in relation to the way in which they exercise their corporate social responsibilities.

FORUM ETHIBEL ASBL acts as an adviser to banks and stockbrokers for the launch of ethical and 'green' financial products. A specific label is awarded to socio-ethical mutual funds that respect the selection criteria determined by the A.S.B.L. FORUM ETHIBEL.

FORUM ETHIBEL ASBL makes its selections on the basis of in-depth corporate studies carried out by VIGEO BELGIUM S.A. in accordance with a scale of social, ecological and ethical criteria. These elements based on a company's corporate culture and long-term strategy are all considered as factors of the company's success.

VIGEO BELGIUM S.A., having its registered office at 333/7 rue du Progrès, B-1030 Brussels, is part of Vigeo, the European agency of extra-financial analysis. Vigeo has offices in Bagnolet (France), Brussels (Belgium), Milan (Italy) and Casablanca (Morocco).

Vigeo measures the performances and level of management of the social responsibility risks of companies and organisations. It therefore analyses the extent to which companies and public authorities integrate environmental, social, societal and good governance objectives in the definition and deployment of their strategy or policies.

As the legal owner of ETHIBEL, the European quality label, VIGEO BELGIUM S.A. is the primary contracting party of DEGROOF FUND MANAGEMENT COMPANY S.A.

In payment of the services described above, FORUM ETHIBEL ASBL will receive from DEGROOF FUND MANAGEMENT COMPANY S.A., at the end of each quarter, a commission at the following annual rates on the basis of the average net asset value of the Degroof Global Ethical sub-fund for the quarter under review:

- For the part of the portfolio invested in negotiable securities other than State bonds

- for the first Euro 50 million of average net assets: 0,15 %,
- for the amount of average net assets above Euro 50 million: 0,05 %.

- For the part of the portfolio invested in State bonds

- for the first Euro 25 million of average net assets: 0,10 %,
- for the amount of average net assets between Euro 25 million and Euro 50 million: 0,05 %,
- for the amount of average net assets above Euro 50 million: 0,03 %.

However, this commission may not be less than Euro 9,500.- per quarter or more than Euro 25,000.- per quarter.

These minimum and maximum thresholds shall be adapted, at the beginning of every calendar year, to the cost of living in accordance with the following formula:

$$\text{New threshold} = \text{initial threshold} * i(n)/i(o)$$

where the initial threshold corresponds to the thresholds defined above, $i(n)$ is equal to the health index in Belgium for December of the previous year and $i(o)$ the current health index in Belgium.

DISTRIBUTORS

The Management Company may decide to appoint at any time distributors and/or nominees (hereafter referred to as “Distributor”) to assist it in the distribution and the placement of the shares of the Investment Company.

BANQUE DEGROOF LUXEMBOURG S.A. has agreed to act as distributor and Nominee. To that end, a distribution agreement was concluded on 26 July 2005 and updated on 4 May 2007 between the Management Company and BANQUE DEGROOF LUXEMBOURG S.A. for a period of indeterminate duration.

BANQUE DEGROOF S.A. has also accepted to act as a distributor. To that end, a distribution agreement was concluded on 26 July 2005 and updated on 4 May 2007 for an indeterminate duration between BANQUE DEGROOF S.A. and the Management Company.

The selected Distributors carry out activities of marketing, placement and sale of the Shares of the Company; they intervene in the relation between the investors and the Investment Company in collecting subscription orders of Shares. They are accordingly authorised to receive, on behalf of the Investment Company, subscription, repurchase and conversion instructions from investors and shareholders, and to offer shares at a price based on the respective net asset values of such shares.

The Distributors shall transmit to the Transfer Agent of the Company any application for the issue, redemption and/or conversion of Shares.

The Distributors are also entitled to receive and execute the payment of the issue and redemption orders of Shares.

In accordance with the distribution agreement concluded with BANQUE DEGROOF LUXEMBOURG S.A. as referred to above, and in the framework of the Nominee service which the Distributor may offer to investors, the Distributor shall appear in the Investment Company’s register of shareholders and not the client investor that acquires the shares. The terms and conditions of the distribution agreement stipulate, inter alia, that a client who has invested in the Investment Company via the Distributor can, at any time, request that the shares subscribed for via the Distributor be transferred into his or her name, in which case the client will be registered under his or her own name in the Investment Company’s register of shareholders upon receipt of instructions to that effect from the Distributor. The investors may nevertheless invest directly in the Investment Company without placing orders with the Distributor.

By way of remuneration for the services described above, the Management Company shall pay the Distributors a distribution commission at the respective annual rates of:

0.70% for A and B classes of the Degroof Global ISIS Low and ISIS Medium, Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds;

0.70% for the Degroof Global ISIS High sub-fund;

1% for the Degroof Global Ethical sub-fund.

The commission due to each Distributor is payable quarterly and calculated on the basis of the average net asset value of the sub-fund or class concerned during the quarter under review pro rata to the number of shares (outstanding) registered in the name of the Distributor in question in the Investment Company’s books kept by the Transfer Agent.

The Management Company shall conclude distribution agreements with other companies. The Distributors are listed in the annual and semi-annual reports of the Investment Company.

CUSTODIAN BANK AND PAYING AGENT

The Investment Company's assets are deposited with BANQUE DEGROOF LUXEMBOURG S.A. (the "Custodian Bank").

Generally speaking and without restrictions, the Custodian will fulfil the usual obligations and duties relating to the safekeeping of cash and securities. It shall execute in particular all financial transactions and banking services whatsoever on the instructions of the Investment Company.

In accordance with the amended law of 20 December 2002 on undertakings for collective investment, the Custodian Bank must in addition:

- a) ensure that the sale, issue, repurchase, conversion and cancellation of shares effected by the Investment Company or on its behalf are carried out in accordance with the law and the Investment Company's Articles of Association;
- b) ensure that, in transactions involving the Investment Company's assets, any consideration is remitted to it within the time limits;
- c) ensure that the income of the Investment Company is allocated in accordance with its Articles of Association.

The Custodian may on its own responsibility entrust the safekeeping of the securities, among others securities negotiated or listed on a foreign Stock Exchange or eligible in ClearStream or Euroclear, to such financial institutions or to one or several correspondent banking institutions.

It shall carry out its duties as Custodian Bank in accordance with the terms of a custodian bank agreement concluded on 26 July 2005 and updated on 4 May 2007 for an indeterminate duration between BANQUE DEGROOF LUXEMBOURG S.A. and the Investment Company.

Under the terms of the said agreement, BANQUE DEGROOF LUXEMBOURG S.A. also acts as Paying Agent for the financial services in connection with the Investment Company's shares.

In remuneration of its custodian services, the Custodian Bank shall deduct the usual bank charges in Luxembourg relating to assets deposited and securities custodian services.

The Investment Company will pay to the Custodian Bank a remuneration consisting of an annual commission, payable quarterly, according to a degressive scale by portion of average net assets per sub-fund, during the quarter under review, of:

- * 0.040% on the portion of average net assets between Euro 0 and Euro 35 million;
 - * 0.030% on the portion of average net assets between Euro 35 and Euro 125 million;
 - * 0.020% on average net assets above Euro 125 million;
- with a minimum of Euro 10,000.- per sub-fund.

This remuneration covers the remuneration due to BANQUE DEGROOF LUXEMBOURG S.A. for its services as a Transfer Agent.

Each party may terminate that agreement upon a three months notice, provided that the Custodian will continue to perform its duties until another custodian has been appointed and until all the Investment Company's assets have been transferred to the newly appointed custodian, in accordance with legal requirements.

Banque Degroef Luxembourg S.A. is a public limited company incorporated under the laws of Luxembourg. It was incorporated for a period of unlimited duration in Luxembourg on 29 January 1987. It has its registered office at 12 Rue Eugène Ruppert, L-2453 Luxembourg and has operated as a bank since its incorporation. As at 30.09.09, its own funds amounted to Euro 159,614,627.

CENTRAL ADMINISTRATION

The Management Company has delegated the execution of the duties connected with the central administration of the Investment Company to BANQUE DEGROOF LUXEMBOURG S.A.

To this end, a service agreement for UCI was signed on 26 July 2005 and updated on 4 May 2007 between the Management Company and BANQUE DEGROOF LUXEMBOURG S.A. for an unlimited period. Under the terms of that agreement, BANQUE DEGROOF LUXEMBOURG S.A. acts as Paying Agent, Administrative agent and Transfer Agent of the Investment Company. As such, it assumes the administrative functions required by Luxembourg Law, such as the accounting and the shareholders' register. It is also responsible for the periodic calculation of the net asset value per share of each sub-fund and each class as the case may be.

The Management Company shall pay BANQUE DEGROOF LUXEMBOURG S.A., at the Investment Company's expense, remuneration comprising an Administrative Agent commission at the annual rates described below, payable quarterly and calculated on the value of each sub-fund during the quarter under review, and a Paying Agent commission:

Administrative

Degroof Global Ethical sub-fund:

an annual commission, payable quarterly, according to a degressive scale by portions of average net assets of

- * 0.105 % on the portion of average net assets between Euro 0 and 125 million Euro;
 - * 0.080 % on average net assets above 125 million Euro;
- with a minimum of 40,000.- Euro.

Degroof Global ISIS Low and ISIS Medium sub-funds:

an annual commission, payable quarterly, according to a degressive scale by portions of average net assets per sub-fund of

- * 0.135 % on the portion of average net assets between Euro 0 and 125 million Euro;
 - * 0.105 % on average net assets above 125 million Euro;
- with a minimum of Euro 55,000.- per sub-fund
plus an annual lump-sum amount of Euro 15,000.- per sub-fund.

Degroof Global ISIS High sub-fund:

an annual commission, payable quarterly, according to a degressive scale by portions of average net assets of

- * 0.135 % on the portion of average net assets between Euro 0 and 125 million Euro;
 - * 0.105 % on average net assets above 125 million Euro;
- with a minimum of 55,000.- Euro.

Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds:

an annual commission, payable quarterly, according to a degressive scale by portions of average net assets per sub-fund of

- * 0.105 % on the portion of average net assets between Euro 0 and 125 million Euro;
 - * 0.080 % on average net assets above 125 million Euro;
- with a minimum of Euro 26,250.- per sub-fund
plus an annual lump-sum amount of Euro 10,000.- per sub-fund.

Paying agent

Degroof Global Ethical sub-fund:
an annual lump sum amount of Euro 4,500.-.

Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds:
an annual lump sum amount of Euro 3,500.- per sub-fund.

Degroof Global ISIS Low, ISIS Medium and ISIS High sub-funds:
an annual lump sum amount of Euro 7,500.- per sub-fund.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

1. General provisions

The Investment Company's objectives

The Investment Company intends to offer its shareholders investments in a selection of negotiable securities and other eligible financial assets combining high growth potential and a high degree of liquidity. The choice of assets will not be limited either geographically or as regards either the types of negotiable securities and other eligible financial assets or the currencies in which they are expressed, except for any applicable investment restrictions. The investment policy and more particularly the duration of investments will be adjusted in line with the current political, economic, financial and monetary outlook at any given time.

The Investment Company's investment policy

The Investment Company intends to achieve the above objective mainly by the active management of portfolios of eligible financial assets. In accordance with the conditions and limits set out in sections 3 to 5 below, and in compliance with the investment policy of each sub-fund as defined below, the eligible financial assets may notably consist of transferable securities, money market instruments, shares/units of UCITS and/or UCI, bank deposits and/or derivative financial instruments, without however excluding other types of eligible financial assets.

Each sub-fund may invest in structured products such as, but not exclusively, capital guaranteed notes. The term "structured product" refers to transferable securities issued by financial institutions and which are created with the aim of restructuring the investment characteristics of certain other investments (the "underlying assets"). In this framework, institutions issue transferable securities ("structured products") representing interests in the underlying assets. The underlying assets of these structured products must represent eligible liquid financial assets and comply with the investment policy and objectives of the sub-fund concerned. In addition, the risks to which the underlying assets are exposed may not exceed the investment limits set out in sections 3 to 5 below.

Each sub-fund may (a) invest in derivative instruments not only for achieving its investment objectives but also for hedging purposes and for ensuring that the portfolio is managed efficiently, and (b) use techniques and instruments involving transferable securities and money market instruments, in order to ensure that the portfolio is managed efficiently, in accordance with the conditions and limits stipulated in applicable laws, regulations and administrative practices, and in accordance with the restrictions specified in sections 2 to 5 below.

Each sub-fund of the Investment Company has a different investment policy in terms of the type and proportion of eligible financial assets and/or in terms of geographical, industrial or sectoral diversification.

The Investment Company's risk profile

Each sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets.

No guarantee can be given that the Investment Company's objective will be achieved and that investors will recover the amount of their initial investment.

The conditions and limits laid down in sections 3 to 5 below are intended however to ensure a certain portfolio diversification so as to reduce such risks.

Moreover, the investment policy of certain sub-funds may be strongly geared to investments in convertible bonds, one of whose characteristics is the participation in the fluctuations in the underlying asset while providing a certain form of capital protection. It is necessary to emphasise that convertible bonds are subject to the risk that the issuer may not be able to meet its obligations as regards the payment of interest and/or the repayment of the principal at maturity.

The investments made by the Investment Company in shares/units of UCI expose the Investment Company to the risks linked to the financial instruments that the UCI in question have in their portfolio. Some risks are however specific to the ownership by the Investment Company of UCI shares/units. Some UCI may use either derivative instruments or resort to borrowing for leverage purposes. The use of leverage increases the volatility of the price of these UCI and therefore the risk of capital losses. Investments in UCI shares/units can also entail a higher liquidity risk than a direct investment in a portfolio of transferable securities. On the other hand, investments in UCI shares/units provide the Investment Company with access, in a more flexible and effective way, to different professional management styles and investment diversification.

A sub-fund which invests mainly via UCI, will ensure that its portfolio if UCI has suitable liquidity characteristics to enable it to meet its own repurchase obligations. The method of selecting target UCI will take into consideration the share repurchase frequency of the UCI in question and the portfolio of such a sub-fund will be composed mainly of UCI with a share repurchase frequency that is identical to that of the sub-fund concerned.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Any costs which may be incurred by a sub-fund of the Investment Company may, as a result of investing in UCI, be doubled.

It is to be noted that warrants, although they may offer investors more important gains than shares because of their leverage, are very volatile in terms of price. These instruments can in fact lose all their value. It is emphasised that the sub-funds will invest in warrants, if applicable, only in an ancillary way.

In the event of any doubts about the risks relating to an investment in the Investment Company's shares, or about whether a sub-fund is an appropriate investment given the investor's personal situation, investors should consult their financial adviser in order to determine whether it is suitable for them to invest in the Investment Company.

Investors wanting to ascertain the historical performance of the sub-funds should consult the simplified Prospectus for the sub-fund concerned, containing the data relative, in principle, to the last three financial years. The attention of investors is drawn to the fact that these data can in no event be considered as an indicator of the future performance of the Investment Company's various sub-funds.

The investment objectives and policies decided by the Board of Directors as well as the risk profile and standard profile of investors are as follows for each sub-fund.

2. Investment objectives and policies, risk and investor profile in the various sub-funds

Degroof Global ISIS Low

Investment policy

The management objective of this sub-fund corresponds to a moderate level of risk in relation to stock and bond markets. The assets of this sub-fund may be invested in all types of eligible financial assets subject to compliance with the conditions and limits stipulated in sections 3 to 5 below.

Thus, the proportion of the net assets of the sub-fund invested in UCITS and/or UCI shares may, at times, represent the totality of net assets.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Over and above the costs incurred by the sub-fund in connection with its day-to-day management, management commissions will be indirectly levied on the sub-fund's assets via the target UCI that it holds. The total management commissions may not exceed 5%; the performance and advisory commissions are covered by the term "management commission". When the sub-fund invests in UCI of the same promoter, no front-end load or back-end load relating to the UCI whose shares have been acquired may be charged to the sub-fund.

The sub-fund may use financial instruments, in particular to reproduce a bond or money-market yield instead of a stock yield.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in bonds and equities.

Investor profile

The sub-fund is intended for investors that want to benefit from a certain level of protection linked to the bond content of the investments while benefiting, for the proportion of the portfolio invested in stocks, from stock market movements.

The sub-fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 2 years.

Degroof Global ISIS Medium

Investment policy

The management objective of this sub-fund corresponds to a medium level of risk in relation to stock and bond markets. The assets of this sub-fund may be invested in all types of eligible financial assets subject to compliance with the conditions and limits stipulated in sections 3 to 5 below.

Thus, the proportion of the net assets of the sub-fund invested in UCITS and/or UCI shares may, at times, represent the totality of net assets.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Over and above the costs incurred by the sub-fund in connection with its day-to-day management, management commissions will be indirectly levied on the sub-fund's assets via the target UCI that it holds. The total management commissions may not exceed 5%; the performance and advisory commissions are covered by the term "management commission". When the sub-fund invests in UCI of the same promoter, no front-end load or back-end load relating to the UCI whose shares have been acquired may be charged to the sub-fund.

The sub-fund may use financial instruments, in particular to reproduce a bond or money-market yield instead of a stock yield.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in bonds and equities.

Investor profile

The sub-fund is intended for investors that want to benefit from a certain level of protection linked to the bond content of the investments while benefiting, for the proportion of the portfolio invested in stocks, from stock market movements.

The sub-fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 5 years.

Degroof Global ISIS High

Investment policy

The management objective of this sub-fund corresponds to a high level of risk in relation to stock and bond markets. The assets of this sub-fund may be invested in all types of eligible financial assets subject to compliance with the conditions and limits stipulated in sections 3 to 5 below.

Thus, the proportion of the net assets of the sub-fund invested in UCITS and/or UCI shares may, at times, represent the totality of net assets.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Over and above the costs incurred by the sub-fund in connection with its day-to-day management, management commissions will be indirectly levied on the sub-fund's assets via the target UCI that it holds. The total management commissions may not exceed 5%; the performance and advisory commissions are covered by the term "management commission". When the sub-fund invests in UCI of the same promoter, no front-end load or back-end load relating to the UCI whose shares have been acquired may be charged to the sub-fund.

The sub-fund may use financial instruments, in particular to reproduce a bond or money-market yield instead of a stock yield.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in bonds and equities.

Investor profile

The sub-fund is intended for investors that want to benefit from a certain level of protection linked to the bond content of the investments while benefiting, for the proportion of the portfolio invested in stocks, from stock market movements.

The sub-fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 8 years.

Degroof Global Ethical

Investment policy

The objective of the Degroof Global Ethical sub-fund is to generate long-term capital growth, subject to compliance with certain ethical constraints, by investing in an international portfolio of stocks, bonds and in an ancillary way stock warrants, diversified into assets denominated in different currencies, without limitation.

The investment policy shall satisfy the specifications determined by the A.S.B.L. FORUM ETHIBEL, having its registered office at 333/7 rue du Progrès, B-1030 Brussels. The investment policy is controlled by the A.S.B.L. FORUM ETHIBEL and must comply at all times with the latter's criteria.

The Degroof Global Ethical sub-fund will invest in the shares of companies from a selection of stocks drawn up by the A.S.B.L. FORUM ETHIBEL, which satisfy ethical, economic, social and ecological criteria. The sub-fund may also invest in any security giving access to the capital of the aforementioned companies.

As it happens, the ethical criteria taken into consideration for the A.S.B.L. FORUM ETHIBEL to assess a company are based on three main lines: the environmental, ethico-economic and social policy of the company in question. Among other things, environmental policy must incorporate respect for the ecological chain. In this regard, its analysis will focus not only on the products used in the manufacturing process, energy consumption, the treatment and possibilities of recycling finished products. The social policy covers mainly respect for human rights from an internal point of view (e.g. the participation of women, the integration of disadvantaged people, working conditions, job creation, worker participation in the management of the company, etc.) and from an external point of view (i.e. the nature of the relations with the countries in which the company operates and compliance by those countries with the provisions of the Universal Declaration of Human Rights, taking into account the specific situation of each country). The ethico-economic policy shall include, among other things, the company's sustainable, constructive relations with its customers, suppliers, shareholders and the public authorities; compliance with its contractual obligations; as well as its capacity to maintain and strengthen its economic potential.

In addition, the company's involvement in controversial activities, such as arms, nuclear energy, gambling, tobacco, dangerous chemical substances, the sex industry and the ill treatment of animals will be monitored.

If the company no longer satisfies the above criteria, the shares in that company will be sold within a period of time determined by the A.S.B.L. FORUM ETHIBEL provided that this is carried out in the interests of the sub-fund's shareholders.

The sub-fund may hold cash, short-term money market instruments and all other eligible financial assets as ancillary investments.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in equities.

It is to be noted that some warrants, although they may offer investors more important gains than shares because of their leverage, are very volatile in terms of price. These instruments can in fact lose all their value. It is emphasised that the sub-funds will invest in warrants only in an ancillary way.

Investor profile

The sub-fund is intended for investors wanting to take advantage of stock market movements.

The sub-fund is intended for both retail investors and institutional investors.

Degroof Global Reactive 5 Winter

Investment policy

The objective of this sub-fund is to offer the highest possible returns while limiting losses, in the event of a market downturn, to not more than 5% in relation to the reference net asset value. The annual reference date is 31 December. The reference net asset value is the net asset value relative to the last potential subscription effective before or on the said reference date. This objective may in no event be construed as a guarantee; the objective may not be achieved.

This sub-fund will therefore adopt an active risk management approach with the aim of limiting losses in relation to the reference net asset value.

The sub-fund's assets may be invested in all types of eligible financial assets, such as in particular shares, bonds, futures contracts, options contracts, shares/units in UCITS and/or other UCI, including ETF ("Exchange Traded Funds") type UCI, in accordance with the conditions and limits specified in sections 3 to 5 below, without however excluding other types of eligible financial assets.

Thus, the proportion of the net assets of the sub-fund invested in UCITS and/or UCI shares/units may, at times, represent the totality of net assets. These will be UCITS and/or UCI within the meaning of article 1(2), first and second

indents of European Directive 85/611/EEC as amended, regulated, open and diversified, with a risk distribution comparable to that of Luxembourg UCI falling within the scope of Part I of the amended law of 20 December 2002.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Over and above the costs incurred by the sub-fund in connection with its day-to-day management, management commissions will be indirectly levied on the sub-fund's assets via the target UCI that it holds. The total management commissions may not exceed 5%; the performance and advisory commissions are covered by the term "management commission". When the sub-fund invests in UCI of the same promoter, no front-end load or back-end load relating to the UCI whose shares/units have been acquired may be charged to the sub-fund.

The sub-fund will not invest directly in commodities. However, the sub-fund may invest indirectly in commodities via derivative financial instruments linked to commodity indices provided that the composition of the indices in question is sufficiently diversified, provided that the indices are a representative standard of the commodities to which they refer and provided that relevant information is available as regards their composition and calculation. An investment in such derivative financial instruments will not result in the physical delivery of commodities to the sub-fund.

The sub-fund may invest up to 100 % of its net assets in cash, time deposits, interest rate or money market products such as bonds, regularly traded money market instruments maturing within 12 months, UCITS and money market UCI. The sub-fund shall however avoid any excessive concentration of its assets in a single other money market UCITS or UCI and shall, in general, comply with the investment limitations and allocation rules described in section 4 below. There are no restrictions regarding the currency in which these securities are issued. Time deposits and cash may not however exceed 49% of the sub-fund's net assets; deposits and cash held with any counterparty including the Custodian Bank may not exceed 20% of the sub-fund's net assets.

In the framework of the 10% (assets other than those referred to in points a) to e) of section 3 below) investment restriction, the sub-fund may invest a maximum of 10% of its net assets in open, regulated commodities funds and/or real estate funds which are subject to supervision that the CSSF considers as equivalent to that of Community regulation.

In order to ensure that the portfolio is well managed and/or to hedge its assets and liabilities, the sub-fund may use financial techniques and instruments in accordance with the conditions and limits specified in section 5 below.

In particular, the sub-fund may manage actively its currency exposure and risk. In this context, the Manager may use currency related derivative financial instruments, such as in particular forward foreign exchange contracts, without however excluding other currency related derivative financial instruments.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets.

Investor profile

The sub-fund is intended for investors that want to limit losses in the event that markets fall.

The sub-fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 7 years.

Degroof Global Reactive 10 Summer

Investment policy

The objective of this sub-fund is to offer the highest possible returns while limiting losses, in the event of a market downturn, to not more than 10 % in relation to the reference net asset value. The annual reference date is 30 June. The reference net asset value is the net asset value relative to the last potential subscription effective before or on the said reference date. This objective may in no event be construed as a guarantee ; the objective may not be achieved.

This sub-fund will therefore adopt an active risk management approach with the aim of limiting losses in relation to the reference net asset value.

The sub-fund's assets may be invested in all types of eligible financial assets, such as in particular shares, bonds, futures contracts, options contracts, shares/units in UCITS and/or other UCI, including ETF ("Exchange Traded Funds") type UCI, in accordance with the conditions and limits specified in sections 3 to 5 below, without however excluding other types of eligible financial assets.

Thus, the proportion of the net assets of the sub-fund invested in UCITS and/or UCI shares/units may, at times, represent the totality of net assets. These will be UCITS and/or UCI within the meaning of article 1(2), first and second indents of European Directive 85/611/EEC as amended, regulated, open and diversified, with a risk distribution comparable to that of Luxembourg UCI falling within the scope of Part I of the amended law of 20 December 2002.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Over and above the costs incurred by the sub-fund in connection with its day-to-day management, management commissions will be indirectly levied on the sub-fund's assets via the target UCI that it holds. The total management commissions may not exceed 5%; the performance and advisory commissions are covered by the term "management commission". When the sub-fund invests in UCI of the same promoter, no front-end load or back-end load relating to the UCI whose shares/units have been acquired may be charged to the sub-fund.

The sub-fund will not invest directly in commodities. However, the sub-fund may invest indirectly in commodities via derivative financial instruments linked to commodity indices provided that the composition of the indices in question is sufficiently diversified, provided that the indices are a representative standard of the commodities to which they refer and provided that relevant information is available as regards their composition and calculation. An investment in such derivative financial instruments will not result in the physical delivery of commodities to the sub-fund.

The sub-fund may invest up to 100 % of its net assets in cash, time deposits, interest rate or money market products such as bonds, regularly traded money market instruments maturing within 12 months, UCITS and money market UCI. The sub-fund shall however avoid any excessive concentration of its assets in a single other money market UCITS or UCI and shall, in general, comply with the investment limitations and allocation rules described in section 4 below. There are no restrictions regarding the currency in which these securities are issued. Time deposits and cash may not however exceed 49% of the sub-fund's net assets; deposits and cash held with any counterparty including the Custodian Bank may not exceed 20% of the sub-fund's net assets.

In the framework of the 10% (assets other than those referred to in points a) to e) of section 3 below) investment restriction, the sub-fund may invest a maximum of 10% of its net assets in open, regulated commodities funds and/or real estate funds which are subject to supervision that the CSSF considers as equivalent to that of Community regulation.

In order to ensure that the portfolio is well managed and/or to hedge its assets and liabilities, the sub-fund may use financial techniques and instruments in accordance with the conditions and limits specified in section 5 below.

In particular, the sub-fund may manage actively its currency exposure and risk. In this context, the Manager may use currency related derivative financial instruments, such as in particular forward foreign exchange contracts, without however excluding other currency related derivative financial instruments.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets.

Investor profile

The sub-fund is intended for investors that want to limit losses in the event that markets fall.

The sub-fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 7 years.

Investment policy

The objective of this sub-fund is to offer the highest possible returns while limiting losses, in the event of a market downturn, to not more than 5% in relation to the reference net asset value. The annual reference date is 30 September. The reference net asset value is the net asset value relative to the last potential subscription effective before or on the said reference date. This objective may in no event be construed as a guarantee ; the objective may not be achieved.

This sub-fund will therefore adopt an active risk management approach with the aim of limiting losses in relation to the reference net asset value.

The sub-fund's assets may be invested in all types of eligible financial assets, such as in particular shares, bonds, futures contracts, options contracts, shares/units in UCITS and/or other UCI, including ETF ("Exchange Traded Funds") type UCI, in accordance with the conditions and limits specified in sections 3 to 5 below, without however excluding other types of eligible financial assets.

Thus, the proportion of the net assets of the sub-fund invested in UCITS and/or UCI shares/units may, at times, represent the totality of net assets. These will be UCITS and/or UCI within the meaning of article 1(2), first and second indents of European Directive 85/611/EEC as amended, regulated, open and diversified, with a risk distribution comparable to that of Luxembourg UCI falling within the scope of Part I of the amended law of 20 December 2002.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Over and above the costs incurred by the sub-fund in connection with its day-to-day management, management commissions will be indirectly levied on the sub-fund's assets via the target UCI that it holds. The total management commissions may not exceed 5%; the performance and advisory commissions are covered by the term "management commission". When the sub-fund invests in UCI of the same promoter, no front-end load or back-end load relating to the UCI whose shares/units have been acquired may be charged to the sub-fund.

The sub-fund will not invest directly in commodities. However, the sub-fund may invest indirectly in commodities via derivative financial instruments linked to commodity indices provided that the composition of the indices in question is sufficiently diversified, provided that the indices are a representative standard of the commodities to which they refer and provided that relevant information is available as regards their composition and calculation. An investment in such derivative financial instruments will not result in the physical delivery of commodities to the sub-fund.

The sub-fund may invest up to 100 % of its net assets in cash, time deposits, interest rate or money market products such as bonds, regularly traded money market instruments maturing within 12 months, UCITS and money market UCI. The sub-fund shall however avoid any excessive concentration of its assets in a single other money market UCITS or UCI and shall, in general, comply with the investment limitations and allocation rules described in section 4 below. There are no restrictions regarding the currency in which these securities are issued. Time deposits and cash may not however exceed 49% of the net assets of the sub-fund; time deposits and cash held with any other counterparty including the Custodian Bank may not exceed 20% of the net assets of the sub-fund.

In the framework of the 10% investment restriction (assets other than those referred to under points a) to e) of section 3 below), the sub-fund may be invested up to a maximum of 10% of its net assets in commodity funds and/or in real estate funds, which are open, regulated and subject to supervision that the CSSF considers to be equivalent to that under Community laws.

In order to ensure that the portfolio is well managed and/or to hedge its assets and liabilities, the sub-fund may use financial techniques and instruments in accordance with the conditions and limits specified in section 5 below.

In particular, the sub-fund may manage actively its currency exposure and risk. In this context, the Manager may use currency related derivative financial instruments, such as in particular forward foreign exchange contracts, without however excluding other currency related derivative financial instruments.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets.

Investor profile

The sub-fund is intended for investors that want to limit losses in the event that markets fall.

The sub-fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 7 years.

Degroef Global Reactive 10 Winter

Investment policy

The objective of this sub-fund is to offer the highest possible returns while limiting losses, in the event of a market downturn, to not more than 10 % in relation to the reference net asset value. The annual reference date is 31 December. The reference net asset value is the net asset value relative to the last potential subscription effective before or on the said reference date. This objective may in no event be construed as a guarantee ; the objective may not be achieved.

This sub-fund will therefore adopt an active risk management approach with the aim of limiting losses in relation to the reference net asset value.

The sub-fund's assets may be invested in all types of eligible financial assets, such as in particular shares, bonds, futures contracts, options contracts, shares/units in UCITS and/or other UCI, including ETF ("Exchange Traded Funds") type UCI, in accordance with the conditions and limits specified in sections 3 to 5 below, without however excluding other types of eligible financial assets.

Thus, the proportion of the net assets of the sub-fund invested in UCITS and/or UCI shares/units may, at times, represent the totality of net assets. These will be UCITS and/or UCI within the meaning of article 1(2), first and second indents of European Directive 85/611/EEC as amended, regulated, open and diversified, with a risk distribution comparable to that of Luxembourg UCI falling within the scope of Part I of the amended law of 20 December 2002.

It is to be noted that the activity of a UCI or a sub-fund which invests in other UCI may result in duplication of certain costs. Over and above the costs incurred by the sub-fund in connection with its day-to-day management, management commissions will be indirectly levied on the sub-fund's assets via the target UCI that it holds. The total management commissions may not exceed 5%; the performance and advisory commissions are covered by the term "management commission". When the sub-fund invests in UCI of the same promoter, no front-end load or back-end load relating to the UCI whose shares/units have been acquired may be charged to the sub-fund.

The sub-fund will not invest directly in commodities. However, the sub-fund may invest indirectly in commodities via derivative financial instruments linked to commodity indices provided that the composition of the indices in question is sufficiently diversified, provided that the indices are a representative standard of the commodities to which they refer and provided that relevant information is available as regards their composition and calculation. An investment in such derivative financial instruments will not result in the physical delivery of commodities to the sub-fund.

The sub-fund may invest up to 100 % of its net assets in cash, time deposits, interest rate or money market products such as bonds, regularly traded money market instruments maturing within 12 months, UCITS and money market UCI. The sub-fund shall however avoid any excessive concentration of its assets in a single other money market UCITS or UCI and shall, in general, comply with the investment limitations and allocation rules described in section 4 below. There are no restrictions regarding the currency in which these securities are issued. Time deposits and cash may not however exceed 49% of the sub-fund's net assets; deposits and cash held with any counterparty including the Custodian Bank may not exceed 20% of the sub-fund's net assets.

In the framework of the 10% (assets other than those referred to in points a) to e) of section 3 below) investment restriction, the sub-fund may invest a maximum of 10% of its net assets in open, regulated commodities funds and/or real estate funds which are subject to supervision that the CSSF considers as equivalent to that of Community regulation.

In order to ensure that the portfolio is well managed and/or to hedge its assets and liabilities, the sub-fund may use financial techniques and instruments in accordance with the conditions and limits specified in section 5 below.

In particular, the sub-fund may manage actively its currency exposure and risk. In this context, the Manager may use currency related derivative financial instruments, such as in particular forward foreign exchange contracts, without however excluding other currency related derivative financial instruments.

The net asset value is expressed in Euro.

Risk profile

The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets.

Investor profile

The sub-fund is intended for investors that want to limit losses in the event that markets fall.

The sub-fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 7 years.

3. Eligible financial assets

The various sub-funds of the Investment Company must invest exclusively in:

Transferable securities and money market instruments

- a) transferable securities and money market instruments that are listed or dealt in on a regulated market as recognised by its home Member State and registered on the list of regulated markets published in the Official Journal of the European Union ("EU") or on its official Web site (hereinafter "Regulated Market");
- b) transferable securities and money market instruments dealt in on another regulated market in an EU Member State which operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt in on another regulated market in a non-EU Member State which operates regularly and is recognised and open to the public;
- d) newly issued transferable securities and money market instruments, provided that (i) the issue terms and conditions contain an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public and that (ii) such admission is secured within one year of issue at the latest;
- e) money market instruments other than those dealt in on a regulated market, provided that the issue or the issuer of these instruments are themselves subject to regulations intended to protect investors and savings and that these instruments are:
 - issued or guaranteed by a central, regional or local administration, by a central bank of an EU Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a third State or, in the case of a federal State, by one of the members composing the federation, or by an international public organisation to which one or more EU Member States belong; or
 - issued by a company whose shares are dealt in on the regulated markets referred to under points a), b) and c) above; or
 - issued or guaranteed by an establishment subject to prudential supervision in accordance with the criteria defined by Community law or by an establishment which is subject to and complies with

prudential rules considered by the CSSF to be at least as strict as those laid down under Community law;
or

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

Moreover, any sub-fund of the Investment Company may invest its net assets up to 10 % maximum in transferable securities and money market instruments other than those indicated under a) to e) above.

Units of collective investment undertakings

- f) units of undertakings for collective investment in transferable securities ("UCITS") and/or other undertakings for collective investment ("UCI") within the meaning of article 1(2), first and second indents of the European directive 85/611/EEC, as amended, whether or not they are located in an EU Member States, on condition that:
- these other UCI are approved in accordance with laws stipulating that the bodies in question are subject to supervision that the CSSF considers to be equivalent to that provided for in Community laws and that there are sufficient guarantees of cooperation between authorities (at the current time the EU Member States, Switzerland, Norway, the United States of America, Canada, Japan and Hong Kong);
 - the level of protection guaranteed to unit-holders of such other UCI is equivalent to that provided for UCITS unit-holders and, in particular, that the rules relating to the division of assets, borrowing, loans, uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the European directive 85/611/EEC, as amended;
 - the activities of such other UCI are subject to half-yearly and annual reports which enable investors to assess their assets and liabilities, as well as the profits and transactions for the period under review;
 - the proportion of assets of the UCITS or these other UCI which it is planned to acquire, which, in accordance with their instruments of incorporation, can be invested overall in units of other UCITS or other UCI does not in principle exceed 10 %.

Deposits with credit institutions

- g) demand deposits with a credit institution or deposits that can be withdrawn and having a maturity date of less than or equal to twelve months, on condition that the credit institution has its statutory registered office in an EU Member State or, if the statutory registered office of the credit institution is located in a third country, it is subject to prudential rules considered by the CSSF to be equivalent to those laid down in Community legislation.

Derivative financial instruments

- h) derivative financial instruments, including similar instruments giving rise to a cash settlement, which are dealt in on a regulated market of the type referred to under points a), b) and c) above, and/or derivative financial instruments traded over-the-counter ("over-the-counter derivative instruments"), on condition that:
- the underlying asset consists of instruments described under points a) to g) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Investment Company can invest in accordance with its investment objectives;
 - counterparties to over-the-counter transactions in derivative instruments are credit institutions that are subject to prudential supervision and belong to the categories approved by the CSSF; and

- the over-the-counter derivative instruments are valued in a way that is reliable and can be checked on a daily basis and can, at the Investment Company's initiative, be sold, liquidated or closed out by a symmetric transaction at any time at their true value.

The Investment Company may hold cash on an ancillary basis.

4. Investment restrictions

Transferable securities and money market instruments

1. The Investment Company shall not invest its net assets in transferable securities and money market instruments of the same issuer in a proportion which exceeds the limits set out below, it being understood that (i) these limits are to be respected within each sub-fund and that (ii) companies that are grouped together for account consolidation purposes are to be considered as a single entity for the purpose of calculating the limits described under points a) to e) below.

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

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

- b) Any single sub-fund can invest cumulatively up to 20 % of its net assets in transferable securities and money market instruments of the same group.

- c) The 10 % limit referred to under point a) above may be increased to a maximum of 35 % when the transferable securities and money market instruments are issued or guaranteed by an EU Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more EU Member States are members.

- d) The 10 % limit referred to under point a) above may be increased to a maximum of 25 % for certain bonds when they are issued by a credit institution having its registered office in an EU Member State and subject, by law, to specific public controls intended to protect bond-holders. In particular, the capital raised from the issue of these bonds must be invested, in accordance with the Law, in assets which adequately cover, throughout the life of the bonds, the resultant obligations and which are allocated in priority to the repayment of the capital and the payment of accrued interest in the event of the issuer's bankruptcy. If a sub-fund invests more than 5 % of its net assets in the bonds referred to above and issued by the same issuer, the total value of these investments may not exceed 80 % of the value of its net assets.

- e) The money market securities and instruments referred to in points c) and d) above are not taken into account for the application of the 40% limit specified in point a) above.

- f) **By way of derogation, each sub-fund is authorised to invest, according to the principle of risk-spreading, up to 100 % of its net assets in different issues of transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a State which is a member of the OECD or by public international bodies of which one or more EU Member States are members.**

If a sub-fund avails itself of the last possibility, it must then hold securities belonging to at least 6 different issues and the securities belonging to the same issue may not exceed 30 % of the total amount of net assets.

- g) Without prejudice to the limits specified under point 7. below, the 10 % limit referred to in point a) above has been increased to a maximum of 20 % for investments in stocks and/or bonds issued by

the same entity, when the aim of the sub-fund's investment policy is to reproduce the composition of a specific stock or bond index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified,
- the index constitutes a representative sample of the market to which it relates,
- it is published in a suitable way.

The 20 % limit is increased to 35 % when such is justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or certain money market instruments are particularly dominant. Investment up to this limit is authorised for only one issuer.

Deposits with credit institutions

2. The Investment Company may not invest more than 20 % of the net assets of each sub-fund in bank deposits placed with the same entity. Companies which are grouped together for account consolidation purposes are to be considered as a single entity for the purpose of calculating this limit.

Derivative financial instruments

3.
 - a) The counterparty risk in a transaction on OTC derivative instruments may not exceed 10 % of the net assets of the sub-fund if the counterparty is one of the credit institutions referred to in Section 3 point g) above, or 5 % of its net assets in all other cases.
 - b) Investments in derivative financial instruments are authorised provided that, overall, the risks to which the underlying assets are exposed do not exceed the investment limits laid down under points 1. a) to e), 2., 3. a) above and 5. and 6. below. When the Investment Company invests in derivative financial instruments based on an index, such investments are not necessarily combined with the limits set out under points 1. a) to e), 2., 3. a) above and 5. and 6. below.
 - c) When a transferable security or a money market instrument includes a derivative financial instrument, the latter must be taken into consideration for the application of the provisions set out under points 3. d) and 6. below, as well as for the assessment of the risks related to transactions in derivative financial instruments, so that the overall risk related to derivative financial instruments does not exceed the total net value of assets.
 - d) Each sub-fund shall ensure that the overall risk related to derivative financial instruments does not exceed the total net value of its portfolio. Risks are calculated by taking into account the current value of the underlying assets, the counterparty risk, foreseeable market changes and the time available to close out positions.

Units of collective investment undertakings

Subject to other specific more restrictive provisions relating to a given sub-fund and described in section 2 above if applicable:

4.
 - a) The Investment Company may not invest more than 20 % of the net assets in each sub-fund in units of one and the same UCITS or other UCI of the open-end type, such as defined in Section 3 point f) above.
 - b) Investments in units of UCI other than UCITS may not exceed in total 30 % of the sub-fund's net assets.

When a sub-fund has purchased shares in UCITS and/or other UCI, the assets of the said UCITS or other UCI shall not be combined for the purpose of the limits specified in points 1. a) to e) above.
 - c) When the Investment Company invests in the shares of other UCITS and/or other UCI which are managed, directly or indirectly, by the same Management Company or by any other company to which the Management Company is affiliated within the framework of common management or

common control or via a significant direct or indirect participating interest, the Management Company or the other company may not invoice any front-end load or back-end load in respect of the Investment Company's investment in the shares of other UCITS and/or other UCI.

The maximum level of the management commissions which may be invoiced at the same time to the Investment Company and the UCITS and/or other UCI in which the Investment Company intends to invest is that indicated in the specific investment policy of the sub-fund in question.

To the extent that this UCITS or UCI is a legal entity with multiple sub-funds where the assets of a sub-fund are surety exclusively for the rights of investors relating to that sub-fund and those of creditors whose debt claim was created on the occasion of the constitution, operating or liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the application of the above risk-spreading rules.

Combined limits

5. Notwithstanding the individual limits set under points 1. a), 2. and 3. a) below, a sub-fund may not combine:
- investments in transferable securities or money market instruments issued by the same entity,
 - deposits with the same entity, and/or
 - risks resulting from over-the-counter transactions in derivative instruments with a single entity,
- that exceed 20 % of its net assets.
6. The limits stipulated under points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not be combined and, accordingly, investments in the transferable securities of the same issuer made in accordance with points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not, in any event, exceed in total 35 % of the net assets of the sub-fund concerned.

Limits on control

- 7.
- a) The Investment Company may not acquire shares with voting rights and enabling it to have a significant influence on the management of an issuer.
 - b) The Investment Company shall not acquire more than 10 % of non-voting shares of any single issuer.
 - c) The Investment Company shall not acquire more than 10 % of the bonds of any single issuer.
 - d) The Investment Company shall not acquire more than 10 % of the money market instruments of any single issuer.
 - e) The Investment Company shall not acquire more than 25 % of the units of any single UCITS and/or other UCI.

It is accepted that the limits stipulated under points 7. c) to e) above may not be respected at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.

The limits stipulated under points 7. a) to e) above do not apply in the case of:

- transferable securities and money market instruments issued or guaranteed by an EU Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by a State which is not an EU member;
- transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;

- shares held in the capital of a company of a non-EU Member State, on condition that (i) the company in question invests its assets mainly in the securities of issuing bodies having their registered offices in that State when, (ii) under the legislation of that State such a holding represents the only way in which the Investment Company can invest in the securities of issuing bodies of that State, and (iii) in its investment policy the company from the non-member State complies with the rules on risk diversification, counterparties and control limits laid down in points 1. a), 1. c), 1. d), 2., 3. a), 4. a) and b), 5., 6. and 7. a) to e) above;
- shares held in the capital of subsidiary companies carrying on the business of management, advice or marketing exclusively on the Investment Company's behalf in the country where the subsidiary is located as regards the repurchase of units at the request of shareholders.

Borrowing

8. Each sub-fund is authorised to borrow up to 10 % of its net assets provided that such borrowing is on a temporary basis. Each sub-fund may also acquire foreign currency by means of a 'back-to-back' loan.

Commitments under options contracts, purchases and sales of forward contracts are not considered as borrowing for the purpose of calculating this investment limit.

Finally, the Investment Company shall ensure that the investments of each sub-fund respect the following rules:

9. The Investment Company may not grant loans or act as a guarantor on behalf of third parties. This restriction shall not prevent it from acquiring transferable securities, money market instruments or other financial instruments which are not fully paid.
10. The Investment Company may not carry out short sales on transferable securities, money market instruments, or other financial instruments as mentioned in Section 3, points e), f), and h) below.
11. The Investment Company may not acquire immovable property unless such is essential for the direct pursuit of its activity.
12. The Investment Company may not acquire commodities, precious metals, or even certificates representing them.
13. The Investment Company may not use its assets to guarantee securities.
14. The Investment Company may not issue warrants or other instruments entitling the holder to acquire shares in the Investment Company.

Notwithstanding all the aforementioned provisions:

15. It is accepted that the limits stipulated previously may not be respected when exercising subscription rights in respect of transferable securities or money market instruments, which are part of the assets of the sub-fund concerned.
16. When the maximum percentages above are exceeded for reasons beyond the Investment Company's control or following the exercising of rights attached to the securities in its portfolio, the Investment Company must give priority when making sales to regularising the situation taking into account the interests of shareholders.

The Investment Company reserves the right to introduce at any time other investment restrictions insofar as they are essential to comply with the laws and regulations in effect in certain States where the shares of the Investment Company might be offered and sold.

5. Financial techniques and instruments

Subject to specific provisions set out in section 2 as regards each sub-fund, the Investment Company may use techniques and instruments involving transferable securities and money market instruments, such as lending and borrowing securities, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions, in order to ensure that the portfolio is managed efficiently, subject to the conditions and limits laid down in applicable laws, regulation and administrative practices, as described below.

The counterparty risk vis-à-vis the same counterparty in securities lending transactions, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions may not exceed 10 % of the net assets of each sub-fund when the counterparty is a financial institution as referred to in section 3 g) below, or 5 % of these assets in the other cases. The Investment Company may take into account collateral in accordance with the requirements set out under section C. below to reduce the counterparty risk in securities lending and borrowing transactions, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions.

A. Securities lending and borrowing

Each sub-fund may lend and borrow securities subject to the following conditions and limits:

- Each sub-fund may lend the securities which it holds, via a standardised lending system organised by a recognised securities clearing body or by a financial institution subject to prudential supervision considered by the Supervisory Authority as equivalent to that laid down in Community legislation and specialised in such transactions.

The borrower of securities must also be subject to prudential supervision considered as equivalent to that laid down in Community legislation. If the aforementioned financial institution is acting for its own account it is to be considered as the counterparty to the securities lending agreement.

- As sub-funds are subject to share repurchases, each sub-fund concerned must be in a position to obtain at any time the cancellation of the agreement and the return of the securities lent. Otherwise, each sub-fund must maintain the level of securities lending transactions at a level at which it is possible at all times for it to meet its obligation to repurchase shares.
- Each sub-fund must receive prior or simultaneously to the transfer of the securities lent collateral in accordance with the requirements specified in section C. below. At the end of loan agreement, the collateral shall be returned simultaneously or after the securities loaned have been returned.
- Each sub-fund may borrow securities only in the following specific cases linked to the settlement of sales of securities: (i) when the securities are in the process of being registered; (ii) when the securities have been lent and have not been returned in time; and (iii) to avoid a delay in settlement when the custodian bank is not in position to deliver the securities sold.

B. Reverse repurchase transactions/Repurchase transactions and sale with right of repurchase transactions

- Each sub-fund may enter into sale with option to repurchase transactions, which consist of purchases and sales of securities where the seller has the right to repurchase from the purchaser the securities sold at a price and on a date stipulated between the two parties when the agreement is concluded.
- Each sub-fund may enter into reverse repurchase transactions/repurchase transactions which consist of purchases and sales of securities where on the due date the assignor/seller has an obligation to take back the securities lent at a price and on a date stipulated between the two parties when the agreement is concluded.
- Each sub-fund may act as either a purchaser or seller in sale with option to repurchase transactions and reverse repurchase transactions/repurchase transactions.
- Each sub-fund may only deal with counterparties subject to prudential supervision considered by the Supervisory Authority as equivalent to that laid down in Community legislation.

- Only securities in the following form may be used in sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions:
 - short-term bank certificates of deposit or the money market instruments listed in section 3 “Eligible financial assets” a) to e) above, or
 - bonds issued and/or guaranteed by an OECD Member State or by the territorial public authorities or by Community, regional or world supranational institutions and bodies, or
 - sufficiently liquid bonds issued by non-governmental issuers, or
 - shares issued by money market UCIs whose net asset value is calculated on a daily basis and having a triple A rating or any other form of rating considered as equivalent, or
 - shares listed or traded on a regulated market of a European Union Member State or on a stock market of an OECD Member State and included in an important index.
- Throughout the life of an agreement in respect of a sale with right of repurchase transaction, a reverse repurchase transaction or a repurchase transaction, each sub-fund concerned may not sell or pledge/give as collateral the securities covered by the agreement in question before the repurchase of the securities by the counterparty has been exercised or the repurchase deadline has expired unless the sub-fund has other means of covering its position.
- As the Investment Company is subject to share repurchases, each sub-fund must maintain the level of sale with right of repurchase transaction and reverse repurchase transactions/repurchase transactions at a level at which it is possible at all times for it to meet its obligation to repurchase shares.
- The securities which each sub-fund receives in the framework of a sale with right of repurchase transaction and reverse repurchase transaction/repurchase transaction must be included among the eligible assets in terms of the investment policy defined in section 2 “Investment objectives and policies” below. To satisfy the obligations set out in section 4 “Investment restrictions” above, each sub-fund shall take account of positions held directly or indirectly via sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions.

C. Management of collateral

In the context of securities lending transactions, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions, each sub-fund must receive adequate collateral in terms of quantity and having a value at least equal to the total value of the securities lent and the counterparty risk.

The collateral must be blocked in favour of the Investment Company and in principle take the form of:

- (a) Cash, other acceptable forms of liquid assets and money market instruments listed in section 3 “Eligible financial assets” a) to e) above, or
- (b) bonds issued and/or guaranteed by an OECD Member State or by the territorial public authorities or by Community, regional or international supranational institutions and bodies, or
- (c) bonds issued or guaranteed by prime issuers and sufficiently liquid, or
- (d) shares listed or traded on a regulated market of a European Union Member State or on a stock market of an OECD Member State and included in an important index, or
- (e) shares issued by money market UCIs whose net asset value is calculated on a daily basis and having a triple A rating or any other form of rating considered as equivalent, or
- (f) shares issued by UCITS investing mainly in bonds and/or shares referred to under (c) and (d) above.

THE SHARES

For each sub-fund, the Board of Directors may decide at any time to issue different classes, which may themselves be sub-divided into categories of shares. In each sub-fund or class, the shares may be issued as capitalisation shares or as distribution shares, at the shareholder's choice.

Two classes A and B may exist within the Degroof Global ISIS Low, Degroof Global ISIS Medium, Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds. These classes differ according to the type of investors:

- class A shares intended for institutional investors;
- class B shares intended for retail investors.

BOTH CLASSES OF SHARES MAY BE ISSUED AS CAPITALISATION SHARES OR DISTRIBUTION SHARES, AS DECIDED BY THE BOARD OF DIRECTORS.

Shares may be issued as either distribution shares or capitalisation shares in each sub-fund, at the shareholder's choosing.

Distribution shares give in principle their owner the right to receive cash dividends, deducted from the portion of the net assets of the sub-fund or class attributable to the distribution shares of this sub-fund or class (see in this regard the heading "Distributions").

The capitalisation Shares do not give right to receive dividends. After each distribution of cash dividends, either annual or interim, to distribution Shares, the part of the net assets of the sub-fund or class concerned attributable to all the distribution Shares will be reduced by an amount equal to the dividends paid, thus entailing a decrease in the percentage of the net assets of the sub-fund or class attributable to all the distribution Shares; the part of the net assets of the sub-fund or class concerned attributable to all the capitalisation Shares will remain the same, thus entailing an increase in the percentage of the net assets of the sub-fund or class attributable to the capitalisation Shares.

The apportionment of the value of the net assets of a given sub-fund or class between the distribution shares as a whole on the one hand, and the capitalisation shares as a whole on the other hand, is described under IV in Article 12 of the Articles of Association, the content of which is reproduced in Annex I of the Prospectus.

The net asset value of a share depends accordingly on the value of the net assets of the sub-fund or class in respect of which the said share has been issued and, within a single sub-fund or class, its net asset value may vary depending on whether it is a distribution share or a capitalisation share.

The Board of Directors shall establish for each sub-fund a separate aggregate of net assets. In relations between shareholders, this aggregate shall be allocated only to the shares issued in respect of the sub-fund concerned having regard, if applicable, to the apportionment of that aggregate between the classes and the distribution shares and the capitalisation shares of the said sub-fund.

The Investment Company is one and the same legal entity. However, the assets of a given sub-fund shall constitute surety only for the debts, commitments and obligations which concern that sub-fund. In relations between shareholders, each sub-fund shall be treated as a separate entity.

All shares may be issued either as registered shares or bearer shares, except for class A shares of the sub-funds concerned which will be issued solely in registered form. Registered shares will be entered in the Register of registered shares of the Investment Company; a confirmation of this entry will be given to the shareholder. In any sub-fund, bearer shares may be issued in the form of certificates representing 1, 10, 50, 100, 500 or 1,000 shares. If an owner of bearer shares requests the conversion of his shares into registered shares – or vice-versa – or requests the exchange into certificates of other denominations, the cost of such an exchange will be charged of that shareholder. The forms required for the transfer of shares can be obtained from the Transfer Agent. The shares may also be deposited on a securities account of their beneficiary; failing specific instructions, this solution will be applied. Fractions of registered shares may be issued up to three decimals. Share fractions are not entitled to vote in general meetings. But fractions of shares are entitled to dividends or other eventual distributions declared in payment.

All shares must be fully paid-up, without any nominal value and have no preferential rights or rights of pre-emption. Each share in the Investment Company shall entitle the owner to one vote at any General Meeting of Shareholders, in accordance with the law and the Articles of Association.

ISIN code

| Sub-fund/class/category | ISIN code |
|---|--------------|
| Degroof Global ISIS Low Class A capitalisation | LU0238982259 |
| Degroof Global ISIS Low Class A distribution | LU0238982846 |
| Degroof Global ISIS Low Class B capitalisation | LU0035600401 |
| Degroof Global ISIS Low Class B distribution | LU0035599397 |
| Degroof Global ISIS Medium Class A capitalisation | LU0238983810 |
| Degroof Global ISIS Medium Class A distribution | LU0238983901 |
| Degroof Global ISIS Medium Class B capitalisation | LU0034463017 |
| Degroof Global ISIS Medium Class B distribution | LU0035601128 |
| Degroof Global ISIS High capitalisation | LU0035601805 |
| Degroof Global ISIS High distribution | LU0036933173 |
| Degroof Global Ethical capitalisation | LU0215993790 |
| Degroof Global Reactive 5 Winter Class A capitalisation | LU0479524257 |
| Degroof Global Reactive 5 Winter Class A distribution | LU0526443642 |
| Degroof Global Reactive 5 Winter Class B capitalisation | LU0479524414 |
| Degroof Global Reactive 5 Winter Class B distribution | LU0526443998 |
| Degroof Global Reactive 10 Summer Class A capitalisation | LU0526444459 |
| Degroof Global Reactive 10 Summer Class A distribution | LU0526444293 |
| Degroof Global Reactive 10 Summer Class B capitalisation | LU0526444707 |
| Degroof Global Reactive 10 Summer Class B distribution | LU0526444616 |
| Degroof Global Reactive 5 Autumn Class A capitalisation | LU0543884208 |
| Degroof Global Reactive 5 Autumn Class A distribution | LU0543884117 |
| Degroof Global Reactive 5 Autumn Class B capitalisation | LU0543884976 |
| Degroof Global Reactive 5 Autumn Class B distribution | LU0543884547 |
| Degroof Global Reactive 10 Winter Class A capitalisation | LU0570052034 |
| Degroof Global Reactive 10 Winter | LU0570051739 |

| | |
|--|--------------|
| Class A distribution | |
| Degroof Global Reactive 10 Winter Class B capitalisation | LU0570052463 |
| Degroof Global Reactive 10 Winter Class B distribution | LU0570052208 |

ISSUE OF SHARES

In each sub-fund and each class, the Investment Company may issue shares at the subscription price calculated every valuation day on the basis of the net asset value of the shares (the “Valuation Day” - see in this regard the heading “Calculation and publication of the net asset value of the shares, of share issue, repurchase and conversion prices”).

In each sub-fund and each class, the subscription price shall be composed of:

- (i) the net asset value of one share, plus,
- (ii) a front-end load which may not exceed 3% of the net asset value of a share and all or part of which may be passed on to authorised intermediaries.

Subscription applications received by the Transfer Agent no later than 13:15 (Luxembourg time) on the bank working day in Luxembourg preceding a Valuation Day shall be processed, if they are accepted, at the subscription price calculated on the said Valuation Day. Subscription applications received after that time shall be processed on the next Valuation Day.

Payments for subscriptions must reach the Investment Company no later than two days on which banks are open for business in Luxembourg following the calculation of the net asset value applying to the subscription, otherwise the subscription may be cancelled.

The Investment Company may also accept subscriptions by way of the exchange of an existing portfolio on condition that the securities and assets of the said portfolio are compatible with the applicable investment policy and restrictions of the sub-fund concerned. For all securities and assets accepted in settlement of a subscription, a report will be drawn up by the Statutory Auditor of the Investment Company in accordance with the provisions of article 26-1 of the Luxembourg law of 10 August 1915 on trading companies as amended. The cost of this report shall be borne by the investor concerned.

The shares shall be allotted on the first bank working day following receipt of the subscription price.

The share certificates shall be made available at the counters of the Transfer Agent no later than 15 bank working days before the allotment.

The subscription amount of the shares shall be applied in the currency used for the calculation of the net asset value in the sub-fund concerned.

The Investment Company reserves the right to reject any subscription application or to accept it only in part. In addition, the Board of Directors reserves the right to interrupt at any time without notice the issue and sale of shares in one, several or all the sub-funds or classes.

The central administration of the Investment Company shall put in place adequate procedures in order to ensure that subscription applications are received before the deadline for accepting orders in relation to the applicable Valuation Day.

The Investment Company shall not authorise practices associated with Market Timing, which is an arbitrage technique by which an investor subscribes for and repurchases or converts systematically shares of the Investment Company over a short period of time.

No shares shall be issued in a given sub-fund through the period when the calculation of the net asset value of the shares of the said sub-fund has been temporarily suspended by the Investment Company under the powers conferred on it by Article 13 of the Articles of Association, the content of which is reproduced in Annex I of the Prospectus.

Initial applications for class A and class B shares of the Degroof Global Reactive 10 Winter sub-fund

From 15 to 22.12.10 up to 13:15 (Luxembourg time), class A and class B shares of the Degroof Global Reactive 10 Winter sub-fund will be offered for initial subscription at a unit price of Euro 100.-. No front-end load fee will be deducted at the time of initial subscriptions. Subscriptions shall be paid in cash no later than 23.12.10 to the Custodian.

REDEMPTION OF SHARES

Pursuant to the Articles of Association and subject to the following provisions, each shareholder has the right to request at any time the Investment Company to repurchase all or part of the shares that he or she owns.

Shareholders who want the Investment Company to repurchase all or part of their shares must submit an irrevocable written application to the Transfer Agent. The request must contain the following information: the identity and exact address of the person requesting the repurchase with a fax number, the number of shares to be repurchased, the sub-fund, the class (as the case may be) in which the shares have been issued, an indication of whether the shares are registered or bearer shares, capitalisation or distribution shares, if applicable, the existence of certificates, the name in which the shares are registered, the name and bank account details of the person designated to receive payment.

The redemption request must be accompanied by the valid share certificate(s) and the documents necessary to operate their transfer before the redemption price may be paid. Bearer shares must be accompanied by all unexpired coupons; registered shares must be accompanied by the transfer form duly completed on the back.

Share certificates are sent at the shareholder's risk; shareholders must take all necessary precautions to ensure that the shares to be repurchased are received by the Transfer Agent.

Repurchase applications received by the Transfer Agent no later than 13:15 (Luxembourg time) on the day on which banks are open for business in Luxembourg preceding a Valuation Day, shall be processed, if they are accepted, at a price equal to the net asset value of the share in question as calculated on the Valuation Day. Repurchase applications received after that time limit shall be processed on the next Valuation Day.

The repurchase amount shall in principle be paid no later than two days on which banks are open for business in Luxembourg following the date on which the net asset value to be used for repurchase is determined, or on the date when the share certificates and transfer documents are received by the Transfer Agent if that date is later.

Payment shall be made by cheque to the address indicated by the shareholder at his or her risk and expense, or by bank transfer to an account notified by the shareholder concerned.

The repurchase amount of the shares shall in principle be applied in the currency in which the net asset value of the sub-fund concerned is calculated. The redemption price may be higher or lower than the purchase or subscription price.

The central administration of the Investment Company shall put in place adequate procedures in order to ensure that repurchase applications are received before the deadline for accepting orders in relation to the applicable Valuation Day.

The Investment Company shall not authorise practices associated with Market Timing, which is an arbitrage technique by which an investor subscribes for and repurchases or converts systematically shares of the Investment Company over a short period of time.

No shares shall be repurchased in a given sub-fund throughout the period when the calculation of the net asset value of the shares of the said sub-fund has been temporarily suspended by the Investment Company under the powers conferred on it by Article 13 of the Articles of Association. In accordance with Article 13 of the Articles of Association in the case of important repurchase applications representing more than 10% of the net assets of a given sub-fund, the Investment Company reserves the right to repurchase the shares only at a repurchase price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the sub-fund as a whole, and it has received the proceeds of such sales; in such cases, a single price shall be calculated for all repurchase, subscription and conversion applications presented at the same time for the sub-fund in question.

CONVERSION OF SHARES

Pursuant to the Articles of Association and subject to the following provisions, each shareholder has the right to switch from one sub-fund to another and to request the conversion of the shares that he or she owns in the given sub-fund into shares of another sub-fund.

Shareholders may request that all or part of their shares in a specific class of shares be converted into shares in the same class of shares in another sub-fund.

Likewise, within each sub-fund or class, owners of distribution shares are entitled to convert all or part of their holding into capitalisation shares and vice-versa.

Shares will be converted on the basis of the respective net asset value of the shares concerned, established on the same Valuation Day. The number of shares allotted in the new sub-fund or class shall be established using the following formula:

$$A = \frac{B \times C \times E}{D}$$

where:

A represents the number of shares to be allocated as a result of the conversion,

B represents the number of shares to be converted,

C represents the net asset value, on the applicable Valuation Day, of the shares to be converted,

D represents the net asset value, on the Valuation Day, of the shares to be allocated as a result of the conversion,

E represents the exchange rate of the Valuation Day in question between the currency of the original sub-fund and the currency of the new sub-fund.

Shares may be converted on any common Valuation Day of the net asset value in the sub-fund(s) or class(es) concerned.

Shareholders must submit a written conversion application to the Transfer Agent. The procedure and notice arrangements applying in respect of the repurchase of shares shall also apply to the share conversions.

No conversion application shall be implemented until the following formalities have been completed:

- receipt by the Transfer Agent of a duly completed, signed conversion application;
- receipt by the Transfer Agent of the registered share certificates or, as the case may be, bearer certificates accompanied by all the unexpired coupons, if applicable, for which the holder wishes to convert his or her shares.

Fractions of shares that may result from conversions shall in no event be allocated and shareholders shall be deemed to have requested their repurchase. In such cases, any difference between the net asset value of the shares exchanged shall be reimbursed to the shareholder.

No shares shall be converted into a given sub-fund throughout the period when the calculation of the net asset value of the shares of the said sub-fund has been temporarily suspended by the Investment Company pursuant to the powers conferred on it by Article 13 of the Articles of Association. In accordance with Article 13 of the Articles of Association, in the case of important conversion applications representing more than 10% of the net assets of a given sub-fund, the Investment Company reserves the right to repurchase the shares only at a repurchase price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the sub-fund as a whole, and it has received the proceeds of such sales; in such cases, a single price shall be calculated for all repurchase, subscription and conversion applications presented at the same time for the sub-fund in question.

CALCULATION AND PUBLICATION OF THE NET ASSET VALUE OF SHARES, SHARE ISSUE, REDEMPTION AND CONVERSION PRICES

The net asset value per distribution or capitalisation share is determined in each sub-fund and each class of the Investment Company, under the responsibility of the Board of Directors, in the currency in which the sub-fund is denominated.

The net asset value of a distribution share of a given sub-fund or class shall be equal to the amount obtained by dividing the portion of the net assets of the said sub-fund or class attributable at that time to the distribution shares as a whole, by the total number of distribution shares issued and in circulation at that time.

Likewise, the net asset value of a capitalisation share in a given sub-fund or class shall be equal to the amount obtained by dividing the portion of the net assets of the said sub-fund or class attributable at that time to the capitalisation shares as a whole by the total number of capitalisation shares issued and in circulation at that time.

Details of the apportionment of the value of the net assets of a given sub-fund or class between the distribution shares as a whole on the one hand, and the capitalisation shares as a whole on the other hand, are provided under IV in Article 12 of the Articles of Association (see Annex I).

The value of the assets in the various sub-funds shall be determined as follows:

- (a) the value of the shares or units of the UCI is based on their last net asset value available;
- (b) the value of cash at hand and bank deposits, drafts and bills of exchange payable at sight and receivables, prepaid expenses and dividends and interest notified or due for payment but not yet received, shall be constituted by the nominal value of the said assets, unless it is unlikely that it would be possible to realise that value; in the latter case, the value shall be determined by subtracting the amount that the Investment Company considers adequate in order to arrive at the real value of the assets in question.
- (c) the value of all negotiable securities which are listed or dealt in on a stock exchange shall be determined according to their last published price available on the Valuation Day in question;

- (d) the value of all negotiable securities which are dealt in on another regulated market offering comparable guarantees shall be based on their last published price available on the Valuation Day in question;
- (e) if negotiable securities in portfolio on the Valuation Day are neither dealt in or listed on a stock exchange or another regulated market or, if for securities dealt in or listed on a given stock exchange or another market, the price determined in accordance with the provisions of (c) or (d) above is not representative of the real value of the said negotiable securities, the said securities shall be valued on the basis of their probable sale value which shall be estimated in good faith in accordance with the principle of prudence.
- (f) money market instruments and other fixed-rate securities whose remaining term is less than 3 months may be valued on the basis of their redemption value. However, if there is a market price for these securities, valuation according to the method described above will periodically be compared with the market price, and in case of a notable gap between the two prices, the Board of Directors may adjust that valuation accordingly;
- (g) all the other assets will be valued on the basis of their probable realisation value estimated with prudence and good faith.

Degroof Global ISIS Low, ISIS Medium and ISIS High sub-funds

In these sub-funds, the net asset value per share is determined every working day in Luxembourg (a “Valuation Day”) on the basis of the last prices on the said Valuation day, as published by the stock exchanges concerned and with reference to the value of the assets owned on behalf of the sub-fund concerned, in accordance with the stipulations of Article 12 of the Articles of Association.

Degroof Global Ethical, Degroof Global Reactive 5 Winter, Degroof Global Reactive 10 Summer, Degroof Global Reactive 5 Autumn and Degroof Global Reactive 10 Winter sub-funds

In these sub-funds, the net asset value per share is determined every working Tuesday in Luxembourg (a “Valuation Day”) on the basis of the prices on that Valuation day, as published by the stock exchanges concerned and with reference to the value of the assets owned on behalf of the sub-fund, in accordance with the stipulations of Article 12 of the Articles of Association.

If a Valuation Day falls on a public holiday (legal or bank holiday) in Luxembourg, the Valuation Day shall be the next working day.

The last net asset valuation per distribution share or capitalisation share and share issue, repurchase and conversion prices for each sub-fund and each class of share in the Investment Company may be obtained on request during office hours from the registered office of either the Investment Company or the Management Company and from Distributors.

**TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET
VALUE
THE ISSUING,
REDEMPTION AND CONVERSION OF SHARES**

In all sub-funds, the Investment Company may suspend temporarily the calculation of the net asset values, as well as the issue, repurchase and conversion of shares in the sub-fund concerned, in accordance with Article 13 of the Articles of Association (see Annex I).

Notice of any such suspension and its termination shall be published in the “d’Wort” and in any other newspaper to be determined by the Board of Directors; such information shall also be notified by the Investment Company to the

shareholders concerned having subscribed for or submitted a repurchase or conversion application for shares for which the calculation of the net asset value has been suspended.

INFORMATION TO THE SHAREHOLDERS

All notices convening General Meetings, any notice amending the Articles of Association, including the winding-up and liquidation of the Investment Company, the closing or merging of sub-funds, shall be published, in accordance with Luxembourg laws, in one or more Luxembourg newspapers as well as in any other newspaper to be determined by the Board of Directors and shall also be inserted in the Memorial when required by law.

In the case of an amendment of the Articles of Association, the coordinated version shall be filed with the Clerk of the Luxembourg District Court.

The Investment Company shall publish annually a detailed report on its activity and the management of its assets, including the balance sheet and profit and loss account, a detailed breakdown of the assets of each sub-fund, the Investment Company's consolidated accounts, all sub-funds included, as well as the report drawn up by its Statutory Auditors.

In addition, it shall publish, after the end of each half-year, a report containing in particular for each sub-fund and for the Investment Company as a whole the composition of the portfolio, the number of shares in circulation and the number of shares issued and repurchased since the last publication.

These documents may be obtained free of charge by any interested party from the registered office of either the Investment Company or the Management Company and from Distributors.

The Investment Company's financial year shall start on 1 April of each year and end on 31 March of the following year.

The annual General Meeting of shareholders will be held in Luxembourg, at the place indicated in the notices convening the meeting, on the last Tuesday in July at 11:00.

The Investment Company's annual accounts in respect of all the sub-funds are denominated in Euro, the currency in which the registered capital is denominated.

The Investment Company's annual accounts and accounting documents shall be audited by KPMG AUDIT S.À R.L., Luxembourg.

DISTRIBUTION

At the Annual General Meeting, the Investment Company's shareholders shall determine, on a proposal of the Board of Directors, the amount to be distributed in cash to the distribution shares of the various sub-funds or classes concerned, in accordance with the limits stipulated by law and in the Articles of Association. Thus, the amounts distributed may not result in the capital of the Investment Company falling below the minimum capital fixed of 1,250,000.- Euro.

The Board of Directors may decide, in each sub-fund and class, to distribute interim cash dividends to the distribution shares, in accordance with legal provisions in force.

Dividend payments shall be made, in the case of registered shares, to the address recorded in the register of shareholders and, for bearer shares, on presentation of the dividend coupon to the agent or agents designated by the Investment Company for that purpose or to the account of the shareholder.

Dividends may be paid in any currency decided by the Board of Directors, at the time and place and on the basis of the exchange rate that it decides.

Dividend payment notices shall be published in the “d’Wort” as well as in any other newspaper to be decided by the Board of Directors.

Any dividend declared which has not been claimed by its beneficiary within five years after its allocation may no longer be claimed and shall revert to the sub-fund or the class concerned. No interest shall be paid on a dividend declared by the Investment Company and kept by it at the disposal of its beneficiary.

TAX TREATMENT OF THE INVESTMENT COMPANY AND ITS SHAREHOLDERS

Tax treatment of the Investment Company

The Investment Company is subject in Luxembourg to a tax corresponding to 0.05 % a year on its net assets; this tax is reduced to 0.01 % per year of the net assets allocated to classes of shares A intended for institutional investors. This tax is payable quarterly and is calculated on the basis of the net assets of the Investment Company at the close of the quarter in question. This subscription tax is not payable in respect of the portions of assets invested in other UCI already subject to this tax. No stamp duty or other taxes are payable in Luxembourg when shares in the Investment Company are issued, except for a one-off tax payment of Euro 1,250.- which was paid when the company was constituted.

No taxes are payable in Luxembourg on capital gains realised or on latent capital gains in respect of the Investment Company’s assets. The investment income received by the Investment Company may be subject to variable rates of withholding taxes in the countries concerned. Such deductions cannot in principle be recovered. The information given above is based on current laws and practices and may be subject to change.

Taxation of the shareholders

The European Council has adopted Directive 2003/48/EC on taxation of savings income in the form of interest payments (“Savings Directive”). That Directive was transposed into the laws of Luxembourg by the law of 21 June 2005.

Dividends that may be paid by the Investment Company fall within the scope of application of the above law, that is to say they are subject to withholding tax of 15 % for residents of EU Member States other than Luxembourg if the income of the sub-fund concerned is derived from assets where more than 15 % of those assets are invested directly or indirectly in debt claims of any kind.

Repurchase prices of shares in the Investment Company are also subject to a 15 % withholding tax in respect of any capital gains derived from assets where more than 25 % of the net assets of the sub-fund concerned are invested directly or indirectly in debt claims of any kind.

The withholding tax rate is 15% during the first three years from the entry into force of the law of 1st July 2005. It is increased to 20% for the following three years and to 35% thereafter.

However, shareholders who are natural persons may, at their request, opt for the exchange of information system or the tax receipt system (this certificate is issued by the shareholder’s tax authorities and must be transmitted to

BANQUE DEGROOF LUXEMBOURG S.A. in its capacity as Transfer Agent). In both cases, no withholding tax will be deducted in Luxembourg.

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

Potential shareholders should make their own enquiries and seek suitable advice on tax and exchange control laws and regulations applying to the subscription, ownership, repurchase, conversion and disposal of shares in the Investment company in their country of origin, or the country in which they are resident, domiciled or incorporated.

CHARGES AND EXPENSES

The Investment Company shall bear all the expenses to be incurred by it, including – without limitation - its preliminary expenses and costs relating to any subsequent amendments to its Articles of Association, commissions and costs payable to the Management Company, the Investment Advisers, Managers, Distributors, Administrative Agent, Custodian Bank and correspondents, Domiciliation Agent, Transfer Agent, Paying Agents and other representatives and employees and directors of the Investment Company, as well as to permanent representatives in places where the Investment Company is subject to registration, legal costs and costs incurred in connection with auditing the Investment Company's annual accounts, the cost of preparing, promoting, printing and publishing documents relating to the sale of shares, prospectuses and financial reports, the cost of registration declarations, all taxes and duties withheld by governmental and regulatory authorities and stock exchanges, the cost of publishing issue, repurchase and conversion prices, as well as other operating expenses, including financial charges, bank or brokerage charges incurred when buying or selling assets or otherwise, and all other administrative overheads.

Fees and expenses will be charged first against income and then against realised or unrealised capital gains.

LIQUIDATION OF THE INVESTMENT COMPANY – LIQUIDATION AND MERGER OF SUB-FUNDS

Winding-up and liquidation of the Investment Company

The Investment Company may be wound-up at any time by a resolution of the General Meeting of Shareholders, adopted on the same basis as for an amendment to the Articles of Association.

Moreover, in accordance with current Luxembourg law, if the capital of the Investment Company falls to less than two thirds of the minimum capital, i.e. currently 1,250,000.00 Euro, the Board of Directors must submit the question of the winding-up of the Investment Company to the General Meeting deliberating without any attendance conditions and deciding by a simple majority of the shares present or represented at the meeting. If the capital falls to less than a quarter of the minimum capital, the Board of Directors must submit the question of the winding-up of the Investment Company to the General Meeting, deliberating without any attendance conditions; the winding-up may be decided by shareholders owning a quarter of the shares present or represented at the meeting. The convening of the meeting must be done in such a way that the meeting will be held within forty days of the date on which it was ascertained that the net assets have fallen below two thirds or one quarter of the minimum capital. The decision concerning winding-up the Investment Company must be published in the Memorial and in two newspapers with a sufficiently wide circulation, one of which at least must be a Luxembourg newspaper. This information shall be published at the request of the liquidator(s).

If it is decided to wind-up the Investment Company, the liquidation shall be accomplished by one or more liquidators, who may be natural or legal persons, appointed by the General Meeting, which shall determine their powers and remuneration.

The net proceeds of the liquidation of each sub-fund shall be distributed by the liquidators to shareholders in proportion to their portion of the net assets of the sub-fund in which the shares are held, in accordance with the provisions of the Articles of Association.

In the event that the Investment Company goes into voluntary liquidation or is put into liquidation by order of the courts, this liquidation shall be accomplished in accordance with the amended Law of 20 December 2002 which sets out the measures to be taken in order to enable the shareholders to participate in the distribution of the proceeds of the liquidation, and which stipulates moreover that, once the liquidation has been completed, any sums unclaimed by a shareholder shall be deposited with the Caisse de Consignation. Amounts not claimed from escrow within the prescription period will be forfeited.

Liquidation and merger of sub-funds

The Board of Directors may decide to liquidate a sub-fund if the net assets of the said sub-fund fall below an amount under which the sub-fund can no longer be managed adequately or if a change in the economic or political situation has an influence on the sub-fund in question, justifying such a liquidation.

Such a liquidation decision shall be notified to the shareholders of the sub-fund before the effective date of liquidation. The notice shall indicate the reasons for the liquidation and the liquidation procedure. The decision and the modalities of the closing of the Sub-fund shall be brought to the knowledge of the shareholders concerned by way of a notice published in the press. This notice shall be published in one or more Luxembourg newspapers and in one or more national newspapers in the countries where the shares are distributed. This notice will also be sent by post to the registered shareholders of the sub-fund.

Unless the Board of Directors decides otherwise in the interest of the shareholders, or for a due process among them, the shareholders of the sub-fund concerned may continue to request the redemption or the conversion of their shares, free of charge, on the basis of the applicable net asset value, while taking an estimation of the liquidation costs into account. The Investment Company shall reimburse shareholders proportionally to the number of shares they hold in the sub-fund. Liquidation proceeds which cannot be distributed to their beneficiaries after the completion of the liquidation of the sub-fund shall be deposited with the Custodian Bank for a period of six months after the completion of the liquidation. After that, they shall be transferred to the Caisse de Consignation in favour of their beneficiaries.

Under the same circumstances as those described above, the Board of Directors may decide to close a sub-fund by merger with another sub-fund of the Investment Company. Such a merger may also be decided by the Board of Directors if the interests of the shareholders of the sub-funds concerned so demands. This decision shall be published in the same way as that described above. The publication will contain information in relation to the new sub-fund. The relevant notice shall be published at least one month before the merger becomes effective in order to enable the shareholders to request the repurchase or conversion of their shares, without any charges, before the operation becomes effective. At the end of that period, the remaining shareholders shall be bound by the decision.

In the same circumstances as those described previously, the Board of Directors is empowered to decide to close a sub-fund by transferring it to another undertaking for collective investment incorporated under the laws of Luxembourg governed by Part I of the amended law of 20 December 2002 on undertakings for collective investment. The Board of Directors may in addition decide such a transfer if it is necessary in the interests of the shareholders of the sub-fund in question. This decision shall be published in the same way as that described above. The notice published shall contain information relating to that undertaking for collective investment. It shall be published at least one month before the date when the transfer becomes effective in order to enable shareholders to request the repurchase or conversion of their shares, without any charges, before the transfer to that undertaking for collective investment becomes effective. At the end of that period, the remaining shareholders shall be bound by the decision.

If the shares are contributed to an undertaking for collective investment established in the form of an investment fund of Luxembourg law, the contribution will bind the shareholders of the sub-fund concerned only if they expressly accept the contribution by unanimous vote of all the shareholders of the sub-fund concerned. If that condition is not

satisfied, only the shareholders having voted in favour of the transfer shall be bound by the decision; the remaining shareholders shall be deemed to have requested the repurchase of their shares.

ANNEX I: EXTRACTS FROM THE ARTICLES OF ASSOCIATION

Article 11: RESTRICTIONS ON SHARE OWNERSHIP

The Company may establish such restrictions as it may consider necessary in order to ensure that no shares of the Company are acquired or held by (i) a person in breach of the legislation or regulations of any country or any governmental authority or (ii) a person whose situation, in the opinion of the Board of Directors, could lead the Company to incur tax changes or other financial disadvantages that it would not have incurred otherwise (hereinafter referred to as “unauthorised persons”).

The company may in particular limit or prohibit ownership of its shares by nationals of the United States of America as defined below.

Under the powers conferred on it by this Article:

1. The Company may refuse to issue shares and register share transfers when the results of issuing or transferring such shares would appear to lead to an unauthorised person owning shares.
2. The Company may request any person on the register of shareholders or any other person applying to be registered as a shareholder, to provide it with all information and certificates that it deems necessary, plus if necessary a sworn affidavit, with a view to determining whether the beneficial owner of the shares in question is or will be an unauthorised person.
3. The Company may proceed with forced repurchase of its shares if it appears (i) that an unauthorised person, alone or with another party or parties, is the owner of the said shares, or (ii) that one or more persons own a proportion of the Company's shares in a way that makes the Company subject to foreign laws which would not have applied otherwise. In such a case, the following procedure shall apply:

- (a) The Company shall send a notice (hereinafter referred to as the “repurchase notice”) to the shareholder owning the shares or being shown in the register of shareholders as the owner of the shares; the repurchase notice shall specify the securities to be repurchased, the repurchase price to be paid and the place where the said price is payable.

The repurchase notice may be sent to the shareholder by registered letter to his or her last known address or to the address shown in the register of shareholders. The shareholder in question shall be obliged to transmit to the Company without delay the certificate(s) representing the shares specified in the repurchase notice.

At the close of business on the day specified in the repurchase notice, the shareholder in question shall cease to be the owner of the shares specified in the repurchase notice; in the case of registered shares, the shareholder's name shall be deleted from the register of shareholders; in the case of bearer shares, the certificate(s) representative of the shares in question shall be cancelled.

- (b) The price at which the shares specified in the repurchase notice shall be repurchased (hereinafter the “repurchase price”) shall be equal to the applicable net asset value per share determined in accordance with Article 12 of the Articles of Association.
- (c) Payment shall be made in the currency determined by the Board of Directors; the price shall be deposited by the Company with a bank as specified in the repurchase notice, which will transmit it to the shareholder in question in exchange for the certificate(s) indicated in the repurchase notice. As soon as the funds in question have been deposited with the bank, no party with an interest in the shares specified in the repurchase notice may exercise any rights in respect of the said shares nor exercise any other action against the Company and its assets, except the rights of the shareholder whose name appears in the register of shareholders to receive the repurchase price deposited with the bank (without interest) in exchange for the relevant certificate(s).

(d) The exercising by the Company of the powers conferred on it by this Article may in no event be called into question or invalidated on the grounds that there is insufficient proof of ownership of the shares by an unauthorised person, or that a share belongs to a person other than the person indicated by the Company in its share redemption notice, provided however that the Company exercises its powers in good faith.

4. The Company may refuse, at a General Meeting, the right to vote of any person deprived of the right to be a shareholder of the Company.

The term “national of the United States of America” as used in the Articles of Association shall mean any national, citizen or resident of the United States of America or any territory, possession or region under their jurisdiction, or any person normally residing there (including the assignees of any person, company or association established or organised there).

Article 12: CALCULATION OF THE NET ASSET VALUE OF THE SHARES

In each sub-fund and for each class, the net asset value per share shall be calculated in the currency used to calculate the net asset value of the sub-fund or class of shares concerned (as fixed in the share sale documents), by a figure obtained by dividing on the Valuation Day (as defined in Article 13 of the Articles of Association) the net assets of the sub-fund or class of shares in question, composed of the assets of the said sub-fund or class of shares less the commitments attributable to it, by the number of shares issued and in circulation in the sub-fund or class of shares concerned, taking into account, if applicable, the apportionment of the value of the net assets of the said sub-fund or class of shares between the distribution shares and capitalisation shares of the said sub-fund or class of shares, in accordance with the provisions under IV of this Article.

The assets in the various sub-funds or in the different classes of shares shall be valued on the following basis:

I. The Company's assets are deemed to comprise:

1. the value of any cash on hand or on deposit, including interest accrued thereon and not yet matured;
2. all drafts and bills of exchange payable at sight and receivables, including the proceeds of the sale of securities in respect of which settlement has not yet been received;
3. all securities, units, shares, bonds, option or subscription rights and other transferable securities and assets authorised by law which are owned by the Investment company;
4. all dividends and allotments to be received by the Company in cash or in securities to the extent that the Company could reasonably be aware of such (the Company may however make adjustments in consideration of fluctuations in the sale value of negotiable securities caused by practices such as ex-dividend or ex-right dealing);
5. all accrued interest not yet received and all interest generated by the securities owned by the Investment company, unless such interest is included in the principal of the securities;
6. all preliminary expenses of the Company insofar as they have not been amortised ;
7. all other assets authorised by law irrespective of their nature, including prepaid expenses.

The value of the assets in the various sub-funds or in the various classes of shares shall be determined as follows:

- (a) the value of the shares or units of the UCI is based on their last net asset value available;
- (b) the value of cash at hand and bank deposits, drafts and bills of exchange payable at sight and receivables, prepaid expenses and dividends and interest notified or due for payment but not yet received, shall be constituted by the nominal value of the said assets, unless it is unlikely that it would be possible to realise that

value; in the latter case, the value shall be determined by subtracting the amount that the Investment company considers adequate in order to arrive at the real value of the assets in question.

- (c) the value of all securities traded or listed on a stock exchange shall be determined on the basis of their last published price available on the relevant Valuation Day;
- (d) the value of all transferable securities dealt in on another regulated market, which presents comparable guarantees will be based on their last published price available on the relevant Valuation day;
- (e) to the extent that the securities in portfolio on any Valuation Day are listed or dealt in neither on a stock exchange nor on another regulated market, or if for securities listed and dealt in on a stock exchange or on another such market the price determined according to (c) and (d) does not represent their fair market value, valuation will be based on their reasonably estimated sales price as determined prudently and in good faith.
- (f) money market instruments and other fixed-rate securities whose remaining term is less than 3 months may be valued on the basis of their redemption value. However, if there is a market price for these securities, valuation according to the method described above will periodically be compared with the market price, and in case of a notable gap between the two prices, the Board of Directors may adjust that valuation accordingly;
- (g) all other assets shall be estimated on the basis of their probable realisation value as determined prudently and in good faith.

The Board of Directors may, at its sole discretion, authorise the use of another valuation method if it considers that such a valuation reflects more accurately the market value of any asset owned by a sub-fund.

II. The Company's commitments are deemed to comprise:

- 1. all borrowings, bills of exchange due for payment and accounts due;
- 2. all known obligations, whether or not they have become payable, including all contractual obligations that have matured which concern payments in cash or in kind, including the amount of dividends announced by the Company but not yet paid;
- 3. an appropriate reserve for taxes on capital and income until Valuation Day, and fixed by the Board of Directors, and any other reserves authorised or approved by the Board of Directors;
- 4. all other commitments of the Company of any nature whatsoever. To determine the amount of such other liabilities, the Company shall duly take into account all costs and expenses to the payment of which it is subjected, including, without limitation, the costs relating to its establishment and any subsequent amendment of the Articles of Association, fees and expenses payable to the Management Company, the Investment Advisers, Managers, Distributors, the Administrative Agent, the Depository Bank and its correspondents, the Domiciliation Agent, the Transfer Agent, the Paying Agents, or other representatives and employees and the Administrators of the Company, as well as to the permanent representatives in the countries in which the Company is subject to registration, the costs of legal assistance and auditing of the Company's annual accounts, the costs associated with the preparation, promotion, printing, and publication of the sales documents of the shares, of the prospectus and annual reports, the costs of entry declarations, all taxes and duties due to governmental and supervisory authorities and stock exchanges, the costs of the publication in relation to the issue, conversion, and redemption, as well as any other operating expenses, including financial, banking or brokerage expenses incurred for the purchase or the sale of assets or otherwise, and all other administration costs.

Nevertheless, some of these costs and expenses may be included in an overall commission to be borne by the Company.

In order to determine the amount of its commitments, the Company may take into account administrative and other expenses which are regular or periodical, based on an estimation for the year or for any other period, by apportioning the amount proportionally to the fractions of that period.

III. Apportionment of net assets between sub-funds:

The Board of Directors shall establish for each sub-fund a separate aggregate of net assets. In relations between shareholders, this aggregate shall be attributed solely to the shares issued in respect of the sub-fund concerned, taking into account, if necessary, the apportionment of the value of those net assets between the various classes and categories of shares, in accordance with the provisions under IV of this Article. The Company is a single legal entity. However, the assets of a given sub-fund shall constitute surety only for the debts, commitments and obligations which concern that sub-fund. In relations between shareholders, each sub-fund shall be treated as a separate entity.

For the purpose of establishing these different aggregates of net assets between shareholders:

1. the proceeds resulting from issuing shares in a given sub-fund shall be attributed, in the Company's books, to that sub-fund and the assets, commitments, revenues and costs relating to that sub-fund, shall be attributed to that sub-fund;
2. when an assets results from another asset, the latter asset shall be attributed, in the Company's books, to the same sub-fund to which belongs the assets from which it results, and whenever an asset is re-valued, any increase or decrease in value shall be attributed to the sub-fund to which that asset belongs ;
3. when the Company has a commitment which can be attributed to a specific sub-fund or to a transaction carried out in relation with the assets as a whole of a given sub-fund, that commitment shall be attributed to that sub-fund;
4. in the case where any asset or liability of the Company cannot be considered as being attributable to a particular sub-fund, such asset or liability shall be allocated to all the sub-funds proportionally to the value of the net assets of the relevant sub-fund, provided that all liabilities, whatever the pool of net assets they are attributable to, shall be binding only that pool;

If in the same sub-fund, one or more classes of shares have been created, the above rules shall apply, where appropriate, to such classes.

IV. Apportionment of the value of assets within a sub-fund:

To the extent and during the time that, among the shares corresponding to a given sub-fund, distribution shares and capitalisation shares have been issued and are in circulation, the value of the net assets of that sub-fund, established in accordance with the provisions under I to III of this Article, shall be apportioned between all the distribution shares on the one hand, and all the capitalisation shares on the other hand, in the following proportions.

Initially, the percentage of the net assets of the sub-fund corresponding to the distribution shares as a whole shall be equal to the percentage represented by the distribution shares as a whole in the total number of shares issued and in circulation in respect of the sub-fund concerned. In the same way, the percentage of net assets of the sub-fund corresponding to the capitalisation shares as a whole shall be equal to the percentage represented by the capitalisation shares as a whole in the total number of shares issued and in circulation in respect of the sub-fund in question.

Following each annual or interim distribution of a cash dividend to distribution shares in accordance with Article 27 of the Articles of Association, the portion of the net assets of the sub-fund to be attributed to the distribution shares as a whole shall be reduced in a proportion equal to the amounts of the dividends paid, thereby resulting in a reduction of the percentage of net assets of the sub-fund to be attributed to the distribution shares as a whole; while the portion of the net assets of the sub-fund to be attributed to the capitalisation shares as a whole shall remain the same, thereby resulting in an increase in the percentage of the net assets of the sub-fund to be attributed to the capitalisation shares as a whole.

When within a given sub-fund, subscriptions or share repurchases are made involving distribution shares, the portion of the net assets of the sub-fund attributable to the distribution shares as a whole shall be increased or decreased by the net amounts received or disbursed by the Company in respect of such subscriptions or share repurchases. Likewise, when within a given sub-fund, subscriptions or share repurchases are made, in respect of capitalisation shares, the portion of the net assets of the sub-fund attributable to the capitalisation shares as a whole shall be

increased or reduced by the net amounts received or distributed by the Company in respect of such subscriptions or share repurchases.

At all times, the net asset value of a distribution share in a given sub-fund shall be equal to the amount obtained by dividing the portion of net assets of the said sub-fund attributable at that time to the distribution shares as a whole by the total number of distribution shares issued and in circulation at that time. In the same way, at all times, the net asset value of a capitalisation share in a given sub-fund shall be equal to the amount obtained by dividing the portion of the net assets of that sub-fund attributable at that time to the capitalisation shares as a whole by the total number of capitalisation shares issued and in circulation at that time.

If, in a single sub-fund, one or more classes of shares have been created, the above rules shall apply, where appropriate, to those classes.

V. For the purposes of this Article:

1. every share that is in the process of being repurchased by the Company in accordance with Article 9 of the Articles of Association, shall be considered as a share issued and existing until the close of business on the Valuation day when it is to be repurchased and its price shall be, from that date until the payment date, considered as a commitment of the Company;
2. shares to be issued by the Company in accordance with subscription applications received shall be treated as being created from the close of business on the Valuation Day when their issue price was determined, and that price shall be treated as a debt claim of the Company until it has been paid;
3. all investments, cash balances or other assets of the Company denominated in a currency other than that used for calculating the net asset value of the sub-fund or class of shares in question shall be valued on the basis of the exchange rates applying in Luxembourg on the applicable Valuation Day;
4. any purchase or sale of negotiable securities contracted by the Company shall be executed as far as possible on the Valuation Day.

Article 13: FREQUENCY AND TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE PER SHARE, AND OF THE SHARE ISSUE, REPURCHASE AND CONVERSION PRICES

In each sub-fund and for each class and category of shares, the net asset value per share as well as the share issue, repurchase and conversion prices shall be determined periodically by the Company or its duly appointed representative for that purpose, at least twice a month, at the frequency that the Board of Directors decides, such calculation day or time being defined in the Articles of Association as the "Valuation Day".

If a Valuation Day falls on a public holiday (legal or bank holiday) in Luxembourg, the Valuation Day shall be the next bank working day.

Without prejudice to legal reasons giving rise to a suspension, the Company may suspend temporarily the calculation of the net asset value per share as well as the issue, repurchase and conversion of its shares, in general or in relation to one or more sub-funds only, if one of the following events occurs:

- when the net asset value of the shares or units of the underlying UCI, which represent a substantial portion of the investments of the sub-fund, cannot be determined;
- during any period of time or part of a period, when one of the principal stock exchanges or one of the principal regulated markets, which are the basis for the quotation or trading of a significant part of the portfolio in one or several sub-funds, is closed for reasons other than normal holidays, or on days during which trading thereon is restricted or suspended;
- c) when the Company cannot dispose normally of the investments of one or more sub-funds or value them or cannot do so without seriously undermining the interest of its shareholders;

during any disruption of the communication networks necessary to determine the price or the value of the assets of a given sub-fund of the Investment Company, or if for any other reason the value of the assets in one or several sub-funds cannot be determined;

e) when investments cannot be completed or the fund transfer involved in the execution of such transactions cannot be made on the basis of normal prices or exchange rates, or when the Company is incapable of repatriating funds in order to make payments in connection with the repurchase of shares;

f) in the case of important repurchase and/or conversion applications representing more than 10 % of the net assets of a given sub-fund, the Investment company reserves the right to repurchase the shares only at a repurchase price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the sub-fund as a whole, and it has received the proceeds of such sales. In such cases, a single price shall be calculated for all the repurchase, subscription and conversion applications presented at the same time for the sub-fund in question.

g) immediately upon the publication of the notice convening a General Meeting of Shareholders to deliberate on the winding-up of the Company.

Such a suspension of the calculation of the net asset value shall be published and notified by the Company to shareholders having submitted a subscription, repurchase or conversion application, in accordance with the provisions of the Articles of Association.

Throughout the period of suspension, shareholders that have submitted a subscription, repurchase or conversion application may cancel their application, otherwise the issue, repurchase or conversion price shall be based on the first calculation of the net asset value made after the expiry of the period of suspension.

ANNEX II: MISCELLANEOUS

a) Documents available

Copies of the following documents can be obtained during office hours on weekdays (except Saturdays, legal holidays and bank holidays) from the registered office of the Investment Company at 12, Rue Eugène Ruppert, L-2453 Luxembourg:

- (i) coordinated Articles of the Company;*
- (ii) the framework agreement for the collective portfolio management referred to under “Management Company”;*
- (iii) the management and cooperation agreements referred to under the heading “Management of the Investment Company”;*
- (iv) distribution Agreements referred to under “Distributors”;*
- (v) the custodian bank agreement referred to under the heading “Custodian Bank and Paying Agent”;*
- (vi) the UCI services agreement referred to under the heading “Central Administration”;*
- (vii) the annual and half-yearly reports referred to under the heading “Shareholder Information”.*

b) Application form (see annexed document)

Notes: (1) All subscription applications by a legal person must be signed by a duly authorised representative who must provide proof of his or her signing powers; if an application form is signed by a proxy, the power of attorney must be attached to the application form.

(2) The Legal Notice relative to the issuing of the Investment Company’s shares has been filed with the Trade Register of the Luxembourg District Court.