

Living Planet Fund

4, rue Dicks

L-1417 Luxembourg

An investment fund under Luxembourg law ('Fonds Commun de Placement')

www.livingplanetfund.com

March 2011

Sales Prospectus

This Sales Prospectus is published in the context of the ongoing offering of units in the undertaking for collective investment in transferable securities ('UCITS') Living Planet Fund ('Fund').

Fund units may be acquired on the basis of this sales prospectus ('Prospectus'), the simplified prospectus ('Simplified Prospectus'), the latest annual report and the latest semi-annual report.

The units offered for sale are units in the various sub-funds ('Sub-Funds') forming the Fund's assets. This Prospectus is published exclusively in connection with the offering for sale of units in those Sub-Funds which exist at the time this Prospectus is printed. The units in these Sub-Funds are issued, repurchased and converted at the prices that result from the calculation of the net asset value per unit for the Sub-Fund concerned.

Only the information contained in this sales prospectus and in any of the documents referred to therein shall be deemed to be valid.

The issue and redemption of units of the Living Planet Fund are subject to the regulations prevailing in the country concerned.

LUXEMBOURG – The Fund constitutes an undertaking for collective investment in transferable securities ('UCITS') in accordance with Part I of the Luxembourg law of 20 December 2002 on undertakings of collective investment. The principal objective of the Fund is the investment of its net assets in transferable securities and other liquid financial assets as permitted by law. The registration of the Fund as a Luxembourg UCITS may not be interpreted as constituting a positive assessment by the Luxembourg Supervisory Authority of the contents of the Prospectus or of the quality of the assets held by the various Sub-Funds. Any information to the contrary would be illegal and unauthorized.

This Prospectus may not be used as a basis for offering or soliciting for purchase in a particular country or under particular circumstances if such an offer or solicitation is not authorized in the country concerned or under the circumstances concerned. Any potential subscriber of units who receives a copy of the Prospectus or the subscription form outside the Grand Duchy of Luxembourg may only regard these documents as a solicitation to purchase or to subscribe to the units if such a solicitation may legally be made in the country concerned and without any registration or other formalities, or when the person concerned has satisfied the legal requirements applicable in the country concerned, been granted all official and other authorizations that may be necessary there and has complied with all the formal requirements applicable there.

The Fund's units are not registered in the United States of America in accordance with the United States Securities Act of 1933 ('1933 Act') as amended and the Fund has not been registered under the United States Investment Act of 1940 as amended. Accordingly, the Distributor and any of its third-party marketing and/or distribution partners shall not directly or indirectly offer or sell the Fund's units in the United States of America or any of its states, territories, possessions or other areas subject to its jurisdiction or to or for the benefit of a United States person (being defined in Regulation S of the 1933 Act as a national or resident of the United States of America and any partnership, corporation or other entity organised or created under the laws of the United States of America or of any political subdivision thereof). Notwithstanding the foregoing, the Fund's units may be offered or sold in the United States of America or to or for the benefit of United States persons with the prior consent of the Fund and in a manner exempt from registration under the said acts.

The Board of Directors of the Fund's Management Company has taken all the necessary precautions to ensure that at the time of going to press the Prospectus and Simplified Prospectus contain correct and accurate information on all the principal matters covered therein. All the Directors accept their liability in this respect.

Potential subscribers of units are urged to personally obtain information and seek assistance from their bank or financial, legal or tax advisor in order to be fully informed about possible legal or fiscal consequences or about possible consequences of exchange restrictions or controls to which the subscription, holding, repurchase, conversion or transfer of units might be subject under the applicable laws of that person's country of domicile, permanent residence or establishment.

No person is authorized to supply any information other than the information contained in this Prospectus and in the documents mentioned therein.

Any information supplied by a person who is not mentioned in this Prospectus and Simplified Prospectus must be deemed to be unauthorized. The information contained in this Prospectus and in the Simplified Prospectus is deemed to be correct at the time of going to press; it may be updated in due course in order to take account of important changes occurring subsequently. Every potential subscriber of units is therefore recommended to enquire of the Fund to determine whether it has published a more recent prospectus.

Management and Administration

Management Company

Living Planet Fund Management Company S.A.
4, rue Dicks, L-1417 Luxembourg

Living Planet Fund Management Company S.A. (hereinafter called the 'Management Company') was established on 23rd May, 2003 as a public limited company in Luxembourg for an unlimited duration. The Management Company was registered in Luxembourg at the Register of Commerce under reference number R.C. Luxembourg B 93 908.

The Articles of Association of the Management Company were published in the 'Mémorial, Recueil des Sociétés et Associations' (hereinafter called 'Mémorial') on 2nd July 2003 and amendments thereof by way of a notice of deposit on July 25, 2006 and deposited at the Luxembourg Commercial and Company Register for inspection. The sole object of the Management Company is the management of the Living Planet Fund inclusive of the marketing of its units, as well as the issue and redemption of the units of the said Fund. The initial capital of the Management Company amounts to EUR 125,000.- the sum of which has been fully paid in.

Board of Directors

Chairman André Hoffmann (*)

Vice-President, WWF – World Wide Fund For Nature, Gland
Director, Roche Holding AG, Basel

Members	Eric Sarasin, CEO, Private and Institutional Clients Sarasin Bank & Cie AG, Basel	Day to Day Managers	Chiew Y. Chong CEO, Living Planet Fund Management Co. S.A., Luxembourg
	Chiew Y. Chong CEO, Living Planet Fund Management Co. S.A., Luxembourg		Helmut Hohmann Managing Director, Alceda Fund Management S.A., Luxembourg
	Roman Rosslenbroich Managing Partner, Aquila Capital Holding, Germany		
	Helmut Hohmann Managing Director, Alceda Fund Management S.A., Luxembourg		

(*) appointed Director and elected Chairman as representative of WWF – World Wide Fund For Nature

Portfolio Management

The Management Company of the Fund may appoint or may be assisted by portfolio managers and/or investment advisers for each Sub-Fund according to each Sub-Fund's respective investment policy and objectives. Portfolio management of each Sub-Fund comprises the active management of the Sub-Fund's assets and the ongoing monitoring and adjusting of investments. The mandate is executed under the supervision and the responsibility of the Management Company's Board of Directors.

The Management Company may appoint investment advisers with regard to investment recommendations, for instance, relating to the asset allocation between the permitted investment instruments. The investment advisor's duties are to observe the financial markets, analyse the make-up of investments in the respective Sub-Funds in light of the particular investment strategy of each Sub-Fund, and provide the Management Company with recommendations for investment while complying with the guidelines contained in the investment policy and the investment restrictions of the Fund generally and the respective Sub-Funds particularly. The Management Company is not bound by recommendations submitted by the investment advisor.

The name and description of the appointed portfolio manager respectively investment advisor are further described hereunder:

BANK SARASIN & CIE AG, Elisabethenstrasse 62, CH-4002 Basel, Switzerland

Founded as a trading company in 1841, Bank Sarasin is today one of Switzerland's leading private banking institutions. Bank Sarasin's core activities include investment advisory and asset management services for private and institutional clients, as well as an investment funds business. The central values behind its long-term success are trust, discretion, competence and commitment. In addition to its headquarters in Basel, the bank has offices in Zurich, Geneva and Lugano in Switzerland. The Sarasin Group has international branches in Europe, Asia and the Middle East.

Bank Sarasin has been appointed as portfolio managers for the following Sub-Funds:

Living Planet Fund – Equity¹

Living Planet Fund –Energy²

CONINCO WEALTH MANAGEMENT S.A., Quai Perdonnet 5, CH-1800 Vevey, Switzerland

Coninco is an investment advisory company that provides investment advice that includes definition of the investor's risk and investment profile, asset allocations, qualification and selection of asset managers, financial products, socially responsible investments and monitoring of investments. The Coninco group comprises two main parts, Coninco Advisory SA founded in 1990 that specialises in investment advice to institutions, and Coninco Wealth Management SA founded in 1997 that specialises in asset management including discretionary asset management via mandates.

Coninco Wealth Management S.A. has been appointed as investment advisor for the following Sub-Fund:

Living Planet Fund – Global Environment

Custodian Bank and Register and Transfer Agent

HSBC Trinkaus & Burkhardt (International) SA, 8, rue Lou Hemmer, L-1748 Findel-Golf

The Custodian Bank holds all the liquid assets and securities belonging to the Fund in safekeeping for the unitholders. The Custodian Bank performs all customary banking duties relating to the Fund's accounts and securities as well as all routine administrative work in connection with the Fund's assets as prescribed by Luxembourg law.

Administrative Agent

HSBC Trinkaus Investment Managers SA, 8, rue Lou Hemmer, L-1748 Findel-Golf

¹ With effect as from 1st July 2011, the name of the sub-fund will change into "Living Planet Fund – Global Equity".

² With effect as from 1st July 2011, the name of the sub-fund will change into "Living Planet Fund – Renewable Energy"

HSBC Trinkaus Investment Managers SA as Administrative Agent is responsible for the general administrative duties involved in managing the Fund as prescribed by Luxembourg law. These administrative services mainly include calculation of the net asset value per unit and the keeping of the Fund's accounts as well as reporting.

While itself retaining responsibility and control, the Administrative Agent may outsource some tasks to third parties.³

Auditors of the Fund

PricewaterhouseCoopers S.à r.l., B.P. 1443, L-1014 Luxembourg

Auditors of the Management Company

PricewaterhouseCoopers S.à r.l., B.P. 1443, L-1014 Luxembourg

Paying Agents

HSBC Trinkaus & Burkhardt (International) SA, 8, rue Lou Hemmer, L-1748 Findel-Golf as well as other paying agents in the various countries in which Fund units are sold.

Distributors

The Management Company may appoint distributors (the 'Distributors') in the various countries in which Fund units are sold. The Distributors, who may be remunerated, will conclude contractual arrangements with dealers as their agents (individually referred to as 'Sub-Distributor' and collectively referred to as 'Sub-Distributors') for the distribution of the units of the Fund in all countries in which the offering and selling of such units is permitted.

The Fund

Structure of the Fund

Living Planet Fund offers investors a range of Sub-Funds (organised within an umbrella structure) which invest in accordance with the policies outlined within this Prospectus. Each Sub-Fund is a separate portfolio that is managed in accordance with its specific investment objectives and policies. Separate classes (each a 'Class') of units in the Fund are issued in relation to each Sub-Fund.

This Prospectus, which contains specific details on each Sub-Fund, will be brought up to date on the inception of each new Sub-Fund.

Currently, the following Sub-Funds and Classes are available:

Sub-Fund	Currency of account	Classes
Living Planet Fund – Equity	EUR	A, B, I
Living Planet Fund – Energy	EUR	A, B, I
Living Planet Fund – Global Environment	EUR	* B, I

Units of Class 'A' are for retail investors;

Units of Class 'B' are for institutional investors (as defined from time to time by the Supervisory Authority in Luxembourg)

Units of Class 'I' are for intermediaries (financial intermediaries)

*The sub-fund 'Living Planet Fund – Global Environment' currently has two classes of units, class B and class I, class A units are not currently available for this sub-fund.

All units issued among each class will be exclusively issued in bearer form. All units issued among each class and still outstanding have the same rights. However, the Management Regulations envisage the possibility of establishing within a Sub-Fund various unit classes. The Management Company will not issue physical certificates.

³ "Outsourcing": The Administrative Agent will outsource fund accounting to Internationale Kapitalanlagegesellschaft mbh, Yorckstraße 21, D-40476 Düsseldorf. The valuation and calculation will change in accordance with the information provided below. The precise effective date will be advised by way of a notification.

Fractions of units up to three decimal places will be issued and will be booked to the securities custody account of the unit-holder's choice. These fractional units do not give bearers the right to vote at general meetings, although they do entitle bearers to receive an income distribution where applicable and part of the liquidation proceeds corresponding to the number of units held, should the respective Sub-Fund or unit class be liquidated.

Legal Aspects

Living Planet Fund is legally established as an open-ended investment fund under Luxembourg law under the legal form of a collective investment fund in accordance with Part I of the Luxembourg law relating to undertakings for collective investment enacted on 20 December 2002. The management regulations ('Management Regulations') were deposited at the Luxembourg Commercial and Company Register on July 9, 2003 and are lodged with the registry of the district court and its publication in the *Mémorial* (i.e. the Official Gazette) is made by means of a reference to the filing of this document with the registrar in accordance with the provisions of the law of 10 August 1915 concerning commercial companies, as amended. They were published in the Luxembourg '*Mémorial*' or the first time on July 19, 2003 and will be published for the last time by means of a notice of deposit on 31 March 2011.

The Management Regulations may be changed in observance of the provisions of the relevant law. Each amendment shall be published in the '*Mémorial*' and, if necessary, in the official publications specified for the respective countries in which Fund units are sold. Such amendments become legally binding subsequent to their signature by the Custodian Bank and the Management Company. The consolidated version is deposited at the Luxembourg Commercial and Company Register for inspection.

The Fund has no legal personality as an investment fund. The entire assets of each Sub-Fund are the undivided property of all investors who have equal rights in proportion to the number of units which they hold. These assets are distinct from the assets of the Management Company. The securities and other assets of the Fund are managed by the Living Planet Fund Management Company S.A. as in-house funds in the interest of and for the account of the unitholders. The Management Regulations give the Management Company the authority to establish different Sub-Funds for the Fund as well as different classes of units with specific characteristics within these Sub-Funds. This Prospectus will be updated each time a new Sub-Fund or an additional class of units is issued. The Fund is not subject to restrictions with regard to the size of its net assets, the number of units, number of Sub-Funds and duration of each Sub-Fund.

With respect to the unit-holders, each Sub-Fund is regarded as being separate from the others. The assets of a Sub-Fund can only be used to offset the liabilities which the Sub-Fund concerned has assumed.

The acquisition of Fund units implies acceptance of the Management Regulations by the unitholders. There is no provision in the Management Regulations for a meeting of the unitholders.

The financial year of the Fund starts on the first day of January and ends on the last day of December of each calendar year.

Investment Objective and Investment Policy of the Sub-Funds

Investment Objective

The investment objective of the Sub-Funds is to achieve long-term capital growth with due consideration to capital security, environmental and social criteria, as well as to the liquidity of assets (as referred to in article 41, paragraph 1. of the Luxembourg Law), and to do this in ways that offer private and institutional investors the opportunity to align ethical values with investment goals.

The Management Company will use a risk-management process which enables it to monitor and measure at any time the risk of the Fund's portfolio positions and their contribution to the overall risk profile of the portfolio. It will employ a process allowing for accurate and independent assessment of the value of OTC derivative instruments.

The Management Company shall ensure that the Fund's global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Investment Policy

The Sub-Funds shall invest in equities, other equity shares such as cooperative shares and participation certificates (equities and equity rights), dividend-right certificates and warrants issued by companies which are active in the economic sector given in the Sub-Funds' name.

The Sub-Funds may, while observing the following investment principles, buy or sell futures and options on financial instruments or conduct transactions for non-hedging purposes involving options on securities. The markets in options and futures are volatile; both the opportunity to achieve gains as well as the risk of suffering losses are higher than with investments in securities. These market techniques and instruments will only be employed if they are in conformity with the investment policies of the Sub-Funds. The Sub-Funds may on an ancillary basis hold liquid assets in all currencies in which investments are effected. The purchase or sale of futures on indices will allow the portfolio manager to increase or decrease, at lower costs, the Sub-Funds' market exposure. The purchase or sale of call or put options on transferable securities, indices will allow the portfolio manager to increase or decrease the exposure to the underlying securities with respect to the market trends/conditions.

The Sub-Funds' assets are invested taking into account the principle of risk diversification. For this purpose, no more than 10% of the net assets of the Sub-fund may be invested in units of a UCITS or other UCI.

Living Planet Fund – Equity

The Sub-Fund 'Living Planet Fund – Equity' invests globally in companies that have a proactive commitment to environmental and social issues and which are leaders in their industry sector. Companies considered for inclusion in the Sub-Fund will firstly be measured on a traditional financial basis in terms of their economic potential. Companies are subsequently measured against four sets of indicators, followed by best in class sectoral assessment and the application of exclusions.

The 4 major steps are:

Assessment on a financial basis of the economic potential of companies

Measurement against 4 sets of indicators

Best in class assessment

Application of exclusions

Further information concerning the 4 sets of indicators follows:

Environmental Policy	Production Processes	Social Indicators	Certifications and Codes
<ul style="list-style-type: none"> • Environmental policy • Compliance with environmental legislation • Published environmental impact statements • EMS (Environmental Management System) 	Assessment of production processes and product life cycles, taking into account: <ul style="list-style-type: none"> • recycling • waste minimization • renewable energy • energy efficiency • water management • emissions of greenhouse gases • reduction/elimination of POPs (Persistent Organic Pollutants) and EDCs (Endocrine Dis-rupting Chemicals) 	<ul style="list-style-type: none"> • Publicly available policy on social standards • Equal employment opportunity • Community involvement • Proper relationship with labour, suppliers and other stakeholders 	External certification to standards such as: <ul style="list-style-type: none"> • ISO 14001 • FSC (Forest Stewardship Council) • MSC (Marine Stewardship Council) • ILO (International Labour Organization) codes of practise

The portfolio managers will assess the integration of environmental and social criteria into management and production processes. They may, at their expense, engage independent external advisors to evaluate companies. The best performers by sector over time ('best in class') will be considered for inclusion in the Sub-Fund.

The Sub-Fund will not invest in equity or similar product of companies involved⁴ in the following business activities:

- production of armaments and other military products
- production and processing of tobacco
- production of alcohol
- gambling
- production of nuclear power
- genetic engineerings

⁴ Where the revenues from these activities exceed 5% of consolidated revenues.

⁵ Companies that use gene technology in the external environment.

When deemed appropriate the Sub-Fund will use techniques and instruments relating to transferable securities and money market instruments for hedging purposes as well as for efficient portfolio management.

The reference currency of the Sub-Fund is EUR.

Living Planet Fund – Energy

The Sub-Fund 'Living Planet Fund – Energy' invests globally in companies that have far-sighted and innovative approaches to energy usage and whose commitment to sustainability also takes into account environmental and social considerations. The Sub-Fund's investment focus includes:

'Renewable Energy', examples being wind, water, solar, biomass and geothermal power.

'Value Chain', referring to the entire value chain of the energy market. Examples being consulting, financing, energy suppliers, power generation, efficiency in energy usage, energy trading and leading energy-users who help advance the usage of renewable energies.

When deemed appropriate the Sub-Fund will use techniques and instruments relating to transferable securities and money market instruments for hedging purposes as well as for efficient portfolio management.

The reference currency of the Sub-Fund is EUR.

Living Planet Fund – Global Environment

The Sub-Fund 'Living Planet Fund – Global Environment' invests globally in those companies operating in technologies associated with the environment and considered to present investment opportunities that are likely to yield superior investment returns in the medium to long term. The sub-fund invests in various themes whereby each theme is linked to one or more important environmental and economic challenges, examples being climate change, use of natural resources, preservation of biodiversity and demographic trends.

The Sub-Fund's investment focus includes corporations that are engaged in the following industry groups:

- Renewable Energy and energy efficiency
- New ecological materials
- Bio chemicals
- Environmental management systems
- Sustainable transportation
- Waste management
- Management of natural resources

When deemed appropriate the Sub-Fund will use techniques and instruments relating to transferable securities and money market instruments for hedging purposes as well as for efficient portfolio management.

The reference currency of the Sub-Fund is EUR.

Risk profile

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risks attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions. Due to possible use of techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, investors might be exposed to greater risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Use of futures and options

While taking account of the restrictions set forth under 4 ('Special techniques and instruments that have securities and money market instruments as the underlying'), the Management Company may employ in relation to each Sub-Fund techniques and instruments that have securities and money market instruments as the underlying in the context of the orderly management of the assets of each respective Sub-Fund. At no time should the liabilities resulting from such transactions exceed the value of the net Fund assets of the Sub-Fund concerned.

By buying and/or selling futures on indices, the portfolio management is able to manage the flows of funds generated by subscriptions/redemptions as well as increase or decrease market exposure.

By buying and/or selling call and put options on securities and indices, the portfolio management can increase and/or decrease the exposure for a corresponding security or market.

By buying warrants on securities, the portfolio management can increase or decrease the exposure for a corresponding security or in the corresponding market.

Futures, swaps and options on currencies can be bought or sold by the portfolio management for the purpose of building up or securing foreign currency positions for the Sub-Funds.

Risks connected with the use of derivatives

Derivative financial instruments are not in themselves investment instruments but rights whose valuation mainly derives from the price and the price fluctuations and expectations of an underlying instrument. Investments in derivatives are subject to the general market risk, management risk, credit and liquidity risk.

Depending on the specific characteristics of derivative financial instruments, however, the aforementioned risks may be of a different kind and occasionally turn out to be higher than the risks with an investment in the underlying instruments.

That is why the employment of derivatives not only requires an understanding of the underlying instrument but also in-depth knowledge of the derivatives themselves.

The risk of default in the case of derivatives traded on an exchange is generally lower than the risk associated with derivatives that are traded over-the-counter on the open market, because the clearing agents, which assume the function of issuer or counterparty in relation to each derivative traded on an exchange, assume a performance guarantee. To reduce the overall risk of default, such guarantee is supported by a daily payment system maintained by the clearing agent, in which the assets required for cover are settled. In the case of derivatives traded over-the-counter on the open market, there is no comparable clearing agent guarantee and in assessing the potential risk of default, the Management Company must take account of the creditworthiness of each counterparty.

There are also liquidity risks since it may be difficult to buy or sell certain instruments. When derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with derivatives traded over-the-counter on the open market), it may under certain circumstances not always be possible to fully execute a transaction or only be possible to liquidate a position by incurring increased costs.

Additional risks connected with the employment of derivatives lie in the incorrect determination of prices or valuation of derivatives. There is also the possibility that derivatives do not completely correlate with their underlying assets, interest rates or indices. Many derivatives are complex and frequently valued subjectively. Inappropriate valuations can result in higher demands for cash by counterparties or in a loss of value for the Fund. There is not always a direct or parallel relationship between a derivative and the value of the assets, interest rates or indices from which it is derived. For these reasons, the use of derivatives by the Fund is not always an effective means of attaining the Fund's investment objective and can at times even have the opposite effect.

Profile of the typical investors

The Fund is suitable for long-term investors who wish to invest in capital markets and who wish to support companies which have a proactive commitment to environmental and social issues. Investors must be able to accept substantial temporary fluctuations in the net asset value in exchange for potentially high long-term returns.

Historical performance

The historical performance of each of the Sub-fund will be represented by a chart inserted in the Simplified Prospectus of each Sub-fund and also under the annual reports in case of Switzerland..

Portfolio Turnover ('PTO')

The 'PTO' is computed on the basis of the financial year by applying the following formula:

X = Securities purchased

Y = Securities sold

Total 1 = X+Y = total securities transactions

S = Subscriptions for units of the Sub-Fund

T = Redemptions of units of the Sub-Fund

Total 2 = S+T = total transactions involving units of the Sub-Fund

Average monthly total assets = M

Turnover = [(Total 1 – Total 2)/M]*100

The 'PTO' for each Sub-fund is set forth in the respective Simplified Prospectus and also in the annual and semi-annual reports in the case of Switzerland.

Total Expense Ratio ('TER'). The 'TER' expresses the relationship between the gross amount of Fund costs and average net Fund assets. The 'TER' for each Sub-Fund is set forth in the respective Simplified Prospectus (also in the annual and semi-annual reports in the case of Switzerland).

Investments in Living Planet Fund

Conditions for the redemption and issue of units

Units of the Sub-Funds are issued and redeemed on every business day. In this context, 'business day' refers to the normal bank business days (i.e. each day on which banks are open during normal business hours) in Luxembourg, with the exception of individual, non-statutory rest days in Luxembourg as well as days on which exchanges in the main countries in which the Sub-Funds invest are closed or 50% or more of the Sub-Funds' investments cannot be adequately valued. 'Non-statutory rest days' are days, on which banks and financial institutions are closed or do not transact business during normal business hours, such as in particular on December 24th and 31st. No issue or redemption will take place on days on which the Management Company has decided not to calculate net asset value as described in the section 'Suspension of the net asset value calculation and of the issue, redemption and conversion of units.' In addition, the Management Company is empowered to reject subscription application at its discretion and to discretionary decide to accept subscription requests on any other Valuation Date.

Subscription and redemption applications entered with the administrative agent no later than by 5:00 p.m. Central European Time (cut-off time) on a business day (order date) will be processed on the following business day (valuation date) on the basis of the net asset value calculated for that day. For subscriptions and redemptions received by the administrative agent after the above mentioned cut-off time, the following business day will be treated as the order date. Earlier closing times for receipt of orders can apply to orders placed with sales agencies in Luxembourg or abroad to ensure punctual forwarding to the administrative agent. The earlier closing times can be requested from the relevant sales agencies. This means that net asset value for settlement purposes is not known when the order is placed (forward pricing). It will be calculated on the valuation date on the basis of the last known prices (i.e. closing prices or if such do not reflect reasonable market value in the opinion of the Management Company, at the last prices available at the time of valuation). The individual valuation principles applied are described in the section that follows.

Net Asset Value, Issue and Redemption Price

The net asset value and the issue and redemption price per unit of any Sub-Fund or of any Class are expressed in the reference currency of the Sub-Fund or Class concerned and are calculated every business day by dividing the overall net assets of the Sub-Fund or Class by the number of units issued in this Sub-Fund or Class.⁶ Where Sub-Funds have various Classes or series of units, the net asset value of a unit must be calculated per Class or series. To this end, the net assets of the Sub-Fund attributable to that Class or series are divided by the total units of that Sub-Fund in circulation or managed separately.

The value of the assets held by each Sub-Fund is calculated as follows:

- a. Securities, derivatives and other investments listed on a stock exchange are valued at the last known market prices⁷. If the same security, derivative or other investment is quoted on several stock exchanges, the last available quotations⁸ on the stock exchange that represents the major market for this investment will apply. In the case of securities, derivatives and other investments little traded on a stock exchange and for which a secondary market among securities traders exists with pricing in line with the market, the Management Company may value these securities, derivatives and other investments based on these prices. Securities, derivatives and other investments that are not listed on a stock exchange, but which are traded on another regulated market which is recognised, open to the public and operates in a due and orderly fashion, are valued at the last available price on this market.

⁶ Following outsourcing: "The net asset value and the issue and redemption price per unit of any Sub-Fund or of any Class are expressed in the reference currency of the Sub-Fund or Class concerned and are calculated in respect of every business day (i.e. valuation day) on the next following business day (i.e. calculation day) by dividing the overall net assets of the Sub-Fund or Class by the number of units issued in this Sub-Fund or Class."

⁷ Following outsourcing: "at their latest available publicised closing price on the valuation day"

⁸ Following outsourcing: "the latest available publicised closing price on the valuation day"

- b. Securities, derivatives and other investments that are not listed at a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, will be valued by the Management Company according to other principles chosen by it in good faith on the basis of the likely sales prices.
- c. The valuation of derivatives which are not listed on a stock exchange (OTC derivatives) shall take place by reference to independent pricing sources. In case only one independent pricing source of a derivative is available, the plausibility of the valuation obtained will be verified by means of methods of calculation recognised by the Management Company and the Fund's auditors, based on the market value of the underlying instrument from which the derivative is derived.
- d. Shares of other undertakings for collective investment in securities (UCITS) and/or undertakings for collective investment (UCI) will be valued at their last net asset value.
- e. For money market instruments, the valuation price will be gradually adjusted to the redemption price, based on the net acquisition price and retaining the ensuing yield. In the event of a significant change in market conditions, the basis for the valuation of different investments will be brought into line with the new market yields.
- f. Securities, money market instruments, derivatives and other investments that are denominated in a currency other than the currency of account of the relevant Sub-Fund and which are not hedged by means of currency transactions are valued at the middle currency rate (midway between the bid and offer rate) obtained from external price providers.
- g. Time deposits and fiduciary investments are valued at their nominal value plus accumulated interest.
- h. The value of swap transactions is calculated by the swap counterparty on the basis of the net present value of all cash flows, both inflows and outflows. This valuation method is recognised by the Management Company and checked by the auditors.

The Management Company is authorized to apply other generally recognized and auditable valuation criteria in good faith in order to achieve an appropriate valuation of the net assets if, due to extraordinary circumstances, a valuation in accordance with the above-mentioned regulations proves to be unfeasible or inaccurate.

In extraordinary circumstances, additional valuations can be carried out over the course of the day. These new valuations will then be valid for subsequent issues and redemptions of units.

Late Trading and Market Timing Prevention

Investors are informed that the Board of Directors of the Management Company on behalf of the Fund (hereafter the 'Board of Directors') is entitled to take adequate measure in order to prevent practices known as 'Market-Timing' in relation to investments in the Fund.

The Board of Directors will also ensure that the relevant cut-off time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as 'Late Trading'. In the event of recourse to distributors, the Board of Directors will ensure that the relevant cut-off time is duly complied with by the distributor.

The Board of Directors is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of such practices. In addition, the Board of Directors is authorized to take any further measures deemed appropriate to prevent the above mentioned practices, without prejudice however to the provisions under Luxembourg law.

Issue of Units

The issue prices of the Sub-Fund units are calculated according to the paragraph 'Net asset value, issue and redemption price'.

Various Classes of units are issued and they differ in terms of the investors targeted and in the global service fee (as defined within this Prospectus).

No minimum subscription amount applies in respect of units of Class A and units of Class I, provided however that an investment must be of at least one unit or the equivalent in Euro. For units of Class B, an investor's first subscription must be equal or exceeding to the equivalent of EUR 100,000.- and subsequent investments must be of at least EUR 10,000.- or the equivalent in units.

After the initial subscription period, the issue price is based on the net asset value per unit plus, the case being, an issuing commission as set out in the table hereafter:

Classes	Issuing Commission	In favour of
Classes A and I	Up to 2 % of the net asset value*	in favour of the Management Company and/or the relevant Distributor or Sub-distributor
Class B	None	N/A

The above unit classes A, B and I refer to the following Sub-Funds:

Living Planet Fund – Equity

Living Planet Fund – Energy

*The 'up to 2%' does NOT apply to the following Sub-Fund which has an issuing commission of zero:

Living Planet Fund – Global Environment

Any taxes, commissions and other fees incurred in the respective countries in which Fund units are sold will also be charged to the investor.

Subscriptions for Fund units are accepted either in a number of units or in a monetary amount at the issue price by the Management Company, the Administrative Agent, the Custodian Bank as well as any other Distributor(s) and or Sub-Distributor(s).

The issue price of a Sub-Fund unit is paid no later than on the third business day following the subscription day into the Custodian Bank account in favor of the Sub-Fund.

The Management Company at its discretion may accept subscriptions in kind, in whole or in part. However, in this case the investments in kind must be in compliance with the respective Sub-Fund's investment policy and restrictions.

In addition, these investments will be audited by the Fund's appointed auditor. The related costs will be borne by the investor.

Should calculation of the net asset value per unit for a Sub-Fund be suspended by the Management Company (cf. Section 'Suspension of the Net Asset Value Calculation and of the issue, redemption and conversion of units'), no units shall be issued in this Sub-Fund during the period of suspension.

Redemption of Units

Unitholders can request redemption of their units at any time by making an irrevocable redemption application in writing to the Management Company, the Administrative Agent, the Custodian Bank, the Distributor(s) and or Sub-Distributor(s). This application must contain the following details: the applicant's identity and address, the number of units or the monetary amount to be repurchased, the name of the Sub-Fund in which the units were issued and the name of the person to whom the payment should be made. The repurchase price can only be paid if the documents necessary for the money transfer is/are attached to the repurchase application. For units of Class A and Class I, the minimum holding must be at least of one unit. For units of Class B, the minimum holding must be at least equal to EUR 100'000.- and the minimum redemption request will have to be equal to EUR 10.000.-.

The countervalue for redeemed Sub-Fund units is paid three business days after the applicable valuation day (i.e. redemption day) unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Custodian Bank, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted. The redemption amount is, as a matter of principle, paid in the currency of the Sub-Fund concerned or, at the unitholder's request, in another currency selected by the latter; expenses incurred in connection with the currency exchange will be charged to the unitholders. Payments are made by cheque sent to the unitholder at his own risk and expense at the address indicated by him, or by bank transfer to an account which the unitholder concerned has indicated. Repurchased units will be cancelled. No units in a Sub-Fund will be repurchased as long as calculation of the net asset value per unit of this Sub-Fund is suspended.

Any taxes, commissions and other fees incurred in the respective countries in which Sub-Fund units are sold will be charged to the investor. Units being redeemed do not incur any redemption fees. The redemption price of the units may be above or below the initial value upon purchase or subscription.

Should the applications for repurchase or conversion of units received on a day on which units can be repurchased or converted exceed 10% of the outstanding units of the Sub-Fund concerned, the Board of Directors of the Management Company may in addition decide to suspend all or part of the repurchase and conversion applications for a definite period of time and taking the Sub-Fund's interests into consideration; as matter of principle, however, this suspension may not exceed a duration of seven (7) business days. The repurchase and conversion applications concerned will be given priority for processing over the applications received after the original repurchase date.

The Management Company may offer full or partial redemptions in kind at its own discretion. These payments will be audited by the auditor assigned by the Management Company. Any associated costs will be payable by the investor.

Without prejudice to the above, the Management Company may (a) refuse at its discretion in whole or only partially any application for Sub-Fund units, and, (b) at any time compulsorily redeem Sub-Fund units held by unitholders who are excluded from purchasing or holding Sub-Fund units. Such redeemed units are reimbursed to the unitholder and thereby cease to be valid.

Conversion of Units

The unitholder of a Sub-Fund may convert on any business day into another Sub-Fund, if any. The conversion application should be sent by the unitholder to the Management Company, the Administrative Agent or the Custodian Bank as well as any other Distributors and or Sub-Distributor(s). The procedure and the time periods that are applicable to the repurchase of units apply by analogy to the conversion of units.

A conversion application is executed when the prerequisite set out below has been met:

the Administrative Agent or the Management Company or the Custodian Bank has received a properly completed conversion application form.

The number of units into which an investor could convert units is calculated with the following formula:

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

where:

A = number of units of the new Sub-Fund in which to convert

B = number of units of the Sub-Fund from which to convert

C = net asset value of the units presented for conversion

D = foreign exchange rate between the Sub-Funds concerned. If both Sub-Funds are valued in the same reference currency, this coefficient equals 1

E = net asset value per unit of the Sub-Fund in which the conversion shall be performed plus any taxes, commissions or other fees

Any fees, taxes and stamp duties incurred in the respective countries upon changing Sub-Funds are charged to the investor.

Prevention of Money Laundering

The Fund's sales agencies must comply with the provisions of the Luxembourg law dated 19 February 1973 on the sale of drugs and the fight against drug addiction and the laws dated 5 April 1993 on the financial sector and 12 November 2004 on the prevention of money laundering and financing of terrorism, each as amended, as well as the provisions of the current management regulations.

Amongst other things, the subscriber must provide proof of his or her identity to the sales agency or distributor that accepts his or her subscription. The sales agency or distributor is to request the following identification documents from subscribers: for individuals - a certified copy of the passport/identity card (certified by the sales agency or distributor or by the local administrative authority) and the tax identification number provided to the investor by the State in which he/she is domiciled for tax purposes; for companies or other legal entities - a certified copy of the articles of incorporation, a certified copy of the extract from the Commercial Register, a copy of the most recently published annual accounts, the full name of the beneficial owner.

The sales office must ensure that the distributors adhere strictly to the aforementioned identification procedures. HSBC Trinkaus & Burkhardt (International) SA and the Management Company can, at any time, demand assurance from the sales agency that the procedures are being adhered to. HSBC Trinkaus & Burkhardt (International) SA will monitor compliance with the aforementioned provisions for all subscription and redemption applications that they receive from sales agencies or sales offices or distributors in countries that are not members of the Financial Action Tax Force on Money Laundering (hereinafter referred to as 'FATF').

Furthermore, the sales agency and its distributors must obey all regulations to prevent money laundering which are in force in the respective countries.

FATF countries are those states that adhere to the regulations of the 'FATF'.

Suspension of the Net Asset Value Calculation and of the Issue, Conversion and Redemption of Units

The Management Company may temporarily suspend calculation of the net asset value and hence the issue and redemption of units for one or more Sub-Funds and the switching between the individual Sub-Funds when:

- a. one or more stock exchanges or markets in which the valuation of a major part of the net assets is based are closed on days that are not customary holidays or trading is suspended or when these stock exchanges and markets are exposed to limitations or temporary severe fluctuations;
- b. events beyond the control, liability or influence of the Management Company make it impossible to access the net assets under normal conditions or such access without detriment to the interests of the unitholders;
- c. disruptions in the communications network or any other reason make it impossible to calculate the value of a considerable part of the net assets;
- d. if, owing to restrictions on exchange and asset transfers, the Fund can no longer transact its business.

A suspension of the calculation of the net asset value, a suspension of the issue or redemption of units and a suspension of the switching between Sub-Funds will be notified without delay to all the responsible authorities in those countries in which units of the Living Planet Fund are approved for sale to the public as well as published in a Luxembourg daily newspaper and, if necessary in the official publications specified for the respective countries in which Fund units are sold.

In addition, the Management Company is authorised to:

- a. refuse at its discretion an application to purchase units
- b. take back at any time units which were purchased in defiance of an exclusion order

Distribution of Income

In accordance with the Management Regulations, once the annual accounts are closed the Management Company will decide whether and to what extent distributions are to be paid out by each Sub-Fund and particularly by each Class. Distributions may not be so large as to cause the net assets of the Fund to fall below the minimum fund assets laid down by the provisions of the law. If distributions are made, they will be paid out within four months of the end of the financial year.

The Management Company is entitled to pay interim dividends and to suspend the payment of distributions. Entitlements to distributions and allocations not claimed within five years of falling due shall lapse and be paid back into the Sub-Fund concerned. If the Sub-Fund in question has already been liquidated, the distributions and allocations will accrue to the remaining Sub-Funds of the Fund in proportion to their respective net assets. The Management Company may decide, in connection with the appropriation of net investment income and capital gains, to issue bonus units. An income equalization amount will be calculated so that the distribution corresponds to the actual income entitlement. Distributions are made upon submission of the relevant coupons. The Management Company determines the method of payment.

Taxes and Expenses

Tax

Under the terms of the relevant provisions of the legislation of the Grand Duchy of Luxembourg and according to administrative practice, the assets of the Sub-Funds are not subject to any Luxembourg withholding, income, capital gains or wealth taxes. However, the Sub-Funds' assets are subject to a 'taxe d'abonnement' (subscription tax) of 0.05% p.a. on its total net assets. The 'taxe d'abonnement' is payable quarterly and is calculated on the basis of the Sub-Fund's net assets at the end of the quarter concerned. If any Sub-Fund or any Class of a Sub-Fund is reserved for institutional investors, the 'taxe d'abonnement' is reduced to 0.01% p.a. on total net assets of that specific Sub-Fund or Class:

For Sub-Funds Living Planet Fund – Equity and Living Planet Fund – Energy, the following taxes apply:

0.05% p.a. (5/100 of 1%) on total net assets for units of Class 'A'

0.01% p.a. (1/100 of 1%) on total net assets for units of Class 'B'

0.05% p.a. (5/100 of 1%) on total net assets for units of Class 'I'

For the Sub-Fund Living Planet Fund – Global Environment, the following taxes apply:

0.01% p.a. (1/100 of 1%) on total net assets for units of Class 'B'

0.05% p.a. (5/100 of 1%) on total net assets for units of Class 'I'

Unitholders are advised that the Luxembourg law dated 21 June 2005 has implemented the EUR Directive 2003/48/EC dated 3 June 2003 concerning the taxation of interest income. This foresees cross-border interest payments to individuals resident in the EU being subject to a withholding tax or an automatic exchange of

information from 1 July 2005. Payments affected include distributions and dividends paid by investment funds that invest more than 15%, and income from the assignment or redemptions of units in investment funds that invest more than 40% (from 1 January 2011, 25%), in debt securities and debt claims as defined under EU taxation of interest.

The taxable values shown are based on the most recently available data at the time they were calculated.

Provided that the related Sub-Fund is not subject to EU taxation of interest or unitholders are not affected by it, they are not required under current tax law to pay any income, gift, inheritance or other tax in Luxembourg unless they are domiciled in Luxembourg, have a residence in Luxembourg or maintain a permanent establishment there, or were previously domiciled in Luxembourg and hold more than 10% of the units in the Fund.

The foregoing is merely a summary of the tax effects that does not claim to be complete. It is up to the purchasers of units to seek information on the laws as well as any regulations governing the purchase, possession and sale of units in connection with their place of residence and for people of their nationality.

However, potential subscribers to the Fund are recommended to personally obtain information and appropriate advice on the laws and ordinances concerning taxation and exchange controls that exist in their country of origin, in the country in which they have their domicile or usual residence or in which they were established and that concern the subscription, purchase, holding, repurchase, conversion and other forms of realization of units in the Fund. Neither the Management Company nor the Fund's promoter will accept any liability in this respect.

The above information is based on the current legal situation and administrative practice which may change in the future.

Expenses paid by the Fund

The Fund pays a monthly 'global service fee' for the Sub-Funds Living Planet Fund – Equity and Living Planet Fund – Energy, calculated on the average net asset value of the Sub-Funds as shown in the table below:

Name of the Sub-Fund	All-in-fee		
	Class A	Class B	Class I
Living Planet Fund – Equity	2.04% p.a. (0.170% per month)	1.56% p.a. (0.130% per month)	2.5% p.a. (0.208% per month)
Living Planet Fund – Energy	2.1% p.a. (0.175% per month)	1.6% p.a. (0.133% per month)	2.5% p.a. (0.208% per month)
Living Planet Fund – Global Environment	Not applicable	1.4% p.a. (0.116% per month)	2.5% p.a. (0.208% per month)

The global service fee is used to pay the Management Company, the Administrative Agent, the Custodian Bank, the Portfolio Managers, Investment advisors and the Distributors. It also covers all the costs incurred by the Fund and the Sub-Funds relating to the establishment expenses, the auditor, notary, printing, translation and publication fees with the exception of the following:

- all taxes which are levied on the assets and the income of the Fund, particularly the 'taxe d'abonnement',
- customary brokerage fees and commissions which are charged by other banks and brokers for securities transactions and similar transactions, and
- costs for extraordinary measures carried out in the interests of unitholders, particularly arranging expert opinions and dealing with legal proceedings, etc...
- costs of services mandated by the Luxembourg Law of 20 December 2002 including the costs related to the appointment of Day To Day Managers.

For the Sub-Fund 'Living Planet Fund – Global Environment', set up costs will be charged to the Sub-Fund and will be written off in four equal instalments over four calendar years, starting with year one which shall be the year following the year of launch of the sub-fund.

All costs which can be allocated accurately to individual Sub-Funds will be charged to these Sub-Funds. If costs pertain to several or all Sub-Funds, however, these costs will be charged to the Sub-Funds concerned in proportion to their relative net asset values.

Information to Unitholders

Regular reports and publications

An audited annual report is published for each Sub-Fund and the Fund as a whole per December 31st and a semi-annual report is published per June 30th of each calendar year.

These reports contain a breakdown of each Sub-Fund in the relevant reference currency. The consolidated breakdown of assets for the Fund as a whole is given in EUR. The annual report, which is published within four months of the end of the financial year, contains the annual accounts audited by the independent auditors.

The annual and semi-annual reports are available to unitholders at the head office of the Management Company and the Custodian Bank. The issue and redemption price of each Sub-Fund is announced in Luxembourg at the head office of the Management Company and the Custodian Bank. Notices to the unitholders will also be published in a Luxembourg daily newspaper and, if necessary, in foreign daily newspapers.

Availability of Documents

The following documents are available from the head office of the Management Company:

- the Management Regulations;
- the latest annual and semi-annual Fund reports.

The following documents are filed at the head office of the Management Company, where they are available for inspection:

- the articles of association of the Management Company;
- the agreements concluded between the Custodian Bank, the Administrative Agent and the Management Company. These agreements may be amended by common consent of the parties involved.

Liquidation and Merging of the Fund and its Sub-Funds

Liquidation of the Fund and its Sub-Funds

Unitholders, their heirs or other beneficiaries may not demand the division or liquidation of the entire Fund or one or more individual Sub-Funds. The Management Company is empowered, however, to liquidate the Fund or existing Sub-Funds provided that, taking into account the interests of the unitholders, such liquidation is considered reasonable or necessary for the protection of the Management Company and the Fund or for reasons of investment policy.

The decision to liquidate a Sub-Fund shall be published in a Luxembourg daily newspaper and, if necessary, in the official publications specified for the respective countries in which Fund units are sold as listed in this Prospectus. No units may be issued after the date of such a decision and any conversion into the concerned Sub-Fund shall be suspended. The redemption of units or conversion out of the concerned Sub-Fund will still be possible even after this decision is implemented, so that it will be ensured that any liquidation costs will be taken into account by the Sub-Fund and are thus borne by all investors holding units of the Sub-Fund at the time the decision to liquidate is made. In the event of liquidation, the Management Company will realize the Sub-Fund's assets in the best interests of the unitholders and instruct the Custodian Bank to distribute the net proceeds from the liquidation of the Sub-Funds to the unitholders of said Sub-Funds in proportion to their respective holdings. Any liquidation proceeds which cannot be distributed to the unitholders may be deposited with the Custodian Bank for a period of 6 months. Afterwards, they will be deposited with the 'Caisse de Consignation' in Luxembourg until expiry of the limitation period.

Liquidation of the Fund is mandatory in the cases prescribed by law and in the event of the Management Company being liquidated. Notice of such liquidation is published in at least three daily newspapers (one of them being a Luxembourg daily newspaper) as well as in the 'Mémorial'. The liquidation procedure is identical in both cases with the exception that, in the case of the Fund's liquidation, any liquidation proceeds which cannot be distributed to unitholders at the conclusion of the liquidation procedure are immediately deposited with the 'Caisse de Consignation'.

Merger of Sub-Funds or one Sub-Fund with another Undertaking for Collective Investment ('UCI')

If the net assets of a Sub-Fund, for whatever reason, fall below EUR 10 million or its equivalent in any other currency, or if the economic, legal or political environment changes, the Management Company can decide to cancel units of the corresponding Sub-Fund and to allocate the corresponding unitholders units in another Sub-Fund or in another UCI according to Part I of the Law dated 20 December 2002 relating to Undertakings for Collective Investment. In the event of such a decision by the Management Company, the merger shall be binding for all unitholders of the Sub-Fund concerned after expiry of a one month period commencing on the date the decision is published.

During this one month period, unitholders can submit their units for redemption without any fees or administration costs being charged.

The decision to merge Sub-Funds or one single Sub-Fund with another UCI established in accordance with the above law will be announced in a Luxembourg daily newspaper, and, if necessary, in the official publications specified for the countries in which Fund units are sold as listed in this Prospectus.

Applicable Law, Place of Performance

The Luxembourg District Court is the place of performance for all legal disputes between the unitholders, the Management Company, the Administrative Agent and the Custodian Bank. Luxembourg law applies. However, in matters concerning the claims of investors from other countries, the Management Company and/or the Custodian Bank can elect to make themselves and the Fund subject to the jurisdiction of the countries in which the Sub-Fund units were bought and sold.

The English version of this Prospectus is the authoritative version

This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail, except to the extent (and only to the extent) that the laws of a jurisdiction require that the legal relationship between the Company and investors in such jurisdiction shall be governed by the local language version of this Prospectus

Investment principles

The following terms shall also apply to the investments of each Sub-Fund:

1. Permitted investments of the Sub-Funds

1.1 The Sub-Funds' investments solely consist of:

- a. transferable securities and money market instruments admitted to or dealt in on a regulated market in an EU Member State;
- b. transferable securities and money market instruments dealt in on another market in a Member State of the European Union which is regulated, 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-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public and is situated in an approved state.
- d. recently issued transferable securities and money market instruments, provided that:
the terms of issue must stipulate that admission to listing on a stock exchange or trading on a regulated market mentioned in 1.1 a), 1.1 b) or 1.1 c) must be applied for, and admission obtained within one year of the initial issue;
- e. units of UCITS authorised according to Directive 85/611/EEC and/or other UCIs within the meaning of the first and second indent of Article 1, paragraph 2. of Directive 85/611/EEC, whether situated in a Member State of the European Union or not, provided that:
 - such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently ensured. This is currently the case with all Member States of the European Union, Japan, Hong Kong, USA, Canada, Switzerland, Norway, Jersey, Guernsey, Iceland and Liechtenstein,
 - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements set forth in Directive 85/611/EEC;
 - the business of such other UCIs is reported in half-yearly and annual reports to enable assessment of the assets and liabilities, income and operations over the reporting;
 - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs.
- f. deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union, or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in the Community law.
- g. financial derivative instruments ('derivatives'), including equivalent cash-settled instruments, which are traded at one of the stock exchanges or regular markets listed in 1.1 a) 1.1 b) and 1.1 c) above, and/or derivatives which are not traded on a stock exchange or regulated market ('OTC derivatives'), provided that:
 - the underlying consists of instruments covered by 1.1, financial indices, interest rates, foreign exchange rates or currencies in which the Fund is permitted to invest,
 - in transactions concerning OTC derivatives, the counterparties are institutions which are subject to constant supervision and are in classes approved by the Luxembourg supervisory authority,

- and the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or settled at any time by means of a back-to-back transaction at the appropriate market price on the initiative of the Management Company.
- h. money market instruments other than those dealt in on a regulated market and which fall under Article 1 of the Law of 2002 provided that the issuance or issuer of these instruments is already governed by rules providing protection for investors and investments and on condition that such instruments are:
- issued or guaranteed by a state, regional or local body of an approved state or by international organisations with public-law character in which one or more EU Member States are members,
 - issued by an undertaking whose securities are traded on the regulated markets mentioned in 1.1 a) 1.1 b) and 1.1 c);
 - issued by an institution which is subject to supervision under Community law, or an institution subject to supervisory provisions which are deemed by the Luxembourg supervisory authority to be at least as strict as those of Community law;
 - or issued by other issuers belonging to a category approved by the Luxembourg supervisory authority, provided that investor protection rules apply to investments in such instruments which are equivalent to those of the first, second or third listed point above and provided the issuers constitute either a company with equity capital ('capital et reserves') amounting to at least 10 million euros (EUR 10,000,000), which prepares its annual accounts under the provisions of the Fourth Council Directive 78/660/EEC, or an entity within a group encompassing one or more listed companies and responsible for its financing, or an entity which is to fund the underlying securities for obligations by the use of a credit line made available by a bank;
- 1.2 However:
- each Sub-Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in 1.1.
 - a Sub-Fund may not acquire either precious metals or certificates representing them.

1.3 The Management Company must ensure that its global exposure relating to derivatives does not exceed the total net value of the Fund portfolio. As part of its investment strategy, each Sub-Fund, within the limits set out in 2.2 and 2.3, may invest in derivatives provided that that its global exposure relating to the underlying assets does not exceed the investment limits cited in point 2 below.

1.4 Each Sub-Fund may hold liquid assets on an ancillary basis.

2. Risk diversification

2.1 In accordance with the principle of risk diversification, the Management Company may not invest more than 10% of the net assets of a Sub-Fund in transferable securities or money market instruments issued by the same body. The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution as defined in 1.1 f) or 5% of its net assets in other cases.

2.2 The total value of the transferable securities and money market instruments held by the Sub-Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph 1., a Sub-Fund may not combine:

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

2.3 The limit laid down in the first sentence of paragraph 2.1 is raised to a maximum of 35% for transferable securities or money market instruments that are issued or guaranteed by an EU Member State or its central, regional and local authorities, by another approved country, or by international organisations with public-law character of which one or more EU states are members.

2.4 The limit laid down in the first sentence of 2.1 may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law, to special legislative supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in the first sub-paragraph and issued by one issuer, the total value of such assets may not exceed 80% of the value of the assets of the Sub-Fund.

2.5 The transferable securities and money market instruments referred to in paragraphs 2.3 and 2.4 are not included in the calculation of the limit of 40% referred to in paragraph 2.2.

The limits set out in 2.1, 2.2, 2.3 and 2.4 may not be combined and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs 2.1, 2.2, 2.3 and 2.4 may not exceed a total of 35% of the net assets of a given Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the calculating limits set out in this Article.

However, a Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

Without prejudice to the limits laid down in paragraph 3.1 to 3.3, the limits laid down in 2.1, 2.2, 2.3, 2.4 and 2.5 may be raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when, according to the investment objective of a Sub-Fund, the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, on the following basis:

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

The before mentioned limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

2.6 The Management Company is authorised, in the interests of risk diversification, to invest up to 100% of the net assets of a Sub-Fund in transferable securities and money market instruments from various offerings that are issued or guaranteed by an EU Member State or its central, regional and local authorities, by another OECD Member State or by international organisations with public-law character in which one or more EU Member States are members.

These transferable securities or money market instruments must be divided into at least six different issues, with securities or money market instruments from one and the same issue not exceeding 30% of the total net assets of a Sub-Fund.

2.7 A Sub-Fund may acquire the units of UCITS and or other UCIs referred to in 1.1 e), provided that no more than 20% of its net assets are invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, compartment of a UCI with multiple compartments within the meaning of Article 133 of the law of December 20, 2002 is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the Sub-Fund.

The assets of these UCITS or other UCIs shall not be included in the calculation of the maximum limits set out in 2.

If a Sub-Fund acquires units of other UCITS and/or other UCI managed directly, or on the basis of assignment, by the Management Company or another company with which the Management Company is related through common management or control or by a significant direct or indirect shareholding (i.e. more than 10% of the capital or voting rights), the Management Company or other company may make no charge for the management, subscribing in or redeeming units of these other UCITS and/or UCI through the Sub-Fund. The dual charging of commission and expenses may only apply to the expenses of the administrator in the case of investments in such UCI and UCITS and may not amount to more than 0.25% p.a. of the average net asset value of the Sub-Fund concerned.

If a Sub-Fund invests a substantial proportion of its assets in other UCITS or UCIs the maximum level of the management fees that may be charged both in the Sub-Fund itself and to the other UCITS and/or UCI in which it intends to invest will be disclosed in the relevant description of the Sub-Fund in this Prospectus. In its annual report it shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it invests.

A Sub-Fund needs not comply with the above-mentioned limits when exercising subscription rights attaching to transferable securities or money market instruments which form part of the assets.

If the above mentioned limits are exceeded unintentionally or due to the exercise of subscription rights, the Management Company must attach top priority in its sales of securities to rectifying the situation while, at the same time, considering the best interests of the unitholders.

While ensuring observance of the principle of risk-spreading, recently authorized Sub-Funds may derogate from the investment restrictions for a period of six months following the date of their authorisation.

Provided the particular Sub-Fund's investment policy does not specify otherwise, it may invest no more than 10% of its assets in other UCITS or UCI.

3. Investment restrictions

The Management Company is prohibited from:

3.1 Acquiring equities with voting rights that would enable it to exert a significant influence on the management of the borrower in question;

3.2 Acquire more than:

- 10% of the non-voting shares of the same issuer,
- 10% of the debt securities of the same issuer,
- 25% of the units of the same UCITS and/or other UCI,
- 10% of the money market instruments of any single issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the money market instruments or the net amount of the instruments in issue cannot be determined.

3.3 Paragraphs 1. and 2. are waived as regards:

- a. transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local authorities;
- b. transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union or its local authorities;
- c. transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;
- d. shares held by Sub-Funds in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such holdings represents the only way in which the Sub-Fund can invest in the securities of the issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits laid down in 2.1 to 2.5, 2.7, 3.1 and 3.2 Where the limits set in Articles 43 and 46 of the law of December 20, 2002 are exceeded, Article 49 of that law shall apply mutates mutandis;
- e. shares held by one or more investment companies in the capital of subsidiary companies, which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at the request of unitholders.

3.4 Neither:

- the Management Company, nor
 - the Custodian Bank on behalf of a Sub-Fund may borrow.
- However, a Sub-Fund may acquire foreign currency by means of a back-to-back loan.

By way of derogation the aforementioned, a Sub-Fund may borrow the equivalent of:

- up to 10% of its net assets provided that the borrowing is on a temporary basis;
- up to 10% of its net assets provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of their business; In this case, these borrowings and those referred to in sub-paragraph a) may not in any case in total exceed 15% of its net assets.

3.5 Without prejudice to the application of 1., neither:

- the Management Company, nor
- the Custodian Bank acting on behalf of a Sub-Fund may grant loans to or act as guarantor for third parties.

This restriction does not prevent the acquisition of transferable securities, money market instruments or the other instruments listed in 1.1 e) and 1.1 f) and 1.1 g) if not fully paid up;

3.6 Neither:

- the Management Company; nor
- the Custodian Bank acting on behalf of a Sub-Fund

may carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1.1. e), 1.1 f) and 1.1 g)

4. Special techniques and instruments relating to transferable securities and money market instruments

In addition to the use of derivatives as set forth in 1.1 g), the Management Company may employ techniques and instruments relating to transferable securities and money market instruments for each Sub-Fund provided these are employed for the purpose of efficient portfolio management of the respective Sub-Fund's assets and that they are in line with the respective Sub-Fund's investment policy and restrictions and in compliance with the Luxembourg Law of December 20, 2002.

The Management Company must ensure that the global exposure to derivatives does not exceed the net assets.

The following are taken into account in computing risk: the market value of the underlying instruments, the risk of default, future foreseeable market developments and the period within which the positions are to be liquidated. This also applies to the following two points:

- In the case of investments in derivatives, the overall risk for the underlying instruments may not exceed in aggregate the investment limits set forth under 2. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth under 2.
- If a derivative is embedded in a security or money market instrument, it has to be taken into account with regard to compliance with the rules set forth here-above.

4.1 Securities lending

The Management Company acting on behalf of the Fund may, for any Sub-Fund, also lend portions of its securities portfolio to third parties. In general, lending may only be effected via recognised clearing houses such as Clearstream International or Euroclear, or through the mediation of prime financial institutions that specialise in such activities and in the modus specified by them. Such transactions may not be entered into for longer than 30 days, however. If the loan exceeds 50% of the securities portfolio of the corresponding Sub-Fund, it may only be effected on condition that termination of the loan contract is possible immediately.

In the case of securities lending transactions, the Management Company acting on behalf of the Fund must, in principle, receive a guarantee, the value of which, on conclusion of the loan contract, must at least correspond to the total value of the securities lent out and any accrued interest thereon.

This guarantee must in principle consist of liquid funds and/or securities issued or guaranteed by an OECD member country or its public central, regional and local authorities or international organisations, and which are blocked in the Fund's name until the expiry of the aforementioned contract. Such a guarantee is not required if the securities lending transaction is effected via Clearstream International or Euroclear or another organisation which guarantees that the value of the securities lent out will be refunded.

4.2 Securities repurchase agreements

The Management Company acting on behalf of the Fund may, for any Sub-Fund, engage on an ancillary basis in repurchase transactions ('repos' or 'reverse repos') involving the purchase and sale of securities where the seller has the right or obligation to repurchase the securities sold from the buyer at a fixed price and within a certain period stipulated by both parties upon conclusion of the agreement.

The Management Company acting on behalf of the Fund may, for any Sub-Fund, effect repurchase transactions either as a buyer or a seller. However, any transactions of this kind are subject to the following guidelines:

- Securities may only be purchased or sold under a repurchase agreement if the counterparty is a first-class financial institution specialising in this kind of transaction.
- As long as the repurchase agreement is valid, the securities bought cannot be sold before the right to repurchase the securities has been exercised or the repurchase period has expired.
- In addition, it must be ensured that the volume of repurchase agreements of each Sub-Fund is structured in such a way that the Sub-Fund can meet its redemption obligations towards its unitholders at any time.

4.3 Transactions used for the efficient management of credit risk

The Management Company may also make use of credit default swaps (CDS). A CDS is a fixed-income investment with a short maturity in the form of a standard derivative contract that is no different from a bond in terms of

credit risk. The counterparty must be a first-class financial institution that specialises in transactions of this kind. Both the issuer and the underlying borrower are governed at all times by the investment principles and must comply with the investment policy described in this Prospectus.

When using a CDS, the counterparty pays the other party a premium in exchange for a compensatory payment if an agreed credit event (e.g. a default in interest payment) occurs in the underlying reference unit (e.g. bonds, loans, etc.) for one of the reference parties. The periodic payment or premium is normally expressed in basis points per nominal value. As a rule, premiums are paid periodically for a default hedge. Premiums for short-term transactions may, however, be paid beforehand. The counterparties are normally referred to as protection buyers (who pay the premium) and protection sellers (who pay the compensatory payment). Depending on the contract, the protection buyer will supply the reference assets to the protection seller at nominal value if the credit event occurs (e.g. default in interest payment). As an alternative to this, settlement may also be made in cash (difference between nominal value and market value).

The obligations arising from a CDS can be defined as follows:

- the obligations correspond to the net short position of the underlying reference unit or asset (nominal value of reference + accrued interest + premiums paid);
- the total obligations arising from a CDS, along with the obligations arising from the other transactions in derivatives, may not exceed the net assets of the Sub-Fund.

The additional risk of default swaps is a higher counterparty risk.

4.4 Further techniques and instruments

The above-mentioned techniques and instruments may be amended by the Management Company if new techniques and instruments are developed and offered on the financial market provided that they are in line with the respective Sub-Fund's investment policy and restrictions and in compliance the Luxembourg Law of December 20, 2002.