

# **INSINGER DE BEAUFORT MANAGER SELECTION SICAV**

SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE

INCORPORATED UNDER THE LAWS OF THE  
GRAND DUCHY OF LUXEMBOURG

## **Prospectus** **(Offering Memorandum)**

INSINGER DE BEAUFORT MULTI-MANAGER EQUITY  
INSINGER DE BEAUFORT MULTI-MANAGER BALANCED  
INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE  
INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED  
INSINGER DE BEAUFORT MULTI-MANAGER GROWTH

## **June 15, 2010**

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Distribution of this Prospectus is not authorised unless the most recent annual report and any subsequent semi-annual report of the SICAV accompany it, when issued on a later date.  
These reports form an integral part of this Prospectus.

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## NOTICE

INSINGER DE BEAUFORT MANAGER SELECTION SICAV (the "SICAV", the "Company") is an open-ended investment company registered pursuant to Part II of the Luxembourg law of 20<sup>th</sup> December, 2002 on Undertakings for Collective Investment (the "law of 2002"). It should be noted that such registration does not imply approval by any Luxembourg authority of the contents of this Prospectus or the portfolios of securities held by the SICAV.

The Shares of the SICAV are offered on the basis of the information and representations contained in this Prospectus. Any information or representation given or made by any selling agent or other person not contained herein, nor in the documents referred to herein should be regarded as unauthorised and should accordingly not be relied upon.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person into whose possession this Prospectus comes and of any person wishing to apply for Shares in the SICAV to inform themselves about and to observe all applicable laws and regulations relating to the relevant jurisdictions.

The Directors of the SICAV have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Directors of the SICAV accept responsibility accordingly.

A subscription of a subscriber residing in a country which does not adhere to the Financial Action Task Force (FATF) regulation will be taken into consideration only if the Application Form is accompanied by the identification documents of the subscriber duly certified by the local authorities of his country of residence. The list of the countries, which comply with the FATF regulation is available upon request at the registered office address of the SICAV or can be consulted on the Internet under <http://www.oecd.org/fatf/>.

Prospective investors who may have any doubt in regard to the contents of this Prospectus or, when available, the annual or semi-annual reports of the SICAV, should inform themselves and should take appropriate advice as to the potential tax consequences, legal requirements, foreign exchange restrictions or exchange control requirements which might be encountered under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares.

Prospective investors are recommended to enquire at the offices of the SICAV as to whether the SICAV has published a subsequent more recent Prospectus.

It should be noted that the value of the Shares and the income thereon can fall as well as rise and that accordingly, the amount realised by a shareholder on the redemption of Shares may be less than the original investment made. Past performance of the SICAV may not be construed as a guarantee of future (successful) results.

The SICAV has not been registered under the U.S. investment Company Act of 1940. In addition, the Shares of each Sub-Fund have not been registered under the U.S. Securities Act of 1933, as amended, and may not be and will not be offered for sale or sold in the United States of America, its territories or possessions or to a "United States person" (as defined hereinafter).

This prospectus is dated and effective as of June 15, 2010

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## DEFINITIONS

The following definitions apply throughout the Prospectus:

- . Business Day                      a bank business day in Luxembourg
- . Class                                one or more classes of Shares within a Sub-Fund, whose assets shall be commonly invested according to the investment objective of that Sub-Fund, but where a specific sales and/or redemption charge structure, fee structure, distribution policy, Reference Currency or hedging policy shall be applied
- . Company                            INSINGER DE BEAUFORT MANAGER SELECTION SICAV  
(Société d'Investissement à Capital Variable)
- . Director                            a member of the Board of Directors of the SICAV
- . EU                                    the European Union
- . EUR                                 the currency of the "European Monetary Union" (EMU)
- . FATF                                the Financial Action Task Force on Money Laundering
- . Financial Year                    starts on the first day of January of each year and ends on the last day of December of the same year
- . GBP                                 the currency of the United Kingdom
- . Net Asset Value (also NAV) the Net Asset Value of a given Sub-Fund or Class is computed by subtracting from the total value of its assets an amount equal to all its liabilities, divided by the total number of Shares of the relevant Sub-Fund or Class outstanding on a given Valuation Day
- . OECD                                Organisation for Economic Co-operation and Development
- . Ranking                            all rankings mentioned in this Prospectus are those of Standard & Poor's, until otherwise defined
- . Redemption Price                the Net Asset Value per Share of a Sub-Fund or Class on a given Valuation Day, less a redemption fee as described in the relevant Appendix
- . Reference Currency                the currency in which the Net Asset Value of a given Sub-Fund or Class is expressed
- . Share                                a share of any Sub-Fund in the capital of the SICAV
- . SICAV                                INSINGER DE BEAUFORT MANAGER SELECTION SICAV  
(Société d'Investissement à Capital Variable)
- . Sub-Fund                            an individual sub-fund of the SICAV linked to a portfolio of assets invested in accordance with a specific investment policy
- . Subscription Price                the Net Asset Value per Share of a Sub-Fund or Class on a given Valuation Day, plus a sales charge as described in the relevant Appendix
- . Target Fund                        a UCI in which a Sub-Fund invests its assets
- . UCI                                    an Undertaking for Collective Investment
- . USD                                 the currency of the United States of America
- . Valuation Day                    every Business Day when the Net Asset Value is calculated, specified in the relevant Appendix for each Sub-Fund

# PROSPECTUS

## 1. PRINCIPAL FEATURES OF INSINGER DE BEAUFORT MANAGER SELECTION SICAV

The information set out under this chapter is a summary of the principal features of the SICAV and should be read in conjunction with the entire text of this Prospectus.

### 1.1 Structure

INSINGER DE BEAUFORT MANAGER SELECTION SICAV is an investment company incorporated in Luxembourg as a "Société Anonyme" on the basis of the law of 10 August 1915 on Commercial Companies (the "law of 1915") and qualifies as a "Société d'Investissement à Capital Variable" ("SICAV"). The SICAV's purpose is to invest in units or shares of other UCI's including hedge funds or UCI's investing themselves in hedge funds; the SICAV is consequently subject to Part II of the law of 20<sup>th</sup> December, 2002 on Undertakings for Collective Investment (the "law of 2002"). Accordingly the Company does not comply with the European Community Council Directive 85/611/EEC of 20 December 1985 on Undertakings for Collective Investment in Transferable Securities, as amended.

The SICAV offers investments in currently five Sub-Funds, as there are for the time being:

- INSINGER DE BEAUFORT MANAGER SELECTION SICAV – INSINGER DE BEAUFORT MULTI-MANAGER EQUITY  
(hereinafter: "INSINGER DE BEAUFORT MULTI-MANAGER EQUITY")
- INSINGER DE BEAUFORT MANAGER SELECTION SICAV – INSINGER DE BEAUFORT MULTI-MANAGER BALANCED  
(hereinafter: "INSINGER DE BEAUFORT MULTI-MANAGER BALANCED")
- INSINGER DE BEAUFORT MANAGER SELECTION SICAV – INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE  
(hereinafter: "INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE")
- INSINGER DE BEAUFORT MANAGER SELECTION SICAV – INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED  
(hereinafter: "INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED")
- INSINGER DE BEAUFORT MANAGER SELECTION SICAV – INSINGER DE BEAUFORT MULTI-MANAGER GROWTH  
(hereinafter: "INSINGER DE BEAUFORT MULTI-MANAGER GROWTH")

The Board of Directors may at any time create additional Sub-Funds whose investment objectives may differ from the then existing Sub-Funds, subject to inclusion of the relevant Appendix(ces) to the current Prospectus.

This "umbrella" structure enables investors to select from a range of Sub-Funds, the Sub-Fund(s) which best suit to their individual requirements and thus make their own strategic allocation by combining holdings in various Sub-Funds of their own choosing. Each such Sub-Fund shall be designated by the name of the Company, followed by a generic name.

Further, the Shares of each Sub-Fund may, as the Board of Directors shall so determine from time to time, be issued in one or more classes of Shares (each such class being referred to herein as a "Class"), whose assets will be commonly invested pursuant to a specific investment policy of the respective Sub-Fund, but where a specific sales and redemption charge structure, fee structure, distribution policy, hedging policy, Reference Currency or other specificity is applied to each such Class.

The SICAV operates as an open-ended company and its Shares may be issued, redeemed and converted at prices based on the Net Asset Values of the respective underlying Sub-Funds.

The SICAV constitutes a sole legal entity. For purposes of the relations between shareholders, each Sub-Fund will be deemed to be a separate entity.

## **1.2. Investment objective**

The objective of the SICAV is to provide investors with a choice of Sub-Funds investing in a wide range of securities or other legally acceptable assets on a world-wide basis and featuring a diverse array of investment objectives, including capital growth and income, whilst retaining the administrative advantages of one single corporate entity. The investment objectives and policy are set out in chapter 4 and, for each Sub-Fund, in the relevant Appendix to this Prospectus.

## **1.3. Share prices**

The Subscription and Redemption Prices of the Shares of each Sub-Fund are calculated with reference to the Net Asset Value per Share determined on each Valuation Day in the manner as described in section 12.1.

These prices are available at the registered office of the SICAV.

The rate at which all or part of the Shares of a Sub-Fund and/or Class (the "initial Sub-Fund and/or Class") are converted into Shares of another Sub-Fund and/or Class (the "new Sub-Fund and/or Class"), as and when existing, is determined by the formula as described in chapter 11 – "CONVERSION OF SHARES".

## **1.4. Purchase of shares**

Applications for Shares should be either made to the Registrar and Transfer Agent of the SICAV or the Distributor by completing an Application Form or otherwise in writing setting out in full the information required in the Application Form.

Applications received by the Registrar and Transfer Agent of the SICAV on a Valuation Day before 12.00 noon, Luxembourg time, will be dealt with on that Valuation Day at the Subscription Price of the relevant Sub-Fund prevailing on that Valuation Day.

## **1.5. Minimum Investment**

The Board of Directors may fix a minimum subscription amount for each Sub-Fund which, if applicable, is set out in the relevant Sub-Fund Appendix.

## **1.6. Redemption of shares**

Shares may be redeemed by way of a written notice sent directly to the Registrar and Transfer Agent of the SICAV or the Distributor.

Redemption notices received by the Registrar and Transfer Agent of the SICAV on a Valuation Day before 12.00 noon, Luxembourg time, will be dealt with on that Valuation Day at the prevailing Redemption Price of the relevant Sub-Fund on that Valuation Day.

## **1.7. Currency of payment**

Subscription and redemption payments shall be made in the currency of the relevant Sub-Fund. A subscriber may however provide for payment in another currency or request payment in another currency which can be freely exchanged into or out of the currency of the relevant Sub-Fund, as more fully described, as the case may be, in the relevant Sub-Fund Appendix. The required foreign exchange transaction shall be arranged on behalf of and at the expense of the shareholder.

## **1.8. Conversion of shares**

Shares of any Sub-Fund and/or Class may be converted into Shares of any other existing Sub-Fund and/or Class by way of a written notice sent directly to the Registrar and Transfer Agent of the SICAV or the appointed Distributor.

Conversion notices received by the Registrar and Transfer Agent of the SICAV on a Valuation Day before 12.00 noon, Luxembourg time, will be dealt with on that Valuation Day at the relevant Net Asset Value of the relevant Sub-Funds prevailing on that Valuation Day.

Shares may be converted on any Valuation Day in accordance with the formula referred to in chapter 11.

**1.9. Stock Exchange Listing**

Shares of all the Sub-Funds, as and when issued, will be listed on the Luxembourg Stock Exchange.

**2. MANAGEMENT AND ADMINISTRATION****2.1. Board of Directors and Officers**

CHAIRMAN	Peter George SIERADZKI Director Bank Insinger de Beaufort N.V. Amsterdam <a href="http://www.insinger.com">http://www.insinger.com</a>
DIRECTORS	Jacobus Johannes HUMAN Director Insinger de Beaufort Asset Management N.V. Amsterdam <a href="http://www.insinger.com">http://www.insinger.com</a>
	Steve GEORGALA Partner Maitland & Co. Paris <a href="http://www.maitlandco.com">http://www.maitlandco.com</a>
	Marcel ERNZER Independent Director 54, rue de Cessange, L – 1320 Luxembourg

**2.2. Administration and Management**

REGISTERED OFFICE	69, route d'Esch L - 1470 LUXEMBOURG R.C.S. Luxembourg B-75.761
INVESTMENT MANAGER	INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. Herengracht 537 NL - 1017 BV AMSTERDAM
CUSTODIAN	RBC DEXIA INVESTOR SERVICES BANK S.A. 14, Porte de France L – 4360 ESCH-SUR-ALZETTE
CENTRAL ADMINISTRATION	RBC DEXIA INVESTOR SERVICES BANK S.A. 14, Porte de France L – 4360 ESCH-SUR-ALZETTE
REGISTRAR AND TRANSFER AGENT	RBC DEXIA INVESTOR SERVICES BANK S.A. 14, Porte de France L – 4360 ESCH-SUR-ALZETTE
DISTRIBUTOR	INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. Herengracht 537 NL - 1017 BV AMSTERDAM
AUDITORS	ERNST & YOUNG S.A. 7, Parc d'Activité Syrdall L - 5365 MUNSBACH

### **3. GENERAL INFORMATION**

#### **3.1. History of the SICAV**

INSINGER DE BEAUFORT MANAGER SELECTION SICAV (formerly Insinger Manager Selection) is an investment company organised as a "Société Anonyme" under the law of 1915 and qualifies as a "Société d'Investissement à Capital Variable" (SICAV) under Part II of the law of 2002.

The SICAV was incorporated in Luxembourg on 17<sup>th</sup> May 2000 for an unlimited period, with an initial capital of USD 30,000.- represented by 300 Shares of the former Sub-Fund "INSINGER MANAGER SELECTION – INSINGER MONEY FUND". The latest amendments to the Articles of Incorporation of the SICAV were made on 1<sup>st</sup> September 2005. The restated Articles of Incorporation will be published in the "Mémorial, Recueil des Sociétés et Associations" of Luxembourg. The SICAV is registered with the "Registre de Commerce et des Sociétés", Luxembourg under number B-75.761.

The capital of the SICAV is represented by Shares of no par value and shall at any time be equal to the total net assets of the SICAV. The minimum capital of the Company shall at any time be the equivalent in USD of EUR 1,250,000.- and had to be reached within six months following the date of the registration of the Company in Luxembourg on the official list of Undertakings for Collective Investment.

The Articles of Incorporation of the SICAV and a notice required by Luxembourg law in respect of the issue and sale of shares by the SICAV are on file with the "Registre de Commerce et des Sociétés" of Luxembourg where they may be consulted and where copies may be obtained upon payment of the Registrar's cost.

#### **3.2. Board of Directors**

The Board of Directors is responsible, while observing the principle of risk diversification, for laying down the investment policy of the Sub-Funds and for monitoring the business activity of the SICAV. It may carry out all acts of management and administration on behalf of the SICAV; in particular purchase, sell, subscribe or exchange any securities and exercise all rights directly or indirectly attached to the SICAV's portfolio of assets.

In the definition of the investment policy of each Sub-Fund, the Board of Directors may be assisted by one or several professional investment advisers and/or managers. In addition, and subject to approval of the Supervisory Authority, the Board of Directors may delegate its functions, privileges and duties to any person, firm or corporation whom it may consider appropriate, provided that the Board of Directors shall always remain liable and responsible for any loss or omission on the part of such person, firm or corporation as if such act or omission was its own. The supervision and ultimate responsibility of such person, firm or corporation shall lie with the Board of the Directors of the SICAV.

The list of the members of the Board of Directors as well as of the other administrating bodies of the SICAV can be found under chapter 2 – "MANAGEMENT AND ADMINISTRATION" above and in the periodic reports as published by the SICAV.

No contract or other transaction between the SICAV and any other SICAV or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the SICAV is interested in, or is a director, associate, officer or employee of such other SICAV or firm.

Any Director or officer of the SICAV who serves as a director, associate, officer or employee of any SICAV or firm with which the SICAV shall contract or otherwise engage in business shall not, by reason of such affiliation with such other SICAV or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event that any Director or officer of the SICAV may have any personal interest in any transaction of the SICAV, such Director or officer shall make known to the Board of Directors such personal interest and shall not consider or vote on any such transaction, and such transaction, and such Director's or officer's interest therein, shall be reported to the next succeeding meeting of Shareholders. The term "personal interest", as used in the preceding sentence shall not include any relationship with or interest in any matter, position or transaction involving Bank Insinger de Beaufort NV and its subsidiaries and associated companies, provided however that all transactions are at any time made in the best interest of the SICAV and its Shareholders and are negotiated at normal market conditions.

### 3.3. Investment Manager

#### 3.3.1. General

Pursuant to an agreement dated 17<sup>th</sup> May 2000, INSINGER DE BEAUFORT ASSET MANAGEMENT N.V., Amsterdam has been appointed as Investment Manager of the SICAV (the "Investment Manager").

INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. is a limited liability company ("Naamloze Vennootschap") with its registered office at Herengracht 537, 1017 BV Amsterdam, The Netherlands. It was incorporated in Amsterdam on 27 December 1973 with an initial paid-up capital of EUR 70.000,-. As of 31 December 2009, its capital and reserves amounted to EUR 42.715.805,-. INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. is part of Insinger de Beaufort Group which has offices in Amsterdam, Eindhoven, The Hague, Rome, London and Cape Town. INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. is a 100% subsidiary of Bank Insinger de Beaufort N.V. which itself is a subsidiary of BNP Paribas Wealth Management, the private banking arm of French based BNP Paribas. INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. manages a number of Dutch and Luxembourg based investment funds as well as investment portfolios for private clients and institutions.

The agreement between the SICAV and the Investment Manager makes provision for it to remain in force for an unlimited period and that it may be terminated by either party at any time upon one month prior notice. For its services, the Investment Manager receives from the SICAV an annual fee ("Management Fee") and may as well receive a performance-related remuneration ("Performance Fee"), as detailed in section 14.2. and, for each Sub-Fund, in the relevant Appendix to this Prospectus.

#### 3.3.2. Powers of the Investment Manager

The Investment Manager will, subject to the responsibility, supervision and direction of the Board of Directors, provide, or arrange for the provision of, a continuous investment program and overall investment strategies for each Sub-Fund, including investment research and management with respect to all securities and investments and cash equivalents in each Sub-Fund. The Investment Manager will determine or arrange for others to determine, from time to time what securities and other investments will be purchased, retained or sold by each Sub-Fund and will implement, such determinations through the placement, in the name of the Company, of orders for the execution of portfolio transactions with or through such brokers or dealers as may be so selected.

The Investment Manager will provide the services he delivers in accordance with the stated investment policies and restrictions of each Sub-Fund as set forth in this Prospectus and as supplemented or amended from time to time by the Board of Directors.

### 3.4. Custodian

Pursuant to an agreement dated December 7, 2007, RBC Dexia Investor Services Bank S.A., has been appointed as Custodian ("the Custodian") of all the assets, including the securities and liquid assets, of the Company which shall be held either directly or, under its responsibility, through nominees, agents or delegates of the Custodian. The Custodian, on instructions from the Company, carries out all acts relating to the disposal of the Company's assets.

RBC Dexia Investor Services Bank S.A. is registered with the Luxembourg Company Register (RCS) under number B-47192 and has been incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. As of 31st December 2009, its equity capital amounts to EUR 579.747.099.

RBC Dexia Investor Services Bank S.A. is fully owned by RBC Dexia Investor Services Limited, a company under the laws of England and Wales that is controlled by Dexia Banque Internationale à Luxembourg, société anonyme, Luxembourg, Grand Duchy of Luxembourg, and Royal Bank of Canada, Toronto, Canada.

The agreement between the Custodian and the Company is concluded for an indefinite period and may be terminated by either party upon 90 days' written notice.

In consideration of the services rendered, the Custodian receives a fee in accordance with normal banking practice in Luxembourg and as detailed in section 15 "Charges and Expenses" hereafter.

Under the terms of the Law of 2002, the Custodian is required to:

- (a) pay for the securities purchased against delivery of the same, deliver the securities sold against collection of their sales price, collect the dividends and interest produced by the Company's assets and exercise the subscription and attribution rights attached thereto;

- (b) ensure that the sale, issue, redemption and cancellation of Shares effected by or on behalf of the Company is carried out in accordance with applicable law and with the Company's Articles of Incorporation;
- (c) ensure that in transactions involving the Company's assets, the proceeds are remitted to it within the usual time limits;
- (d) ensure that the Company's income is allocated in accordance with its Articles of Incorporation.

The Company may release the Custodian from its duties according to the terms of the agreement between them, provided that the following conditions shall then apply:

- (i) a new custodian must be designated — and approved by the supervisory authorities — within two months of the termination of the agreement to carry out the duties and assume the responsibilities of the Custodian as determined by law and as defined in the agreement;
- (ii) if the Company releases the Custodian from its duties, the latter shall continue to carry out its duties for the period necessary to assure the complete transfer of all of the Company's assets to the new custodian;
- (iii) if the Custodian resigns from its duties, it will not be released of its obligations until a new custodian has been designated and all the Company's assets have been transferred thereto.

### **3.5. Central Administration and Registrar and Transfer Agent**

Pursuant to an agreement dated December 7, 2007, RBC Dexia Investor Services Bank S.A. has been appointed as central administrative agent of the Company ("Central Administrative Agent" or "Central Administration") and registrar and transfer agent of the Company ("Registrar and Transfer Agent").

In its capacity of Central Administrative Agent, RBC Dexia Investor Services Bank S.A. is responsible for the general administrative functions required by law, the calculation of the Net Asset Value of the Shares of each Sub-Fund and the maintenance of accounting records.

In its capacity of Registrar and Transfer Agent, RBC Dexia Investor Services Bank S.A. is responsible for processing the issue, redemption, conversion and transfer of Shares on behalf of the Company, as well as for maintaining the register of shareholders.

Measures aimed towards the prevention of money laundering as provided by the laws of the Grand Duchy of Luxembourg and Circulars as issued by the Commission de Surveillance du Secteur Financier are the responsibility of the Registrar and Transfer Agent acting on behalf of the SICAV.

These measures may require the Registrar and Transfer Agent to request verification of the identity of any prospective Shareholder. By way of example, an individual may be required to produce a copy of his passport or identification card duly certified by a competent authority (e.g. embassy, consulate, notary, police officer, solicitor or any other competent authority). In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name) or memorandum and articles of association (or equivalent), the names of the shareholders along with a copy of their Id cards or passports.

Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Registrar and Transfer Agent, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Registrar and Transfer Agent will not be liable for any interest, costs or compensation.

In case of a delay or failure to provide satisfactory proof of identity, the Registrar and Transfer Agent may take such action as it thinks fit.

Depending on the circumstances of each application for subscription or registration of a transfer of Shares, a detailed verification of the applicant's identity might not be required where the application is made through financial institution or intermediary located in a country recognised by the Registrar and Transfer Agent as having equivalent anti-money laundering regulations to Luxembourg, as stipulated by the Financial Action Task Force (FATF). The list of countries which comply with the FATF regulations is available upon request at the registered office of the Registrar and Transfer Agent or can be consulted on the Internet under "<http://www.oecd.org/fatf/>".

The Company reserves the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account or a cheque sent by post at the applicant's risk. In such event, the Company will not be liable for any interest, costs or compensation.

The agreement between the Company and the Central Administrative Agent and Registrar and Transfer Agent is concluded for an indefinite period and may be terminated by either party upon 90 days prior written notice.

In consideration of the services rendered, the Central Administrative Agent and Registrar and Transfer Agent receives a fee as described in section 15 "Charges and Expenses" hereafter.

### **3.7. Distributor**

Pursuant to an agreement dated 1<sup>st</sup> September 2005, INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. (the "Distributor"), acting through its selected offices, subsidiaries and affiliates outside the United States of America and other agents, has been appointed as the Distributor of the SICAV.

The Distributor, which is both an affiliate of and controlled by Bank Insinger de Beaufort N.V., was incorporated in the Netherlands and has its registered office at Herengracht 537, 1017 BV Amsterdam, The Netherlands.

The agreement between the SICAV and the Distributor makes provision for it to remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days prior notice.

The Distributor may conclude contractual arrangements with financial institutions for the distribution of Shares outside the United States. Shares also may be purchased directly from the SICAV on the same charge basis as if obtained through the Distributor or a sub-distributor.

The Distributor may provide a nominee service to subscribers (as, if offered, more detailed described in section 9.1.) and the Board of Directors may appoint other Authorised Distributors, from time to time.

### **3.8. Auditor**

The Board of Directors has appointed Ernst & Young, 7, Parc d'Activité Syrdall, L - 5365 MUNSBACH, as auditors of the SICAV's transactions, accounts and annual reports.

## **4. INVESTMENT OBJECTIVES AND POLICY**

### **4.1. Investment objective of the SICAV**

The objective of the SICAV is to achieve long term capital appreciation and growth through exposure to global equity, bond and cash markets.

This objective is to be achieved by some Sub-Funds through investing in other Undertakings for Collective Investments (each such UCI being referred to hereafter as a "Target Fund") which are managed by specialised Portfolio Managers of whom the Investment Manager expects, on the basis of their previous investment activities, to achieve above average, risk adjusted returns compared to their peers.

The Target Funds may be of two different types:

- UCIs of the open-ended type domiciled in a member state of the EU or in the United States of America, Canada, Switzerland, Japan or Hong Kong and subject to risk diversification requirements comparable to those applied to Luxembourg domiciled UCIs (hereafter "Type I"); and
- UCIs that are not Type I Target Funds (hereafter "Type II").

The Target Funds chosen by the Sub-Funds will invest in transferable securities, hedge funds, and cash.

Otherwise, investors should be aware that, once the value of such Sub-Funds reaches a sufficient scale which may make discrete investment management more efficient than investing through other funds (in the opinion of the Board of Directors and/or the Investment Manager), some or all of the assets of such Sub-Funds may possibly (but not necessarily) be withdrawn from the Target Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers (as defined hereafter) for discrete management. The Sub-Managers will then peruse the same investment policy as the Target Funds and as stated in the relevant Sub-Fund Appendix.

Subject to the above and the prior decision to use the method of discrete investment management, the Investment Manager can appoint, with the prior approval of the Board of Directors and normally, but not necessarily, out of the Portfolio Managers of the underlying funds, one or more manager(s) (the "Sub-Manager(s)") to provide each Sub-Fund with certain services. Each Sub-Manager shall have such investment discretion in respect of different Sub-Funds or only parts of the assets of one or more Sub-Funds and shall make all determinations with respect to the investment of a Sub-Fund's assets as shall be assigned to that Sub-Manager by the Investment Manager and the purchase and sale of portfolio securities with respect to those assets and shall take such steps as may be necessary to implement its decisions.

Such appointment of a Sub-Manager will be notified at least one week prior to the appointment to the Board of Directors and the Investment Manager will only appoint such a Sub-Manager which is well known and has a good reputation in the financial market.

The evaluation and selection of the Sub-Manager(s) for each Sub-Fund is made by the Investment Manager, based on research undertaken, with the assistance of such persons as he may select from time to time at its own expense.

Such research may be based on but not limited to, criteria including:

- An assessment of the Sub-Managers characteristics is conducted including temperament, creativity, integrity, openness, flexibility, intuition and intellectual development. Past performance and strategy used by the Sub-Manager, the products used and the geographic regions or economic sectors emphasised by the Sub-Manager are further key factors in making such judgement;
- An estimate of the degree of correlation of a Sub-Manager's strategy with the strategies of other Sub-Managers utilised by the Sub-Fund, in light of the Sub-Fund's investment objective;
- An evaluation of the cost of using a specific Sub-Manager, including fees and transaction costs.

The Sub-Managers will be selected on the basis of their entire investment performance record as well as their respective investment strategies and trading techniques, which must be consistent with the Company's investment objective. Sub-Managers will also be selected on the basis of the expected combined results which each Sub-Fund seeks to achieve by diversifying its investments through the use of a variety of Sub-Managers, in terms of overall above average investment results, reduced volatility and controlled risk.

Investments made by each Sub-Manager for the Sub-Funds are monitored on an ongoing basis by the Investment Manager. Depending on the circumstances, the Investment Manager may initiate, expand, contract or terminate its relationship with a particular Sub-Manager. Furthermore each relation to any Sub-Manager will be terminated if the Board of Directors requests from the Investment Manager to do so.

There is no guarantee that any particular Sub-Manager will be appointed or will continue to be appointed in respect of a Sub-Fund. Changes in allocation of the assets of the Sub-Fund reflect the degree to which an investment meets the expectations of the Investment Manager and alterations in their perception of different investment strategies, products and geographic markets.

In addition, the Investment Manager may, from time to time, manage directly the investment of a portion of the Portfolios assets making investments consistent with the types of underlying investments, which will be held by the Target Funds of Type I.

The return to shareholders in a particular Sub-Fund is related to the Net Asset Value of that Sub-Fund, which in turn is primarily determined by the performance of the portfolio of investments held by that Sub-Fund.

Sub-Managers who do not comply with the above mentioned characteristics will not be chosen.

For all other Sub-Funds the objective is to achieve long term capital appreciation and growth through exposure to global equity, bond and cash markets by investing discretely in securities complying with their respective investment policy.

All Sub-Funds will be diversified in terms of investment style and strategies within the Portfolios areas of investment in order to achieve investment performance with lower volatility and risk characteristics.

The Board of Directors, the Investment Manager and/or the Sub-Managers may employ a currency hedging strategy from time to time in respect of any Sub-Fund. This currency hedging strategy will involve hedging the base currency of a Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Funds relative to their investment objectives.

The Board of Directors, the Investment Manager and/or the Sub-Managers may also employ, for each Sub-Fund the use of various derivative instruments for the purposes of efficient portfolio management.

Within the Company's objectives, the specific investment objective of each Sub-Fund is set out in detail in the relevant Appendix.

The SICAV shall always comply with the limits set forth under chapter 7 – "INVESTMENT RESTRICTIONS" of this Prospectus.

The SICAV may furthermore employ techniques and instruments for the purpose of efficient portfolio management and/or as a matter of hedging strategies, all as set forth under the Chapter 6 - "RISK MANAGEMENT" of this Prospectus.

## 4.2. Investment Risks

The investments of the SICAV and of the Sub-Funds are subject to normal market fluctuations and, accordingly, it should be emphasised that the price of Shares in any of the Sub-Funds and the income thereon, can fluctuate.

Investors should be aware of a number of special risk factors attendant in investment in all Sub-Funds,

### 4.2.1. to the extent they are invested in emerging markets:

(a) *Volatility*

Many of the emerging markets are relatively small, have low trading volumes, suffer periods of illiquidity and are characterised by significant price volatility.

(b) *Investment and Repatriation Restrictions*

A number of attractive emerging markets restrict, to varying degrees, foreign investment in securities. Further, some attractive equity securities may not be available to the Sub-Funds because foreign shareholders hold the maximum amount permissible under current law. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging markets and may be subject to currency exchange control restrictions. Such restrictions may increase the risks of investing in certain of the emerging markets. The Sub-Funds will only invest in markets where these restrictions are considered acceptable by the Board of Directors.

(c) *Settlement Risk*

Settlement systems in emerging markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment is made prior to receipt of the security, which is being purchased or that delivery of a security being sold must be made before payment is received. In such cases, default by a broker or bank (the "Counterparty") through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds.

The Sub-Funds will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes (if any) for creditors in these markets may be inadequate to meet the Company's claims arising out of any such settlement risks.

(d) *Political, Social and Reporting Factors*

Certain of the countries in which the Sub-Funds will invest may be undergoing significant political and economic development and lack the social, political and economic stability of more developed countries. Such instability may result from authoritarian governments, social unrest, ethnic, religious and other conflicts, and hostile relations with neighbouring countries. Political or social developments in these countries may adversely affect the value of the Sub-Funds investments in these countries. In addition, some emerging market countries may not be subject to the accounting, auditing and reporting standards, practices and disclosure requirements comparable to those applicable in more developed countries, and the legal infrastructure may not provide the same degree of shareholder protection to investors.

### 4.2.2. Futures and Options Risk

The Board of Directors, the Investment Manager and/or the Sub-Managers may engage in various portfolio strategies on behalf of the Sub-Funds through the use of futures and options. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom each Sub-Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to each Sub-Fund. On execution of an option, the Sub-Funds may pay a premium to a Counterparty. In case of the insolvency or bankruptcy of the Counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

There are several risks associated with the use of financial futures and options for hedging purposes. There can be no guarantee that there will be a correlation between price movements in the hedging vehicle and in the portfolio securities being hedged. An incorrect correlation could result in a loss on both the hedging vehicle so that the Sub-Fund return might have been greater had the hedging not been attempted.

#### **4.2.3. Risks inherent to Investment in Funds**

Some Sub-Funds invest in a number of different Target Funds, each of which invests independently of the others. Although this diversification is intended to offset losses while maintaining the possibility of capitalising on profitable price movements, there can be no assurance that this strategy will not result overall in losses generated by some investments exceeding profits achieved by others.

The Sub-Funds may invest in Target Funds, which do not permit holdings to be redeemed on as frequent a basis as that applying to the Sub-Fund or at all. In the absence of published current Redemption prices the Board of Directors may therefore have to determine valuations in respect of such investments. Adequate information may not always be available to the Administrator from the Target Funds or other sources for that purpose and consequently such valuations may not accurately reflect the realisable value of the Sub-Funds holding on the next dealing day of the Target Funds.

There may be delays in obtaining values for underlying investments, which may result in reliance on estimates in calculating the Net Asset Value.

In addition, some Target Funds may compete with each other from time to time for the same positions in the markets. Conversely, a Sub-Fund could hold at one time opposite positions in the same security in different Target Funds. Each such position could cause the Sub-Fund transactional expenses but might not generate any recognised gain or loss. There is no assurance that selection of multiple underlying funds will be more successful than selection of a lesser number of funds. A Sub-Fund may reallocate its assets among the Target Funds at any time. Any such reallocation could adversely affect the performance of the Sub-Fund or of any one Target Fund.

#### **4.2.4. Increased risks in case of Investment in Hedge Funds**

The Sub-Funds can invest in Target Funds, which are hedge funds or funds of hedge funds of Type I or of Type II. Many can be highly leveraged and sometimes take large positions with high volatility. The managers of these funds may concentrate in only one geographic area or asset investment category, therefore bearing the risk of the market, asset, inflation, economy and the underlying securities' credit and management risks. These investments may be speculative.

#### **4.2.5. Supervision of Target Funds of Type II**

The Target Funds of Type II shall not be subject to supervision performed by a supervisory authority set up by law in order to ensure the protection of investors ("Equivalent Supervision").

***The risks inherent in investing in Target Funds of Type II, not subject to Equivalent Supervision, are significant, and differ in kind and degree from the risks presented by investing in Target Funds of Type I, subject to Equivalent Supervision.***

#### **4.2.6. Liquidity and Valuation of Investments**

The Sub-Funds may invest in securities which are unlisted or for which there is no active market. For example, a Sub-Fund may invest in securities or derivatives instruments for the purposes of efficient portfolio management with direct or indirect exposure to emerging markets and such investments may be subject to increased political risk or adverse currency movements than securities traded in more developed markets in North America and Europe.

#### **4.2.7. Counterparty Risks**

Investments in High Yield Papers inhere a risk of the non-ability of the Counterparty, which normally will not have an excellent rating, to fulfil the duties resulting out of such papers. The Board of Directors and the Investment Manager will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that they will be successful in eliminating this risk for the Sub-Funds.

#### **4.2.8. General**

The investment risks set out in this Prospectus are not purported to be exhaustive.

There can be no assurance that the past performance information, which constitutes a component on the basis of which the Investment Manager and/or the Sub-Managers selects the targets within which the Sub-Funds invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.

### **5. POOLING OF ASSETS**

For the purpose of effective management and proper internal administrative, custodial and accounting treatment, the Board of Directors may invest and manage all or part of the assets relating to two or more Sub-Funds on a pooled basis.

Such pools may not be considered as separate legal entities and any notional accounting units of a pool of assets shall not be considered as Shares. Shares of the SICAV do not relate to such pools of assets, but only to each relevant Sub-Fund which may participate therein with certain assets for internal purposes stated above.

Any such asset pool(s) shall be formed by transferring from time to time from the participating Sub-Funds to the pool(s) cash, securities or other permitted assets (subject to such assets being appropriate with respect to the investment objective and policies of the relevant Sub-Funds). Thereafter, the Board of Directors may from time to time make further transfers to each asset pool. Assets may also be withdrawn from the asset pool and transferred back to the relevant Sub-Fund up to its entitlement therein, which shall be measured by reference to notional accounting units in the asset pool(s).

Such accounting units shall upon the formation of the asset pool be expressed in USD or in such currency as the Board of Directors shall consider appropriate and shall be allocated to each participating Sub-Fund in an aggregate value equal to the cash, securities and/or other permitted assets contributed; the value of the notional accounting units of a pool of assets shall be determined on each relevant Valuation Day by dividing its net assets (being its total asset less its relating total liabilities) by the number of notional units issued and/or subsisting and shall be rounded to the nearest fraction as determined by the Board of Directors.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the participating Sub-Fund concerned will be increased or reduced, as the case may be, by the number of units determined by dividing the amounts of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated for the purpose of this calculation as reduced by an amount which the Board of Directors considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

The entitlements of each participating Sub-Fund to the co-managed assets apply to each and every line of investment of such pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool may be immediately credited to the participating Sub-Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the SICAV, the assets in an asset pool will (subject to the claims of the creditors) be allocated to the participating Sub-Funds in proportion to their respective participation in the asset pool.

### **6. RISK MANAGEMENT**

The SICAV may employ techniques and instruments relating to transferable securities for the purpose of efficient portfolio management.

The SICAV may also employ techniques and instruments that are intended to provide cover against currency exchange risks in the context of the management of its assets and liabilities.

There can be no guarantee that a Sub-Fund will achieve the objective sought from the use of the herebelow described techniques and instruments.

## 6.1 Techniques and instruments relating to transferable securities

### 6.1.1. Options on transferable securities

The SICAV may purchase and sell call and put options on securities provided that these contracts are traded on a Regulated Market.

The total of premiums paid for the purchase of call and put options on securities may not exceed 15% of the Net Asset Value of the relevant Sub-Fund.

When selling call options on securities, the relevant Sub-Fund must hold either the underlying securities, or matching call options or other instruments that provide sufficient coverage of the commitments resulting from the relevant contracts in question (such as warrants). The underlying securities of all call options sold may not be disposed of as long as these options exist, unless they are covered in turn by matching options or by other instruments which can be used for the same purpose. The same applies also to matching call options or other instruments that the relevant Sub-Fund must hold when it does not have the underlying securities at the time of the sale of the relevant options.

When selling put options, the relevant Sub-Fund must be covered during the full duration of the option contract by liquid resources sufficient to pay for the securities deliverable on the exercise of the options.

The total commitment arising from the sale of call and put options on transferable securities may at no time exceed the total Net Asset Value of the Sub-Fund concerned.

### 6.1.2. Transactions relating to futures and options on financial instruments

Except for transactions on a mutual agreement basis, which is described in item (b) below, the following transactions described hereunder may only relate to contracts that are dealt in on a Regulated Market.

Subject to the conditions defined herebelow, such transactions may be undertaken for hedging purposes only.

(a) *Hedging operations relating to the risks attached to the general movement of stock markets*

As a global hedge against the risk of unfavourable stock market movements, a Sub-Fund may sell futures on stock market indices. For the same purpose, a Sub-Fund may also sell call options or buy put options on stock market indices. The use of these operations assumes that a sufficient correlation exists between the composition of the index used and the corresponding Sub-Fund's portfolio.

In principle, the total commitment relating to futures and option contracts on stock market indices may not exceed the global valuation of securities held by the relevant Sub-Fund in the markets corresponding to each index.

(b) *Transactions relating to interest rate hedging*

As a global hedge against interest rate fluctuations, a Sub-Fund may sell interest rate futures contracts. For the same purpose, it can also sell call options or buy put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transaction.

In principle, the total commitment on financial futures contracts, option contracts and interest rate swaps may not exceed the global valuation of the assets to be hedged held by the Sub-Fund concerned in the currency corresponding to these contracts.

(c) *General*

The total of the premiums paid to acquire call and put options on securities, together with the total of the premiums paid to acquire call and put options on financial instruments, may not exceed 15% of the Net Asset Value of the relevant Sub-Fund.

### 6.1.3. Securities lending

A Sub-Fund may enter into securities lending transactions provided that they comply with the following regulations:

(a) *regulations to ensure the proper completion of lending transactions*

A Sub-Fund may only lend securities through a standardised lending system organised by a recognised clearing institution or through a first class financial institution specialising in this type of transaction.

As part of the lending transaction, the relevant Sub-Fund must in principle receive a guarantee, the value of which at the time of the conclusion of the contract must at least equal the global valuation of the securities lent. This guarantee must be given in the form of liquid assets and/or in the form of securities issued or guaranteed by a member State of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature and blocked in the name of the SICAV until the expiry of the loan contract.

*(b) conditions and limits of securities lending*

These transactions may not exceed 50% of the global valuation of the securities portfolio concerned. This limit however does not apply where the SICAV is entitled at all times to the cancellation of the contract and the restitution of the securities lent.

These lending transactions may not extend beyond a period of 30 days.

#### **6.1.4. Repurchase transactions**

On an ancillary basis, a Sub-Fund may enter into repurchase transactions which consist of the purchase and sale of securities with a clause reserving the seller the right to repurchase from the purchaser the securities sold at a price and term specified by the two parties in their contractual agreement.

A Sub-Fund can act either as purchaser or seller in repurchase transactions. Its involvement in such transactions is however subject to the following regulations:

*(a) regulations to ensure the proper completion of repurchase transactions*

A Sub-Fund may not buy or sell securities using a repurchase transaction unless the Counterparty in such transaction is a first class financial institution specialising in this type of transaction.

*(b) conditions and limits of repurchase transactions*

During the life of a repurchase purchase contract, a Sub-Fund cannot sell the securities which are the object of the contract, either before

- (i) the right to repurchase these securities has been exercised by the Counterparty, or
- (ii) the repurchase term has expired.

Where a Sub-Fund is exposed to redemptions, it must ensure that the level of its exposure to repurchase transactions of purchase is such that it is able, at all times, to meet its repurchase obligations.

#### **6.2. Techniques and instruments to hedge exchange risks to which the SICAV is exposed in the management of its assets and liabilities**

In order to protect its assets against the fluctuation of currencies, a Sub-Fund may enter into transactions the purpose of which is the sale of forward foreign exchange contracts, the sale of call options or the purchase of put options in respect of currencies.

These transactions may only be entered into through contracts which are traded on a Regulated Market.

For the same purpose, a Sub-Fund may also sell currencies forward or exchange currencies on a mutual agreement basis with first class financial institutions specialising in this type of transaction.

The objective of these transactions presupposes the existence of a direct relationship between these transactions and the assets which are being hedged and implies that, in principle, transactions in a given currency cannot exceed the total valuation of assets denominated in that currency nor may the duration of these transactions exceed the period for which the respective assets are held.

### **7. INVESTMENT RESTRICTIONS**

The Board of Directors shall, based upon the principle of spreading risks, have power to determine the corporate and investment policy for the investments and the course of conduct of the management and business affairs of each Sub-Fund of the SICAV.

## 7.1. General

**By making use of its power to determine the investment policy of each Sub-Fund of the SICAV, the Board of Directors has resolved that each Sub-Fund may not, in principle, and provided that it is not otherwise decided in respect of any particular Sub-Fund:**

- (1) invest more than 10% of its net assets in securities not listed on a stock exchange nor dealt in on another regulated market which operates regularly and is recognised and open to the public;
- (2) acquire more than 10% of the securities of the same kind issued by the same issuing body;
- (3) invest more than 10% of its net assets in securities issued by the same issuing body. Related companies/institutions are regarded as a single/same institution for the purpose of this paragraph.

The restrictions mentioned here-above are not applicable to securities issued or guaranteed by a member state of the OECD or its local authorities or public international bodies with EU, regional or world-wide scope;

- (4) take or seek to take legal or management control of the issuer of any of their underlying investments;
- (5) make investments in – or enter into transactions involving – precious metals, commodities, commodities contracts, or certificates representing these;
- (6) purchase or sell real estate or any option, right or interest therein, provided that the SICAV may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein;
- (7) make loans to – or act as guarantor on behalf of third parties, provided that for the purpose of this restriction
  - (i) the acquisition of securities in fully paid form,
  - (ii) the permitted lending of securities, and
  - (iii) the purchase of foreign currency by way of back-to-back loans
 shall be deemed not to constitute the making of a loan;
- (8) act as guarantor on behalf of third parties or grant loans;
- (9) make investments in any assets involving the assumption of unlimited liability;
- (10) provide a temporary borrowing for investment purposes. Borrowing will only be used for the meeting of redemption requests, defraying operational expenses or making provision for late settlement of inflows. Therewith the total borrowing shall not exceed 10% of the Sub-Fund's net assets.

## 7.2. Investments in other Funds

The restrictions set forth under 7.1. (1), (2) and (3) above are not applicable to the purchase of units of UCIs. In this specific context, the Board of Directors has resolved that the SICAV may, in principle:

- (1) not invest more than 20% of its net assets in securities issued by the same Target Fund (each sub-fund of an umbrella-Target Fund being considered as a distinct Target Fund provided that the principle of segregation of the commitments of the different sub-funds towards third parties is ensured);
- (2) hold more than 50% of the units of a Target Fund provided that, if the Target Fund is an umbrella-UCI, the investment in the legal entity constituting the Target Fund represent less than 50% of the net assets of the SICAV.

These restrictions are not applicable to the acquisition of units of open-ended Target Funds of Type I, with risk diversification requirements comparable to those subject to Part II of the law of 2002. This derogation may not result in an excessive concentration of the investments of the SICAV in one single Target Fund.

**Furthermore, the Board of Directors has resolved that a Sub-Fund**

- (3) will invest in a minimum of four Target Funds;
- (4) may invest up to 100% of its net assets in Target Funds of Type I;

- (5) may not invest more than 49% of its net assets in Target Funds of Type II;
- (6) may not invest more than 49% of its net assets in Target Funds which are hedge funds or funds of hedge funds.

### **7.3. Discrete Investment**

Where the assets of a Sub-Fund are not being invested in other investment funds but invested on a discrete management basis by the Investment Manager or any Sub-Manager appointed for such purpose, no more than 40% of the net assets of a Sub-Fund may be allocated by the Investment Manager to any one Sub-Manager for discretionary investment management provided that such Sub-Manager operates on the basis of risk spreading.

### **7.4. Breach of limitations**

The Sub-Funds need not to comply with the investment limit percentages laid down above when exercising subscription right attached to securities which form part of the assets of a Target Fund.

**If the limitations are exceeded for reasons beyond the control of the SICAV or as a result of the exercise of subscription rights, the SICAV must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.**

### **7.5. Further investment restrictions**

The Board of Directors may from time to time impose further investment restrictions to all or several Sub-Funds as shall be compatible with or in the interest of the shareholders, in order to comply with the laws and regulations of the countries where the Shares of the Sub-Funds are placed. These investment restrictions will be set out in the Appendix relating to the Sub-Fund concerned.

## **8. THE SHARES**

For each Sub-Fund the Board of Directors may elect to issue Shares in registered and/or bearer form. If bearer Shares are issued, certificates will be issued in such denominations, as the Board of Directors shall decide.

For the time being Shares are offered in registered form only.

Unless instructed otherwise, subscribers shall be deemed to have requested that their Shares be issued in registered form without certificates; confirmations of shareholding will be issued and delivered instead. The Shares are evidenced by entries in the SICAV's register of shareholders. The SICAV shall consider the person in whose name the Shares are registered as the full owner of the Shares. The registered Shares may be issued with fractions of up to 3 decimals.

Title to Shares in registered form is transferred upon delivery of (a) the certificate with the transfer form on the reverse side duly completed or (b) if no Share certificate has been issued, another instrument of transfer satisfactory to the SICAV, and by inscription of the name of the transferee in the SICAV's register of shareholders.

Delivery of Share certificates to subscribers, when specifically requested, is made at the risk and at the expense of those subscribers, within 10 days from the relevant Valuation Day.

The SICAV recommends that subscribers hold the Shares in non-certificated form for the purposes of security and ease of dealing. The Shares so issued may be redeemed, converted or transferred upon written instruction to the SICAV; in the other cases, the SICAV must first receive the certificates.

## **9. APPLICATION FOR SHARES**

### **9.1. General**

Applications should be made directly to the Registrar and Transfer Agent of the SICAV in Luxembourg or the appointed Distributor.

The SICAV reserves the right to reject any application for subscription as a whole or in part.

No Shares of any Sub-Fund will be issued during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended by the SICAV as described in section 12.2.

Prospective investors should complete an Application Form. Application for subscriptions may also be made in writing, provided that all information required in the Application Form are provided.

Subject to local law in countries where the shares may be offered in the future, financial intermediaries can, with the approval of the Board of Directors of the SICAV, agree to act as nominee for the investors. In this capacity, the financial intermediary shall, in its name but as nominee for the investor, purchase or sell Shares for the investor and request registration of such Share transactions in his name in the register of shareholders of the SICAV.

However, the investor may invest directly in the Shares of the SICAV without using this nominee service and if the investor does invest through a nominee, he will still retain a direct claim to this Shares subscribed; however, that provision is not applicable for shareholders solicited in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

For the time being no Nominee has been appointed by the Board of Directors.

## **9.2. Minimum investment**

For each Sub-Fund the Board of Directors may fix a minimum subscription amount in Reference Currency for investments made by investors. In addition, the Board of Directors may fix a minimum subscription amount in Reference Currency for subsequent investments made by existing Shareholders in that same Sub-Fund.

Such minimum subscription amount is indicated for each Sub-Fund in the relevant Appendix.

## **9.3. Procedure**

After the close of the initial offering period for any Sub-Fund as indicated in the Appendix of the Sub-Fund concerned, Shares will be issued at a Subscription Price equal to the Net Asset Value per share of the relevant Sub-Fund plus a sales charge in favour of the Investment Manager who will be responsible for rewarding the intermediaries involved in the distribution of the Shares. The amount of the sales charge is described in the relevant Appendix for each Sub-Fund.

Applications received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a Valuation Day before 12.00 noon, Luxembourg time, shall be dealt with on that Valuation Day at the Subscription Price of the relevant Sub-Fund prevailing on that Valuation Day. Any applications received thereafter shall be processed on the next Valuation Day.

## **9.4. Payments**

The Subscription Price is payable in the currency of the relevant Sub-Fund following the Valuation Day. However, the Board of Directors may, for each Sub-Fund, determine other currencies (hereinafter the authorised "Payment Currencies") in which the Subscription Price may be paid. Such currencies, as the case may be, are indicated in the relevant Sub-Fund Appendix. A subscriber may however provide for payment in another currency as a payment currency, as more fully described, as the case may be, in the relevant Sub-Fund Appendix, which can be freely exchanged into the currency of the relevant Sub-Fund. The required foreign exchange transaction shall be arranged on behalf of and at the expense of the shareholder.

The settlement period for payments is different for each Sub-Fund. The exact delays are reflected in the relevant Appendix.

The Subscription Price per share in the authorised Payment Currencies will be based on a calculation made by the Central Administrative Agent converting the Net Asset Value per Share into the Payment Currencies by reference to an average spot rate on the Valuation Day, used to value the relevant Sub-Fund's assets provided that the Board of Directors may

- (i) adjust or cause the Subscription Price per Share payable to be adjusted by reference to the market rate of such currencies at the time of the calculation of the applicable Subscription Price per share in case of a de- or re-evaluation of such currencies, or
- (ii) reject subscriptions paid in a currency other than the accounting currency of the relevant Sub-Fund, if exceptional circumstances or fluctuations in the international currency markets exist, which justify such decision in the interest of the shareholders of the relevant Sub-Fund.

Payments must be made by bank transfer in favour of the subscription account of the SICAV for the benefit of the respective Sub-Fund with the Custodian as described in the Application Form.

Transfer of funds should be made under arrangements giving the SICAV notice of the amount transferred and the value date at which it will be available.

## **9.5. Contribution in kind**

The Board of Directors may agree to issue shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Company ("réviseur d'entreprises agréé") and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund.

Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.

## **10. REDEMPTION OF SHARES**

### **10.1. General**

Any shareholder has the right at any time to have all or part of its Shares redeemed by the SICAV. Any Shares redeemed by the SICAV will be cancelled.

Requests shall be made directly to the Registrar and Transfer Agent of the SICAV in Luxembourg or to the appointed Distributor.

Any request for redemption shall be irrevocable except during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended by the SICAV as described in section 12.2. In the absence of revocation, redemptions will be effected on the first applicable Valuation Day following the end of the suspension.

The Redemption Price of shares may be higher or lower than the Subscription Price paid by the shareholder at the time of subscription, depending on whether the Net Asset Value has appreciated or depreciated.

If the amount of minimum investment in Shares of any Sub-Fund and/or Class, as described in the relevant Appendix for each Sub-Fund, is not maintained due to a transfer/redemption of Shares, the SICAV may compulsorily redeem the remaining Shares at their current Net Asset Value and make payment of the proceeds thereof to the shareholder.

### **10.2. Procedure**

Redemption requests should be addressed in writing and state the number, form, Class and the name of the Sub-Fund of the Shares to be redeemed as well as all necessary references enabling the payment of the redemption proceeds.

Redemption requests must be accompanied by the certificates with the documents, if any, evidencing any transfer of Shares.

Redemption requests received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a Valuation Day before 12.00 noon, Luxembourg time, shall be dealt with on that Valuation Day at the Redemption Price of the relevant Sub-Fund prevailing on that Valuation Day. Any redemption requests received thereafter will be processed on the next Valuation Day.

The Redemption Price will correspond to the Net Asset Value per share of the relevant Sub-Fund. No redemption fee will be levied.

### **10.3. Payments**

The Redemption Price is payable in the currency of the relevant Sub-Fund or Class, provided that all the documents evidencing the redemption as mentioned above have been received by the Registrar and Transfer Agent of the SICAV. A shareholder may however request payment in another currency which can be freely exchanged out of the currency of the relevant Sub-Fund. The required foreign exchange transaction shall be arranged on behalf of and at the expense of the shareholder.

The settlement period for payments is different for each Sub-Fund. The exact delays are reflected in the relevant Appendix.

## 11. CONVERSION OF SHARES

### 11.1. General

Any shareholder may request the conversion of all or part of its Shares of any Sub-Fund and/or Class into Shares of any other existing Sub-Fund and/or Class.

Requests shall be made directly to the Registrar and Transfer Agent of the SICAV in Luxembourg or to the appointed Distributor.

Any request for conversions shall be irrevocable except during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended by the SICAV as described in section 12.2. In the absence of revocation, conversions will occur as of the first applicable Valuation Day after the end of the suspension.

If the minimum investment in Shares of any Sub-Fund and/or Class, as described in the relevant Appendix for each Sub-Fund, is not maintained due to a conversion of Shares, the SICAV may compulsorily convert the remaining Shares at their current Net Asset Value.

### 11.2. Procedure

The conversion requests must be addressed in writing and state the number, form and the name of the Sub-Fund and/or Class of the Shares to be converted, and the form of the Shares to be issued in the newly selected Sub-Fund and/or Class.

The conversion requests must be accompanied by the certificates with the documents, if any, evidencing any transfer of Shares.

Conversion requests received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a common Valuation Day before 12.00 noon, Luxembourg time, shall be dealt with on that common Valuation Day. Any conversion requests received thereafter will be processed on the next common Valuation Day.

The rate at which all or part of the shares of a Sub-Fund and/or Class (the "initial Sub-Fund and/or Class") is converted into Shares of another Sub-Fund and/or Class (the "new Sub-Fund and/or Class") is determined by the following formula:

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

with

- A being the number of Shares of the new Sub-Fund and/or Class to be issued;
- B being the number of Shares of the initial Sub-Fund and/or Class to be converted;
- C being the Net Asset Value per Share of the initial Sub-Fund and/or Class as determined on the relevant common Valuation Day;
- D being the Net Asset Value per Share of the new Sub-Fund and/or Class as determined on the relevant common Valuation Day;
- E being the exchange rate between the currency of the initial Sub-Fund and/or Class and the currency of the new Sub-Fund and/or Class. If the currency of the initial Sub-Fund and/or Class and the currency of the new Sub-Fund and/or Class are the same, E will be equal to 1.

The conversion shall be made free of charge for the shareholders. However, the Board of Directors of the SICAV reserves the right to levy a conversion fee at any future date. In this case, the present Prospectus will be updated.

## 12. Prevention of Market Timing and Late Trading practices

The Company does not allow investments which are associated with late trading or market timing practices, as such practices may adversely affect the interests of the Shareholders.

## 12.1. Market Timing

In general, *Market Timing* is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

Accordingly, the Board of Directors may, whenever it deems it appropriate, cause the Registrar and Transfer Agent to reject an application for subscription and/or conversion of Shares from investors whom the Board of Directors consider to be market timers and may, if necessary, take appropriate measures in order to protect the interests of the other investors. For these purposes, the Board of Directors may consider an investor's trading history and the Registrar and Transfer Agent may combine Shares which are under common ownership or control.

Moreover, the Board of Directors may impose a penalty fee of 2% of the Net Asset Value of the Shares redeemed or converted where the redemption or conversion request is made within 10 Business Days after the subscription of the same Shares and the Board of Directors reasonably believes that an investor has engaged in Market Timing activity. The penalty shall be credited to the relevant Sub-Fund.

## 12.2. Late Trading

In general, *Late Trading* is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day.

In order to avoid Late Trading, subscription, conversion and redemption requests will be dealt with at an unknown Net Asset Value.

## 13. NET ASSET VALUE ("NAV")

### 13.1. Determination of the Net Asset Value

The Net Asset Value per Share will be calculated at least once a month for each Sub-Fund; the exact Valuation Days are described in the relevant Appendix for each Sub-Fund.

The Net Asset Value shall be expressed in the currency of the relevant Sub-Fund and Class as a per Share figure.

It shall be determined as of each Valuation Day, as the total Net Asset Value of the relevant Sub-Fund, being the value of the assets of the Sub-Fund less its liabilities, divided by the number of outstanding Shares of the relevant Sub-Fund.

However, the Board of Directors may determine, for each Sub-Fund, other currencies in which the Net Asset Value per Share may be expressed. Such currencies, as the case may be, are indicated in the relevant Sub-Fund Appendix.

The portfolio assets and liabilities of each Sub-Fund are valued, excluding from the relevant portfolio the assets and liabilities of the relevant Sub-Fund which, as the case may be, relate only to a particular Class of Shares ("class specific assets and liabilities"), being primarily forward currency contracts or other hedging instruments entered into for the benefit of specified class shares and related liabilities. All Classes of Shares participate in the relevant common portfolio (as defined in the Appendix of the relevant Sub-Fund) in the respective numbers of portfolio entitlements attributable to the multiple Classes.

Portfolio entitlements are allocated to or deducted from a particular Class on the basis of

- (i) the funds contributed to the relevant common portfolio or paid out of the relevant common portfolio by reasons of issues or redemptions of Shares of that Class,
- (ii) the amounts paid into or out of the relevant common portfolio upon disposition or acquisition of Shares of that Class, upon payment of Class specific liabilities, or upon realisation of profits, losses or income on Class specific assets, and
- (iii) dividends or other distributions paid out of that Class of Shares.

The value of the total number of portfolio entitlements attributed to a particular Class on the given Valuation Day plus the value on that date of the Class specific assets and liabilities relating to that Class represents the total Net Asset Value attributable to that Class of Shares on that Valuation Day. The Net Asset Value per Share of that Class equals the total Net Asset Value on that date divided by the total number of outstanding Shares of that Class.

A Valuation Day is defined in respect of each Sub-Fund in the relevant Sub-Fund Appendix, provided that if any such day is not a Luxembourg bank business day, the Shares shall be valued on the next following Luxembourg bank business day.

The basic accounting principles for determining the Net Asset Value of the Sub-Funds are set forth in the Articles of Incorporation.

The material provisions are as follows:

- (1) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
- (2) the value of securities which are quoted or traded on any stock exchange shall be in respect of each security, the latest available known price, and where appropriate, the mid market price on the stock exchange which is normally the principle market for such security;
- (3) securities traded on another regulated market are valued as near as possible to that described in the preceding paragraph;
- (4) in the event that any of the securities held in any portfolio on the relevant Valuation Day are not quoted or traded on a stock exchange or another regulated market or, for any one of the securities, no price quotation is available, or if the price as determined pursuant to sub-paragraphs 2) and/or 3) is not in the opinion of the Board of Directors representative of the fair market value of the relevant securities, the value of such securities shall be determined based on the reasonably foreseeable sales price determined prudently and in good faith;
- (5) all other assets shall be valued at their respective fair values as determined in good faith by the Board of Directors in accordance with generally accepted valuation principles and procedures;
- (6) units/shares of other Undertakings for Collective Investment are valued at their latest available Net Asset Value.

If, since the last Valuation Day there has been a material movement in the quotations on the markets on which a substantial portion of the investments of the SICAV attributable to a particular Sub-Fund is listed or dealt in, the Board of Directors may, in order to safeguard the interests of the shareholders and the SICAV, cancel the first valuation and carry out a second valuation.

Should circumstances so require, the Board of Directors may also adopt other valuation methods in accordance with generally accepted procedures.

The value of the assets denominated in a currency other than the currency of the relevant Sub-Fund will be translated at the prevailing exchange rates in Luxembourg at the time of the determination of the corresponding Net Asset Value.

The total Net Asset Value of the SICAV is equal to the sum of the net assets of the various activated Sub-Funds translated into USD at the prevailing exchange rates in Luxembourg on the relevant Valuation Day.

The capital of the SICAV shall at any time be equal to the total Net Asset Value of the SICAV. The minimum capital of the SICAV, as required by the law, shall be the USD equivalent of EUR 1,250,000.-.

The Net Asset Value per Share of each Sub-Fund is expressed in the currency(ies) indicated in the relevant Sub-Fund Appendix.

### **13.2. Suspension of the determination of the Net Asset Value**

The SICAV may suspend the determination of the Net Asset Value of the Shares of any particular Sub-Fund and the issue and redemption of the Shares in such Sub-Fund as well as the conversion from and to Shares of such Sub-Fund during:

- (a) any period when any one of the principal markets or stock exchanges, on which a substantial portion of the investments of any Sub-Fund of the SICAV is quoted is closed, or when trading thereon is restricted or suspended;
- (b) the existence of any state of affairs which constitutes an emergency whereby the disposal or valuation of assets owned by any Sub-Fund of the SICAV would be impracticable;

- (c) a breakdown in the means of communication generally employed in determining either the price or value of any of the investments attributable to any Sub-Fund or the current prices or values on any market or stock exchange;
- (d) any period when the SICAV is unable to repatriate funds for either making payments on the redemption of Shares of any Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares of any Sub-Fund cannot in the opinion of the Board of Directors be effected at normal prices or rates of exchange;
- (e) any period when the SICAV is being liquidated or as from the date on which notice is given of a shareholder meeting at which a resolution to liquidate the SICAV is proposed;
- (f) any period when the Net Asset Value of a single or more investment fund(s) in which any Sub-Fund has invested and when the transferable securities of the investment fund(s) represent a significant part of the assets of any Sub-Fund cannot be calculated with accuracy and cannot reflect the true market value of the Net Asset Value of the investment fund(s) during a Valuation Day.

Any one of the above suspension shall be published by the SICAV and notified to shareholders requesting subscription, redemption or conversion of their Shares by the SICAV at the time of filing of their request for such subscription, redemption or conversion.

A suspension of any Sub-Fund shall have no effect on the determination of the Net Asset Value, the issue, redemption and conversion of the Shares of any other Sub-Fund if the circumstances referred to above do not exist in respect of the other Sub-Funds.

## **14. DIVIDENDS**

The dividend policy of each Sub-Fund is described in the relevant Appendix.

## **15. CHARGES AND EXPENSES**

### **15.1. Setting-up costs**

The SICAV bears the costs of its establishment, including the costs of introduction with the regulatory and stock exchange authorities, notarial charges, the costs of preparing and printing this Prospectus and share certificates, and any other fees and costs incurred in connection with the establishment and launching of the SICAV. These costs amounted up to USD 90.000,- and have been amortised over a period of five years.

The fees and costs incurred in connection with the establishment and launching of any additional Sub-Fund, which may be created in the future, shall be borne by the relevant Sub-Fund and shall be amortised, as the case may be, over the first five financial years following the launching of the relevant Sub-Fund.

### **15.2. Investment Manager**

#### **15.2.1. Management fee**

As remuneration for its services, the Investment Manager shall receive from the SICAV an annual fee related to the average net assets of each Sub-Fund as indicated in the relevant Sub-Fund Appendix. Such fee is computed on each Valuation Day and is payable monthly.

The actual rate of this investment management fee is disclosed in the financial reports.

Any commissions that might be paid out by the managers of the Target Funds in which the Sub-Funds invest, shall be for the benefit of the Investment Manager.

#### **15.2.2. Performance fee**

In order to provide an incentive to the Investment Manager, the SICAV may pay an additional performance fee, as the case may be, as indicated in the Appendix of the relevant Sub-Fund.

The performance fee shall be payable annually in arrears. The actual rate of this fee is disclosed in the financial reports.

### 15.3. Central Administration - Custodian

The SICAV pays fees to RBC Dexia Investor Services Bank S.A., for its rendering of services as Custodian and Central Administrative Agent, in accordance with normal banking practices in Luxembourg. These fees are annual fees related to the average net assets of the different Sub-Funds and are payable on a quarterly basis.

The actual rates of these fees are disclosed in the financial reports.

### 15.4. Registrar and Transfer Agent

The SICAV pays fees to RBC Dexia Investor Services Bank S.A., for its rendering of services as Registrar and Transfer Agent, as generally charged in Luxembourg.

The actual rates of these fees are disclosed in the financial reports.

### 15.5. Other expenses

The SICAV bears all its operating expenses, including without limitation the costs of buying and selling securities, governmental charges, legal and auditing fees, directors fees, interest, printing, reporting and publication expenses, paying agency fees, postage, telephone, telex and facsimile.

### 15.6. Allocation of liabilities

Any charges and costs attributable to a specific Sub-Fund/Class shall be allocated directly to that Sub-Fund/Class.

Any charges and costs that cannot be directly attributed to a specific Sub-Fund shall be allocated equally to the various Sub-Funds or, if the amounts so require, they shall be allocated to the Sub-Funds in proportion to their respective net assets.

**In the case of Sub-Funds investing in other Funds, it is possible that the Sub-Funds will be subject to double expenses, as there are the costs of the underlying funds (Management Fees, Advisory Fees, Custodian Fees, Central Administration Fees, etc.) and the costs relating to the administration of the INSINGER DE BEAUFORT MANAGER SELECTION SICAV, as mentioned above. If the Investment Manager decides to invest the assets or part of the assets of the SICAV or a Sub-Fund into other Funds, which are managed by the Investment Manager or an affiliate to the Investment Manager, the Investment Manager will have to waive his respective management-fees in relation to the amounts invested in these Target Funds.**

### 15.7. Single legal entity

Notwithstanding the fact that, under current law and practice, each Sub-Fund constitutes a separate body of assets and liabilities, the SICAV is a single legal entity.

With regard to the SICAV's creditors, each Sub-Fund shall be exclusively responsible for all debts, liabilities and obligations attributable to it.

## 16. TAXATION

### 16.1. The SICAV

Under current law and practice, which may change from time to time according to decision of the Luxembourg government, the SICAV is not liable to any Luxembourg income tax, nor are dividends paid by the SICAV liable to any Luxembourg withholding tax.

However, the Sub-Funds of the SICAV are liable in Luxembourg to an annual tax of their net assets. Such tax is payable quarterly and is calculated on the basis of the net assets of all Sub-Funds at the end of the relevant quarter.

This annual tax is variable and depending from the investment policy of each Sub-Fund:

- Sub-Funds will be liable to an annual tax of 0.05%.
- Sub-Funds with a special investment policy may benefit from a reduced tax of 0.01%.

This reduced annual tax can be applied to the Sub-Funds, provided

- (i) that at the time of purchase, the residual maturity of securities does not exceed twelve months, taking account of any relating financial instruments, or
- (ii) that the terms of issue of securities with a residual maturity exceeding twelve months, state that the interest rate is adjusted to market conditions at least once per year.

No tax has to be paid on the part of the assets of any Sub-Fund invested in other Luxembourg Undertakings for Collective Investment.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the SICAV except for a once off tax of EUR 1.239,47 which was paid upon incorporation.

Under present law neither the SICAV nor the shareholders (except persons or companies who have or, in certain limited circumstances, formerly had their residence, registered office or a permanent establishment in Luxembourg) are subject to any Luxembourg tax on income or capital gains nor to any withholding or estate tax.

The SICAV collects the income produced by the securities in its portfolio after deduction of any withholding tax in the relevant countries.

Income derived by the SICAV from different sources may be subject to withholding taxes in the countries of origin.

## **16.2. The shareholders**

Under current legislation and practice, shareholders are not subject to any capital gains, income, withholding, inheritance or other taxes in Luxembourg (except for shareholders domiciled, resident or having a permanent establishment in Luxembourg and for certain former residents of Luxembourg owning more than 10% of the share capital of the SICAV).

Referring to the European Union Savings Directive ("EUSD") due to come into force on 1 July 2005, as the SICAV is subject to Part II of the law of 2002, it should be out of scope for the application of a withholding tax when a Luxembourg paying agent makes distributions from and redemptions of Shares in certain Sub-Funds and where the beneficiary of these proceeds is an individual residing in another EU Member State.

Investors should consult their professional advisers on the possible tax or other consequences of buying, holding, converting, transferring or selling any of the Shares under the laws of their countries of citizenship, residence or domicile.

## **17. MEETINGS AND REPORTS**

The annual general meeting of shareholders of the SICAV shall be held at the registered office of the SICAV or at such other place in Luxembourg on the last Wednesday of the month of April of each year at 11.30 a.m. If any such day is not a bank business day in Luxembourg, the next following bank business day in Luxembourg.

Notifications of all general meetings shall be published in the "Mémorial, Recueil des Sociétés et Associations" of Luxembourg (the "Mémorial") and in at least one Luxembourg newspaper as far as this is required by Luxembourg law. The notification shall be sent to the holders of registered Shares by mail, in accordance with Luxembourg Law, at least 8 days prior to the meeting at their addresses in the register of shareholders. The Board of Directors may decide at its sole discretion to publish the notification in any other newspaper.

These notices shall include the agenda and specify the time and place of the meeting and the conditions of admission and shall also refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

The requirements as to attendance, quorum and majorities at all general meetings shall be those of the Articles 67 and 67-1 of the law of 10<sup>th</sup> August 1915 (as amended) of the Grand-Duchy of Luxembourg and the Articles of Incorporation.

Each Share is entitled to one vote, fractions of Shares are not entitled to vote, nevertheless, they participate on the distribution of dividends, if any, or the distribution of the products of any liquidation, if any.

Unless it is otherwise required by law or otherwise provided in the Articles of Incorporation, resolutions shall be passed by a simple majority of those present or represented to vote.

The Board of Directors shall determine all other conditions that must be fulfilled by the shareholders in order for them to participate in shareholders' meetings.

The financial year-end of the SICAV shall be the last day of December of each year and the first report was an annual audited report, drawn up as at 31st December, 2000.

The audited annual reports shall be published within 4 months after the financial year-end and the unaudited semi-annual reports shall be published within 2 months at the end of the relevant period. The reports shall include separate information on each of the Sub-Funds as well as combined information on all of the Sub-Funds. The reports shall be available at the registered office of the SICAV during normal business hours.

## **18. LIQUIDATION AND MERGER**

### **18.1 Liquidation - Dissolution of the SICAV**

In the event the capital of the SICAV falls below two-thirds of the minimum capital required by the law, the Board of Directors is obliged to propose for the dissolution of the SICAV in a general shareholders' meeting whereby no quorum is prescribed and where a simple decision shall be made by the majority of the number of Shares present or represented at the meeting.

In the event the capital of the SICAV falls below one-fourth of the minimum capital required, the Board of Directors is obliged to propose the dissolution of the SICAV in a general shareholders' meeting whereby no quorum is prescribed; dissolution may be resolved by the number of shareholders holding one-fourth of the Shares present or represented at the meeting.

The above meetings must be convened within a forty days period once it is ascertained that the total Net Asset Value of the SICAV has fallen either below two-thirds or one-fourth of the minimum capital required.

In the event of a voluntary liquidation, the operations shall be conducted by one or several liquidators appointed in the shareholders' extraordinary general meeting, which shall be held to determine the powers and compensation of those appointed.

The net product of the liquidation relating to each Sub-Fund shall be distributed to the shareholders in the relevant Sub-Fund in proportion to the number of Shares held in such a Sub-Fund.

In the event of a voluntarily or compulsorily liquidation of SICAV, the liquidation shall be executed under the provisions of the law which specifies the necessary procedures to be taken to enable shareholders to participate in the liquidation distribution(s) and in this connection provides for deposit in escrow at the *Caisse des Consignations* of any such amounts not claimed by shareholders as at the close of liquidation.

Amounts not claimed from escrow within the prescription period shall be liable to be forfeited under the provisions of Luxembourg law.

### **18.2. Liquidation - Merger of Sub-Funds**

The Board of Directors may decide to either merge one or several Sub-Fund(s) or, decide to liquidate one or several Sub-Fund(s) by cancelling the relevant Shares and refunding Sub-Fund(s) shareholders the full Net Asset Value of such Sub-Fund(s) Shares.

In the event that for any reason the value of the total net assets in any Sub-Fund or the value of the net assets of any Class of Shares within a Sub-Fund has decreased to, or has not reached, an amount below USD 5 million or the equivalent Sub-Fund(s) Reference Currency, the Board of Directors may decide to redeem all the Shares of the relevant Class or Classes at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Date or Valuation Time during the course of a Valuation Date at which such decision shall take effect.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of shareholders of any one or all Classes of Shares issued in any Sub-Fund will, in any other circumstances, have the power, upon proposal from the Board of Directors, to redeem all the Shares of the relevant Class or Classes and refund to the shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Date, or the Valuation Time during the course of a Valuation Date, at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of those present or represented and voting at such meeting.

The Company shall serve a notice to the holders of the relevant Class or Classes of Shares prior to the effective date for the compulsory redemption, which will indicate the reasons and the procedure for the redemption operations: registered holders shall be notified in writing; the Company shall inform holders of bearer shares by publication of a notice in newspapers to be determined by the Board of Directors, unless these shareholders and their addresses are known to the Company.

The liquidation proceeds unclaimed by shareholders as at the close of the operations shall remain in deposit with the Custodian for a period of six months and thereafter, be deposited with *Caisse des Consignations* in Luxembourg.

Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund or of the Class of Shares concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the date effective for the compulsory redemption.

Under the same circumstances as provided by the paragraphs of this Article heretofore, the Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company or to another Undertaking for Collective Investment organised under the provisions of the law of 2002 or to another Sub-Fund within such other Undertaking for Collective Investment (the "new Fund") and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders).

In the event of either a merger with another Sub-Fund of the SICAV or with a Sub-Fund of another Luxembourg SICAV, shareholders of the Sub-Fund(s) to be merged shall be entitled to request the redemption of their Shares. This redemption shall be made at no cost to the shareholders throughout the minimum period of one month commencing on the publication date of the merger decision. At the end of that period, all the remaining shareholders shall be bound by the merger decision.

Sub-Fund shareholders are entitled to decide whether to merge either one or several Sub-Fund(s) with a Luxembourg Undertaking for Collective Investment organised in the form of a mutual fund (FCP), or to decide whether to merge one or several Sub-Fund(s) with another foreign Undertaking for Collective Investment. Resolutions in this respect shall be passed by the relevant Sub-Fund shareholders. Only the shareholders that voted for the merger shall be bound by the decision to merge and the remaining shareholders considered as having been asked for the redemption of their Shares. This redemption shall be made without cost to the shareholders.

The Company shall serve a notice to the holders of the relevant Class or Classes of Shares prior to the effective date for the merger, which will indicate the reasons and the procedure for the merger: registered holders shall be notified in writing; the Company shall inform holders of bearer shares by publication of a notice in newspapers to be determined by the Board of Directors, unless these shareholders and their addresses are known to the Company.

## **19. PUBLICATIONS**

The Net Asset Values and the issue, conversion and redemption prices of the Shares in any Sub-Fund shall be made public and available at the registered office of the SICAV.

Financial announcements shall be published in the "Luxemburger Wort".

## **20. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of both the Articles of Incorporation of the SICAV and the material contracts referred to above are available for inspection during usual business hours at the registered office of the SICAV in Luxembourg.

A copy of the Articles of Incorporation of the SICAV and its most recent financial reports and statements may be obtained free of charge upon request at the registered office of the SICAV.

# APPENDICES TO THE PROSPECTUS

## APPENDIX 1

RELATING TO THE SUB-FUND

### INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

#### 1. Name

INSINGER DE BEAUFORT MULTI-MANAGER EQUITY

The USD Share Class (previously Class A shares) of this Sub-Fund has absorbed the INSINGER DE BEAUFORT MULTI-MANAGER ASIA EX-JAPAN Sub-Fund and the INSINGER DE BEAUFORT MULTI-MANAGER JAPAN Sub-Fund on 7<sup>th</sup> December 2007.

#### 2. Reference Currency

Common Portfolio:	USD	ISIN code
USD Share Class (previously Class A shares):	USD	LU0110716866
EUR Share Class (previously Class C shares):	EUR	LU0110717245

The Net Asset Value per Share is expressed for each Class in the Reference Currency of this Class but the Subscription and Redemption Prices may be paid in GBP, based on the exchange rates applicable on the relevant Valuation Day.

#### 3. Offer of Shares

The Sub-Fund Shares are issued at a Subscription Price corresponding to the Net Asset Value per Share to which shall be added a maximum sales charge of 5% of the applicable Net Asset Value in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

#### 4. Minimum Investment

The minimum amount of an investment in this Sub-Fund is set at USD 75,- or the equivalent in GBP for USD Share Class and EUR 75,- or the equivalent in GBP for EUR Share Class.

#### 5. Investment Policy

##### General

The aim of the Sub-Fund is to achieve long-term capital gains from investments in global equity markets.

This objective is to be achieved through investing in different types of Target Funds which are managed by specialised Portfolio-Managers who have, over a prolonged period, achieved above average, risk adjusted returns compared to their peers.

The Target Funds will invest in equities and equity related securities of equity markets covering a wide array of market sectors and geographical regions, and will employ a diverse spectrum of investment styles and strategies that will allow investors to capture numerous opportunities to achieve profit potential.

The Target Funds may invest in hedge funds or be hedge funds themselves. Hedge funds can be described as funds that invest their assets primarily by using alternative investment strategies. Hedge funds tend to have a low correlation with traditional equity and bond markets and the Investment Manager believes that allocating a portion of the Sub-fund's portfolio to hedge funds, will benefit the Sub-fund's objective.

In keeping with the stated Sub-Fund's investment objectives, the Target Funds will invest primarily in the stock markets of the major developed markets.

Target Funds of Type II may utilise on an ancillary basis a variety of non traditional strategies and instruments including arbitrage, leverage, short selling and global financial instruments which are not generally available in traditional funds.

The purpose of investing in these Target Funds of Type II is to achieve a portfolio structure that has a lower correlation or dependence on the direction of major financial markets, thereby further improving the risk/return characteristics of the Portfolio.

Investors should be aware that once the value of the Sub-Fund reaches a sufficient scale which may make discrete investment management more efficient than investing through Target Funds (in the opinion of the Directors and/or the Investment Manager), some or all of the assets of the Sub-Fund may possibly (but not necessarily) be withdrawn from these Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers for discrete management. The Sub-Manager(s) will pursue the same investment policy as the Target Funds.

In this case, the Investment Manager will be obliged to monitor the performance of the Sub-Managers in order to assess the need, if any, to make changes/replacements and in order to ensure that the investment restrictions are observed on a consolidated basis. The Investment Manager may replace or appoint additional Sub-Managers under his own responsibility, subject to the prior approval of the Board of Directors. When there is discrete management, shareholders will be notified of any such appointment/replacement by an update of the relevant Sub-Fund Appendix and in the next annual/half yearly report. The up-date of the prospectus will reflect the Names, the functions and the costs of the remuneration of the appointed Sub-Manager(s).

In general the Portfolio will be diversified in terms of investment style and strategies within the Portfolio's areas of investment and in terms of the assets of the Target Funds and/or the assets under discrete management, in order to achieve investment performance with lower volatility and risk characteristics than world equity markets.

Investments will focus principally on the financial markets of developed economies though there will be some exposure to emerging equity markets as well. Analysis shows that combining managers with independent and complementary investment styles reduces performance volatility. By using managers with complementary growth and value approaches and different size biases, the Sub-Fund is expected to reduce style, size, market and sector risk, thus reducing performance volatility relative to the index. By adopting this approach, it is expected that the Sub-Fund's performance will be more consistent, less volatile and have lower risk characteristics than single manager investment strategies.

The Board of Directors, the Investment Manager and/or the Sub-Manager(s) may employ a currency hedging strategy from time to time in respect of the Sub-Fund. This currency hedging strategy will involve hedging the base currency of the Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Fund relating to its investment objectives.

The Investment Manager and or the Sub-Manager(s) will seek to actively manage the currency allocation of the Sub-Fund in order to preserve the base currency value of the Sub-Fund. It will achieve this by managing the currency exposure of the Sub-Fund to limit its deviation from the currency exposure of selected benchmarks primarily through the use of currency forward contracts.

The Sub-Fund may only employ the use of various derivative instruments for the purpose of hedging.

The Sub-Fund may choose to place its cash holdings in money market funds rated no lower than AAA by Standard & Poor's rating agency in an effort to maximise its cash return. The Sub-Fund will invest no more than 10% of its Net Asset Value in money market funds.

### **Investment techniques**

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in the chapter 6 - "RISK MANAGEMENT".

### **Currency transactions for hedging**

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the Shares of the Sub-Fund, in its currency of denomination.

### **Other hedging transactions**

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in the chapter 6 - "RISK MANAGEMENT", these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The total commitment from such purchase and sale transactions, together with the total commitment from the sale of call and put options on transferable securities, may not exceed the net asset value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.

Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.

No assurance can be given that the investment objectives will be achieved.

There can be no assurance that the past performance information, which constitutes a substantial component of the basis on which the Investment Manager or any Sub-Manager selects the Target Funds within which the Sub-Fund invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.

International investment involves certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. Since the Sub-Fund will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities in the Sub-Fund.

### USD Share Class and EUR Share Class

Two Classes of Shares have been created in the Sub-Fund as to enable investors with different currency profiles to access the same underlying portfolio.

The USD Share Class aim to achieve the investment objective of long term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested.

The EUR Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 - "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for EURO based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate actively managed.

All Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on EUR Share Class in order to minimise the impact of fluctuations in the USD rate of exchange.

It should be noted that there can be no guarantee that the Class EUR Share Class would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the common portfolio.

**As from 1<sup>st</sup> October 2010 the investment policy of the Sub-Fund will be as follows :**

#### General

The aim of the Sub-Fund is to achieve long-term capital gains from investments in global equity markets.

This objective is to be achieved through investing in different types of Target Funds which are managed by specialised Portfolio-Managers who have, over a prolonged period, achieved above average, risk adjusted returns compared to their peers. **Target Funds may also include funds which are managed by the Investment Manager where such funds provide for a specific role within the portfolio.**

The Target Funds will invest in equities and equity related securities of equity markets covering a wide array of market sectors and geographical regions, and will employ a diverse spectrum of investment styles and strategies that will allow investors to capture numerous opportunities to achieve profit potential.

The Target Funds may invest in hedge funds or be hedge funds themselves. Hedge funds can be described as funds that invest their assets primarily by using alternative investment strategies. Hedge funds tend to have a low correlation with traditional equity and bond markets and the Investment Manager believes that allocating a portion of the Sub-fund's portfolio to hedge funds, will benefit the Sub-fund's objective. **The investment in Target Funds which invest in hedge funds or are hedge funds themselves will represent a maximum of 15 % of the portfolios.**

In keeping with the stated Sub-Fund's investment objectives, the Target Funds will invest primarily in the stock markets of the major developed markets.

Target Funds of Type II may utilise on an ancillary basis a variety of non traditional strategies and instruments including arbitrage, leverage, short selling and global financial instruments which are not generally available in traditional funds.

The purpose of investing in these Target Funds of Type II is to achieve a portfolio structure that has a lower correlation or dependence on the direction of major financial markets, thereby further improving the risk/return characteristics of the Portfolio.

Investors should be aware that once the value of the Sub-Fund reaches a sufficient scale which may make discrete investment management more efficient than investing through Target Funds (in the opinion of the Directors and/or the Investment Manager), some or all of the assets of the Sub-Fund may possibly (but not necessarily) be withdrawn from these Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers for discrete management. The Sub-Manager(s) will pursue the same investment policy as the Target Funds.

In this case, the Investment Manager will be obliged to monitor the performance of the Sub-Managers in order to assess the need, if any, to make changes/replacements and in order to ensure that the investment restrictions are observed on a consolidated basis. The Investment Manager may replace or appoint additional Sub-Managers under his own responsibility, subject to the prior approval of the Board of Directors. When there is discrete management, shareholders will be notified of any such appointment/replacement by an update of the relevant Sub-Fund Appendix and in the next annual/half yearly report. The up-date of the prospectus will reflect the Names, the functions and the costs of the remuneration of the appointed Sub-Manager(s).

In general the Portfolio will be diversified in terms of investment style and strategies within the Portfolio's areas of investment and in terms of the assets of the Target Funds and/or the assets under discrete management, in order to achieve investment performance with lower volatility and risk characteristics than world equity markets.

Investments will focus principally on the financial markets of developed economies though there will be some exposure to emerging equity markets as well. Analysis shows that combining managers with independent and complementary investment styles reduces performance volatility. By using managers with complementary growth and value approaches and different size biases, the Sub-Fund is expected to reduce style, size, market and sector risk, thus reducing performance volatility relative to the index. By adopting this approach, it is expected that the Sub-Fund's performance will be more consistent, less volatile and have lower risk characteristics than single manager investment strategies.

The Board of Directors, the Investment Manager and/or the Sub-Manager(s) may employ a currency hedging strategy from time to time in respect of the Sub-Fund. This currency hedging strategy will involve hedging the base currency of the Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Fund relating to its investment objectives.

The Investment Manager and or the Sub-Manager(s) will seek to actively manage the currency allocation of the Sub-Fund in order to preserve the base currency value of the Sub-Fund. It will achieve this by managing the currency exposure of the Sub-Fund to limit its deviation from the currency exposure of selected benchmarks primarily through the use of currency forward contracts.

The Sub-Fund may only employ the use of various derivative instruments for the purpose of hedging.

The Sub-Fund may choose to place its cash holdings in money market funds rated no lower than AAA by Standard & Poor's rating agency in an effort to maximise its cash return. The Sub-Fund will invest no more than 10% of its Net Asset Value in money market funds.

### **USD Share Class and EUR Share Class**

Two Classes of Shares have been created in the Sub-Fund as to enable investors with different currency profiles to access the same underlying portfolio.

The USD Share Class aim to achieve the investment objective of long term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested.

The EUR Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 - "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for EURO based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate actively managed.

All Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on EUR Share Class in order to minimise the impact of fluctuations in the USD rate of exchange.

It should be noted that there can be no guarantee that the Class EUR Share Class would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the common portfolio.

### **Investment techniques**

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in the chapter 6 - "RISK MANAGEMENT".

### **Currency transactions for hedging**

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the Shares of the Sub-Fund, in its currency of denomination.

### **Other hedging transactions**

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in the chapter 6 - "RISK MANAGEMENT", these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The total commitment from such purchase and sale transactions, together with the total commitment from the sale of call and put options on transferable securities, may not exceed the net asset value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.

**Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.**

**No assurance can be given that the investment objectives will be achieved.**

**There can be no assurance that the past performance information, which constitutes a substantial component of the basis on which the Investment Manager or any Sub-Manager selects the Target Funds within which the Sub-Fund invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.**

**International investment involves certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. Since the Sub-Fund will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities in the Sub-Fund.**

## **6. Investment Restrictions**

Further to the Investment Restrictions set out in chapter 7 the following restrictions are applicable to the Sub-Fund.

So the Sub-Fund

### **in the case of investment in other funds**

1. may invest up to 100% of its net assets in equity Target Funds;

### **Other restrictions:**

2. may hold liquid assets up to 10% of its net assets (including the investments in Money Market Target Funds).

### **In the case of discrete investment**

The Investment Manager may in its discretion allocate a portion of the Portfolio for investment purposes to one or more Sub-Managers. The Board of Directors of the SICAV will always be responsible of the controls of these investments. The Investment Manager will monitor the performance of the Sub-Managers in order to assess the need if any to make changes and in order to ensure that the investment restrictions are observed on a consolidated basis. Shareholders will not be notified in advance of any such switch in investment style. Each change will be reflected in an update of the Appendix for the Sub-Fund and in the Financial Reports. Investments by way of discrete management in this Sub-Fund should always meet the requirements laid out in the chapters Investment Policy and Investment Restrictions above.

***Investments in this Sub-Fund are suitable for those persons who understand the degree of risks involved and believe that the investments are suitable based on investment objectives and financial needs.***

## **7. Dividends**

It is the Sub-Fund's policy to reinvest all its revenues and capital gains and not to pay any dividends.

## **8. Investment Manager**

The Board of Directors of the SICAV is responsible for the overall supervision and control of the Sub-Fund including the determination of its investment policy.

The Board of Directors has appointed INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. as Investment Manager of the Sub-Fund to provide the day-to-day management in respect of the investment and re-investment of the assets of the Sub-Fund in accordance with the investment policy and the investment restrictions determined by the Board of Directors and disclosed in chapter 7 of the Prospectus and in the present Appendix.

**9. Fees and Expenses**

As remuneration for its services, the Investment Manager shall receive from the SICAV an annual fee at the maximum annual rate of 1,5 % applicable on the average net assets of this Sub-Fund. The actual rate of this investment management fee is disclosed in the financial reports and is payable monthly.

The Investment Manager shall not receive any performance fee.

Each appointment of a Sub-Manager will be reflected in an update of the Appendix and the Fee-Structure for the Sub-Fund.

**10. The shares**

The Shares of the Sub-Fund shall be issued in registered form only.

**11. Valuation day – Settlement period**

The Net Asset Value per Share in the Sub-Fund is calculated on each Business Day, which is a Luxembourg bank business day.

Applications for subscriptions, redemptions or conversions from or to the Sub-Fund received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a Valuation Day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the subscription/redemption/conversion price of the relevant Sub-Fund prevailing on that Valuation Day. Any applications received thereafter shall be processed on the next Valuation Day.

The settlement periods are the following:

Payment of Subscription Price: within 5 Business Days following the applicable Valuation Day

Payment of Redemption Price: within 5 Business Days following the applicable Valuation Day

**12. Sales Charge**

A sales charge with a maximum of 5% of the applicable Net Asset Value may be charged in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**13. Redemption Fee**

No redemption fee shall be levied upon redemption of Sub-Fund Shares.

**14. Conversion Fee**

No conversion fee shall be levied upon conversion of Sub-Fund Shares.

**15. Listing**

The Shares of the Sub-Fund shall be listed on the Luxembourg Stock Exchange.

**APPENDIX 2**

RELATING TO THE SUB-FUND

**INSINGER DE BEAUFORT MULTI-MANAGER BALANCED****1. Name**

INSINGER DE BEAUFORT MULTI-MANAGER BALANCED

**2. Reference Currency**

Common Portfolio:	USD	ISIN code
USD Share Class (previously Class A shares):	USD	LU0110717757
GBP Share Class (previously Class B shares):	GBP	LU0110717914
EUR Share Class (previously Class C shares):	EUR	LU0110718136

The Net Asset Value per share is expressed and the subscription and redemption prices may only be paid for each Class in the Reference Currency of the relevant Class.

**3. Offer of Shares**

The Sub-Fund Shares are issued at a Subscription Price corresponding to the Net Asset Value per Share to which shall be added a maximum sales charge of 5% of the applicable Net Asset Value in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**4. Minimum Investment**

The minimum amount of an investment in this Sub-Fund is set at USD 75,- for USD Share Class, GBP 50,- for GBP Share Class or EUR 75,- for EUR Share Class.

**5. Investment Policy****General**

The aim of the Sub-Fund is to achieve absolute returns from investment opportunities offered in equity, bond markets. The term "absolute" shall express the aim of the Sub-fund to achieve portfolio performance with a reduced dependency on the fluctuations in the financial markets. Under no circumstances "absolute" shall be considered as a guarantee for the future performance of the Sub-Fund's investments.

This objective is to be achieved through investing in different types of Target Funds, which are managed by specialised Portfolio-Managers who have, over a prolonged period, achieved above average, risk adjusted returns compared to their peers.

The Target Funds will invest in fixed income securities, equities and equity related securities of equity and bond markets covering a wide array of market sectors and geographical regions, and will employ a diverse spectrum of investment styles and strategies that will allow investors to capture numerous opportunities to achieve profit potential.

The Target Funds may invest in hedge funds or be hedge funds themselves. Hedge funds can be described as funds that invest their assets primarily by using alternative investment strategies. Hedge funds tend to have a low correlation with traditional equity and bond markets and the Investment Manager believes that allocating a portion of the Sub-fund's portfolio to hedge funds, will benefit the Sub-fund's absolute return objective.

In keeping with the stated Sub-Fund's investment objectives, the Target Funds will invest primarily in the stock and bond markets of the major developed markets.

Target Funds of Type II may utilise on an ancillary basis a variety of non traditional strategies and instruments including arbitrage, leverage, short selling and global financial instruments which are not generally available in traditional funds.

The purpose of investing in these Target Funds of Type II is to achieve a portfolio structure that has a lower correlation or dependence on the direction of major financial markets, thereby further improving the risk/return characteristics of the Portfolio.

Investors should be aware that once the value of the Sub-Fund reaches a sufficient scale which may make discrete investment management more efficient than investing through Target Funds (in the opinion of the Directors and/or the Investment Manager), some or all of the assets of the Sub-Fund may possibly (but not necessarily) be withdrawn from these Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers for discrete management. The Sub-Manager(s) will pursue the same investment policy as the Target Funds.

In this case, the Investment Manager will be obliged to monitor the performance of the Sub-Managers in order to assess the need, if any, to make changes/replacements and in order to ensure that the investment restrictions are observed on a consolidated basis. The Investment Manager may replace or appoint additional Sub-Managers under his own responsibility, subject to the prior approval of the Board of Directors. When there is discrete management, shareholders will be notified of any such appointment/replacement by an update of the relevant Sub-Fund Appendix and in the next annual/half yearly report. The up-date of the prospectus will reflect the Names, the functions and the costs of the remuneration of the appointed Sub-Manager(s).

In general the Portfolio will be diversified in terms of investment style and strategies within the Portfolios areas of investment and in terms of the assets of the Target Funds and/or the assets under discrete management, in order to achieve investment performance with lower volatility and risk characteristics than world bond and equity markets. To ensure the selection of the best products at all times, the investments of the Sub-Fund will be selected by diversified criteria's.

The investment objective of the Sub-Fund is to achieve long term capital appreciation and growth. The Sub-Fund will attempt to achieve this by outperforming the average performance of balanced fund managers with a fund volatility below that of the average active manager. Exposure to financial markets will be gained through investment in a diversified portfolio of global bond and equity Target Funds. Analysis shows that combining managers with independent and complementary investment styles reduces performance volatility. The sensitivity of the Sub-Fund to movements in interest rates, currency rates and stock prices is limited by combining managers who emphasise different factors in their investment process. By adopting this approach, it is expected that the Sub-Fund's performance will be more consistent, less volatile and have lower risk characteristics than single manager investment strategies.

The Board of Directors, the Investment Manager and/or the Sub-Manager(s) may employ a currency hedging strategy from time to time in respect of the Sub-Fund. This currency hedging strategy will involve hedging the base currency of the Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Fund relating to its investment objectives.

The Investment Manager and/or the Sub-Manager(s) will seek to actively manage the currency allocation of the Sub-Fund in order to preserve the base currency value of the Sub-Fund. It will achieve this by managing the currency exposure of the Sub-Fund to limit its deviation from the currency exposure of selected benchmarks primarily through the use of currency forward contracts.

The Sub-Fund may only employ the use of various derivative instruments for the purpose of hedging.

The Sub-Fund may choose to place its cash holdings in money market funds rated no lower than AAA by Standard & Poor's rating agency in an effort to maximise its cash return. The Sub-Fund will invest no more than 30% of its Net Asset Value in money market funds.

### **USD Share Class, GBP Share Class and EUR Share Class**

Three Classes of Shares have been created in the Sub-Fund as to enable investors with different currency profiles to access to the same underlying portfolio.

The USD Share Class aim to achieve the investment objective of long term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested.

The GBP Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for GBP based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

The EUR Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for EUR based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

All Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on GBP Share Class and EUR Share Class in order to minimise the impact of fluctuations in the USD rates of exchange.

It should be noted that there can be no guarantee that the GBP Share Class and EUR Share Class would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the common portfolio.

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**Investment techniques**

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in the chapter 6 - "RISK MANAGEMENT".

**Currency transactions for hedging**

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the individual Class Shares, in their respective currencies of denomination.

**Other hedging transactions**

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in the chapter 6 - "RISK MANAGEMENT", these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The total commitment from such purchase and sale transactions, together with the total commitment from the sale of call and put options on transferable securities, may not exceed the net asset value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.

**Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.**

**No assurance can be given that the investment objectives will be achieved.**

**There can be no assurance that the past performance information, which constitutes a substantial component of the basis on which the Investment Manager or the Sub-Manager selects the Target Funds within which the Sub-Fund invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.**

**International investment involves certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. Since the Sub-Fund will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities in the Sub-Fund.**

**As from 1<sup>st</sup> October 2010 the investment policy of the Sub-Fund will be as follows :**

**General**

The aim of the Sub-Fund is to achieve absolute returns from investment opportunities offered in equity, bond markets **and alternative investments**. The term "absolute" shall express the aim of the Sub-fund to achieve portfolio performance with a reduced dependency on the fluctuations in the financial markets. Under no circumstances "absolute" shall be considered as a guarantee for the future performance of the Sub-Fund's investments.

This objective is to be achieved through investing in different types of Target Funds, which are managed by specialised Portfolio-Managers who have, over a prolonged period, achieved above average, risk adjusted returns compared to their peers. **The Investment Manager may also invest, or remain invested, in other Target Funds where performance may have lagged, but where a performance recovery is expected. Target Funds may include exchange rated funds, index funds and other passively managed funds. Target Funds may also include funds which are managed by the Investment Manager where such funds provide for a specific role within the portfolio.**

The Target Funds will invest in fixed income securities, equities and equity related securities of equity and bond markets covering a wide array of market sectors, **including commodities and property**, and geographical regions, and will employ a diverse spectrum of investment styles and strategies that will allow investors to capture numerous opportunities to achieve profit potential.

The Target Funds may invest in hedge funds or be hedge funds themselves. Hedge funds can be described as funds that invest their assets primarily by using alternative investment strategies. Hedge funds tend to have a low correlation with traditional equity and bond markets and the Investment Manager believes that allocating a portion of the Sub-fund's portfolio to hedge funds, will benefit the Sub-fund's absolute return objective. **The investment in Target Funds which invest in hedge funds or are hedge funds themselves will represent a maximum of 15 % of the portfolios.**

**In keeping with the stated Sub-Fund's investment objectives, the Investment Manager will always try to maintain a strategically justified proportion, consistent with a balanced risk profile, between Target Funds that invest primarily in stocks, Target Funds that invest primarily in bonds and Target Funds that invest primarily in hedge funds or alternative strategies or hedge funds themselves. The Target Funds will be primarily invested in bond and/or stock markets of the major developed markets, as well as emerging markets and may include thematic funds.**

Target Funds of Type II may utilise on an ancillary basis a variety of non traditional strategies and instruments including arbitrage, leverage, short selling and global financial instruments which are not generally available in traditional funds.

The purpose of investing in these Target Funds of Type II is to achieve a portfolio structure that has a lower correlation or dependence on the direction of major financial markets, thereby further improving the risk/return characteristics of the Portfolio.

Investors should be aware that once the value of the Sub-Fund reaches a sufficient scale which may make discrete investment management more efficient than investing through Target Funds (in the opinion of the Directors and/or the Investment Manager), some or all of the assets of the Sub-Fund may possibly (but not necessarily) be withdrawn from these Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers for discrete management. The Sub-Manager(s) will pursue the same investment policy as the Target Funds.

In this case, the Investment Manager will be obliged to monitor the performance of the Sub-Managers in order to assess the need, if any, to make changes/replacements and in order to ensure that the investment restrictions are observed on a consolidated basis. The Investment Manager may replace or appoint additional Sub-Managers under his own responsibility, subject to the prior approval of the Board of Directors. When there is discrete management, shareholders will be notified of any such appointment/replacement by an update of the relevant Sub-Fund Appendix and in the next annual/half yearly report. The up-date of the prospectus will reflect the Names, the functions and the costs of the remuneration of the appointed Sub-Manager(s).

In general the Portfolio will be diversified in terms of investment style and strategies within the Portfolios areas of investment and in terms of the assets of the Target Funds and/or the assets under discrete management, in order to achieve investment performance with lower volatility and risk characteristics than world bond and equity markets. To ensure the selection of the best products at all times, the investments of the Sub-Fund will be selected by diversified criteria's.

The investment objective of the Sub-Fund is to achieve long term capital appreciation and growth **consistent with a balanced profile**. The Sub-Fund will attempt to achieve this by outperforming the average performance of fund managers with a **similar return profile**. Exposure to financial markets will be gained through investment in a diversified portfolio of Target Funds **investing in bonds, equities and alternative investment strategies**. Analysis shows that combining managers with independent and complementary investment styles reduces performance volatility. The sensitivity of the Sub-Fund to movements in interest rates, currency rates and stock prices is limited by combining managers who emphasise different factors in their investment process. By adopting this approach, it is expected that the Sub-Fund's performance will be more consistent, less volatile and have lower risk characteristics than single manager investment strategies.

The Board of Directors, the Investment Manager and/or the Sub-Manager(s) may employ a currency hedging strategy from time to time in respect of the Sub-Fund. This currency hedging strategy will involve hedging the base currency of the Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Fund relating to its investment objectives.

The Investment Manager and/or the Sub-Manager(s) will seek to actively manage the currency allocation of the Sub-Fund in order to preserve the base currency value of the Sub-Fund. It will achieve this by managing the currency exposure of the Sub-Fund to limit its deviation from the currency exposure of selected benchmarks primarily through the use of currency forward contracts.

The Sub-Fund may only employ the use of various derivative instruments for the purpose of hedging.

The Sub-Fund may choose to place its cash holdings in money market funds rated no lower than AAA by Standard & Poor's rating agency in an effort to maximise its cash return. The Sub-Fund will invest no more than 30% of its Net Asset Value in money market funds.

### **USD Share Class, GBP Share Class and EUR Share Class**

Three Classes of Shares have been created in the Sub-Fund as to enable investors with different currency profiles to access to the same underlying portfolio.

The USD Share Class aim to achieve the investment objective of long term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested.

The GBP Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – “RISK MANAGEMENT” of the Prospectus. This Share Class has been established for GBP based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

The EUR Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – “RISK MANAGEMENT” of the Prospectus. This Share Class has been established for EUR based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

All Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on GBP Share Class and EUR Share Class in order to minimise the impact of fluctuations in the USD rates of exchange.

It should be noted that there can be no guarantee that the GBP Share Class and EUR Share Class would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the common portfolio.

### **Investment techniques**

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in the chapter 6 - “RISK MANAGEMENT”.

### **Currency transactions for hedging**

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the individual Class Shares, in their respective currencies of denomination.

### **Other hedging transactions**

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in the chapter 6 - “RISK MANAGEMENT”, these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The total commitment from such purchase and sale transactions, together with the total commitment from the sale of call and put options on transferable securities, may not exceed the net asset value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.

**Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.**

**No assurance can be given that the investment objectives will be achieved.**

**There can be no assurance that the past performance information, which constitutes a substantial component of the basis on which the Investment Manager or the Sub-Manager selects the Target Funds within which the Sub-Fund invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.**

**International investment involves certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. Since the Sub-Fund will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities in the Sub-Fund.**

## **6. Investment Restrictions**

Further to the Investment Restrictions set out in chapter 7 the following restrictions are applicable to the Sub-Fund.

So the Sub-Fund

**in the case of investment in other funds**

1. may invest up to 100% of its net assets in global equity and bond Target Funds;
2. may invest up to 15% of the net assets of the Sub-Fund in Target Funds, which invest in high yield bonds;

In order to boost returns, parts of the assets of the Sub-Fund may be invested in Target Funds, which are investing in sovereign high yield papers as well as corporate high yield papers.

The Managers of the Target Funds are screened and analysed on a number of risk adjusted quantitative measures to determine the historic performance characteristics of the Managers. These Managers are then visited by the Investment Manager of the Sub-Fund in order to assess the quality of the investment process, investment team, and organisational resources. The investment strategy of the Managers is also carefully analysed within the context of the current investment environment. With high yield bond Managers, particular emphasis is placed on the Manager's method of dealing with market liquidity, credit analysis and portfolio diversification. Only Target Funds, whose Managers fulfil these criteria's, will be chosen as possible investment for parts of the assets of the Sub-Fund.

The Sub-Fund will not invest more than 5% (10% as from 1st October 2010) of its net assets in one Target Fund, which invests in high yield bonds;

**Other restrictions:**

3. may hold liquid assets up to 30% of its net assets (including the investments in Money Market Target Funds);

**In the case of discrete investment**

The Investment Manager may in its discretion allocate a portion of the Portfolio for investment purposes to one or more Sub-Managers. The Board of Directors of the SICAV will always be responsible of the controls of these investments. The Investment Manager will monitor the performance of the Sub-Managers in order to assess the need if any to make changes and in order to ensure that the investment restrictions are observed on a consolidated basis. Shareholders will not be notified in advance of any such switch in investment style. Each change will be reflected in an update of the Appendix for the Sub-Fund and in the Financial Reports. Investments by way of discrete management in global bonds and equities should always meet the requirements laid out in the chapters Investment Policy and Investment Restrictions above.

***Investments in this Sub-Fund are suitable for those persons who understand the degree of risks involved and believe that the investments are suitable based on investment objectives and financial needs.***

**7. Dividends**

It is the Sub-Fund's policy to reinvest all its revenues and capital gains and not to pay any dividends.

**8. Investment Manager**

The Board of Directors of the SICAV is responsible for the overall supervision and control of the Sub-Fund including the determination of its investment policy.

The Board of Directors has appointed INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. as Investment Manager of the Sub-Fund to provide the day-to-day management in respect of the investment and re-investment of the assets of the Sub-Fund in accordance with the investment policy and the investment restrictions determined by the Board of Directors and disclosed in chapter 7 of the Prospectus and in the present Appendix.

**9. Fees and Expenses**

As remuneration for its services, the Investment Manager shall receive from the SICAV an annual fee at the maximum annual rate of 1,5% applicable on the average net assets of this Sub-Fund. The actual rate of this investment management fee is disclosed in the financial reports and is payable monthly.

The Investment Manager shall not receive any performance fee.

Each appointment of a Sub-Manager will be reflected in an update of the Appendix and the Fee-Structure for the Sub-Fund.

**10. The shares**

The Shares of the Sub-Fund shall be issued in registered form only.

**11. Valuation day – Settlement period**

The Net Asset Value per Share in the Sub-Fund is calculated on each Business Day, which is a Luxembourg bank business day.

Applications for subscriptions, redemptions or conversions from or to the Sub-Fund received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a valuation day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the subscription/redemption/conversion price of the relevant Sub-Fund prevailing on that Valuation Day. Any applications received thereafter shall be processed on the next Valuation Day.

The settlement periods are the following:

Payment of Subscription Price: within 5 Business Days following the applicable Valuation Day

Payment of Redemption Price: within 5 Business Days following the applicable Valuation Day

## **12. Sales Charge**

A sales charge with a maximum of 5% of the applicable Net Asset Value may be charged in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

## **13. Redemption Fee**

No redemption fee shall be levied upon redemption of Sub-Fund Shares.

## **14. Conversion Fee**

No conversion fee shall be levied upon conversion of Sub-Fund Shares.

## **15. Listing**

The Shares of the Sub-Fund shall be listed on the Luxembourg Stock Exchange.

**APPENDIX 3**

## RELATING TO THE SUB-FUND

**INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE****1. Name**

INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE

**2. Reference Currency**

Common Portfolio:	EUR	ISIN code
USD Share Class :	USD	LU0407090611
GBP Share Class:	GBP	LU0407090702
EUR Share Class:	EUR	LU0407090884

The Net Asset Value per share is expressed and the subscription and redemption prices may only be paid for each Class in the Reference Currency of the relevant Class.

**3. Offer of Shares**

The initial subscription period to shares of the EUR Share Classe will start on 15 June 2010 and will finish on 30 June 2010. The initial subscription price will be 100 EUR per share for the EUR Share Class. The date of payment of the initial subscription is 5 July 2010 for the EUR Share Class. The first Net Asset Value per Share for the EUR Share Classe will be calculated on 1st July 2010.

The USD and GBP Share Classes will be launched by decision of the Board of Directors.

The Sub-Fund Shares are issued at a Subscription Price corresponding to the Net Asset Value per Share to which shall be added a maximum sales charge of 5% of the applicable Net Asset Value in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**4. Minimum Investment**

The minimum amount of an investment in this Sub-Fund is set at USD 75,- for USD Share Class, GBP 50,- for GBP Share Class or EUR 75,- for EUR Share Class.

**5. Investment Policy****General**

The aim of the Sub-Fund is to achieve absolute returns from investment opportunities offered in equity, bond markets and alternative investments. The term "absolute" shall express the aim of the Sub-fund to achieve portfolio performance with a reduced dependency on the fluctuations in the financial markets. Under no circumstances "absolute" shall be considered as a guarantee for the future performance of the Sub-Fund's investments.

This objective is to be achieved through investing in different types of Target Funds, which are managed by specialised Portfolio-Managers who have, over a prolonged period, achieved above average, risk adjusted returns compared to their peers. The Investment Manager may also invest, or remain invested, in other Target Funds where performance may have lagged, but where a performance recovery is expected. Target Funds may include exchange rated funds, index funds and other passively managed funds. Target Funds may also include funds which are managed by the Investment Manager where such funds provide for a specific role within the portfolio.

The Target Funds will invest in fixed income securities, equities and equity related securities of equity and bond markets covering a wide array of market sectors, including commodities and property, and geographical regions, and will employ a diverse spectrum of investment styles and strategies that will allow investors to capture numerous opportunities to achieve profit potential.

The Target Funds may invest in hedge funds or be hedge funds themselves. Hedge funds can be described as funds that invest their assets primarily by using alternative investment strategies. Hedge funds tend to have a low correlation with traditional equity and bond markets and the Investment Manager believes that allocating a portion of the Sub-fund's portfolio to hedge funds, will benefit the Sub-fund's absolute return objective. The investment in Target Funds which invest in hedge funds or are hedge funds themselves will represent a maximum of 15 % of the portfolios.

In keeping with the stated Sub-Fund's investment objectives, the Investment Manager will always try to maintain a strategically justified proportion, consistent with a defensive risk profile, between Target Funds that invest primarily in stocks, Target Funds that invest primarily in bonds and Target Funds that invest primarily in hedge funds or alternative strategies or hedge funds themselves. The Target Funds will be primarily invested in bond and/or stock markets of the major developed markets, as well as emerging markets and may include thematic funds.

Target Funds of Type II may utilise on an ancillary basis a variety of non traditional strategies and instruments including arbitrage, leverage, short selling and global financial instruments which are not generally available in traditional funds.

The purpose of investing in these Target Funds of Type II is to achieve a portfolio structure that has a lower correlation or dependence on the direction of major financial markets, thereby further improving the risk/return characteristics of the Portfolio.

Investors should be aware that once the value of the Sub-Fund reaches a sufficient scale which may make discrete investment management more efficient than investing through Target Funds (in the opinion of the Directors and/or the Investment Manager), some or all of the assets of the Sub-Fund may possibly (but not necessarily) be withdrawn from these Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers for discrete management. The Sub-Manager(s) will pursue the same investment policy as the Target Funds.

In this case, the Investment Manager will be obliged to monitor the performance of the Sub-Managers in order to assess the need, if any, to make changes/replacements and in order to ensure that the investment restrictions are observed on a consolidated basis. The Investment Manager may replace or appoint additional Sub-Managers under his own responsibility, subject to the prior approval of the Board of Directors. When there is discrete management, shareholders will be notified of any such appointment/replacement by an update of the relevant Sub-Fund Appendix and in the next annual/half yearly report. The up-date of the prospectus will reflect the Names, the functions and the costs of the remuneration of the appointed Sub-Manager(s).

In general the Portfolio will be diversified in terms of investment style and strategies within the Portfolios areas of investment and in terms of the assets of the Target Funds and/or the assets under discrete management, in order to achieve investment performance with lower volatility and risk characteristics than world bond and equity markets. To ensure the selection of the best products at all times, the investments of the Sub-Fund will be selected by diversified criteria's.

The investment objective of the Sub-Fund is to achieve long term capital appreciation and growth consistent with a defensive profile. The Sub-Fund will attempt to achieve this by outperforming the average performance of fund managers with a similar return profile. Exposure to financial markets will be gained through investment in a diversified portfolio of Target Funds investing in bonds, equities and alternative investment strategies. Analysis shows that combining managers with independent and complementary investment styles reduces performance volatility. The sensitivity of the Sub-Fund to movements in interest rates, currency rates and stock prices is limited by combining managers who emphasise different factors in their investment process. By adopting this approach, it is expected that the Sub-Fund's performance will be more consistent, less volatile and have lower risk characteristics than single manager investment strategies.

The Board of Directors, the Investment Manager and/or the Sub-Manager(s) may employ a currency hedging strategy from time to time in respect of the Sub-Fund. This currency hedging strategy will involve hedging the base currency of the Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Fund relating to its investment objectives.

The Investment Manager and/or the Sub-Manager(s) will seek to actively manage the currency allocation of the Sub-Fund in order to preserve the base currency value of the Sub-Fund. It will achieve this by managing the currency exposure of the Sub-Fund to limit its deviation from the currency exposure of selected benchmarks primarily through the use of currency forward contracts.

The Sub-Fund may only employ the use of various derivative instruments for the purpose of hedging.

The Sub-Fund may choose to place its cash holdings in money market funds rated no lower than AAA by Standard & Poor's rating agency in an effort to maximise its cash return. The Sub-Fund will invest no more than 30% of its Net Asset Value in money market funds.

### **USD Share Class, GBP Share Class and EUR Share Class**

Three Share Classes have been created in the Sub-Fund as to enable investors with different currency profiles to access to the same underlying portfolio.

The USD Share Class aim to achieve the investment objective of long term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested.

The GBP Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for GBP based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

The EUR Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – “RISK MANAGEMENT” of the Prospectus. This Share Class has been established for EUR based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

All Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on GBP Share Class and EUR Share Class in order to minimise the impact of fluctuations in the USD rates of exchange.

It should be noted that there can be no guarantee that the GBP Share Class and EUR Share Class would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the common portfolio.

### **Investment techniques**

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in the chapter 6 - “RISK MANAGEMENT”.

### **Currency transactions for hedging**

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the individual Share Class, in their respective currencies of denomination.

### **Other hedging transactions**

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in the chapter 6 - "RISK MANAGEMENT", these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The total commitment from such purchase and sale transactions, together with the total commitment from the sale of call and put options on transferable securities, may not exceed the net asset value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.

**Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.**

**No assurance can be given that the investment objectives will be achieved.**

**There can be no assurance that the past performance information, which constitutes a substantial component of the basis on which the Investment Manager or the Sub-Manager selects the Target Funds within which the Sub-Fund invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.**

**International investment involves certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. Since the Sub-Fund will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities in the Sub-Fund.**

## **6. Investment Restrictions**

Further to the Investment Restrictions set out in chapter 7 the following restrictions are applicable to the Sub-Fund.

So the Sub-Fund

**in the case of investment in other funds**

2. may invest up to 100% of its net assets in global equity and bond Target Funds;
3. may invest up to 15% of the net assets of the Sub-Fund in Target Funds, which invest in high yield bonds;

In order to boost returns, parts of the assets of the Sub-Fund may be invested in Target Funds, which are investing in sovereign high yield papers as well as corporate high yield papers.

The Managers of the Target Funds are screened and analysed on a number of risk adjusted quantitative measures to determine the historic performance characteristics of the Managers. These Managers are then visited by the Investment Manager of the Sub-Fund in order to assess the quality of the investment process, investment team, and organisational resources. The investment strategy of the Managers is also carefully analysed within the context of the current investment environment. With high yield bond Managers, particular emphasis is placed on the Manager's method of dealing with market liquidity, credit analysis and portfolio diversification. Only Target Funds, whose Managers fulfil these criteria's, will be chosen as possible investment for parts of the assets of the Sub-Fund.

The Sub-Fund will not invest more than 10% of its net assets in one Target Fund, which invests in high yield bonds;

**Other restrictions:**

4. may hold liquid assets up to 30% of its net assets (including the investments in Money Market Target Funds);

**In the case of discrete investment**

The Investment Manager may in its discretion allocate a portion of the Portfolio for investment purposes to one or more Sub-Managers. **The Board of Directors of the SICAV will always be responsible of the controls of these investments.** The Investment Manager will monitor the performance of the Sub-Managers in order to assess the need if any to make changes and in order to ensure that the investment restrictions are observed on a consolidated basis. Shareholders will not be notified in advance of any such switch in investment style. Each change will be reflected in an update of the Appendix for the Sub-Fund and in the Financial Reports. Investments by way of discrete management in global bonds and equities should always meet the requirements laid out in the chapters Investment Policy and Investment Restrictions above.

***Investments in this Sub-Fund are suitable for those persons who understand the degree of risks involved and believe that the investments are suitable based on investment objectives and financial needs.***

## **7. Dividends**

It is the Sub-Fund's policy to reinvest all its revenues and capital gains and not to pay any dividends.

## **8. Investment Manager**

The Board of Directors of the SICAV is responsible for the overall supervision and control of the Sub-Fund including the determination of its investment policy.

The Board of Directors has appointed INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. as Investment Manager of the Sub-Fund to provide the day-to-day management in respect of the investment and re-investment of the assets of the Sub-Fund in accordance with the investment policy and the investment restrictions determined by the Board of Directors and disclosed in chapter 7 of the Prospectus and in the present Appendix.

## **9. Fees and Expenses**

As remuneration for its services, the Investment Manager shall receive from the SICAV an annual fee at the maximum annual rate of 1,5% applicable on the average net assets of this Sub-Fund. The actual rate of this investment management fee is disclosed in the financial reports and is payable monthly.

The Investment Manager shall not receive any performance fee.

Each appointment of a Sub-Manager will be reflected in an update of the Appendix and the Fee-Structure for the Sub-Fund.

## **10. The shares**

The Shares of the Sub-Fund shall be issued in registered form only.

## **11. Valuation day – Settlement period**

The Net Asset Value per Share in the Sub-Fund is calculated on each Business Day, which is a Luxembourg bank business day.

Applications for subscriptions, redemptions or conversions from or to the Sub-Fund received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a valuation day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the subscription/redemption/conversion price of the relevant Sub-Fund prevailing on that Valuation Day. Any applications received thereafter shall be processed on the next Valuation Day.

The settlement periods are the following:

Payment of Subscription Price: within 5 Business Days following the applicable Valuation Day

Payment of Redemption Price: within 5 Business Days following the applicable Valuation Day

## **12. Sales Charge**

A sales charge with a maximum of 5% of the applicable Net Asset Value may be charged in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

## **13. Redemption Fee**

No redemption fee shall be levied upon redemption of Sub-Fund Shares.

## **14. Conversion Fee**

No conversion fee shall be levied upon conversion of Sub-Fund Shares.

## **15. Listing**

The Shares of the Sub-Fund shall be listed on the Luxembourg Stock Exchange.

**APPENDIX 4**

## RELATING TO THE SUB-FUND

**INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED****1. Name**

INSINGER DE BEAUFORT MULTI-MANAGER DEFENSIVE BALANCED

**2. Reference Currency**

Common Portfolio:	EUR	ISIN code
USD Share Class:	USD	LU0407090967
GBP Share Class:	GBP	LU0407091189
EUR Share Class:	EUR	LU0407091346

The Net Asset Value per share is expressed and the subscription and redemption prices may only be paid for each Class in the Reference Currency of the relevant Class.

**3. Offer of Shares**

The initial subscription period to shares of the EUR Share Classe will start on 15 June 2010 and will finish on 30 June 2010. The initial subscription price will be 100 EUR per share for the EUR Share Class. The date of payment of the initial subscription is 5 July 2010 for the EUR Share Classe. The first Net Asset Value per Share for the EUR Share Classe will be calculated on 1st July 2010.

The USD and GBP Share Classes will be launched by decision of the Board of Directors.

The Sub-Fund Shares are issued at a Subscription Price corresponding to the Net Asset Value per Share to which shall be added a maximum sales charge of 5% of the applicable Net Asset Value in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**4. Minimum Investment**

The minimum amount of an investment in this Sub-Fund is set at USD 75,- for USD Share Class, GBP 50,- for GBP Share Class or EUR 75,- for EUR Share Class.

**5. Investment Policy****General**

The aim of the Sub-Fund is to achieve absolute returns from investment opportunities offered in equity, bond markets and alternative investments. The term "absolute" shall express the aim of the Sub-fund to achieve portfolio performance with a reduced dependency on the fluctuations in the financial markets. Under no circumstances "absolute" shall be considered as a guarantee for the future performance of the Sub-Fund's investments.

This objective is to be achieved through investing in different types of Target Funds, which are managed by specialised Portfolio-Managers who have, over a prolonged period, achieved above average, risk adjusted returns compared to their peers. The Investment Manager may also invest, or remain invested, in other Target Funds where performance may have lagged, but where a performance recovery is expected. Target Funds may include exchange rated funds, index funds and other passively managed funds. Target Funds may also include funds which are managed by the Investment Manager where such funds provide for a specific role within the portfolio.

The Target Funds will invest in fixed income securities, equities and equity related securities of equity and bond markets covering a wide array of market sectors, including commodities and property, and geographical regions, and will employ a diverse spectrum of investment styles and strategies that will allow investors to capture numerous opportunities to achieve profit potential.

The Target Funds may invest in hedge funds or be hedge funds themselves. Hedge funds can be described as funds that invest their assets primarily by using alternative investment strategies. Hedge funds tend to have a low correlation with traditional equity and bond markets and the Investment Manager believes that allocating a portion of the Sub-fund's portfolio to hedge funds, will benefit the Sub-fund's absolute return objective. The investment in Target Funds which invest in hedge funds or are hedge funds themselves will represent a maximum of 15 % of the portfolios.

In keeping with the stated Sub-Fund's investment objectives, the Investment Manager will always try to maintain a strategically justified proportion, consistent with a defensive balanced risk profile, between Target Funds that invest primarily in stocks, Target Funds that invest primarily in bonds and Target Funds that invest primarily in hedge funds or alternative strategies or hedge funds themselves. The Target Funds will be primarily invested in bond and/or stock markets of the major developed markets, as well as emerging markets and may include thematic funds.

Target Funds of Type II may utilise on an ancillary basis a variety of non traditional strategies and instruments including arbitrage, leverage, short selling and global financial instruments which are not generally available in traditional funds.

The purpose of investing in these Target Funds of Type II is to achieve a portfolio structure that has a lower correlation or dependence on the direction of major financial markets, thereby further improving the risk/return characteristics of the Portfolio.

Investors should be aware that once the value of the Sub-Fund reaches a sufficient scale which may make discrete investment management more efficient than investing through Target Funds (in the opinion of the Directors and/or the Investment Manager), some or all of the assets of the Sub-Fund may possibly (but not necessarily) be withdrawn from these Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers for discrete management. The Sub-Manager(s) will pursue the same investment policy as the Target Funds.

In this case, the Investment Manager will be obliged to monitor the performance of the Sub-Managers in order to assess the need, if any, to make changes/replacements and in order to ensure that the investment restrictions are observed on a consolidated basis. The Investment Manager may replace or appoint additional Sub-Managers under his own responsibility, subject to the prior approval of the Board of Directors. When there is discrete management, shareholders will be notified of any such appointment/replacement by an update of the relevant Sub-Fund Appendix and in the next annual/half yearly report. The up-date of the prospectus will reflect the Names, the functions and the costs of the remuneration of the appointed Sub-Manager(s).

In general the Portfolio will be diversified in terms of investment style and strategies within the Portfolios areas of investment and in terms of the assets of the Target Funds and/or the assets under discrete management, in order to achieve investment performance with lower volatility and risk characteristics than world bond and equity markets. To ensure the selection of the best products at all times, the investments of the Sub-Fund will be selected by diversified criteria's.

The investment objective of the Sub-Fund is to achieve long term capital appreciation and growth consistent with a defensive balanced profile. The Sub-Fund will attempt to achieve this by outperforming the average performance of fund managers with a similar return profile. Exposure to financial markets will be gained through investment in a diversified portfolio of Target Funds investing in bonds, equities and alternative investment strategies. Analysis shows that combining managers with independent and complementary investment styles reduces performance volatility. The sensitivity of the Sub-Fund to movements in interest rates, currency rates and stock prices is limited by combining managers who emphasise different factors in their investment process. By adopting this approach, it is expected that the Sub-Fund's performance will be more consistent, less volatile and have lower risk characteristics than single manager investment strategies.

The Board of Directors, the Investment Manager and/or the Sub-Manager(s) may employ a currency hedging strategy from time to time in respect of the Sub-Fund. This currency hedging strategy will involve hedging the base currency of the Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Fund relating to its investment objectives.

The Investment Manager and/or the Sub-Manager(s) will seek to actively manage the currency allocation of the Sub-Fund in order to preserve the base currency value of the Sub-Fund. It will achieve this by managing the currency exposure of the Sub-Fund to limit its deviation from the currency exposure of selected benchmarks primarily through the use of currency forward contracts.

The Sub-Fund may only employ the use of various derivative instruments for the purpose of hedging.

The Sub-Fund may choose to place its cash holdings in money market funds rated no lower than AAA by Standard & Poor's rating agency in an effort to maximise its cash return. The Sub-Fund will invest no more than 30% of its Net Asset Value in money market funds.

### **USD Share Class, GBP Share Class and EUR Share Class**

Three Share Classes have been created in the Sub-Fund as to enable investors with different currency profiles to access to the same underlying portfolio.

The USD Share Class aim to achieve the investment objective of long term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested.

The GBP Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for GBP based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

The EUR Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – “RISK MANAGEMENT” of the Prospectus. This Share Class has been established for EUR based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

All Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on GBP Share Class and EUR Share Class in order to minimise the impact of fluctuations in the USD rates of exchange.

It should be noted that there can be no guarantee that the GBP Share Class and EUR Share Class would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the common portfolio.

### **Investment techniques**

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in the chapter 6 - “RISK MANAGEMENT”.

### **Currency transactions for hedging**

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the individual Class Shares, in their respective currencies of denomination.

### **Other hedging transactions**

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in the chapter 6 - "RISK MANAGEMENT", these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The total commitment from such purchase and sale transactions, together with the total commitment from the sale of call and put options on transferable securities, may not exceed the net asset value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.

**Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.**

**No assurance can be given that the investment objectives will be achieved.**

**There can be no assurance that the past performance information, which constitutes a substantial component of the basis on which the Investment Manager or the Sub-Manager selects the Target Funds within which the Sub-Fund invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.**

**International investment involves certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. Since the Sub-Fund will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities in the Sub-Fund.**

## **6. Investment Restrictions**

Further to the Investment Restrictions set out in chapter 7 the following restrictions are applicable to the Sub-Fund.

So the Sub-Fund

**in the case of investment in other funds**

3. may invest up to 100% of its net assets in global equity and bond Target Funds;
4. may invest up to 15% of the net assets of the Sub-Fund in Target Funds, which invest in high yield bonds;

In order to boost returns, parts of the assets of the Sub-Fund may be invested in Target Funds, which are investing in sovereign high yield papers as well as corporate high yield papers.

The Managers of the Target Funds are screened and analysed on a number of risk adjusted quantitative measures to determine the historic performance characteristics of the Managers. These Managers are then visited by the Investment Manager of the Sub-Fund in order to assess the quality of the investment process, investment team, and organisational resources. The investment strategy of the Managers is also carefully analysed within the context of the current investment environment. With high yield bond Managers, particular emphasis is placed on the Manager's method of dealing with market liquidity, credit analysis and portfolio diversification. Only Target Funds, whose Managers fulfil these criteria's, will be chosen as possible investment for parts of the assets of the Sub-Fund.

The Sub-Fund will not invest more than 10% of its net assets in one Target Fund, which invests in high yield bonds;

**Other restrictions:**

5. may hold liquid assets up to 30% of its net assets (including the investments in Money Market Target Funds);

**In the case of discrete investment**

The Investment Manager may in its discretion allocate a portion of the Portfolio for investment purposes to one or more Sub-Managers. The Board of Directors of the SICAV will always be responsible of the controls of these investments. The Investment Manager will monitor the performance of the Sub-Managers in order to assess the need if any to make changes and in order to ensure that the investment restrictions are observed on a consolidated basis. Shareholders will not be notified in advance of any such switch in investment style. Each change will be reflected in an update of the Appendix for the Sub-Fund and in the Financial Reports. Investments by way of discrete management in global bonds and equities should always meet the requirements laid out in the chapters Investment Policy and Investment Restrictions above.

***Investments in this Sub-Fund are suitable for those persons who understand the degree of risks involved and believe that the investments are suitable based on investment objectives and financial needs.***

## **7. Dividends**

It is the Sub-Fund's policy to reinvest all its revenues and capital gains and not to pay any dividends.

## **8. Investment Manager**

The Board of Directors of the SICAV is responsible for the overall supervision and control of the Sub-Fund including the determination of its investment policy.

The Board of Directors has appointed INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. as Investment Manager of the Sub-Fund to provide the day-to-day management in respect of the investment and re-investment of the assets of the Sub-Fund in accordance with the investment policy and the investment restrictions determined by the Board of Directors and disclosed in chapter 7 of the Prospectus and in the present Appendix.

## **9. Fees and Expenses**

As remuneration for its services, the Investment Manager shall receive from the SICAV an annual fee at the maximum annual rate of 1,5% applicable on the average net assets of this Sub-Fund. The actual rate of this investment management fee is disclosed in the financial reports and is payable monthly.

The Investment Manager shall not receive any performance fee.

Each appointment of a Sub-Manager will be reflected in an update of the Appendix and the Fee-Structure for the Sub-Fund.

## **10. The shares**

The Shares of the Sub-Fund shall be issued in registered form only.

## **11. Valuation day – Settlement period**

The Net Asset Value per Share in the Sub-Fund is calculated on each Business Day, which is a Luxembourg bank business day.

Applications for subscriptions, redemptions or conversions from or to the Sub-Fund received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a valuation day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the subscription/redemption/conversion price of the relevant Sub-Fund prevailing on that Valuation Day. Any applications received thereafter shall be processed on the next Valuation Day.

The settlement periods are the following:

Payment of Subscription Price: within 5 Business Days following the applicable Valuation Day

Payment of Redemption Price: within 5 Business Days following the applicable Valuation Day

**12. Sales Charge**

A sales charge with a maximum of 5% of the applicable Net Asset Value may be charged in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**13. Redemption Fee**

No redemption fee shall be levied upon redemption of Sub-Fund Shares.

**14. Conversion Fee**

No conversion fee shall be levied upon conversion of Sub-Fund Shares.

**15. Listing**

The Shares of the Sub-Fund shall be listed on the Luxembourg Stock Exchange.

**APPENDIX 5**

RELATING TO THE SUB-FUND

**INSINGER DE BEAUFORT MULTI-MANAGER GROWTH****1. Name**

INSINGER DE BEAUFORT MULTI-MANAGER GROWTH

**2. Reference Currency**

Common Portfolio:	EUR	ISIN code
USD Share Class:	USD	LU0407091429
GBP Share Class:	GBP	LU0407091692
EUR Share Class:	EUR	LU0407091775

The Net Asset Value per share is expressed and the subscription and redemption prices may only be paid for each Class in the Reference Currency of the relevant Class.

**3. Offer of Shares**

The EUR, USD and GBP Share Classes will be launched by decision of the Board of Directors.

The Sub-Fund Shares are issued at a Subscription Price corresponding to the Net Asset Value per Share to which shall be added a maximum sales charge of 5% of the applicable Net Asset Value in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**4. Minimum Investment**

The minimum amount of an investment in this Sub-Fund is set at USD 75,- for USD Share Class, GBP 50,- for GBP Share Class or EUR 75,- for EUR Share Class.

**5. Investment Policy****General**

The aim of the Sub-Fund is to achieve absolute returns from investment opportunities offered in equity, bond markets and alternative investments. The term "absolute" shall express the aim of the Sub-fund to achieve portfolio performance with a reduced dependency on the fluctuations in the financial markets. Under no circumstances "absolute" shall be considered as a guarantee for the future performance of the Sub-Fund's investments.

This objective is to be achieved through investing in different types of Target Funds, which are managed by specialised Portfolio-Managers who have, over a prolonged period, achieved above average, risk adjusted returns compared to their peers. The Investment Manager may also invest, or remain invested, in other Target Funds where performance may have lagged, but where a performance recovery is expected. Target Funds may include exchange rated funds, index funds and other passively managed funds. Target Funds may also include funds which are managed by the Investment Manager where such funds provide for a specific role within the portfolio.

The Target Funds will invest in fixed income securities, equities and equity related securities of equity and bond markets covering a wide array of market sectors, including commodities and property, and geographical regions, and will employ a diverse spectrum of investment styles and strategies that will allow investors to capture numerous opportunities to achieve profit potential.

The Target Funds may invest in hedge funds or be hedge funds themselves. Hedge funds can be described as funds that invest their assets primarily by using alternative investment strategies. Hedge funds tend to have a low correlation with traditional equity and bond markets and the Investment Manager believes that allocating a portion of the Sub-fund's portfolio to hedge funds, will benefit the Sub-fund's absolute return objective. The investment in Target Funds which invest in hedge funds or are hedge funds themselves will represent a maximum of 15 % of the portfolios.

In keeping with the stated Sub-Fund's investment objectives, the Investment Manager will always try to maintain a strategically justified proportion, consistent with a growth risk profile, between Target Funds that invest primarily in stocks, Target Funds that invest primarily in bonds and Target Funds that invest primarily in hedge funds or alternative strategies or hedge funds themselves. The Target Funds will be primarily invested in bond and/or stock markets of the major developed markets, as well as emerging markets and may include thematic funds.

Target Funds of Type II may utilise on an ancillary basis a variety of non traditional strategies and instruments including arbitrage, leverage, short selling and global financial instruments which are not generally available in traditional funds.

The purpose of investing in these Target Funds of Type II is to achieve a portfolio structure that has a lower correlation or dependence on the direction of major financial markets, thereby further improving the risk/return characteristics of the Portfolio.

Investors should be aware that once the value of the Sub-Fund reaches a sufficient scale which may make discrete investment management more efficient than investing through Target Funds (in the opinion of the Directors and/or the Investment Manager), some or all of the assets of the Sub-Fund may possibly (but not necessarily) be withdrawn from these Funds and instead be allocated for investment purposes to the decisions of one or more Sub-Managers for discrete management. The Sub-Manager(s) will pursue the same investment policy as the Target Funds.

In this case, the Investment Manager will be obliged to monitor the performance of the Sub-Managers in order to assess the need, if any, to make changes/replacements and in order to ensure that the investment restrictions are observed on a consolidated basis. The Investment Manager may replace or appoint additional Sub-Managers under his own responsibility, subject to the prior approval of the Board of Directors. When there is discrete management, shareholders will be notified of any such appointment/replacement by an update of the relevant Sub-Fund Appendix and in the next annual/half yearly report. The up-date of the prospectus will reflect the Names, the functions and the costs of the remuneration of the appointed Sub-Manager(s).

In general the Portfolio will be diversified in terms of investment style and strategies within the Portfolios areas of investment and in terms of the assets of the Target Funds and/or the assets under discrete management, in order to achieve investment performance with lower volatility and risk characteristics than world bond and equity markets. To ensure the selection of the best products at all times, the investments of the Sub-Fund will be selected by diversified criteria's.

The investment objective of the Sub-Fund is to achieve long term capital appreciation and growth consistent with a growth profile. The Sub-Fund will attempt to achieve this by outperforming the average performance of fund managers with a similar return profile. Exposure to financial markets will be gained through investment in a diversified portfolio of Target Funds investing in bonds, equities and alternative investment strategies. Analysis shows that combining managers with independent and complementary investment styles reduces performance volatility. The sensitivity of the Sub-Fund to movements in interest rates, currency rates and stock prices is limited by combining managers who emphasise different factors in their investment process. By adopting this approach, it is expected that the Sub-Fund's performance will be more consistent, less volatile and have lower risk characteristics than single manager investment strategies.

The Board of Directors, the Investment Manager and/or the Sub-Manager(s) may employ a currency hedging strategy from time to time in respect of the Sub-Fund. This currency hedging strategy will involve hedging the base currency of the Sub-Fund against the currency of its investments. The purpose of this currency hedging strategy will not be speculative but will be as a means to protect and manage the Sub-Fund relating to its investment objectives.

The Investment Manager and/or the Sub-Manager(s) will seek to actively manage the currency allocation of the Sub-Fund in order to preserve the base currency value of the Sub-Fund. It will achieve this by managing the currency exposure of the Sub-Fund to limit its deviation from the currency exposure of selected benchmarks primarily through the use of currency forward contracts.

The Sub-Fund may only employ the use of various derivative instruments for the purpose of hedging.

The Sub-Fund may choose to place its cash holdings in money market funds rated no lower than AAA by Standard & Poor's rating agency in an effort to maximise its cash return. The Sub-Fund will invest no more than 30% of its Net Asset Value in money market funds.

### **USD Share Class, GBP Share Class and EUR Share Class**

Three Share Classes have been created in the Sub-Fund as to enable investors with different currency profiles to access to the same underlying portfolio.

The USD Share Class aim to achieve the investment objective of long term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the major currencies in which the Sub-Fund is invested.

The GBP Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for GBP based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

The EUR Share Class aim to achieve the investment objective of long term capital growth.

To manage the exchange rate risk, this Share Class may utilise the techniques and instruments as set out in chapter 6 – "RISK MANAGEMENT" of the Prospectus. This Share Class has been established for EUR based investors wishing to invest in a USD based portfolio, whilst having their exchange risk rate managed actively.

All Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on GBP and EUR Share Classes in order to minimise the impact of fluctuations in the USD rates of exchange.

It should be noted that there can be no guarantee that the GBP and EUR Share Classes would be fully hedged at times when the US Dollar appreciates against the underlying investment currencies of the common portfolio.

### **Investment techniques**

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in the chapter 6 - "RISK MANAGEMENT".

### **Currency transactions for hedging**

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the individual Class Shares, in their respective currencies of denomination.

### **Other hedging transactions**

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in the chapter 6 - "RISK MANAGEMENT", these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The total commitment from such purchase and sale transactions, together with the total commitment from the sale of call and put options on transferable securities, may not exceed the net asset value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.

**Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.**

**No assurance can be given that the investment objectives will be achieved.**

**There can be no assurance that the past performance information, which constitutes a substantial component of the basis on which the Investment Manager or the Sub-Manager selects the Target Funds within which the Sub-Fund invest, will be in any respect indicative of how such investments will perform (either in terms of profitability or correlation) in the future.**

**International investment involves certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Securities prices in different countries are subject to different economic, financial, political and social factors. Since the Sub-Fund will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities in the Sub-Fund.**

## **6. Investment Restrictions**

Further to the Investment Restrictions set out in chapter 7 the following restrictions are applicable to the Sub-Fund.

So the Sub-Fund

### **in the case of investment in other funds**

4. may invest up to 100% of its net assets in global equity and bond Target Funds;
5. may invest up to 15% of the net assets of the Sub-Fund in Target Funds, which invest in high yield bonds;

In order to boost returns, parts of the assets of the Sub-Fund may be invested in Target Funds, which are investing in sovereign high yield papers as well as corporate high yield papers.

The Managers of the Target Funds are screened and analysed on a number of risk adjusted quantitative measures to determine the historic performance characteristics of the Managers. These Managers are then visited by the Investment Manager of the Sub-Fund in order to assess the quality of the investment process, investment team, and organisational resources. The investment strategy of the Managers is also carefully analysed within the context of the

current investment environment. With high yield bond Managers, particular emphasis is placed on the Manager's method of dealing with market liquidity, credit analysis and portfolio diversification. Only Target Funds, whose Managers fulfil these criteria's, will be chosen as possible investment for parts of the assets of the Sub-Fund.

The Sub-Fund will not invest more than 10% of its net assets in one Target Fund, which invests in high yield bonds;

**Other restrictions:**

6. may hold liquid assets up to 30% of its net assets (including the investments in Money Market Target Funds);

**In the case of discrete investment**

The Investment Manager may in its discretion allocate a portion of the Portfolio for investment purposes to one or more Sub-Managers. The Board of Directors of the SICAV will always be responsible of the controls of these investments. The Investment Manager will monitor the performance of the Sub-Managers in order to assess the need if any to make changes and in order to ensure that the investment restrictions are observed on a consolidated basis. Shareholders will not be notified in advance of any such switch in investment style. Each change will be reflected in an update of the Appendix for the Sub-Fund and in the Financial Reports. Investments by way of discrete management in global bonds and equities should always meet the requirements laid out in the chapters Investment Policy and Investment Restrictions above.

***Investments in this Sub-Fund are suitable for those persons who understand the degree of risks involved and believe that the investments are suitable based on investment objectives and financial needs.***

**7. Dividends**

It is the Sub-Fund's policy to reinvest all its revenues and capital gains and not to pay any dividends.

**8. Investment Manager**

The Board of Directors of the SICAV is responsible for the overall supervision and control of the Sub-Fund including the determination of its investment policy.

The Board of Directors has appointed INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. as Investment Manager of the Sub-Fund to provide the day-to-day management in respect of the investment and re-investment of the assets of the Sub-Fund in accordance with the investment policy and the investment restrictions determined by the Board of Directors and disclosed in chapter 7 of the Prospectus and in the present Appendix.

**9. Fees and Expenses**

As remuneration for its services, the Investment Manager shall receive from the SICAV an annual fee at the maximum annual rate of 1,5% applicable on the average net assets of this Sub-Fund. The actual rate of this investment management fee is disclosed in the financial reports and is payable monthly.

The Investment Manager shall not receive any performance fee.

Each appointment of a Sub-Manager will be reflected in an update of the Appendix and the Fee-Structure for the Sub-Fund.

**10. The shares**

The Shares of the Sub-Fund shall be issued in registered form only.

**11. Valuation day – Settlement period**

The Net Asset Value per Share in the Sub-Fund is calculated on each Business Day, which is a Luxembourg bank business day.

Applications for subscriptions, redemptions or conversions from or to the Sub-Fund received by the Registrar and Transfer Agent of the SICAV in Luxembourg on a valuation day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the subscription/redemption/conversion price of the relevant Sub-Fund prevailing on that Valuation Day. Any applications received thereafter shall be processed on the next Valuation Day.

The settlement periods are the following:

Payment of Subscription Price: within 5 Business Days following the applicable Valuation Day

Payment of Redemption Price: within 5 Business Days following the applicable Valuation Day

**12. Sales Charge**

A sales charge with a maximum of 5% of the applicable Net Asset Value may be charged in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**13. Redemption Fee**

No redemption fee shall be levied upon redemption of Sub-Fund Shares.

**14. Conversion Fee**

No conversion fee shall be levied upon conversion of Sub-Fund Shares.

**15. Listing**

The Shares of the Sub-Fund shall be listed on the Luxembourg Stock Exchange.