PROSPECTUS

SCANDIUM ALTERNATIVE INVESTMENTS

Société d'Investissement à Capital Variable
à Compartiments Multiples

Subscriptions can only be received on the basis of this Prospectus accompanied by the latest annual report as well as by the latest semi-annual report published after the latest annual report.

These reports form part of the present Prospectus. No information other than that contained in this Prospectus, in the periodic financial reports, as well as in any other documents mentioned in the Prospectus and which, may be consulted by the public may be given in connection with the offer.

Shares of SCANDIUM ALTERNATIVE INVESTMENTS may be neither bought nor held directly or indirectly by investors who are residents or citizens of the United States and its sovereign territories nor is the transfer of shares to those persons permitted.

As in the case of any investment, the Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Company's individual Sub Funds will be achieved.

Investment in the Company is a high-risk investment. Investors may lose a substantial portion or all of the money they invest in the Company. Investment in the Company is only suitable for investors who can afford the risks involved. Only capital that the investor can afford to lose should be invested in a fund of this nature and investors are recommended to consult their financial advisers before investing in the Company.

Application will be made to have the Shares of the Company listed on the Copenhagen Stock Exchange.

R.C.S. LUXEMBOURG B 118344

MARCH 2007

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DEFINITIONS AND GLOSSARY TERMS

The following definitions apply throughout the Prospectus unless the content otherwise requires:

“Administration Agent”
Carnegie Fund Management Company S.A.

“Articles”
the articles of incorporation of the Company as amended from time to time

“Auditors”
Deloitte SA

“Base currency”
the reference currency of a Sub Fund

“Board of Directors”
the board of directors of the Company

“Business Day”
a day on which banks are open for business in Luxembourg

“Class”
each class of Shares within a Sub Fund

“Closed-ended Target Funds”
a type of Target Fund that has a fixed number of shares outstanding, which are offered during an initial offering period. After the offering period is closed, the shares are typically traded on an exchange between investors. The market price of a Closed-ended Target Fund fluctuates in response to investor demand as well as changes in the values of its holdings or its Net Asset Value. Unlike Open-ended Target Funds, Closed-ended Target Funds do not stand ready to issue and redeem shares on a continuous basis

“Company”
Scandium Alternative Investments

“Custodian”
Nordea Bank S.A.

“Denomination Currency”
the reference currency of a Class of Shares

“Distributor”
Scandium Asset Management A/S

“Institutional Investor”
institutional investor within the meaning of the 2002 Law

“Investment Manager”
Scandium Asset Management A/S

“Managed Account”
separate account which is managed on behalf of a Sub Fund by a Portfolio Manager

“Management Fee”
the fee payable by the Sub Funds to the Investment Manager which is calculated in the manner set out in the Prospectus and its Supplements

“Mémorial”
Mémorial, Recueil des Sociétés et Associations

“Net Asset Value per Share”
the net asset value per Share of any Class within a Sub Fund determined in accordance with the relevant provisions described under the section “Determination of the Net Asset Value”

“Open-ended Target Funds”
a type of Target Fund that generally sells as many shares as investor demand requires. If money flows in the number of outstanding shares of the Target Fund increases. If money flows out the number of outstanding shares decreases

“Performance Fee”
the performance related fee payable by the Sub Funds to the Investment Manager which is calculated in the manner set out in the Prospectus and its Supplements

“Portfolio Manager”
any asset manager to which the management of a portion of the assets of a Sub Fund is entrusted through the investment in a Target Fund or a Managed Account

“Prospectus”
the present prospectus as may be supplemented or amended from time to time

“Recognised Exchange”
any regulated market that operates regularly and is recognised and open to the public in any country and which is considered a recognised exchange within the meaning of article 41(1) of the 2002 law

“Share”
each Share of any Class within any Sub Fund

“Shareholder”
a person who is registered as the holder of a Share from time to time

“Sub Fund”
a separate portfolio of assets as described in the relevant Supplement

“Supplements”
supplements to the Prospectus containing information relating to each Sub Fund

“Target Fund”
any UCI in which the assets of a Sub Fund are invested

“UCI”
undertaking for collective investment

“Valuation Day”
the Business Day on which the valuation takes place which is set out for each Sub Fund in the applicable Supplement

“2002 Law”
the Luxembourg law dated December 20, 2002 relating to undertakings for collective investment, as amended from time to time

In this Prospectus, unless otherwise specified, all references to “US Dollars” or “US$” are to United States dollars and to “EUR” or “€” are to the legal currency of the countries participating in the Economic and Monetary Union.

INTRODUCTION

The Company is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a Société d'Investissement à Capital Variable ("SICAV") and has been set up at the initiative of Banque Carnegie Luxembourg S.A. and Scandium Asset Management A/S.

The principal objective of the Company is to pursue alternative investment strategies directly or through the investment in units or shares of other Open-ended or Closed-ended Target Funds and/or in Managed Accounts. The Company is consequently subject to Part II of the 2002 Law.

The Company is an umbrella fund and as such provides investors with the choice of investment in a range of several separate Sub Funds each of which relates to a separate portfolio of assets permitted by law with specific investment objectives, as described in the Supplements.

Shares may be issued by the Company in one or more Classes in each Sub Fund. Each Class may, as more fully described under the section “Capital Stock” below and in the relevant Supplement for each Sub Fund, (i) be targeted to different types of investors, (ii) have different minimum investment and holding requirements, (iii) have a different fee structure, (iv) have a different distribution policy or (v) have a different distribution channel.

The Company shall maintain for each Sub Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub Fund.

The net proceeds from the subscriptions are invested in the specific portfolio of assets constituting the relevant Sub Fund.

Monies subscribed for Shares of each Sub Fund should be in the Base Currency of the relevant Sub Fund.

The Sub Funds which are open for subscription for the time being are those which are listed in the Supplements. Supplements may be added to or removed from the Prospectus from time to time as Sub Funds are added to the Company or closed, as the case may be.

THE COMPANY

The Company was incorporated in the Grand-Duchy of Luxembourg on July 27, 2006. It is organised as a variable capital company (société d'investissement a capital variable "SICAV") under the law of August 10, 1915 relating to commercial companies and Part II of the 2002 Law. As such the Company is registered on the official list of collective investment undertakings maintained by the Luxembourg regulator. It is established for an undetermined duration from the date of the incorporation.

The registered office of the Company is at Centre Europe, 5 Place de la Gare, L-1616 Luxembourg. The Articles were published in the Mémorial on August 25, 2006. The Articles were amended on September 13, 2006 and the amendments will be published in the Mémorial on October 6, 2006. The registered number of the Company is R.C.S. Luxembourg B 118344. The Articles have been deposited with the register of the Tribunal d'Arrondissement of Luxembourg where they are available for inspection and where copies thereof can be obtained.

The fiscal year of the Company starts on January 1st and ends on December 31st of each year. The first year shall start on incorporation and end on December 31, 2007.

Shareholders' meetings are to be held annually in Luxembourg at the Company's registered office or at such other place as is specified in the notice of meeting. The annual general meeting will be held on the second Friday of April each year, at 2:00 p.m. local time, and for the first time in 2008. If such day is a legal bank holiday in Luxembourg, the annual general meeting shall be held on the next following bank business day in Luxembourg. Other meetings of Shareholders may be held at such place and time as may be specified in the respective notices of meetings. Notices of meetings will be published in the Mémorial, in such Luxembourg newspaper and in such other newspaper of general circulation as the Board of Directors may determine from time to time. Resolutions concerning the interests of the Shareholders of the Company shall be taken in a general meeting and resolutions concerning the particular rights of the Shareholders of one specific Sub Fund shall be taken by this Sub Fund's general meeting.

CAPITAL STOCK

The capital of the Company shall at all times be equal to the value of the net assets of all the Sub Funds of the Company.

The Company has been set up under the form of a public limited liability company and therefore all Shareholders may only be held liable up to the amounts they contributed in the Company.

The minimum capital of the Company shall be EUR 1.250.000,- (one million two hundred and fifty thousand EURO) within 6 months from authorisation by the Luxembourg regulator. The consolidated currency of the Company is EUR. For the purpose of determining the capital of the Company, the net assets attributable to each Sub Fund, if not expressed in Euro, will be converted into Euro at the then prevailing exchange rate in Luxembourg.

The Board of Directors is authorised, without limitation and at any time, to issue additional Shares at the respective Net Asset Value per Share determined in accordance with the provisions of the Articles, without reserving to existing Shareholders a preferential right to subscribe for the Shares to be issued.

The Sub Funds may, as disclosed in their Supplement, issue Shares of different Classes having the following characteristics:

- Class A Shares may be acquired and held by any individual or legal entity;
- Class I Shares are restricted to Institutional Investors and benefit from a reduced tax rate.

Certain Classes of Shares may be closed and will only be opened upon reception of subscription requests for an amount which is considered as acceptable by the Board of Directors.

Other Classes of Shares may be offered in the future, in which case the Prospectus will be amended accordingly.

The Sub Funds may issue Shares in different Classes as disclosed in their Supplement.

On issue, all Shares have to be fully paid up. The Shares do not have any par value. Each Share carries one vote, regardless of its Net Asset Value and of the Sub Fund to which it relates.
Shares are only available in registered form. No Share certificates will be issued in respect of registered Shares unless specifically requested; registered Share ownership will be evidenced by confirmation of ownership and registration on the Share register of the Company.

Fractional Shares will be issued to the nearest one-hundredth (1/100) of a Share, and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class of Shares in the relevant Sub Fund on a pro rata basis.

If the capital of the Company becomes less than two-thirds of the legal minimum, the Board of Directors must submit the question of the dissolution of the Company to the general meeting of Shareholders. The meeting is held without a quorum, and decisions are taken by simple majority. If the capital becomes less than one quarter of the legal minimum, a decision regarding the dissolution of the Company may be taken by Shareholders representing one quarter of the Shares present. Each such meeting must be convened not later than 40 days from the day on which it appears that the capital has fallen below two-thirds or one quarter of the minimum capital, as the case may be.

INVESTMENT OBJECTIVE AND POLICY

General Investment Guidelines

The assets of each Sub Fund will be invested separately in accordance with the investment objectives and policies of that Sub Fund which are set out in the relevant Supplement. The investment objectives and policies of each Sub Fund may differentiate itself from that of another Sub Fund by predominantly investing in one or more strategies and/or may have a regional focus.

Portfolio Managers

The assets of some Sub Funds may be placed under the management of Portfolio Managers in different ways.

Firstly, the assets of such Sub Funds may be invested in units or shares of Open-ended or Closed-ended Target Funds. These Sub Funds will invest primarily in Target Funds that are categorised as "hedge funds", i.e. UCI that may invest in futures, options and derivatives on equities, debt securities, foreign currency instruments, engage in short-selling and often employ leverage. The allocation of assets between the Target Funds can change over time.

Secondly, Portfolio Managers may agree to manage the assets of a Sub Fund directly by managing a Managed Account.

The Company cannot, however, guarantee that it will achieve its goals given financial market fluctuations and the other risks to which investments are exposed.

Characteristics of alternative asset management strategies

In contrast with traditional asset management, some of the defining characteristics of alternative asset management strategies can be summarised as follows:

- Whereas traditional asset management will focus on building a portfolio of long securities, essentially equities and bonds, alternative asset management will use both long and short positions. In addition, the use of derivatives, both for hedging and speculative purposes, might also be employed.

- Whereas traditional asset management typically only are allowed to invest in one asset class (stocks or bonds), alternative asset management often has the freedom to invest across asset classes i.e. to benefit from price anomalies between different asset classes or for hedging purposes.

- Alternative asset management strategies can and often will use leverage.

- A portfolio managed according to traditional asset management principles often aims to outperform a benchmark, an index, or industry median. Performance, therefore, is measured on a relative basis. Alternative asset management, on the other hand, seeks to capture absolute gains at all times, whether in a rising, static, or falling market.

- The primary source of performance is manager skill, not general market movements which is often the case for portfolios managed according to traditional asset management.

- Traditional asset management strategies often generate returns that are more highly correlated to major market indices than that of alternative asset management strategies.

Hedge fund: the basic concept

The quintessential alternative asset management investment vehicle is the "hedge fund", a concept that brings us back to the late 1940s, when a former journalist and academic named Alfred Winslow Jones started his A.W. Jones & Co. Partnership. Compared to some of today's more complex structures, his was remarkably simple. He took two investment tools and merged them into an investment system, and thereby aimed at reducing systematic risk. By using short sales (borrowing a security and selling it in the hope of being able to repurchase it more cheaply before repaying the lender) to hedge his long positions, effectively cutting out the influence of market movements on his portfolio, he became free to amplify his stock picking skills with leverage (buying securities with borrowed money). A. Jones effectively created a hedge fund system that provided superior returns relative to long only portfolios.

Hedge fund: a contemporary definition

Since then, the "hedge fund" concept has expanded to include a variety of alternative investment strategies. Far from being an homogeneous group, hedge funds today cover a wide array of investment styles and strategies. Some adhere to well defined investment disciplines while others are highly opportunistic. Risk profiles and performance attributes, therefore, can vary substantially. Finally, the style of some hedge funds may evolve over time to better suit market conditions. Broadly speaking, hedge funds styles and investment strategies include the following:

Equity hedged strategies: the underlying funds of this investment style engage principally in equity hedged strategies. The target is to achieve returns comparable to the returns of a diversified global equity portfolio with significant lower risk.

Strategies in the long/short equity sector primarily involve investing in publicly traded instruments in developed and emerging countries. This is the largest segment of the hedge fund industry, spanning a wide range of strategies and markets. These strategies reflect approaches which may be driven by any of the following factors: growth, value, market timing or industry. Advisors may also invest globally or specialize in regional markets.

Investments can be long and/or short biased and are usually at least partially hedged. Hedging can be accomplished through short sales and/or the use of index options and futures and other derivative products. Leverage is often employed.

Macro strategies: global macro trading is an opportunistic approach that takes advantage from shifts in macro economic trends, based on expected rate of change such as interest rates, inflation, economic cycles, etc. These managers trade all markets, all asset classes (stocks, bonds, currencies, commodities etc.) and all instruments (cash, futures, derivatives etc.) and use leverage. Returns in this strategy primarily depend on the trading and risk management skills of the particular investment manager.

Arbitrage or relative value strategies: the underlying funds engage principally in arbitrage and absolute return investment strategies in the global equity and corporate debt securities market. They use instruments such as convertible bonds, preferred securities, options, warrants and option-linked securities. Arbitrage is by definition taking advantage of mispricing between two related and correlated securities. These strategies offer attractive risk/reward characteristics which may provide higher returns than a traditional fixed income securities investment.

Event-driven strategies: event driven investing involves the purchase or sale of securities of companies which are undergoing substantial changes. Among other opportunities, the portfolio invests in securities of companies that are selling assets, leaving or entering new businesses, changing their capital structures or that are the subject of a publicly announced acquisition, merger, tender offer, exchange offer, liquidation or other corporate reorganization.

In event driven investing, profits are generally realized from the difference between the purchase price of the security of the company undergoing a specified event and the value ultimately realized upon completion of the event. Such profits relate to the ability of the investment manager to evaluate accurately the impact of an event and the probability of a particular event occurring.

Merger arbitrage seeks to capture the price spread between current market prices and the value of securities upon successful completion of a take-over or merger transaction. In cash transactions this spread can be straightforward compared to the actual bid-price. In stock-for-stock transactions, the spread is calculated by shorting an appropriate ratio of the acquiring company's underlying stock.

Investments in distressed securities include the purchase of debt or equity securities of firms in or near bankruptcy. Distressed securities are often inefficiently priced due to their illiquidity, the existence of forced sellers and the uncertainty created by the restructuring process. Opportunities are closely linked to the level of defaults and credit spreads in the market. Investments include companies involved in workouts, liquidations, reorganisations, recapitalisations and bankruptcies.

Special situations include investment opportunities created by spin-offs, corporate reorganisations and restructuring.

Commodity Trading Advisors ("CTAs"): commodity trading advisors primarily focus on capital preservation and high absolute returns through participation in the futures, options and forward markets. The CTAs trade a diverse portfolio of futures options and forward contracts including foreign currencies, precious metals, the energy complex, stock market indices, interest rate futures and agricultural commodities.

CTAs use a part of their money as margin for their trades and invest the rest in less volatile investments. A typical proportion of margin to equity ratio might lie in between 20% and 30%. The trading systems will usually be technically based and have stop loss limits for risk control. The strict limits are necessary to operate safely with leverage.

The very low correlation of CTAs to traditional investments and the positive performance in times of turbulence make CTAs an interesting part of a hedge fund portfolio.

Advantages and disadvantages of a fund-of-funds structure
The main advantages of a fund of funds structure such as some Sub Funds of the Company, in comparison to direct investment, are the following:

- the selection of a diversified portfolio of Target Funds, whose Portfolio Managers use different strategies, limits the specific risk related to any individual strategy;

- the selection of a diversified portfolio of Target Funds, whose Portfolio Managers use the same strategy, limits the specific risk related to an individual Portfolio Manager;

- collective investment vehicles like the Company allow investors to participate in Target Funds that would normally be closed because of their high minimum investment requirements.

The main disadvantages are:

- each Target Fund has its own cost structure to which the Sub Fund's own costs must be added;

- the dilution of specific risk by means of diversification implies a dilution of the performance of the Sub Fund's most successful investments.

Investment Restrictions

The Company and each Sub Fund will at all times respect the Investment Restrictions as set out in this section as well as for each Sub Fund in the relevant Supplement. However, the investments of any Target Funds are subject only to the restrictions given in their respective information memoranda, articles of incorporation and prospectuses. The Target Funds in which the Company may invest in turn use leverage and invest in equities, bonds, currencies and a broad range of derivative instruments within the constraints of their individual investment restrictions. Neither the Company nor the Investment Manager nor the Custodian are liable for compliance with such guidelines and restrictions by the Target Funds.

1. Restrictions applicable to investments in Target Funds

1.1. Open-ended Target Funds

The Sub Funds may, in principle, not invest more than 20% of their net assets in securities issued by the same Open-ended Target Fund. For the purpose of this 20% limit, each compartment of a Target Fund with multiple compartments is to be considered as a distinct Target Fund on the condition that the principle of segregation of the commitments of the different compartments against third parties is assured.

Each Sub Fund may hold more than 50% of the units of a Target Fund on the condition that if the Target Fund is an umbrella UCI, the investment by the Sub Fund in the legal entity constituting the Target Fund is less than 50% of the net assets of the Sub Fund.

These restrictions are not applicable to the acquisition of units of Open-ended Target Funds that are subject to risk diversification requirements similar to those applicable to Luxembourg Part II UCIs and if these Target Funds are subject in their country of origin to permanent supervision performed by a supervisory authority set up by law to ensure the protection of investors. This may not result in an excessive concentration of investments by the Company in one Target Fund it being understood that for the purposes of this limit each sub fund of an umbrella Target Fund is considered as a distinct Target Fund on the condition that the principle of segregation of the commitments of the different sub funds against third parties is assured.

The Company must ensure that the portfolios of the Target Funds have sufficient liquidity to allow it to fulfil its repurchase obligations.

1.2. Closed-ended Target Funds

The Sub Funds may invest in Closed-ended Target Funds the securities of which are considered as transferable securities provided that they shall not:

(i) invest more than 20 % of their net assets in units or shares of Closed-ended Target Funds, which are not admitted to official listing on a stock exchange nor traded on another Recognised Exchange;

(ii) acquire more than 10% of the units or shares of the same kind issued by the same issuing Closed-ended Target Fund and

(iii) invest more than 20% of their net assets in units or shares of the same Closed-ended Target Fund.

The restrictions set forth under this section 1.2 (i), (ii) and (iii) above should be combined with the restrictions provided under heading 3.3. “Additional Investment Restrictions” below in relation to investments in other transferable securities.

1.3. Investment in Master/Feeder structures

The Sub Funds may only be able to invest into certain Target Funds through feeder vehicles expressly designed and incorporated with the sole object to allow investment in a specific Target Fund. A Sub Fund may invest into Target Funds through these feeder structures where required. By investing through the feeder structure, the relevant Sub Fund may not incur any additional cost compared to a direct investment in the Target Fund. In case of investment in a Master/Feeder structure, the investment restrictions set forth under section 1. “Restrictions applicable to investments in Target Funds” above shall be applicable at the level of the Master fund.

2. Restrictions applicable to investment through Managed Accounts

Sub Funds investing through Managed Accounts shall be subject to the following provisions unless otherwise provided for in their relevant Supplements.

The Sub Funds shall not conclude any individual mandates for asset management, with a view to place its assets directly into Managed Accounts. However, each Sub Fund may place its assets indirectly into Managed Accounts by investing up to 20% of its gross assets in companies (such as special purpose vehicles) controlled by the Company provided that the following conditions are met:

- as a general rule, the entire share capital of such companies shall be held by the Company,
- the majority of the members of the board of directors of such companies are members of the Board of Directors,
- the companies may have no other object than to hold the assets of the Company,
- the accounting of these companies shall be consolidated with the accounting of the Company and shall be audited by the Auditors or by auditors which belong to the same group as the Auditors,
- adequate measures will be taken to ensure that the Custodian will be able to fulfil the duties imposed on it by the applicable legislation or the present Prospectus.

The investment restrictions as set out in the present Prospectus and the Supplements shall at all times be complied with even in the circumstances where the Company invests its assets indirectly through Managed Accounts as described above.

3. Restrictions applicable to other investments

In principle, no more than 20% of the gross assets of any Sub Fund may be invested through Managed Accounts and Target Funds managed by the same Portfolio Manager. The control and monitoring of those investment restrictions on a consolidated basis will be ensured under the general responsibility of the Board of Directors.

<u>3.1. Short Sales</u>

To the extent that a Sub Fund reverts to short sales, the following provisions shall apply, subject to more stringent restrictions set out in the relevant Supplement.

In carrying out short sales, the Company, in respect of each Sub Fund, will not be entitled to hold:

(a) a short position on transferable securities which are not admitted to official stock exchange listing nor dealt in on another regulated market which operates regularly and is recognised and open to the public; however, a Sub Fund will be entitled to hold short positions on non listed or non traded transferable securities provided their value does not exceed 10% of the gross assets of the Sub Fund and that those non listed or non traded transferable securities are highly liquid;

(b) a short position on transferable securities which represent more than 10% of securities of the same nature issued by the same issuer;

(c) a short position on transferable securities issued by the same issuer (i) when the sum of the market prices thereof represents more than 10% of the gross assets of the Sub Fund, or (ii) when this short position represents a commitment of more than 5% of the gross assets of the Sub Fund.

Commitments arising from short sales on transferable securities at a given time are equal to the aggregate non realised losses resulting at that time from the short sales made by the Company. The non realised loss resulting from a short sale is equivalent to the positive amount equal to the market price at which the uncovered position can be covered less the price at which the uncovered sale was effected.

The aggregate commitments arising from short sales cannot, at any moment, exceed 50% of the gross assets of the Sub Fund. When the Company enters into short sales transactions it must have the necessary assets, permitting it, at any moment, to close the positions resulting from these short sales.

Short positions on transferable securities for which the Sub Fund is adequately covered are not taken into account for the calculation of the aggregate commitments referred to above.

Each Sub Fund may carry out securities lending transactions as a borrower with highly rated professionals specialised in these types of transactions. The counterparty risk resulting from the difference between (i) the value of the assets assigned as security by the Sub Fund to a lender in the context of a securities lending transaction, and (ii) the value of the sums due by the Sub Fund to the lender cannot be greater than 20% of the gross assets of the Sub Fund. It is to be noted that each Sub Fund may, in addition, grant guarantees in the context of systems of guarantees which do not result in a transfer of ownership or which limit the counterparty risk by other means.

3.2. Borrowings

To the extent that a Sub Fund reverts to borrowings, the following provisions shall apply, subject to more stringent restrictions set out in the relevant Supplement.

Each Sub Fund may borrow, on a permanent basis, for investment purposes from highly rated professionals specialised in these type of transactions.

Each Sub Fund may borrow amounts of up to 200% of its net assets.

The counterparty risk resulting from the difference between (i) the value of the assets assigned as security by the Sub Fund to a lender and (ii) the value of the debts due by the Sub Fund to the lender, cannot be greater than 20% of the gross assets of the Sub Fund. It is to be noted that each Sub Fund may, in addition, grant guarantees in the context of systems of guarantees which do not result in a transfer of ownership or which limit the counterparty risk by other means.

This counterparty risk together with the one referred to above in the context of securities lending transactions cannot exceed, per lender, 20% of the gross assets of the Sub Fund.

3.3. Additional investment restrictions

Each Sub Fund will not be entitled to:

(a) invest more than 10% of its gross assets in transferable securities which are not listed on a stock exchange or not negotiated on another regulated market, which operates regularly, is recognised and is open to the public;

(b) acquire more than 10% of securities of the same nature issued by the same issuer;

(c) invest more than 20% of its gross assets in securities issued by the same issuer.

The restrictions set out in (a) to (c) above are not applicable to securities issued or guaranteed by an OECD Member State or its local authorities or by other supranational organisations.

The restrictions set out in (a) to (c) are not applicable to securities issued by Target Funds.

If the limits referred to above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of its shareholders.

The Sub Fund may hold on an ancillary basis cash and cash equivalent

3.4. Use of derivative financial instruments and other techniques

The Sub Funds may use financial derivative instruments including, inter alia, options, financial futures and related options and swaps entered into by private agreements relating to all types of financial instruments as well as techniques such as securities lending operations, repurchase transactions (*operations à réméré*) and reverse repurchase transactions (*opérations de mise en pension*).

The financial derivative instruments must be negotiated on an organised market or entered into by private agreements with highly rated professionals who specialise in these types of transactions.

The aggregate of the commitments arising from short sales on transferable securities together with the commitments arising from the financial derivative instruments traded on an organised market or entered into by private agreement may not exceed the value of the gross assets of the Company.

The counterparty risk resulting from the difference between (i) the value of the assets assigned as security by the Sub Fund to a counterparty in the context of financial derivative instruments, and (ii) the value of the sums due by the Sub Fund to the counterparty cannot be greater than 20% of the gross assets of the Sub Fund. This counterparty risk together with the ones referred to above in the context of securities lending transactions, borrowings and any other transactions cannot exceed, per counterparty, 20% of the gross assets of the Sub Fund.

a) Restrictions regarding the use of financial derivative Instruments:

Margin deposits relating to financial derivative instruments negotiated on an organised market and commitments arising from those entered into by private agreements cannot exceed 50% of the gross assets of the Company. Premiums paid for the acquisition of outstanding options are included in this limit. The Company must hold a liquid asset reserve equal to at least the margin deposits it made. The term “liquid assets” includes term deposits, money market instruments regularly negotiated and with a maturity of less than 12 months, treasury bills, debt securities issued by OECD member states or their local authorities or by other supranational organisations and debt securities admitted to official stock exchange listing or negotiated on a regulated market which operates regularly, is recognised and is open to the public issued by first rate issuers and having a high degree of liquidity.

The Company may not borrow in order to finance margin deposits. Nor can it enter into contracts relating to commodities other than futures contracts relating thereto. However, the Company can acquire, for cash, precious metals, which are negotiated on an organised market.

The Company must ensure an adequate distribution of risk by sufficient diversification.

The Company may not hold an open position on a single contract relating to a financial derivative instrument negotiated on an organised market nor a single contract relating to a financial derivative instrument entered into by private agreement for which the required margin, or the commitment, as the case may be, represents 5% or more of the gross assets.

The premiums paid for the acquisition of outstanding options having identical characteristics cannot exceed 5% of the Company's gross assets.

The Company cannot hold an open position on financial derivative instruments relating to a single commodity or a single category of futures relating to financial instruments for which the required margin (for financial derivative instruments negotiated on an organised market) as well as the commitment (for financial derivative instruments entered into by private agreement) represents 20% or more of the gross assets.

The commitment relating to a transaction on a financial derivative instrument entered into by the Company by private agreement is equal to the unrealised loss resulting, at that moment, from the said transaction.

b) Securities lending:

The Company may for each Sub Fund 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 lending transactions, the Company must in principle receive a guarantee, the value of which at the conclusion of the contract must be at least equal to 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 world-wide nature, and blocked in the name of the Sub Fund until the expiration of the loan contract.

Securities lending transactions may not exceed 50% of the global valuation of the total securities of a Sub Fund. A securities lending transaction may not extend beyond a period of 30 days. This limitation does not apply where the Sub Fund is entitled at all times to cancellation of the contract and the restitution of the securities lent

c) Repurchase agreements and reverse repurchase agreements:

The Company may, from time to time enter into repurchase agreements or reverse repurchase agreements either as a purchaser or a vendor. Such transactions may only be entered into with highly rated professionals specialising in these types of transactions. The Company cannot sell securities, which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired unless the Company has other means of covering its obligations. The Company must at all times ensure that the level of purchased securities, subject to a repurchase obligation, is such that it is able, at all times, to meet its obligation to redeem its own shares. These conditions also apply to a reverse repurchase agreement where the Company acts as Purchaser.

Where the Company is the vendor in a reverse repurchase agreement it cannot, throughout the life of the agreement assign, pledge to a third party nor make subject to another reverse repurchase agreement, in any other form, the securities subject to that reverse repurchase agreement. The Company must have at the term of the reverse repurchase agreement, the necessary assets to pay, as the case may be, the price for the retrocession to the purchaser.

The Company will indicate in its financial reports the total value of outstanding repurchase and reverse repurchase transactions outstanding at the date of the report.

Techniques and Instruments to Hedge Exchange Risks

The Company may further, under the conditions and within the limits laid down by law, regulations and administrative practice, employ techniques and instruments intended to provide protection against exchange risks in the context of the hedging of the Company's assets and liabilities.

To this effect the Company may enter into transactions the purpose of which is the sale of futures currency contracts, the sale of call options on currencies or the purchase of put options on currencies. These contracts and options are dealt in on a regulated market, operating regularly, recognized and open to the public or traded over-the-counter with broker-dealers who make a market in these contracts or options and who are first-class financial institutions with a high rating, specializing in these types of transactions and are participants in the over-the-counter markets. For the same purpose the Company may also sell currencies forward or exchange currencies on a mutual agreement basis with first-class financial institutions specializing in this type of transaction.

The Company will deal in foreign exchange transactions only to hedge against exchange risks and provided that the value of such contracts does not exceed the total value of the assets denominated in the currency of such contracts and for a duration which shall normally not exceed the period during which the relevant assets are held.

Selection and Monitoring Process of Target Funds

Bottom-up approach - portfolio returns are driven mainly by fund/manager selection. The investment philosophy has from the outset been to access the best fund managers globally, as it is believed that good performance is generated by talented individual managers. Strategy allocation is focused on controlling overall volatility and correlation with other assets. However when for example the Investment Manager has firm reason to believe that equities are in an up-trend he will add to the long-short equity funds.

Our approach has evolved over the past four years. The Investment Manager’s expertise is the Scandinavian market, which the Investment Manager has come to know thoroughly. It is estimated that the actual 73 hedge funds based in the Nordic region manage 14,2 billion EUR. At the same time the portfolios also represent funds from the global hedge fund industry.

Screening - The Investment Manager uses a variety of information sources to identify prospective investments, including, but not limited to, databases, introducing brokers, third party marketers and industry contacts. These sources help narrow down the investment universe. The goal of the screening process is to identify a group of high quality Target Funds for further review by the Investment Manager.

Roughly speaking the Investment Manager screens out 95% and composes a candidate watch list from the remaining 5%.

Evaluation and selection of managers - Once a fund from the watch list has been identified as being of interest, extensive qualitative and quantitative due diligence/analysis is carried out. The team has teleconference and/or face-to-face meetings with the managers of prospective holdings. For each investment in a fund the manager writes an investment recommendation report and carries out a non investment due diligence review.

The goal of the due diligence process is to evaluate the following: 1) the setup of the Target Fund, i.e. custody, administration and fee level, 2) the Investment Strategy and risk management implemented by the Portfolio Manager, 3) the background and ability of the proposed Portfolio Manager's company and its managers, 4) the infrastructure of the Portfolio Manager's company, 5) the Portfolio Manager's performance history and 6) the differentiating factors that give the proposed Portfolio Manager an investment edge.

By combining these qualitative and quantitative factors, the Investment Manager attempts to forecast the proposed Portfolio Managers potential for generating sustainable attractive positive returns under a wide variety of market conditions. This due diligence is an invaluable step in building a portfolio that meets the risk/returns objectives of the Sub-fund set forth by the Investment Manager. The Investment Manager believes it is well qualified to perform this analysis given the experience and track record of the firm's personnel in selecting and managing a portfolio of hedge funds.

Monitoring - after investment the team continues to monitor holdings closely. Performance is reviewed daily, weekly or monthly (depends on the reporting frequency of the Target Fund), quantitative risk statistics are analysed monthly and a formal, in-depth team review of each fund is conducted quarterly. These are aimed at monitoring holdings for any shifts in investment style, leverage, risk, assets under management, the Portfolio manager's personnel or changes in the performance profile to avoid unanticipated correlations developing between funds or to exit early from those whose sustainable attractive positive return generation is disappearing.

Special Risk Considerations

A) GENERAL RISKS

Prospective investors should be aware that an investment in the Company involves a high degree of risk, including the risk of loss of the entire amount invested.

Portfolio Managers may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leveraged factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that a Sub Fund's investment program will be successful or that the investment objective of a Sub Fund will be achieved. Shares may fluctuate in price and value, and the value of the Shares may decline below the amount originally invested.

Despite a strict due diligence procedure used to select and monitor the individual Target Funds in which the assets of the Company are invested, there can be no assurance that the past performance information will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future. Upon a redemption of Shares or the liquidation of the Company, investors may receive less than the amount invested.

Some Sub Funds of the Company may invest in Target Funds which pursue an alternative investment policy. These Target Funds will generally fall in the category commonly know as “hedge funds” or “alternative investments”. Some investments may also be made in Target Funds which trade in commodities futures and options, currencies and currency contracts or financial instruments. Thus, such Target Funds use specific investment and trading techniques such as investments in options, use of futures or short sales of securities. The Company will seek to achieve risk diversification by selecting Target Funds managed by different Portfolio Managers with different investment styles or investing in different areas. But it may not be excluded that the Target Funds lose their entire value.

B) LACK OF SUPERVISION

The Company is permitted to invest in Target Funds established in jurisdictions where no or less supervision is exercised on such Target Funds by regulators. Although the Company will ensure that in any such event other safeguards are provided for the protection of the interest of the shareholders of such Target Funds , such protection may be less efficient as if supervision by a regulator was exercised. Further the efficiency of any supervision or of other safeguards may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment policies pursued by, such Target Funds. Certain Target Funds may not be audited by a reputable firm of auditors or may be subject to less stringent standards regarding accounting or auditing, meaning that the reported value of such investments may deviate from that which would be reported in countries with more stringent standards. However, in order to minimise these risks, a due diligence procedure has been put in place setting out various criteria for the selection of Target Funds (see section “Selection and Monitoring Process”).

C) ILLIQUIDITY OF THE TARGET FUNDS

Although the Investment Manager will seek to select Target Funds which offer the opportunity to have their shares or units redeemed within a reasonable time frame, there is no assurance that the liquidity of the investments of such Target Funds will always be sufficient to meet redemption requests as, and when made. Any lack of liquidity may affect the liquidity of the Shares and the value of its investments.

For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties to determine the Net Asset Value per Share and consequently a suspension of issues and redemptions.

D) VALUATION OF TARGET FUNDS

Any Sub Fund investing in Target Funds will determine its Net Asset Value primarily on the basis of the value of its interests in such Target Funds, as reported or provided by such Target Funds. Neither the Company, nor its Administration Agent nor the Investment Manager have any control over the valuation methods and accounting rules adopted by the Target Funds in which a Sub Fund may invest and no assurance can be given that such methods and rules will at all times allow the Company to correctly assess the value of its assets and investments. If the value of a Sub Fund's assets is adjusted after any Valuation Day (as a consequence, for instance, of any adjustment made by an Target Fund to the value of its own assets), the Board of Directors will not be required to revise or recalculate the Net Asset Value on the basis of which subscriptions, redemptions or conversions of Shares of that Sub Fund may have been previously accepted.

E) PERFORMANCE FEE

A portion of the fees of the Investment Manager is based on the Company's performance. In addition, due to the specialist nature of the Target Funds, many, if not most of such Target Funds, may pay performance fees. Under these arrangements the Investment Manager and the Portfolio Managers will benefit from the appreciation, including any unrealized appreciation, if the value of the assets under their management increases, but they may not similarly be penalized for realized losses or decreases in the value of such assets. The performance fee may provide an incentive for the Investment Manager to make investments for the Sub Fund and the Portfolio Managers to make investments for the Target Funds which carry more risk than would be the case in the absence of a fee based on the performance of the Sub Fund. Further, because several, if not all Portfolio Managers may be paid in performance fees, it is possible that in a given year such fees will be paid whereas the total Net Asset Value per Share decreases

F) FEE STRUCTURE

The Company incurs the costs of its management and of the fees paid to the Investment Manager, the Custodian and the Administration Agent as well as a pro rata portion of the fees paid by the Target Funds to their Portfolio Managers or other service providers. As a result the operating expenses of the Company may constitute a higher percentage of the Net Asset Value than could be found in other investment schemes. Further, some of the strategies employed at the level of the Target Funds require frequent changes in trading positions and a consequent portfolio turnover. This may involve brokerage commission expenses to exceed significantly those of other investment schemes of comparable size.

Potential investors should be aware that the fees payable to the Investment Manager are in addition to the fees paid by the investee Target Funds to the Portfolio Managers and that, there may be a duplication of fees.

However, in any event, there will be no duplication of fees, should the Company invest in Target Funds managed by SCANDIUM ASSET MANAGEMENT A/S and its affiliates. Accordingly, the Company shall not incur any fee or expense payable to suchTarget Funds.

Further all rebates from Target Funds will go to the Sub Fund who has invested in the particular Target Fund.

G) LEVERAGE

Certain Target Funds operate with a substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such Target Funds may in aggregate value be in excess of the Net Asset Value of the Company. This leverage presents the potential for a rate of total return but also increases the volatility of the Company, including the risk of a total loss of the amount invested. However, to the extent that the Company participates in leverage through a Target Fund, the Company's losses will be limited to the amount invested in the particular Target Fund.

The assets of the Company may also be allocated to Target Funds whose primary investment strategies include speculative trading of commodities futures and/or financial futures contracts and currencies. Commodity and currency futures prices can be highly volatile because of the low margin requirements in futures trading. An extremely high degree of leverage is typical for futures trading accounts. As a result, a relatively small price movement in a futures contract may result in substantial losses or gains to the investor. Similarly some of the Target Funds may have the majority of their assets invested in options and other geared instruments, where a relatively small price movement in the underlying security or commodity may result in substantial losses or profits.

In addition each Sub Fund may borrow amounts of up to 200% of its net assets.

H) SHORT SALES

The Target Funds may engage in short selling of securities which may expose the portion of the Target Fund's assets committed to such activities to unlimited risk due the lack of an upper limit on the price to which a security may arise. However, to the extent that the Company participates in short selling activities through a Target Fund, the Company's losses will be limited to the amount invested in the particular Target Fund.

I) ABSENCE OF CUSTODIAN BANKS

Some of the Target Funds in which the assets of the Company are allocated have a broker as a custodian instead of a bank. In certain cases these brokers may not have the same credit rating as a bank. In addition, contrary to custodian banks in regulated environments, these brokers will perform only safekeeping functions with no statutory supervisory obligations.

J) COUNTERPARTY RISK

The Company may have credit exposure to one or more counterparties by virtue of its investment positions. To the extent that a counterparty defaults on its obligation and the Company is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Such risks will increase where the Company uses only a limited number of counterparties.

K) CONFLICTS OF INTERESTS

Conflicts of interests may arise between the Company and the persons or entities involved in the management of the Company and/or the Portfolio Managers of the Target Funds. The Portfolio Managers normally manage assets of other clients that make investments similar to those made on behalf of the Target Funds in which the Company invests. Such clients could thus compete for the same trades or investments and whilst available investments or opportunities for each client are generally allocated in a manner to be believed equitable to each, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed.

Generally there may be conflicts of interests between the best interests of the Company and an interest of the Investment Manager to generate fees, commissions and other revenues. In the event that such a conflict of interests arises, the Investment Manager will endeavour to ensure that it is resolved in a fair manner.

Furthermore, some Portfolio Managers have an equity stake in their own fund. Conflicts of interest can therefore not be ruled out at the level of the Target Funds.

L) NATURE OF THE INVESTMENTS IN THE COMPANY

Although the Investment Manager seeks to monitor investments and trading activities of the Target Funds to which the Company has allocated assets, investment decisions are normally made independently at the level of such Target Fund and it is possible that some Portfolio Managers will take positions in the same security or in issues of the same industry or country or in the same currency or commodity at the same time. Consequently, the possibility also exists that one Target Fund purchases an instrument at about the same time when another Target Fund decides to sell it. There is no guarantee that the selection of the Portfolio Managers will actually result in a diversification of investment styles and that the positions taken by the underlying Target Funds will always be consistent.

There are only very limited constraints on the investment strategies and techniques that can be employed by the Portfolio Managers.

As a result of its diversified investments, the Company may incur other risks, including currency exchange risks in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions, political risks relating to political, social and economic factors which may affect the assets of the Target Funds, which are held in countries which may be subject to economic difficulties, political or social unrest.

M) INVESTMENT THROUGH MANAGED ACCOUNTS

From time to time, certain Sub Funds may, in accordance with the provisions of the relevant Supplement, open a Managed Account with a Portfolio Manager. A Sub Fund’s potential losses from any such Managed Account would not be limited to the amount invested. Because the Portfolio Managers may use leverage, their trading positions in a Managed Account may result in losses that exceed the Sub Fund’s assets committed to the Managed Account.

The use of companies (such as special purpose vehicle) to invest in Managed Accounts should reduce the risk of losses exceeding the Sub Fund's assets committed to the Managed Account.

N) UMBRELLA STRUCTURE

Some of the Target Funds may have an umbrella structure. Any sub-funds of such a Target Fund may be liable to debts of other sub-funds on its assets depending on its own regulations and applicable laws of its jurisdiction.

O) MARKET-RELATED RISKS

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Company directly or indirectly holds positions, could impair the Company's ability to achieve its objectives and/or cause it to incur losses.

The success of a significant portion of each Sub Fund's investment program will depend, to a great extent, upon correctly assessing the future course of the price movements of stocks, bonds, financial instruments and foreign currencies. There can be no insurance that the Investment Manager or any Portfolio Manager will be able to predict accurately these price movements.

Portions of the Company's assets may be held or traded in non-EUR currencies and may therefore be subject to risks associated with investments in such currencies. In general, foreign exchange rates can be extremely volatile. Currency prices may be influenced by, among other factors: changing supply and demand for a particular currency; trade, fiscal and monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other currencies); political events; changes in balance of payments and trade; EU and non-EU rates of inflation; international interest rates; international trade restrictions; and currency devaluations and re-evaluations. In addition, governments from time to time intervene, directly and by regulation, in the currency markets to influence prices directly. Variance in the degree of volatility of the market from the Company's expectations may produce significant losses to the Company.

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub Funds and Target Funds, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.

Each securities exchange or commodities contract market typically has the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub Funds and/or their Target Funds , to liquidate positions and, accordingly, expose the Company to losses and delays in its ability to redeem Shares.

ACCORDINGLY, INVESTMENT IN THE SHARES IS ONLY APPROPRIATE FOR INVESTORS WHO ARE WILLING TO ACCEPT THE RISKS AND REWARDS STEMMING FROM SUCH AN APPROACH.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved. Prospective investors should read the entire Prospectus and fully evaluate all other information that they deem to be necessary for determining to invest in the Company. Prospective investors should ensure that they fully understand the content of this Prospectus.

P) RISK OF INVESTING IN EMERGING MARKETS

Political and economic structures in countries with emerging economies or stock markets, including certain countries in Asia and the Pacific region, Africa, Eastern Europe, Latin America and the Middle East, may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries.

DISTRIBUTION POLICY

The annual general meeting shall decide, on recommendation of the Board of Directors, on the distribution (if any) of each Sub Fund's profits. Unless otherwise provided for in the Supplement of a Sub Fund, no dividend is expected to be paid to the Shareholders. However, the Board of Directors reserve the right to propose the payment of a dividend at any time.

Decisions regarding the annual dividend are taken by the annual general meeting, and regarding the semi-annual dividends - interim dividends - by the Board of Directors.

No distribution may be made as a result of which the minimum capital of the Company falls below EUR 1.250.000,- or its equivalent in any other currency.

NET ASSET VALUE

The Net Asset Value per Share of each Class is calculated by the Administration Agent in the Base Currency of the relevant Sub Fund.

The Net Asset Value per Share of each Class within the relevant Sub Fund shall be expressed in the Sub Fund's Base Currency and shall be determined as of any Valuation Day by dividing the net assets of the Company attributable to the relevant Class of Shares, being the value of the portion of assets less the portion of liabilities attributable to it, on any such Valuation Day, by the number of Shares then outstanding, in accordance with the valuation rules set forth below. **The Net Asset Value per Share of each Class as at each Valuation Day will be calculated and available no later than 20 Business**

Days after the relevant Valuation Day but in any case before the publication of the next following Net Asset Value per Share.

The Net Asset Value per Share may be rounded up or down to the nearest unit of the relevant currency as the Company shall determine. If since the time of determination of the Net Asset Value there has been a material change in the quotations in the markets on which a substantial portion of the relevant Sub Fund are dealt with in or quoted, the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuations and carry out a second valuation for all applications received on the relevant Valuation Day.

Suspension of the calculation of Net Asset Value per Share and of the issue, repurchase and conversion of Shares.

The calculation of the Net Asset Value per Share of any Sub Fund and the issue, conversion and redemption of the Shares of any Sub Fund may be suspended in the following circumstances:

- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed, which is the main market or stock exchange for a significant part of the Sub Fund's investments, or in which trading therein is restricted or suspended; or

- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible for the Company fairly to determine the value of any assets in a Sub Fund; or.

- during any breakdown in the means of communication normally employed in determining the price of any of the Sub Fund's investments or of current prices on any stock exchange; or

- when for any reason the prices of any investment owned by the Sub Fund cannot, under the control and liability of the Board of Directors, be reasonably, promptly or accurately ascertained; or

- during the period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or

- following a possible decision to liquidate or dissolve the Company or one or several Sub Funds; or

- whenever exchange or capital movement restrictions prevent the execution of transactions on behalf of the Company or in case purchase and sale transactions of the Company's assets are not realisable at normal exchange rates;

The suspension of the calculation of the Net Asset Value per Share and of the issue, conversion and redemption of the Shares shall be published in a Luxembourg newspaper and in one newspaper of more general circulation.

Any such suspension shall be notified to the investors or Shareholders affected, i.e. those who have made an application for subscription, conversion or redemption of Shares for which the calculation of the net asset value has been suspended.

Suspended subscription, conversion and redemption applications shall be processed on the first Valuation Day after the suspension ends.

Suspended subscription, conversion and redemption applications may be withdrawn by means of a written notice, provided the Company receives such notice before the suspension ends.

In the case where the calculation of the net asset value is suspended for a period exceeding 1 month, all Shareholders will be personally notified.

The net asset value of the Shares shall be assessed as follows:

I. The Company's assets shall include:

1. all cash at hand and on deposit, including interest due but not yet collected and interest accrued on these deposits up to the Valuation Day.

2. all bills and demand notes and accounts receivable (including the result of the sale of securities that have not yet been received).

3. all securities, units, shares, debt securities, option or subscription rights and other investments and transferable securities owned by the Company.

4. all dividends and distribution proceeds declared to be received by the Company in cash or securities insofar as the Company is aware of such.

5. all interest due but not yet received and all interest yielded up to the Valuation Date by securities owned by the Company, unless this interest is included in the principal amount of such securities.

6. all other assets of whatever nature, including prepaid expenses.

The value of these assets shall be determined as follows:

(a) the value of any cash at hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends and interests declared or due but not yet collected will be deemed to be the full value thereof, unless it is unlikely that such values are received in full, in which case the value thereof will be determined by deducting such amount the Directors consider appropriate to reflect the true value thereof.

(b) securities listed on a stock exchange or traded on any other regulated market will be valued at the last available price on such stock exchange or market. If a security is listed on several stock exchanges or markets, the last available price on the stock exchange or market, which constitutes the main market for such securities, will be determining.

(c) securities not listed on any stock exchange or traded on any regulated market will be valued at their last available market price.

(d) securities for which no price quotation is available or for which the price referred to in (a) and/or (b) is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonable foreseeable sales prices.

(e) units or shares of Open-ended Target Funds will be valued at their last official net asset values, as reported or provided by such Target Funds or their agents, or at their last unofficial net asset values (i.e. estimates of net asset values) if more recent than their last official net asset values, provided that due diligence has been carried out by the Investment Manager, in accordance with instructions and under the overall control and responsibility of the Board of Directors, as to the reliability of such unofficial net asset values. The Net Asset Value calculated on the basis of unofficial net asset values of Target Funds may differ from the net asset value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the Target Funds. The Net Asset Value is final and binding notwithstanding any different later determination. Units or shares of Closed-ended Target Funds will be valued at their last available stock market value, provided that such value reflects the fair market value of such units or shares determined prudently and in good faith by or under procedures established by the Board of Directors.

(f) swaps are valued at fair value based on the last available closing price of the underlying security.

(g) Equity securities futures contracts are valued on the basis of the required negative or positive margins as quoted on the exchange on which they are traded on the last trading day therefor;

(h) Equity securities options contracts are valued on the basis of the last available trade price;

(i) Foreign exchange futures contracts are valued on the basis of the positive or negative margins as quoted on the exchange on which they are traded on the last trading day therefor;

(j) Interest futures contracts are valued on the basis of a) the required positive or negative margins accrued thereon and b) the number of business days which remain in the contract period including the business day on which the value of such contracts is determined.

(k) contracts for which no price quotation is available or for which the price referred to in (g), (h), (i) and/or (j) is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonable foreseeable sales prices.

Assets expressed in a currency other than the Base Currency of the relevant Sub Fund shall be converted on the basis of the rate of exchange ruling on the relevant Business Day in Luxembourg.

II. The Company's liabilities shall include:

1. all borrowings, bills matured and accounts due.

2. all liabilities known, whether matured or not, including all matured contractual obligations that involve payments in cash or in kind (including the amount of dividends declared by the Company but not yet paid).

3. all reserves, authorised or approved by the Board of Directors, in particular those that have been built up to reflect a possible depreciation on some of the Company 's assets.

4. all of the Company's other liabilities, of whatever nature with the exception of those represented by Shares in the Company. To assess the amount of these other liabilities, the Company shall take into account expenditures to be borne by it including without any limitations; fees payable to the Investment Manager, the cost of Custodian and correspondent agents, domiciliary agents or other mandatories, the costs for legal assistance, the auditing of the Company's annual reports, the costs of printing the annual and interim financial reports, the cost of convening and holding Shareholders' meetings the costs of registration statements, all taxes and duties charged by governmental authorities and stock exchanges, the costs of publishing the issue and repurchase prices as well as any other running costs, including financial, banking and brokerage expenses incurred when buying or selling assets or otherwise.

For the valuation of the amount of these liabilities, the Company shall take into account pro-rata temporis the expenses, administrative and other, that occur regularly or periodically.

III. Each of the Company's Shares in the process of being redeemed shall be considered as a Share issued and outstanding until the close of business on the Valuation Day applicable to the redemption of such Share and its price shall be considered as a liability of the Company from the close of business on this date until the price has been paid.

Each Share to be issued by the Company in accordance with subscription applications received shall be considered as issued from the close of business on the Valuation Day of its issue and its price shall be considered as an amount owed to the Company until it has been received by the Company.

IV. As far as possible, all investments and disinvestments decided by the Company must, in order to be taken into consideration, be transmitted and confirmed by the broker to the Custodian by 06:00 p.m. (Luxembourg time) on the business day preceding the day on which the investments and disinvestments are to be effected.

Whenever a foreign exchange rate is needed in order to determine the Net Asset Value of a Sub Fund, the applicable foreign exchange rate on the respective Valuation Day will be used.

In addition, appropriate provisions will be made to account for the charges and fees charged to the Sub Funds as well as accrued income on investments.

In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Board of Directors is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub Fund's total assets.

ISSUE OF SHARES

The Board of Directors reserves the right to reject any application in whole or in part, without giving the reasons therefore.

Shares shall be subscribed during the initial subscription period at a price (the “Initial Offering Price”) such as determined by the Company pursuant to the terms of the Supplements.

After the initial offering period, the offering price per Share (the “Offering Price”) will be the total of (i) the Net Asset Value per Share of each Class of the relevant Sub Fund plus (ii) the sales charge not exceeding the maximum percentage of the Net Asset Value per Share disclosed in the relevant Supplement plus (iii) a fixed fee if the investor chooses the deferred payment method as disclosed in the relevant Supplement. The sales charge shall revert to the Distributor. The fixed fee shall be paid to the Sub Fund to compensate existing Shareholders for the deferred payment. The Net Asset Value per Share is available for inspection at the registered office of the Company. Banks or other agents employed as agent of the Shareholders may impose administrative or other charges to be paid by the Shareholders pursuant to arrangements between Shareholders and those banks or other agents.

Any person applying for Shares in a Sub Fund shall complete an application form in such form as the Company may from time to time prescribe and shall comply with such conditions as may be prescribed by the Company. All applications must be received in good order by the Administration Agent prior to the deadline for the submission of subscription requests as set forth in the Supplement of each Sub Fund (“Deadline for the Submission of Subscription Requests”).

All subscriptions monies must be received by the Administration Agent at its registered office prior to the deadline for payment of subscription monies as set forth in the Supplement of each Sub Fund (“Deadline for the Payment of Subscription Monies”). Subscriptions are dealt with at an unknown Net Asset Value.

The minimum initial and subsequent investment requirements are set out for each Sub Fund or Class of Shares in the relevant Supplement. Minimum investment requirements set out in the Supplements are expressed in € or in US$ and should be interpreted as referring also to equivalent amount in another currency.

Payment for Shares will be required to be made in the Base Currency of the relevant Sub Fund within the timeframe specified for each Sub Fund in the relevant Supplement. Any applications made in currencies other than the Base Currency of the relevant Sub Fund will be converted into that currency at prevailing exchange rates. This foreign exchange transaction will be at the cost and risk of the relevant investor.

In the event that an application is received by the Administration Agent after the Deadline for the Submission of Subscription Requests and/or the subscription monies have not been received by the Administration Agent within the applicable Deadline for the Payment of Subscription Monies, the relevant application shall be deemed to have been made in respect of the next Valuation Day ("Next Valuation Day") following such relevant Valuation Day if, (i) the application has been received by the Administration Agent within the Deadline for the Submission of Subscription Requests for the Next Valuation Day, and (ii) the subscription monies in respect of the same application have been received by the Administration Agent within the Deadline for the Payment of Subscription Monies for the Next Valuation Day, unless the Board of Directors, at its discretion, decides in the interest of the relevant Sub Fund to treat the application as made on the relevant Valuation Day.

In the event that, pursuant to the foregoing paragraph, an application is deemed to have been made on the Next Valuation Day and subscription monies in respect of such application have not been received within the Deadline for Payment of Subscription Monies for the Next Valuation Day by the Administration Agent, such application will be cancelled unless the Board of Directors at its discretion decides in the interest of the Sub Fund to treat the application as made on the Next Valuation Day or next Valuation Day following the Next Valuation Day.

An investor may be required to indemnify the relevant Sub Fund or any of the Company's agents against any losses, costs or expenses incurred directly or indirectly as a result of the investor's failure to timely pay for the Shares. The Board of Directors will have the power to redeem all or part of such investor's existing Shares as necessary to fully indemnify the relevant Sub Fund or any of the Company's agents for losses, costs or expenses incurred directly or indirectly by the relevant Sub Fund or any of the Company's agents as a result of the investor's failure to timely pay for the Shares.

Payments for the Shares should be made to the order of the Custodian by electronic bank transfer net of all bank charges (except where local banking practices do not allow electronic bank transfers), or by cheque.

Other methods of payment are subject to the prior approval of the Administration Agent and of the Company. Where payments do not result in the immediate receipt of cleared funds, processing of the subscription will usually be deferred until cleared monies are received, unless otherwise agreed with the Company or its duly appointed agents.

Upon the issue of Shares, the Company retains an amount per Share equal to the Net Asset Value per Share on the date the order was dealt with.

Written confirmation of shareholding will be sent to Shareholders as soon as reasonably practicable and in no event later than the last calendar day of the month following the Valuation Day as of which such Shares have been issued.

The Company reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant within 15 Business Days thereafter or to suspend at any time and without prior notice the issue of Shares in one, several or all the Sub Funds.

The Company may agree to issue Shares as consideration for a contribution in kind of securities, provided that such securities comply with the investment objectives and policies of the relevant Sub Fund and in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Auditors which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant Shareholders.

The issue of Shares of any Sub Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

In order to comply with applicable money laundering legislation, investors must submit, along with their application form, documents that prove their identity to the Administration Agent.

The sale of Shares of certain Classes may be restricted to Institutional Investors and the Company will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered as an Institutional Investor. The Company may at its discretion delay the acceptance of any subscription for Shares of a Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Class restricted to Institutional Investors is not an Institutional Investor, the Company will, at its discretion, either redeem the relevant Shares in accordance with the provisions of the section “Redemption of Shares” below or convert such Shares into Shares of a Class which is not restricted to Institutional Investor (provided there exists such a Class with similar characteristics) and notify the relevant Shareholder of such conversion.

MARKET TIMING

The Board of Directors emphasises that:

- all investors and Shareholders are bound to place their subscription, redemption or conversion order(s) no later than the applicable cut-off time for transactions in the Company’s Shares;

- orders are being placed for execution on the basis of still unknown prices;

- the repeated purchase and sale of Shares designed to take advantage of price inefficiencies in the Sub Funds - also known as “market timing” - may disrupt portfolio investment strategies and increase the Sub Funds’ expenses and adversely affect the interests of the Sub Funds’ long-term Shareholders. The Sub Funds do not authorize market timing or excessive short term trading;

- to deter such practice, the Company and its duly appointed agents reserve the right, in case of reasonable doubt and whenever an investment is suspected to be related to market timing, to suspend, revoke or cancel any subscription or conversion order placed by investors who have been identified as frequently trading in and out of a particular Sub Fund.

REDEMPTION OF SHARES

Unless otherwise provided for in the relevant Supplement, each Shareholder of the Company may at any time request the Company to redeem on any Valuation Day all or any of the Shares held by such Shareholder in any Class of Shares in any Sub Fund.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the registered office of the Administration Agent.

The shares that are redeemed will be cancelled by the Company.

Redemption requests should contained the following information (if applicable): the identity and address of the Shareholders requesting the redemption, the number of Shares to be redeemed, the relevant Sub Fund and Class of Shares and details as to where payment should be made. Instructions shall only be accepted upon indication of the Shareholder’s account number. All necessary transfer documents should be enclosed with the application before the redemption price may be paid.

Shareholders whose applications for redemption are accepted will have their Shares redeemed at the next Valuation Day provided that the applications have been received in Luxembourg by a time disclosed for each Class of Shares in the relevant Supplement (“Deadline for the Submission of Redemption Requests”). Redemptions are dealt with at an unknown Net Asset Value.

Shares will be redeemed at a price based on the Net Asset Value per Share of the relevant Class of Shares within the relevant Sub Fund less any redemption charge (the “Redemption Price”). The redemption charge, which shall revert to the Distributor, is indicated for each Class of Shares or Sub Fund in the relevant Supplement.

The Redemption Price shall be paid within the timeframe specified for each Class of Shares or Sub Fund in the relevant Supplement (“Deadline for the Payment of Redemption Monies”), subject to receipt by the Administration Agent of the original redemption request.

Payments will be made by wire and/or cheque mailed to the Shareholders at the address indicated by him or her or by bank order to an account indicated by the Shareholder, in the Shareholder’s name, at such Shareholder’s expense and at the Shareholder’s risk. Payment will only be made to Shareholders of record – no third party payments will be made.

The Redemption Price will be paid in the Base Currency of the relevant Sub Fund or in any other freely convertible currency specified by the Shareholder. In the latter case, any currency conversion costs and risk shall be borne by the Shareholder. The Redemption Price may be higher or lower that the price paid at the time of subscription or purchase.

The redemption of Shares of any Sub Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

If as a result of any request for redemption the aggregate Net Asset Value of the Shares held by any Shareholder in a Class of Shares would fall below the minimum holding requirement indicated in the relevant Supplement, the Company may treat such request as a request to redeem the entire shareholding of such Shareholder in such Class of Shares.

Shares may be compulsorily redeemed if in the opinion of the Board of Directors, the subscription for, or holding of, the Shares is, or was, or may be unlawful or detrimental to the interest or well being of the Company, or is in breach of any law or regulation of a relevant country.

On any Valuation Day, redemption requests or conversion requests may be deferred until the Board of Directors or its delegate are in receipt of redemption proceeds from the realisation of assets within the relevant Sub Fund.

The Company shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price to any Shareholder who agrees, in specie by allocating to the holder investments from the portfolio of assets set up in connection with such Sub Fund equal in value (calculated in the manner described in the Articles) as of the Valuation Day on which the Redemption Price is calculated, to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares and the transaction shall be confirmed by a special report of the Auditors. The costs of any such transfer shall be borne by the transferee.

CONVERSION OF SHARES

Shareholders have the right, subject to the provisions hereinafter specified, to convert Shares from one Sub Fund for Shares of another Sub Fund within the same Class of Shares. Shareholders may also convert their Shares from one Class to Shares of another Class within the same or another Sub Fund provided they comply with the conditions for investment in the target Class of Shares.

The rate at which Shares of any Class in any Sub Fund shall be converted will be determined by reference to the respective Net Asset Values of the relevant Shares, calculated as of the same Valuation Day following receipt of the documents referred to below. Conversions are dealt with at an unknown Net Asset Value.

The conversion charge, which shall revert to the Distributor, is indicated for each Class of Shares or Sub Fund in the relevant Supplement.

If Shares are converted for Shares of another Sub Fund or Class of Shares having a higher sales charge, the Company retains the right to charge, in addition to the conversion fee which is described in the relevant Supplement, a fee equal to the difference in percentage of the sales charges of the relevant Shares, which shall revert to the Distributor.

A conversion of Shares of one Sub Fund for Shares of another Sub Fund, including conversions between Classes of Shares, will be treated as a redemption of Shares and a simultaneous purchase of Shares. A converting Shareholder may therefore realise a taxable gain or lose in connection with the conversion under the laws of the country of the Shareholder's citizenship, residence or domicile.

Shares may be tendered for conversions on any Valuation Day. The conversion of Shares between Sub Funds and/or Classes of Shares having different calculation frequencies of the Net Asset Value may only be effected on a common Valuation Day.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

No conversion of Shares will be effected until the following documents have been received at the registered office of the Company:

- a duly completed conversion request form or other written notification acceptable to the Administration Agent,
- the transfer form duly completed together with any other documentation that may be requested by the Company from time to time.

Upon conversion, Shares will be issued to one-hundredth (1/100) of a Share.

Written confirmations of shareholding (as appropriate) will be sent to Shareholders as soon as reasonably practicable and in no event later than the last calendar day of the month following the Valuation Day as of which such Shares have been converted, together with the balance resulting from such conversion, if any.

In converting Shares of a Sub Fund for Shares of another Sub Fund or Class of Shares, a Shareholder must meet the applicable minimum investment requirements indicated for each Sub Fund or Class of Shares in the relevant Supplement.

If as a result of any request for conversion the aggregate Net Asset Value of the Shares held by any converting Shareholder in a Class of Shares of a Sub Fund would fall below the minimum holding requirement indicated in the relevant Supplement, the Company may treat such request as a request to convert the entire shareholding of such Shareholder in such Class of Shares.

The conversion of Shares of any Sub Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

TAXATION

Under Luxembourg law, there are currently no Luxembourg income, withholding or capital gains taxes payable by the Company. The Company will, however, be subject to two taxes. The first is an incorporation tax of EUR 1,200.-. The second is an annual tax (the "Contribution Tax") of in principle 0.05 per cent, calculated and payable quarterly, on the aggregate Net Asset Value of the outstanding Shares of the Company at the end of each quarter. However such rate may be decreased to 0.01 per cent for specific Class of Shares in a Sub Fund as specified in the Supplements. If some Sub Funds invest in other Luxembourg Target Funds, which in turn are subject to this annual tax, no Contribution Tax is due from the Company on the portion of the assets invested therein.

Shareholders are, at present, not subject to any Luxembourg capital gains, income, withholding, gift, estate, inheritance or other tax with respect to shares owned by them (except, where applicable, shareholders who are domiciled or reside in or have permanent establishment or have been domiciled or have resided in Luxembourg).

Prospective investors should inform themselves as to the taxes applicable to the acquisition, holding and disposition of shares of the Company and to disposition of shares of the Company and to distributions in respect thereof under the laws of the countries of their citizenship, residence or domicile. Taxation of Danish Investors is however set out below.

BOARD OF DIRECTORS

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers expressly assigned by law to the general meetings of Shareholders.

The Board of Directors is responsible for the investment objectives and policies of each Sub Fund and for the investment management and administration of the Company. The Board of Directors is composed of:

- Peter WENDT (M.Sc. born 1938, Copenhagen, Denmark)
Mr. Wendt began his career in the financial industry in 1965 in the Danish Central Bank. Since then he has held numerous top management positions in various financial institutions and he is one of the most often cited industry professionals of recent time.

1960-1962: Student work, Danish Foreign Office, Economic/Political Department
1965-68 and 1970-1977: Danish Central Bank (several departments)
1968-70: Country Expert, EFTA, Geneve
1977-79: Manager, Realkreditrådet (Danish Mortgage Bank Association)
1979-1986: Chief Economist, vice president, SDS Savings Bank
1986-1990: Vice president, Strategic planning, Hafnia Holding A/S (Insurance/banking conglomerate)
1990-1993: Managing director, Hafnia Bank A/S

1993-2003: Managing director, LR Realkredit A/S (Landsbankernes Reallånefond) &
1995-2003: General Secretary, InvesteringsForeningsRådet (Federation of Danish Investment Associations)
2004-2005: Free-lance advisory work for financial institutions and government ministries.
a) : Managing director, Rationel Invest A/S

Mr. Wendt's committees work includes:
1973-75: EC National Account Committee, subgroup on balance of payments statistics
1975-77: Nordic Labour Market Committee, subgroup on freedom of labour- & capital movements
1975-76: OECD Special Working Party (Yppersele-group)
1976-77: EC Special Committee on Community Loan to Italy
1976-77: The Advisory Committee for Faroe Islands ("Skak-Nielsen" Udvalget)
1977-79: European Mortgage Federation
1979-86: Danish Savings Banks' Association's Economic Policy Committee
1986-87: Ministry of Housing, Committee on the future of Social Housing ("Winther" Udvalget)
1988-89: Ministry of Taxation, Committee on Business Capital Depreciation ("Niels Chr. Knudsen" Udvalget)
1990 - : Ministry of Industry's Complaint Board ("Erhvervsankenævnet")
1995-96: Ministry of Industry, Committee on Financing of SME
1997-98: Ministry of Industry, Committee on Authorized Market Place (SME Exchange)
1997-99: Ministry of Economics, Committee on the Financial Sector after 2000
2000 -04 : Ministry of Social Affairs, Committee on Housing Rent Regulation

Publications:
Penge og Kapitalmarked ("Money and Capital Markets"), Copenhagen, 1. ed. 1970, 11. ed. 1998
Byggeri og Boligforhold ("Building and Housing"), Copenhagen, 1. ed. 1972, 8. ed. 1994
Den Finansielle Sektor ("The Financial Sector"), Copenhagen, 2. ed 2006.

- Johan BRONNUM-SCHOU (M.Sc. born 1978 in Hørsholm, Denmark)
2005-present: Scandium Asset Management (fund of hedgefunds)
1998-2005: Finansbanken, Analyst and responsible for manager selection (both long-only and hedgefunds)

- Claes-Johan GEIJER
2001-present: Managing Director, Banque Carnegie Luxembourg, Luxembourg
2000-2001: Partner, IT Provider, Stockholm
1999-2000: Chief Financial Officer, Swedbank Markets, Stockholm
1998-1999: Head of Financial Institutions, Swedbank Markets, Stockholm
1996-1998: Head of Branch, Swedbank London Branch, London
1994-1996: Head of Branch, Swedbank Luxembourg Branch, Luxembourg
1990-1994: President and Chief Financial Officer, Lexmar Corporation, Greenwich, USA
1989-1990: Group Controller, Finess (Stora), Nyon, Switzerland
1984-1988: Group Treasurer, Swedish Match, Stockholm

- Bruno FREREJEAN
1993-present: General Manager, Banque Carnegie Luxembourg, Luxembourg
1988-1993: General Manager, Nordbanken Luxembourg, Luxembourg
1981-1988: Deloitte, Audit Division, Luxembourg
1998-1999: Branch Manager, Crédit Professionel de Belgique, Framerie, Belgium

- Vincent GRUSELLE
2005-present: Managing Director, Carnegie Fund Management Company, Luxembourg
2003-2005: Head of Fund Services, Banque Carnegie Luxembourg, Luxembourg
2001-2003: Fastnet Luxembourg, Organization Department, Luxembourg
1992-2001: Deloitte, Audit Division, Luxembourg

INVESTMENT MANAGER

The Board of Directors has appointed Scandium Asset Management A/S (the "Investment Manager"), with registered office at Toldbodgade 51c, 1st Fl., DK-1253 Copenhagen, Denmark, as investment manager, responsible for the management of the assets and the implementation and supervision of the Sub Fund's investment policy under the ultimate control and responsibility of the Board of Directors.

The Investment Manager was founded in 2005 by Casper Hallas and Jesper Holm Nielsen with the basic capital of 300.000 EUR as required by the Danish FSA. The Investment Manager has additional loan capital of EUR 200,000. The Investment Manager is regulated by the Danish FSA and is a member of the Danish Brokers Association.

Casper Hallas is the CEO of Scandium Asset Management. Jesper Holm Nielsen is CEO of Amicorp Denmark A/S since 1999 and former leader of investment at Privatbanken/ Unibank.

Niels Hougaard has been appointed chairman of the Investment Manager. Niels Hougaard, is a former director of investments (CFO) at Kommunernes Pensionsforsikring, a Danish pension fund with approximately 10 billion EUR under management and former deputy director at Dansk Erhvervsinvestering. Other members of the Board include Jesper Holm Nielsen and Kåre Stolt who is lawyer/partner in Accura Advokataktieselskab and formerly lawyer/partner in PricewaterhouseCoopers.

The Investment Manager's auditor is PricewaterHouse Coopers.

Casper Hallas is co-founder, CEO and the responsible Portfolio Manager at Scandium Asset Management. He has since 2002 been the portfolio Manager of a Fund of Hedge Funds whose investment strategy is similar to the model of the Sub Fund Scandium Fund of Hedge Funds.

This fund is today the flagship product of Scandium Asset Management. The success of this fund led to the establishment Scandium Asset Management.

Prior to founding Scandium Fund Limited, Casper Hallas worked at Jiway Holdings Ltd. (2000-2002), London, the ambitious attempt by Morgan Stanley Dean Witter and OM Group to set up the first pan-European, fully integrated stock exchange. As a result he has a detailed knowledge of trading, clearing and settlement processes, their complexities and the issues that arise when integrating systems across a number of markets and stock exchanges.

Casper Hallas was first exposed to the hedge fund industry in 1999 when he joined Neonet Securities AB in Stockholm as an institutional equity broker. At Neonet Securities AB he executed a variety of equity based hedging strategies for Swedish as well as overseas proprietary trading desks, hedgefunds and asset management companies. It was at Neonet Securities, Casper gained an understanding of the dynamics of equity based, arbitrage type hedging techniques. Casper Hallas was previously licensed to act as an equity broker with the Stockholm, Copenhagen, Helsinki, Oslo and Frankfurt stock exchanges

Prior to joining Neonet, Casper worked as an institutional interest rate and currency broker at Nordea Markets (1997-1999), the trading division of Nordea Bank in Copenhagen. His primary responsibility was to advise corporate clients on risk management through the use of currency and interest rate products and their derivatives.

Casper Hallas graduated with a BSc in Business Studies from University of Buckingham and an MBA from Boston University in 1997 (Beta Gamma Sigma).

Johan Brønnum-Schou joined the Scandium Asset Management in October 2005. He has worked as an analyst at Finansbanken since 1998, where he did equity research and was responsible for selection of mutual funds and hedge funds. Johan graduated with an MSc degree from Copenhagen Business School in 2003.

The Investment Manager, in the execution of its duties and the exercise of its powers, shall be responsible for compliance with the investment policy and restrictions of the Company. The Investment Manager will further be responsible for monitoring the overall portfolio of the Company and determining the required ratios in order to keep a satisfactory level of liquidity within the Company.

The Investment Manager performs its services pursuant to an Investment Management Agreement with the Company dated August 1, 2006. The Investment Management Agreement was entered into for an undetermined duration and may be terminated at any time by either party upon 90 days prior notice or unilaterally by the Company in case of a grave fault on the part of the Investment Manager. However, the termination of the Investment Management Agreement by the Company for reason other than a grave fault on the part of the Investment Manager needs to be approved by an extraordinary meeting of the Shareholders, except if the Investment Manager agrees with such a termination. The Shareholders' resolution must be passed by not less than two-thirds majority at a Shareholders' meeting at which the holders of not less than two-thirds of the Shares are present or represented and voting.

The Investment Managers may sub-contract at its own expense and responsibility but with the prior approval of the Company and the Luxembourg regulatory authority, partly or in total the services delivered to the Company to a third party under the terms of the Investment Management Agreement. Whenever the Investment Manager does so, this Prospectus will have to be updated.

In consideration for their services, the Investment Manager will receive from each Class, if any, within each Sub Fund a Management Fee payable out of the assets attributable to the relevant Class of Shares as a percentage of the Net Asset Value per Share.

The Management Fee is calculated and accrued on each Valuation Day and payable quarterly in arrears as a percentage of the Net Asset Value per Share of each Class determined in the Supplement of each Sub Fund and calculated prior to the calculation and accrual of any performance fee earned by the Investment Manager on the relevant Valuation Day (the result being the “Base NAV per Share” or “BNAV”).
In addition, the Investment Manager may also be entitled to receive from the Company a Performance Fee, payable from the assets attributable to the relevant Classes of Shares.

The performance fee will accrue on each Valuation Day and will be due as of end of each calendar quarter. The performance fee will be due only if, at end of a calendar quarter, the Net Asset Value per Share Class of a Sub Fund exceeds the highest Net Asset Value per Share Class in the same Sub Fund on any previous end of calendar quarter and exceeds the Hurdle rate of return. A “high water mark” will be used so that no performance fee will accrue until any decline in the Net Asset Value per Share Class in the relevant Sub-Fund is offset by subsequent net gains (i.e. the Net Asset Value per Share Class in that Sub Fund reaches a new high).

The performance fee rate applied to the performance is determined in the supplement to each Sub Fund. The Hurdle rate of return for each class of shares is determined in the supplement to each Sub Fund.

At end of each calendar quarter, the performance fee (if any) which shall be due to the Investment Manager shall be the amount equal to:

- the positive difference between the Net Asset Value per Share Class (before deducting the performance fee, if any); and
- the highest Net Asset Value per Share Class in the relevant Sub Fund on any previous end of calendar quarter plus the pro rated Hurdle; multiplied by
- the number of Shares of a Class in the relevant Sub Fund, which are in issue before end of the calendar quarter; and multiplied by
- the percentage rate applicable to the calculation of the performance fee in the relevant Sub Fund.

The performance fee is based on the performance of each Sub Fund. Accordingly, under certain circumstances, a Shareholder may be charged a performance fee in a particular Sub Fund even though such Shareholder experienced a net loss with respect to the amount which the Shareholder initially invested in such Sub Fund or with respect to the amount invested in all shares in the Company which such Shareholder holds.

For example, with a performance fee rate of 15%, a hurdle rate of 5% and assuming the Net Asset Value per share of a Sub Fund from month 0 to month 1 rises from 100 to 102 (after having deducted management fee and expenses), the accrued performance fee would be 15% of (102-(100+100*0.05*30/360)) = 0.24 multiplied by the outstanding number of shares in the relevant Sub Fund. The new Net Asset Value per share would then be 101.76. If the Net Asset Value per share from month 1 to month 2 rises to 103 (after having deducted management fee and expenses), the accrued performance fee would be 15% of (103-(100+100*0.05*60/360)) = 0.33 multiplied by the outstanding number of shares in the relevant Sub Fund. The new Net Asset Value per share would then be 102.67. If the Net Asset Value per share from month 2 to month 3 (end of calendar quarter) falls to 102 (again after having deducted management fee and expenses), the performance fee payable to the Investment Manager would be 15% of (102-(100+100*0.05*90/360)) = 0.11 multiplied by the outstanding number of shares in the relevant Sub Fund. The new Net Asset Value per share would then be 101.89 (new "high water mark"). If the Net Asset Value per share from month 3 to month 4 rises to 105 (after having deducted management fee and expenses), the accrued performance fee would be 15% of (105-(101.89+101.89*0.05*30/360)) = 0.40 multiplied by the outstanding number of shares in the relevant Sub Fund. The new Net Asset Value per share would then be 104.60.

DISTRIBUTOR

The Company has appointed Scandium Asset Management A/S as principal distributor (the "Distributor") pursuant to the terms of a Distribution Agreement dated August 1, 2006. The Distributor will be in charge of marketing and promoting the Shares in each Sub Fund in all countries of the world except the United States of America (its territories or possessions, or other areas subject to its jurisdiction) and any other jurisdiction that may require other distribution arrangements.

The Distributor and its agents, if any, may be involved in the collection of subscription, redemption or conversion orders on behalf of the Company and may, subject to local law in countries where the Shares are offered and with the agreement of the Company and the respective investors, provide a nominee service to the investors purchasing Shares through them. In this capacity, the Distributor and its agents, if any, shall, in their name but as nominee for the investor, purchase or sell the Shares for the investor and request the registration of such operations in the Company's register. However, the investor may directly invest in the Company without using the nominee service and the investor investing through a nominee retains a direct claim to his Shares subscribed through the nominee, except in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

ADMINISTRATION AGENT - CUSTODIAN BANK

Custodian

Nordea Bank S.A. has been appointed to act as the custodian of the Company's assets (the "Custodian") by the Company pursuant to an agreement made on August 1, 2006. This agreement may be amended by the mutual consent of the parties. The Custodian has been appointed for an undetermined duration.

Cash and other assets constituting the assets of the Company shall be held by the Custodian on behalf of and for the exclusive interest of the Shareholders.

The Custodian may, with the agreement of the Company, entrust the safe-keeping of securities to other banks, to financial institutions or to securities clearing houses such as Clearstream Banking and Euroclear. This will, however, not affect the Custodian's liability.

The Custodian may dispose of the Company's assets and make payments to third parties on behalf of the Company pursuant to instructions from the Company complying always with Articles and the 2002 Law.

The Custodian is entrusted moreover by the Company with the duty to settle the securities purchased, to deliver the securities sold, to receive dividends and interest from securities and to exercise subscription and attribution rights attached to these.

The Custodian will:

a) ensure that the sale, issue, repurchase and cancellation of securities effected by the Company or on its behalf takes place in conformity with the law or in conformity with the Articles of the Company;

b) ensure that in those transactions concerning the assets of a Company consideration is transmitted to the Custodian within the customary market period;

c) ensure that the income produced by the Company is allocated in a manner that conforms to the Articles.

The Custodian shall, in compliance with Luxembourg law, be liable to the Shareholders for any loss suffered by them as a result of its wrongful failure to perform its obligations or its wrongful improper performance thereof. The Custodian or the Company may at any time, subject to advance notice of at least three months from one party to the other, terminate the Custodian's duties, it being understood that the Company is under a duty to appoint a new Custodian who shall assume the functions and responsibilities defined by the 2002 Law and the Articles.

Pending its replacement, which must take place within two months from the time the notice shall have elapsed, the Custodian shall take all necessary steps for the safekeeping of the interests of the shareholders.

The Custodian has the legal form of a Société Anonyme incorporated under the laws of the Grand Duchy of Luxembourg. Its Registered Office is in Luxembourg. Its subscribed share capital amounted to EUR 25,000,000.- as at 31 December 2005.

Administration Agent

Carnegie Fund Management Company S.A. has been appointed as the Company's administration agent, domiciliary agent, registrar and transfer agent and paying agent (the "Administration Agent") pursuant to an agreement made on August 1, 2006 with the Company. In such capacity it furnishes administrative and clerical services delegated to it, including registration and transfer agent services and activities as a paying agent for the shares in each Sub Fund of the Company. It further assists in the preparation of and filing with the competent authorities of financial reports. The Administration Agent is appointed for an undetermined duration. The Administration Agent or the Company may each terminate the Service Agreement subject to three months prior notice. The Administration Agent's remuneration is described under "Expenses".

Carnegie Fund Management Company S.A. is authorised to sub-contract, under its liability, the obligations imposed upon it, in whole or in part, by the Administration Agent agreement.

MONEY LAUNDERING PREVENTION

Pursuant to the Luxembourg law of July 7, 1989 to combat drug addiction, to the Luxembourg law of April 5, 1993 on the financial sector, to the Luxembourg law of August 11, 1998 related to money laundering crime, to the law of November 12, 2004 on the fight against money laundering and against the financing of terrorism and to CSSF Circular 05/211 on the fight against money laundering and financing of terrorism and the prevention of the use of the financial sector for money laundering and terrorism financing purposes, obligations have been imposed on all professionals of the financial sector to prevent the use of the undertakings for collective investment for money laundering purposes.

In order to contribute to the fight against money laundering of funds, prospective investors will have to establish their identity with the Company or with the financial institutions which collect their subscriptions (i.e. the Administration Agent).

When the remitting banks is not located in a FATF (Financial Action Task Force) Member States, the Administration Agent is to request from subscribers a certified copy (by one of the following authorities: embassy, consulate, notary, police, commissioner) of (i) the investor's identity card in the case of individuals, and (ii) the articles of incorporation as well as an extract of the register of commerce for corporate entities.

Subscriptions may be temporarily suspended until funds have been correctly identified.

The Administration Agent may require – at any time – additional documentation relating to an application for Shares. If an investor is in any doubt with regard to this legislation, the Company will provide him with a money-laundering checklist. Failure to provide additional information may result in an application not being processed.

EXPENSES

The Company shall bear the following expenses:

- all fees to be paid to the Investment Manager;

- Custodian fees: 0.05% p.a. of the average gross assets.
- Administration Agent fees: maximum 0.35% p.a. of average net assets with a minimum fee of EUR 50,000 per year and EUR 25,000 for the first 12 months

- Directors fees: EUR 6,700 p.a..
- all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- standard brokerage and bank charges incurred on the Company's business transactions;
- all fees due to the Auditors and the Legal Advisors to the Company;
- all expenses connected with publications and supply of information to shareholders, in particular, the cost of printing and distributing the annual and semi-annual reports.
- all expenses involved in registering and maintaining the Company registered with all governmental agencies and stock exchanges;
- all expenses incurred in connection with its operation and its management.

All recurring expenses will be charged first against current income, then should this not suffice, against realised capital gains, and, if need be, against assets.

Any costs, which are not attributable to a specific Sub Fund, incurred by the Company will be charged to all Sub Funds in proportion to their average Net Asset Value. Each Sub Fund will be charged with all costs or expenses directly attributable to it.

The expenses of the establishment of the Company are expected to amount to EUR 45,000 and shall be amortized over a period of five years according to accepted accounting principles. Each new Sub Fund shall amortize its own expenses of establishment over a period of five years as of the date of its creation.

The different Sub Funds of the Company have a common generic denomination. Under Luxembourg law, the Company including all its Sub Funds, is regarded as a single legal entity. However, pursuant to article 133(5) of the 2002 Law, as amended, each Sub Fund shall be liable for its own debts and obligations and each Sub Fund shall not be liable for the debts and obligations of any other Sub Fund. In addition, for the purpose of the relations between the shareholders, each Sub Fund will be deemed to be a separate entity having its own contributions, capital gains, losses, charges and expenses.

NOTICES

Notices to Shareholders are available at the Company's registered office. If required by law, they are also published in the Mémorial and in the “Luxemburger Wort”.

The Net Asset Value of each Sub Fund and the issue and redemption prices thereof will be available at all times at the Company's registered office.

All reports will be available at the Company's registered office.

Audited annual reports containing, *inter alia*, a statement regarding the Company's and each of its Sub Funds' assets and liabilities, the number of outstanding Shares and the number of Shares issued and redeemed since the date of the preceding report, as well as semi-annual un-audited reports, will be made available at the registered office of the Company not later than three months, after the end of the fiscal year in the case of annual reports and, two months after the end of such period in the case of semi-annual reports.

The first report shall be the annual unaudited report prepared with regard to the period starting with the date of constitution of the Company and ending December 31, 2006.

LIQUIDATION AND MERGER

In the event of the liquidation of the Company by decision of the Shareholder's meeting, liquidation shall be carried out by one or several liquidators appointed by the meeting of the Shareholders deciding such dissolution and which shall determine such dissolution and which shall determine their powers and their compensation. The liquidators shall realise the Company's assets in the best interest of the Shareholders and shall distribute the net liquidation proceeds (after deduction of liquidation charges and expenses) to the Shareholders in proportion to their share in the Company. Any amounts not claimed promptly by the Shareholders will be deposited at the close of liquidation in escrow with the Caisse de Consignation. Amounts not claimed from escrow within the statute of limitations will be forfeited according to the provisions of Luxembourg law.

A Sub Fund may be terminated by resolution of the Board of Directors of the Company if the Net Asset Value of a Sub Fund is below € 1,000,000 or its equivalent in any other currency, or if a change in the economic or political situation relating to the Sub Fund concerned would justify such liquidation or if necessary in the interests of the Shareholders or the Company. In such event, the assets of the Sub Fund will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of Shares in that Sub Fund. Notice of the termination of the Sub Fund will be given in writing to Shareholders and will be published in such newspapers as determined by the Board of Directors from time to time.

Any amounts not claimed by any Shareholder shall be deposited at the close of liquidation with the Custodian Bank during a period of 6 (six) months; at the expiry of the 6 (six) months' period, any outstanding amount will be the deposited in escrow with the Caisse de Consignation.

In the event of any contemplated liquidation of the Company or any Sub Fund, no further issue, conversion, or redemption of Shares will be permitted after publication of the first notice to Shareholders. All Shares outstanding at the time of such publication will participate in the Company’s or the Sub Funds' liquidation distribution.

A Sub Fund may be merged with another Sub Fund by resolution of the Board of Directors of the Company if the value of its net assets is below €1,000,000 or its equivalent in any other currency or if a change in the economic or political situation relating to the Sub Fund concerned would justify such merger or if necessary in the interests of the shareholders or the Company. Notice of merger will be given in writing to Shareholders and will be published in such newspapers as determined by the Board of

Directors from time to time. Each Shareholder of the relevant Sub Funds shall be given the possibility, within a period of one month as of the date of the publication, to request either the repurchase of its Shares, free of any charges, or the conversion of its Shares, free of any charges, against shares of Sub Funds not concerned by the merger.

At the expiry of this 1 (one) month's period any shareholder who did not request the repurchase or the conversion of its shares, shall be bound by the decision relating to the merger.

A Sub Fund may be contributed to another Luxembourg investment fund organised under Part II of the Investment Fund Law by resolution of the Board of Directors of the Company in the event of special circumstances beyond its control such as political, economic or military emergencies or if the Board of Directors should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub Fund to operate in an economically efficient manner, and with due regard to the best interests of the Shareholders, that a Sub Fund should be contributed to another fund. In such events, notice will be given in writing to Shareholders and will be published in such newspapers as determined from time to time by the Board of Directors. Each Shareholder of the relevant Sub Fund shall be given the possibility within a period to be determined by the Board of Directors, but not being less than one month, and published in said newspapers to request, free of any charge, the repurchase or conversion of its Shares. At the close of such period, the contribution shall be binding for all shareholders who did not request a redemption or a conversion. In the case of a contribution to a mutual fund, however, the contribution will be binding only on Shareholders who expressly agreed to the contribution. When a Sub Fund is contributed to another Luxembourg investment fund, the valuation of the Sub Fund's assets shall be verified by the Auditors who shall issue a written report at the time of the contribution.

A Sub Fund may be contributed to a foreign investment fund only when the relevant Sub Fund's Shareholders have unanimously approved the contribution or on the condition that only the Shareholders who have approved such contribution are effectively transferred to that foreign fund.

ADDITIONAL INFORMATION

As of the date hereof, the Company is not involved in any litigation or arbitration proceedings and is unaware of any litigation or claim pending or threatened by or against it.

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

Reports to Shareholders:
Shareholders will receive each year a copy of the audited financial statements.

DOCUMENTS

The following documents may be consulted and obtained at the Company's registered office and at the Administration Agent’s registered office:

a) the Articles;

b) the Custodian Agreement between the Company and Nordea Bank S.A. dated August 1, 2006 as amended;

c) the Investment Management Agreement between the Company and Scandium Asset Management A/S dated August 1, 2006, as amended;

d) the Service Agreement between the Company and Carnegie Fund Management Company S.A. dated August 1, 2006;

e) the Distribution Agreement between the Company and Scandium Asset Management A/S dated August 1, 2006;

f) the Company's annual and semi-annual financial reports.

SUPPLEMENTS

Scandium Alternative Investments – Scandium Absolute Return Fund	
The Prospectus is composed of a main part which outlines the general information relating to the Company, and Supplements, which set out the specific information relating to the Sub Funds. The Supplements form an integral part of the Prospectus. In the event of a conflict between the provisions of the main part of the Prospectus and those of the Supplements, the provisions of the Supplements shall prevail.	
Investment objective and policy	The objective of the Sub Fund is to achieve capital appreciation by investing primarily in a diverse range of Target Funds implementing alternative management strategies with exposure to any or all of the global markets worldwide. The Investment Manager seeks to constructs a portfolio of Target Funds that is broadly diversified and has low correlation to stocks & bond markets. The Investment Manager analyzes and monitors the correlation between Target Funds and attempts to asses how these correlations may change in various market scenarios. The Investment Manager seeks to select a variety of Target Funds with exposure to different markets, assets classes and strategies and utilize different investment techniques.
Investment restrictions	In addition to the general investment restrictions set forth in section "Investment Restrictions" of the Prospectus, the Sub Fund shall be subject to the following restrictions: - The Sub Fund shall not invest in less than 10 Target Funds. Each compartment of a Target Fund with multiple compartments is to be considered as a distinct Target Fund provided that the principle of segregation of the commitments of the different compartments towards third parties is ensured. - The Sub Fund shall not invest more than 20% of its net assets in units or shares issued by the same Target Fund. For the purpose of this 20% limit, each compartment of a Target Fund with multiple compartments is to be considered as a distinct Target Fund provided that the principle of segregation of the commitments of the different compartments towards third parties is ensured. - The Sub Fund shall not invest its assets in Open-ended or Closed-ended Target Funds investing themselves in UCIs ("fund of funds"). - The Sub Fund shall not invest less than 80% of its gross assets (i) in Open-ended Target Funds (whereby the term "open-ended" shall mean that redemptions of the shares or units in such Target Funds are possible at least on a quarterly basis) and/or (ii) Closed-ended whose shares or units are listed or traded on a regulated market open to the public. The Sub Fund may therefore invest up to 20% of its gross assets in Target Funds which have a limited liquidity, i.e. which are open-ended but for which redemptions of shares or units are not available on a quarterly basis or which are closed-ended and whose shares or units are not listed or traded on a regulated market open to the public. - The Sub Fund will generally, within the limits set forth under heading 1 of the section "Investment Restrictions" of the Prospectus, invest in Target Funds which are unregulated and which will not provide a level of investor protection equivalent to schemes authorised under

	Luxembourg laws or subject to Luxembourg regulations and conditions. Such Target Funds may be established in any jurisdiction world-wide. When investments are made in Target Funds which are not established in countries where they are subject to permanent supervision set up by law in order to ensure the protection of investors (such as the countries of the European Economic Area, the United States of America, Canada, Hong Kong, Japan and Switzerland), the managers of the Target Funds concerned must be sufficiently safeguarded by reasons of these Target Funds being supervised by first class custodians and/or auditors. The Target Funds will be disclosed in periodic reports for the Sub Fund. - The Sub Fund may not invest more than 20% of its gross assets through Managed Accounts. - The investment in Target Funds and in Managed Accounts will result in a duplication of the management fees charged to the Sub Fund. The Management Fees payable by the Sub Fund to the Investment Manager together with the fees payable to the Portfolio Managers of Managed Accounts and Target Funds in accordance with this paragraph may not exceed 5.5% of the Net Asset Value of the Sub Fund. The performance fees payable to the Investment Manager and to the Portfolio Managers of Managed Accounts and Target Funds are not taken into account for the purpose of this limit. Portfolio Managers of Managed Accounts may also be entitled to a performance fee not exceeding 25% of the performance of their portfolio. Concerning the assets of the Sub Fund allocated to the Portfolio Managers through Target Funds, which already pay fees to the Portfolio Managers, no additional fees will be paid by the Sub Fund to the Portfolio Managers. - The Sub Fund may not proceed with direct investments. - The Sub Fund may not carry out uncovered sales of securities, provided however that the Target Funds in which the Sub Fund invests may carry out such short sales. - The Sub Fund may borrow amounts of up to 100% of its net assets. - The Sub Fund may only make use of derivative financial instruments for the purpose of hedging against foreign exchange risks. The Sub Fund may not make use of derivative financial instruments for the purpose of hedging price valuation of underlying investments.
Classes of Shares:	Class A (EUR) Class I (EUR)
Initial subscription period	From October 10, 2006 to October 25, 2006 with effective payment no later than on October 25, 2006 at a price of: EUR 100 for Class A (EUR) EUR 100 for Class I (EUR)
Base Currency:	EUR
Valuation Day:	Last Business Day of each month
Deadline for the Submission of Subscription Requests:	Classes A and I: 5.00 p.m. (Luxembourg time) 9 Business Days before the relevant Valuation Day.

Deadline for the Payment of Subscription Monies	Classes A and I: Investors will have two methods in which they can make payment of subscription monies: 1. Investors may elect to pay by 5.00 p.m. (Luxembourg time) 7 Business Days before the relevant Valuation Day. 2. Investors may elect to pay within three bank business days after calculation of the Net Asset Value. The subscription price of each Share will be the Net Asset Value per share plus the relevant sales charge plus a fixed fee. The fixed fee will be a percentage of the Net Asset Value and will be specified in the subscription documents. The fixed fee is calculated as the Sub Fund's cost of borrowing (interbank + borrowing margin) from 7 Business Days before Valuation Day until settlement (typically around 30 days). The fixed fee will be rounded up to the nearest decimal. By way of example if the Sub Fund's cost of borrowing is 6% per annum, the fixed fee would be calculated as follows: (1+6%)^(30/365)-1 = 0.49% rounded up to 0.5% of the net asset value of the relevant Valuation Day.
Minimum investment requirements:	*Min. initial investment* *Min. subsequent investment* Class A (EUR): EUR 5.000 EUR 1.000 Class I (EUR): EUR 2.000.000* EUR 50.000 **** the Distributor may at its discretion accept subscriptions for a lesser amount provided the absolute minimum initial subscription is greater than EUR 100.000***
Sales charge:	Classes A: max. 3% Class I: max. 1%
Deadline for the Submission of Redemption Requests:	Classes A and I: 5.00 p.m. (Luxembourg time) 60 calendar days before the relevant Valuation Day.
Deadline for the Payment of Redemption Monies:	Classes A and I: as soon as reasonably practicable after the Net Asset Value has been calculated and is available and in no event later than the last calendar day of the month following the Valuation Day as of which such Shares have been redeemed

Redemption Gate:	If on any Valuation Day redemption requests and conversion requests relate to more than 10% of the Shares in issue of the Sub Fund, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred for such period as the Board of Directors considers to be in the best interests of the Sub Fund, but normally not exceeding three Valuation Days. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests. In case of a redemption gate being applied the company will redeem on a first come first serve basis.
Redemption charge:	Classes A: max. 1% Classes I: nil
Conversion Charge:	Max. 1%
Management fee:	Class A: 1.5% p.a. Class I : 0.75% p.a.
Performance Fee:	*Rate* *Hurdle rate* Class A: 15% 5% Class I: 15% 5%
Contribution Tax	Class A: 0.05% Class I: 0.01%
Risks factors:	Potential investors should consider the risks referred to under section "Special Risk Considerations" of the Prospectus (p. 20 to 24). Investment in the Sub Fund involves a significant degree of risk. There can be no assurance that the Sub Fund's investment objectives will be achieved or that there will be a return of capital. Investment in the Sub Fund is suitable for investment only by those persons and institutions for whom an investment in the Sub Fund does not represent a complete investment program, who understand the degree of risks involved and believe that the investment is suitable based upon investment objectives and financial needs.