Threadneedle (Lux)
Prospectus
November 2011

Threadneedle
Prospectus

Threadneedle (Lux)
SICAV

A Luxembourg Undertaking
For Collective Investment
In Transferable Securities
Under Part I of the Law of 17 December 2010

Prospectus

November 2011

The Prospectus is only valid in conjunction with the Loose Leaf to the Prospectus dated November 2011.

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All capitals terms used in this Prospectus are defined in the glossary.

Directory

Directors
Crispin Henderson (Chairman)
Simon Davies
Marie-Jeanne Chèvremont-Lorenzini
Dominik Kremer
Tony Poon

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Linklaters LLP
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Grand Duchy of Luxembourg

[1] With effect from 31 October 2011 (included). Up to 31 October 2011, The Bank of New York Mellon (Luxembourg) S.A. with its registered office at Vertigo Building – Polaris, 2-4, Rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg acted as the Registrar and Transfer Agent.

Important Information

No person may rely on any information other than that contained in this Prospectus or in the documents specified herein as being available for public inspection.

If you are in any doubt about the contents of this Prospectus, you should consult an independent financial adviser. Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein. No dealer, sales representative or any other person is authorised to give any information or to make any representations concerning Threadneedle (Lux), (the "SICAV") other than as contained in this Prospectus, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus shall be solely at the risk of the purchaser.

The Directors, whose names appear under the heading "The SICAV", are the persons responsible for the information contained in this Prospectus. To the best knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

Statements made in this Prospectus are based on the laws and practice currently in force in the Grand Duchy of Luxembourg, and are subject to changes in those laws.

The price of the SICAV's Shares and any income earned on the Shares may go down as well as up. Future earnings and investment performance can be affected by many factors not necessarily within the control of the SICAV or its Directors or officers. For example, changes in exchange rates between currencies, changes in effective interest rates, or changes in market conditions due to a wide range of political or economic factors, as well as the performance of individual companies, may cause the value of an investment to fluctuate. No guarantees as to future performance of, or future return from, the SICAV can be given by the SICAV itself, or by any Director or officer of the SICAV, by the Management Company, or any of its affiliates, or by any of their directors or officers, or by any authorised dealers.

Subscriptions are accepted only on the basis of the current Prospectus and/or Key Investor Information accompanied by the most recent annual report and any subsequent semi-annual report of the SICAV, when issued. Such reports form an integral part of this Prospectus. The Prospectus, the Key Investor Information, the annual and semi-annual reports may be translated into other languages. In the case of any ambiguity, the English language version shall control to the extent permitted by applicable law.

The Key Investor Information (the "Key Investor Information") contains the essential characteristics of the SICAV, and shall be provided to investors before their proposed subscription of Shares. Subscription of the Shares implies acceptance of terms of the Key Investor Information. A version of the Key Investor Information is available on the website www.threadneedle.com.[2]

Persons interested in purchasing Shares should inform themselves as to: (a) the legal requirements within their own countries for the purchase of Shares; (b) any foreign exchange restrictions which may be applicable; and (c) the income and other tax consequences of a purchase, exchange and/or redemption of Shares. In addition, certain distributors, selected dealers and financial intermediaries may not offer all of the SICAV's portfolios (the "Portfolios") or Classes described in this Prospectus. For more information, consult your distributor, selected dealer or financial intermediary.

The Portfolios have not been registered under the U.S. Investment Company Act of 1940. In addition, the Shares of each Portfolio have not been registered under the Securities Act and may not be and will not be offered for sale or sold in the United States, its territories or possessions or to a United States Person. The Articles contain certain restrictions on the sale and transfer of Shares of each Portfolio to such persons. See the sections "The SICAV" and "Restrictions on Ownership" of this document.

No dealer, sales representative or any other person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, or in any documents referred to herein as being available for inspection by the public, in connection with the offer made hereby, and, if given or made, such information or representations must not be relied upon as having been authorised by the SICAV or the Management Company. Applications for Shares of any Portfolio are subject to acceptance by the SICAV.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or invitation to subscribe for any Shares by any person in any jurisdiction (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Prospective purchasers of Shares should inform themselves as to the legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

[2] Until otherwise determined by the Directors, the Simplified Prospectus will still be used. Key Investor Information will only be used as from such date except in such jurisdictions where the use of the Simplified Prospectus may be required.

Introduction

Threadneedle (Lux) is an investment company with variable capital (*"société d'investissement à capital variable"*) formed under the laws of the Grand Duchy of Luxembourg and qualifies in Luxembourg as a UCITS.

The SICAV offers investors the opportunity to invest in separate Portfolios. Each Portfolio has a different investment objective and is a separate portfolio of assets represented by separate Shares. Each Portfolio may have one or more Classes of Shares related to it. The SICAV as a whole, including all of the existing Portfolios and all future Portfolios, is one legal entity. However, with regard to third parties and, in particular, with regard to the SICAV's creditors and as between Shareholders, each Portfolio shall be exclusively responsible for all liabilities attributable to it.

Threadneedle Management Luxembourg S.A. has been appointed as the Management Company to the SICAV.

The Portfolios of the SICAV are as follows:

The Bond Portfolios

Threadneedle (Lux) – Global Bonds (Euro) (hereafter "Global Bonds (Euro)")[3]
Threadneedle (Lux) – Global Aggregate Bond (hereafter "Global Aggregate Bond")
Threadneedle (Lux) – Euro Active Bonds (hereafter "Euro Active Bonds")
Threadneedle (Lux) – Emerging Market Corporate Bonds (hereafter "Emerging Market Corporate Bonds")
Threadneedle (Lux) – Emerging Market Debt (hereafter "Emerging Market Debt")
Threadneedle (Lux) – Global Emerging Market Short-Term Bonds (hereafter "Global Emerging Market Short-Term Bonds")
Threadneedle (Lux) – US$ High Income Bonds (hereafter "US$ High Income Bonds")
Threadneedle (Lux) – Global High Yield and Emerging Market (Euro) (hereafter "Global High Yield and Emerging Market (Euro)")[4]
Threadneedle (Lux) – European High Yield Bond (hereafter "European High Yield Bond")[5]

(together, the "Bond Portfolios")

The Asset Allocation Portfolio

Threadneedle (Lux) – Global Asset Allocation (hereafter "Global Asset Allocation") (the "Asset Allocation Portfolio")

[3] On 12 January 2012, this Portfolio will be merged with the Threadneedle (Lux) – Global Aggregate Bond Portfolio.
[4] On 12 January 2012, this Portfolio will be merged with the Threadneedle (Lux) – Emerging Market Corporate Bonds Portfolio.
[5] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

The Equity Portfolios

Threadneedle (Lux) – Global Focus (hereafter "Global Focus")
Threadneedle (Lux) – Global Emerging Market Equities (hereafter "Global Emerging Market Equities")
Threadneedle (Lux) – American (hereafter "American")[6]
Threadneedle (Lux) – American Select (hereafter "American Select")
Threadneedle (Lux) – US Contrarian Core Equities (hereafter "US Contrarian Core Equities")
Threadneedle (Lux) – Pan European Equities (hereafter "Pan European Equities")
Threadneedle (Lux) – Pan European Smaller Companies (hereafter "Pan European Smaller Companies")
Threadneedle (Lux) – European Quantitative Equities (hereafter "European Quantitative Equities")
Threadneedle (Lux) – Asia (hereafter "Asia")
Threadneedle (Lux) – Greater China Equities (hereafter "Greater China Equities")
Threadneedle (Lux) – Global Energy Equities (hereafter "Global Energy Equities")
Threadneedle (Lux) – Global Technology (hereafter "Global Technology")
Threadneedle (Lux) – Global Equities – Walter Scott & Partners (hereafter "Global Equities – Walter Scott & Partners")
Threadneedle (Lux) – Mondrian Investment Partners – Focused Emerging Markets Equity (hereafter "Mondrian Investment Partners – Focused Emerging Markets Equity")
Threadneedle (Lux) – UK Equities (hereafter "UK Equities")[7]
Threadneedle (Lux) – Latin America (hereafter "Latin America")[8]
Threadneedle (Lux) – US Smaller Companies (hereafter "US Smaller Companies")[9]
Threadneedle (Lux) – Global Equity Dividend (hereafter "Global Equity Dividend")[10]

(together, the "Equity Portfolios")

[6] Until 30 November 2011 (included), the name of the Portfolio will remain as follows: Threadneedle (Lux) – US Equities.
[7] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.
[8] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.
[9] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.
[10] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

The Absolute Return Portfolios

Threadneedle (Lux) – Target Return (US$) (hereafter "Target Return (US$)")
Threadneedle (Lux) – American Absolute Alpha (hereafter "American Absolute Alpha")
Threadneedle (Lux) – Absolute Emerging Market Macro (hereafter "Absolute Emerging Market Macro")
Threadneedle (Lux) – Multi Asset Absolute Alpha (hereafter "Multi Asset Absolute Alpha")[11]
Threadneedle (Lux) – European Smaller Companies Absolute Alpha (hereafter "European Smaller Companies Absolute Alpha")
Threadneedle (Lux) – Global Opportunities Bond (hereafter "Global Opportunities Bond")
Threadneedle (Lux) – European Absolute Alpha (hereafter "European Absolute Alpha")[12]

(together, the "Absolute Return Portfolios")

The Specialist Portfolio

Threadneedle (Lux) – Enhanced Commodities (hereafter "Enhanced Commodities") (the "Specialist Portfolio")

Multiple Share Classes are available in respect of each Portfolio as described in the loose leaf to the Prospectus.

The Shares presently issued are offered for sale, where legally permitted, and all subscriptions are accepted on the basis of the current Prospectus and either the last available annual report of the SICAV containing its audited accounts, or the most recent semi-annual report which are available at the registered office of the SICAV.

[11] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.
[12] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

Investment Objectives and Policies

Investment Objectives and Policies

Set forth below are the investment objectives and policies of each Portfolio. The SICAV is authorised, by amendment to the Prospectus, to offer Shares in additional Portfolios if and when the Directors, the Management Company determine that there is sufficient interest in any such additional Portfolio to warrant an offering of its Shares. There can be no assurance that any Portfolio will achieve its investment objective. Unless specifically stated otherwise, the Net Asset Value of the Portfolios shall be expressed in U.S. Dollars and investment decisions will be made from a U.S. Dollar perspective, unless otherwise indicated. Certain Classes of the Portfolios may be expressed in currencies other than the Base Currency as noted in the loose leaf to the Prospectus.

In addition to the following investment objectives and policies, each Portfolio may employ the investment practices described under "Other Investment Practices" and in Appendix A "Investment Restrictions" and in Appendix B "Investment Techniques and Instruments".

The attention of the investors is drawn to the fact that investing in the following Portfolios may involve specific risks described under "Risk Factors" below. Investors should consider such risks before investing in any of the Portfolios especially risks linked to investment in financial derivative instruments when appropriate.

The Bond Portfolios:

Global Bonds (Euro)[13]

The Global Bonds (Euro) Portfolio seeks to achieve total return from both income and capital appreciation by investing principally in a managed portfolio of fixed income securities.

The Portfolio will also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, futures on Transferable Securities, interest rate swaps, and credit default swaps.

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek returns from both income and moderate capital appreciation;
- are looking to diversify their investments through exposure to global bonds;
- will accept high volatility and a high level of risk;
- have a long-term investment horizon.

[13] On 12 January 2012, this Portfolio will be merged with the Threadneedle (Lux) – Global Aggregate Bond Portfolio.

Global Aggregate Bond

The Global Aggregate Bond Portfolio seeks to achieve total return from income and capital appreciation by investing principally either directly, or indirectly through derivatives, in a managed portfolio of both government and non-government fixed income and floating rate securities that are Investment Grade at the time of purchase, and when determined appropriate cash and Money Market Instruments.

The Portfolio may use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, futures and options on Transferable Securities, interest rate swaps and credit default swaps.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek returns from both income and moderate capital appreciation;
- are looking to diversify their investments through exposure to global bonds;
- will accept moderate to high volatility and have a moderate to high risk tolerance;
- have a medium to long-term investment horizon.

Euro Active Bonds

The Euro Active Bonds Portfolio seeks to achieve total return from income and capital appreciation by investing principally in short to-medium term European sovereign bonds and corporate bonds, primarily issued by companies domiciled in the Euro Area or with significant operations in the Euro Area.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, futures on transferable securities and interest rate swaps. The Portfolio seeks to minimise interest rate risk if the investment environment warrants such action. Conversely, interest rate risk of the Portfolio may be increased in the countervailing scenario.

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek potential total return through income and capital appreciation;
- seek to diversify their investments through exposure to European debt;
- seek active management of interest rate risk;
- will accept moderate volatility and moderate level of risk;
- have a medium-term investment horizon.

Emerging Market Corporate Bonds

The Emerging Market Corporate Bonds Portfolio seeks to achieve total return from income and capital appreciation by investing principally in U.S. Dollar-denominated or U.S. Dollar hedged Investment Grade and Below Investment Grade debt and other obligations issued or guaranteed by institutions and corporations having their head office in, or conducting a significant part of their business in, Emerging Market Countries.

The Portfolio may secondarily invest in other debt securities, including bonds issued by sovereign borrowers from Emerging Market Countries, bonds issued by sovereign and corporate borrowers from OECD, deposits, cash and near cash.

The average duration of the Portfolio will not exceed five years.

Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, interest rate swaps, interest rate futures and credit default swaps.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek returns from both income and capital appreciation;
- seek to diversify their investments through exposure to emerging market corporate debt;
- will accept high volatility and high level of risk;
- have a medium to long-term investment horizon.

Emerging Market Debt

The Emerging Market Debt Portfolio seeks to achieve total return from income and capital appreciation by investing principally in sovereign bonds and corporate bonds issued by borrowers from Emerging Market Countries.

The Portfolio may further invest in other fixed income securities, including bonds issued by countries making up the G-7, deposits, cash and near cash.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek potential total return through income and capital appreciation;
- seek diversification within their investments through exposure to emerging market debt;
- can tolerate the high volatility associated with emerging market debt;
- are willing to take on high level of risk;
- have a long-term investment horizon.

Global Emerging Market Short-Term Bonds

The Global Emerging Market Short-Term Bonds Portfolio seeks to achieve total return from income and capital appreciation by investing principally in a globally diversified range of Transferable debt Securities. Such securities will be issued or guaranteed by emerging market sovereignties or supranational entities, or financial institutions or corporations headquartered in Emerging Market Countries. The Portfolio may also invest secondarily in debt securities issued or guaranteed by G-7 sovereignties or supranational entities and in credit linked notes.

The Portfolio may invest in securities denominated in various currencies and will generally hedge non-U.S. Dollar exposures. However, the maximum amount of non-U.S. Dollar exposure remaining unhedged will not exceed 35% of the net assets of the Portfolio. At the same time, the maximum amount of non-U.S. Dollar exposure remaining unhedged in any one currency will not exceed 10% of the net assets of the Portfolio. The Portfolio will have an average duration of five years or less.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, interest rate swaps, interest rate futures and credit default swaps.

Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek potential total return through income and capital appreciation;
- seek diversification within their investments through exposure to emerging market short-term debt;
- can tolerate the high volatility associated with emerging market debt;
- are willing to take on a high level of risk;
- have a long-term investment horizon.

US$ High Income Bonds

The US$ High Income Bonds Portfolio seeks to achieve total return from capital appreciation and income by investing principally in income-producing U.S. Dollar denominated debt securities with an emphasis on the High Yield market. The Portfolio will invest under normal circumstances at least two thirds of its net assets in a diversified portfolio of debt securities that are rated Below Investment Grade. The Portfolio will not generally purchase debt securities rated below "C" by S&P or by Moody's or that have an equivalent rating by another NRSRO, or are unrated and believed to be of similar quality. All ratings apply at the time the investment is made. If the rating of a security changes subsequent to purchase, the security may continue to be held at the Sub-Advisor's discretion.

The Portfolio may invest secondarily in other securities and may employ other investment strategies that are not principal investment strategies. The Portfolio's policies permit investment in other Transferable Securities, including non income-producing securities and common stocks. The Portfolio may invest up to 25% of its net assets in non-U.S. securities and up to 10% of its net assets in non-U.S. Dollar denominated securities.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, interest rate futures, interest rate options, interest rate swaps, total/excess return swaps and credit default swaps.

It is intended that income produced by the Portfolio's investments will be reinvested within the Portfolio.

Investment in debt securities rated Below Investment Grade entails special risks and may not be appropriate for all investors.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek potential total return through higher income and capital appreciation;
- seek diversification in their investments through exposure to the U.S. Dollar denominated high-yield market;
- can tolerate the high price volatility and lower liquidity associated with lower-rated debt securities;
- are willing to take on a high level of risk;
- have a long-term investment horizon.

Global High Yield and Emerging Market (Euro)[14]

The Global High Yield and Emerging Market (Euro) Portfolio seeks to achieve income and capital appreciation by investing principally in a broadly diversified range of High Yield and Emerging Market Countries' Transferable debt Securities such as bonds, debentures, and notes of government and private issuers, or warrants on the same. The Portfolio will invest globally. For the avoidance of doubt, the Portfolio is permitted to invest in High Yield securities from non-Emerging Markets as well as sovereign bonds from Emerging Market Countries that are considered Investment Grade.

In addition to investments in High Yield and Emerging Market Countries Transferable debt Securities denominated in Euro, the Portfolio may invest in other securities (including other fixed income securities and Money Market Instruments), cash and near cash, deposits, and forward currency exchange contracts.

The Portfolio may invest in securities denominated in various currencies and will generally hedge non-Euro exposures. However, the maximum amount of non-Euro exposure remaining un-hedged will not exceed 33% of the net assets of the Portfolio.

The Net Asset Value of this Portfolio shall be expressed in the Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek potential total return through higher income and capital appreciation;
- seek global diversification in their investments through exposure to high yield and emerging market debt issuers;
- can tolerate the high price volatility and lower liquidity associated with lower-rated debt securities;
- are willing to take on a high level of risk;
- have a long-term investment horizon.

European High Yield Bond[15]

The European High Yield Bond Portfolio seeks to achieve total return, predominantly by way of income by investing principally in Euro or GBP denominated Below Investment Grade debt issued or guaranteed by institutions or corporations that are domiciled in, or have significant activities in Europe. The Portfolio may further invest in other securities (including other fixed income securities, equities and Money Market Instruments). Where securities are non-Euro denominated, it is intended they will generally be hedged into Euro.

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor Profile
This Portfolio is suitable for investors who:

- seek potential total return through higher income and capital appreciation;
- seek diversification within their investments through exposure to the European high yield market;
- can tolerate the high price volatility and lower liquidity associated with lower-rated debt securities;
- have a medium to long-term investment horizon.

[14] On 12 January 2012, this Portfolio will be merged with the Threadneedle (Lux) – Emerging Market Corporate Bonds Portfolio.

[15] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

The Asset Allocation Portfolio:

Global Asset Allocation[16]

As from 1 January 2012, the investment objective and policy and typical investor's profile of the Threadneedle (Lux) – Global Asset Allocation Portfolio will be amended and read as follows:

The Global Asset Allocation Portfolio seeks to achieve a return from income and capital appreciation.

The Portfolio will invest globally primarily in the equity and fixed income securities of both government and corporate issuers, either directly, or indirectly through financial derivative instruments and/or collective investment schemes, as well as in forward currency exchange contracts and, when determined appropriate on a defensive basis, in cash and Money Market Instruments. The Portfolio may also gain indirect exposure to commodities through, but not limited to, investment in collective investment schemes, securitised notes and/or financial derivative instruments where such derivatives' underlying instruments are indices. The Portfolio will not invest in physical commodities or property.

The Portfolio may use financial derivative instruments and forward transactions for both efficient portfolio management and investment purposes. The use of derivatives for investment purposes may increase the risk profile of the Portfolio.

The Portfolio retains the flexibility to vary its exposure between asset classes where it deems necessary in order to achieve the investment objective.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation in a globally asset-allocated portfolio;
- seek to add diversification to their investments through exposure to global equities, fixed income, cash, currencies and commodities;
- have a medium to high level of risk tolerance;
- have a medium- to long-term investment time horizon.

The Equity Portfolios:

Global Focus

The Global Focus Portfolio seeks to achieve capital appreciation by investing principally in a concentrated portfolio of equity securities of corporate issuers listed, domiciled or conducting a significant part of their business in developed and emerging market countries. Secondarily, the Portfolio may invest in securities convertible into equity securities and/or warrants.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation through a globally-focused equity fund;
- seek investment diversification through exposure to global equities;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- can tolerate high volatility in the value of their investment;
- have a long-term investment horizon.

Global Emerging Market Equities

The Global Emerging Market Equities Portfolio seeks to achieve long-term capital appreciation by investing principally in the equity securities of Emerging Markets companies. These are defined as companies domiciled in and/or whose significant activities are in Emerging Market Countries. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation through a global emerging market-focused equity fund;
- seek investment diversification through exposure to Emerging Market Countries equities;
- have a high level of risk tolerance commensurate with an investment in developing countries;
- can tolerate frequent periods of high volatility and risk;
- have a long-term investment horizon.

US Equities[17]

As from 1 December 2011, the name, the investment objective and policy and typical investor's profile of the Threadneedle (Lux) – US Equities Portfolio will be amended and read as follows:

[16] Until 31 December 2011 (included), the investment objective and policy and the typical investor's profile remains as follows:

> "The Global Asset Allocation Portfolio seeks to achieve a return from income and capital appreciation through a globally balanced investment portfolio consisting of equity and debt securities.
>
> The Global Asset Allocation Portfolio will operate as a separate Portfolio and will follow the objective of the Global Focus Portfolio for its equity portion and the Global Aggregate Bond Portfolio for its bond portion (including the use of derivatives as disclosed for such latter Portfolio).
>
> **Typical Investor's Profile**
> This Portfolio is suitable for investors who:
> - seek capital appreciation in a globally asset-allocated balanced portfolio;
> - seek to add diversification to their investments through exposure to global equities and debt;
> - have a medium to high level of risk tolerance;
> - desire to invest with a medium- to long-term investment time horizon."

[17] Until 30 November 2011 (included), the name, investment objective and policy and the typical investor's profile remains as follows:

> **"US Equities**
> "The US Equities Portfolio seeks to achieve capital appreciation by investing principally in a diversified portfolio of equity securities of corporate issuers headquartered in the United States or exercising a predominant part of their activity in this country. Secondarily, the Portfolio may invest in securities convertible into equity securities and/or warrants. The securities will generally be of companies with capitalisations that are similar to those of companies represented in the S&P 500 Index.
>
> **Typical Investor's Profile**
> This Portfolio is suitable for investors who:
> - seek capital appreciation;
> - seek investment diversification through exposure to the U.S. equity market. The investor should be aware that geographic concentration may add more volatility than a more geographically diversified portfolio;
> - can tolerate potentially high volatility in the value of their investment;
> - have a high level of risk tolerance commensurate with an investment in equity securities;
> - have a long-term investment horizon."

American

The American Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of medium to large companies domiciled in North America or with significant North American operations. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment diversification through exposure to the North American equity market. The investor should be aware that geographic concentration may add more volatility than a more geographically diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

American Select

The American Select Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies domiciled in North America or which have significant North American operations. These may include large, medium and smaller companies. There will be no particular specialisation. The select investment approach means that the Portfolio has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the North America equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

US Contrarian Core Equities

The US Contrarian Core Equities Portfolio seeks to achieve long-term capital appreciation by investing principally in the equity securities of large cap companies (generally over US$ 2 billion in market capitalisation, as at time of purchase) listed, domiciled, or conducting a significant part of their business in the United States. The Sub-Advisor will take a contrarian approach and will specifically target stocks that it believes are undervalued by the market.

The Portfolio may use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include but are not limited to equity swaps, options, futures and foreign currency exchange contracts.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the US equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment time horizon.

Pan European Equities

The Pan European Equities Portfolio seeks to achieve capital appreciation by investing principally in the equity of large companies domiciled in Europe or with significant European activities. The Portfolio may further invest in the equity securities of European Smaller Companies and other securities (including fixed income securities, other equities and Money Market Instruments).

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the European equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

Pan European Smaller Companies

The Pan European Smaller Companies Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of European Smaller Companies. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

The Net Asset Value of this Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the European equity market. The investors should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- seek investment exposure to small size European companies. The investor should be aware that there are certain risks associated with investing in smaller companies that may include greater market price volatility and greater vulnerability to fluctuations in the economic cycle;
- can tolerate potentially large fluctuations in share price;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

European Quantitative Equities

The European Quantitative Equities Portfolio seeks to achieve capital appreciation by investing principally in a diversified portfolio of equity securities of corporate issuers headquartered in Europe or exercising a predominant part of their activity in Europe. These securities will be mainly of companies with medium and large capitalisation. Investments will generally be made in major European markets.

The Portfolio may invest secondarily in securities convertible into equity securities and/or warrants of those companies. The Portfolio may also invest up to 20% of its net assets in securities of companies in emerging European markets.

The Portfolio may use financial derivative instruments for principal investment, hedging and efficient portfolio management. These derivatives may include but are not limited to equity swaps, options, futures and foreign currency exchange contracts.

The Portfolio will be managed utilizing quantitative stock selection techniques to implement a disciplined decision-making process. Such techniques may include the use of computer modeling to screen companies for various fundamental financial characteristics, to perform sector and/or portfolio level optimisation, to apply various risk controls and to back-test the results of these processes.

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the European equity market using quantitative stock selection techniques. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

Asia

The Asia Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies domiciled in Asia (with the exclusion of Japan) or with significant Asian (excluding Japan) operations. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the Asia Pacific (excluding Japan) equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities of a single region;
- have a long-term investment horizon.

Greater China Equities

The Greater China Equities Portfolio seeks to achieve capital appreciation by investing principally in a diversified portfolio of equity securities of corporate issuers headquartered or exercising a predominant part of their activity in the People's Republic of China ("China"), Hong Kong or Taiwan.

Secondarily, the Portfolio may invest in securities convertible into equity securities and/or warrants.

While China is a very large country, it is still an Emerging Market Country. Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek portfolio exposure to China, Hong Kong and Taiwan equity markets. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in value of their investment;

- have a high level of risk tolerance commensurate with an investment in equity securities of a single region;
- have a long-term investment horizon.

Global Energy Equities

The Global Energy Equities Portfolio seeks to achieve capital appreciation by investing principally in a globally diversified portfolio of equity securities of corporate issuers exercising a predominant part of their activity in the development, research, production or distribution of energy related products and services. Investments will generally be made in major world markets, except that the Portfolio may invest up to 15% of its net assets at the time of purchase in securities of companies in Emerging Market Countries. As a sector portfolio, this Portfolio will provide less diversification, and may lead to higher volatility, than other broadly invested portfolios.

Secondarily, the Portfolio may invest in securities convertible into equity securities and/or warrants.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment diversification through exposure to the energy sector. The investor should be aware that sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities of a single sector;
- have a long-term investment horizon.

Global Technology

The Global Technology Portfolio seeks to achieve long term capital appreciation by making global investments principally in Transferable Securities of companies with business operations in technology and technology-related industries. Technology-related companies are those companies that use technology extensively to improve their business processes and applications.

The Portfolio may invest in Transferable Securities of issuers of any size and domiciled in any country. The Portfolio will normally invest its assets in any equity securities, including common stock, securities convertible or exchangeable into common stock, rights and warrants to purchase common stock and depositary receipts representing an ownership interest in these equity securities. The Portfolio may invest up to 25% of its assets in preferred stock and Investment Grade debt securities.

Typical Investor Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek portfolio diversification through exposure to the technology sector. The investor should be aware that sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

Global Equities – Walter Scott & Partners

The Global Equities – Walter Scott & Partners Portfolio seeks to achieve a relatively high real return by investing principally in a globally diversified portfolio of equity securities (including securities convertible into equity securities and/ or warrants) of corporate issuers. These securities will typically be of companies that have the potential for achieving above average rates of return. The Portfolio will be invested with a long term focus and therefore portfolio turnover is expected to be low. The Portfolio will mainly invest in developed markets but may secondarily invest in the securities of companies in Emerging Market Countries.

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation through a globally-focused equity fund;
- seek portfolio diversification through exposure to geographic regions across the world;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- can tolerate potentially large fluctuations in share price;
- have a long-term investment horizon.

Mondrian Investment Partners – Focused Emerging Markets Equity

The Mondrian Investment Partners – Focused Emerging Markets Equity Portfolio will invest in a focused list of equity securities of corporate issuers. This Portfolio will be managed against the MSCI Emerging Markets Index. In choosing the focused list, the Sub-Advisor will take into consideration overall market exposure to any given country which will typically be limited to one-third of the net assets of the Portfolio. The Portfolio will invest primarily in corporate issuers that will be headquartered in Emerging Market Countries. The Portfolio will typically hold 35 – 45 corporate issuers with a market capitalisation of approximately more than US$3.5 billion at the time of initial purchase. However, it should be noted that the Portfolio may hold more or less issuers than indicated and that the market capitalisation of the issuers in the Portfolio may also vary from the level indicated here.

Up to 20% may be invested in situations where the Sub-Advisor can only attain the emerging market exposure desired through equity securities traded or headquartered elsewhere.

A disciplined dividend discount model will be utilised, consistently across all markets and securities.

Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation through a focused large cap global emerging market equity portfolio;
- seek portfolio diversification through exposure to developing geographic regions across the world;
- have a high level of risk tolerance commensurate with an investment in developing countries;
- can tolerate potentially frequent periods of high volatility and risk;
- have a long-term investment horizon.

UK Equities[18]

The UK Equities Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies domiciled in the United Kingdom or which have significant United Kingdom operations. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

The Net Asset Value of the Portfolio shall be expressed in GBP and investment decisions will be made from a GBP perspective.

Typical Investor Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the equity market of the United Kingdom. The investor should be aware that geographic concentration may add more volatility than a more geographically diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

Latin America[19]

The Latin America Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies domiciled in Latin America or which have significant Latin American operations. The Portfolio may further invest in other securities (including fixed income securities such as sovereign and corporate Latin American debt, other equities and Money Market Instruments).

Typical Investor Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the equity market of Latin America. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

US Smaller Companies[20]

The US Smaller Companies Portfolio seeks to achieve capital appreciation by investing principally in the equities of companies that are domiciled in the United States or have significant United States operations and have a market capitalisation of less than US$ 5 billion. Secondarily, the Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

Typical Investor Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the equity market of the United States. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- seek investment exposure to small size U.S. companies. The investor should be aware that there are certain risks associated with investing in smaller companies that may include greater market price volatility and greater vulnerability to fluctuations in the economic cycle;
- can tolerate potentially large fluctuations in share price;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

Global Equity Dividend[21]

The Global Equity Dividend Portfolio seeks to achieve a high and growing income combined with prospects for capital appreciation by investing principally in a globally diversified range of equity securities of corporate issuers listed, domiciled or conducting a significant part of their business in developed countries and Emerging Market Countries.

[18] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.
[19] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.
[20] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.
[21] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

Secondarily, the Portfolio may further invest in derivatives, forward transactions and other securities (including fixed interest securities and Money Market Instruments), deposits and cash.

The Portfolio may use financial derivative instruments and forward transactions for both efficient portfolio management and for investment purposes. These derivatives may include but are not limited to equity swaps, options, futures and foreign currency exchange contracts.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek income and capital appreciation through a globally-focused equity fund;
- seek investment diversification through exposure to global equities;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

The Absolute Return Portfolios:

Risk factors for Absolute Return Portfolios (to be read in conjunction with the "Risk Factors" section of this Prospectus):

Absolute Return:

Portfolios seeking an Absolute Return will use investment techniques that are capable of making profits in markets where security prices are increasing or decreasing. As such, they have a potential to deliver a positive return independent of the market direction. However, it is important to note this does not mean these Portfolios will produce a positive return at all times, and indeed may be subject to periods of negative return. These investment techniques will also introduce additional risks when compared to more traditional directional Portfolios.

Use of derivatives and forward transactions:

The Portfolios use derivatives and forward transactions for both efficient portfolio management and investment purposes including short selling and leverage. The use of derivatives and forward transactions may significantly increase or decrease the risk profile of the Portfolio.

Short Sales and Leverage:

The Portfolio's exposure involves short sales of securities and leverage via financial derivative instruments which increases the risk of the Portfolio. The investment strategy includes the synthetic short sales of securities, which creates an exposure equivalent to selling securities not physically owned by the Portfolios at the time. The Portfolios will profit if the value of these securities fall, however, if the value of these securities increase, it will have a negative impact on the Portfolios. The use of derivatives may also create leverage in the Portfolios. Leverage has the effect of increasing the magnitude of any profits compared to if there were no leverage. However, it will also increase the level of any loss.

For the avoidance of doubt, the Absolute Return Portfolios do not offer any form of guarantee with respect to performance, and no form of capital protection will apply.

For further information on risks associated to the use of derivatives, please note section "Use of Derivatives and other Investment Techniques" in the "Risk Factors" section.

Target Return (US$)

The Target Return (US$) Portfolio seeks to achieve a total positive return in excess of the 3-month LIBOR of the Base Currency, regardless of market conditions.

The Portfolio will gain exposure to global bond and currency markets. The portfolio will principally invest in derivatives, cash and near cash, fixed income securities, index linked securities, Money Market Instruments and deposits.

At times the Portfolio may be concentrated in any one or a combination of such assets. The Portfolio may take long and short positions through derivatives in such issues. Securities which are denominated in a currency other than US$ may or may not be hedged to the US$ at the discretion of the Management Company or the relevant Sub-Advisor.

The Portfolio will use derivatives and forward transactions for both efficient portfolio management and investment purposes including synthetic short selling and leverage. The use of derivatives may increase or decrease the risk profile of the Portfolio.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek a potential total return in excess of cash;
- seek returns from both income and capital appreciation;
- have a moderate to high risk tolerance;
- have a medium term investment time horizon.

American Absolute Alpha

The American Absolute Alpha Portfolio seeks to achieve an absolute return. The Portfolio will principally invest in equity securities and equity related derivative contracts of corporate issuers headquartered in North America or exercising a predominant part of their activity in North America, and when determined appropriate, cash and Money Market Instruments. Secondarily, the Portfolio may invest in securities and derivatives related to corporate issuers headquartered outside North America.

The Portfolio will take long positions in publicly traded equity securities. Short positions (and possibly long positions) will be taken by the use of financial derivative instruments to include, but not limited to, equity swaps, total/excess return swaps, and futures and options related to individual equity securities, related to exchange traded funds and/or related to equity indices in accordance with section A(7)(b) in Appendix A "Investment Restrictions". Hedging may also be achieved through the purchase of exchange traded funds.

The Portfolio will use financial derivative instruments and forward transactions for both efficient portfolio management and investment purposes. The use of derivatives may increase or decrease the risk profile of the Portfolio.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek returns driven principally by long and short investment decisions;
- have a high risk tolerance;
- have a long term investment time horizon.

Absolute Emerging Market Macro

The Absolute Emerging Market Macro Portfolio seeks to achieve an absolute return.

The Portfolio will principally invest either directly in debt and currencies of Emerging Market Countries including but not limited to, domestic, sovereign and quasi-sovereign debt, issued in local or foreign currencies, or indirectly in such debt and currencies through derivatives such as, including but not limited to, credit default swaps, interest rate swaps and currency futures, options and forwards, and when determined appropriate, cash and Money Market Instruments.

Secondarily, the Portfolio may further invest in debt securities and currencies of non-Emerging Market Countries.

The Portfolio will use financial derivative instruments and forward transactions for both efficient portfolio management and investment purposes. The use of derivatives may increase or decrease the risk profile of the Portfolio.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek a potential total return in excess of cash;
- seek returns from both income and capital appreciation;
- have a high risk tolerance;
- have a long term investment time horizon.

Multi Asset Absolute Alpha[22]

The Multi Asset Absolute Alpha Portfolio seeks to achieve an absolute return.

The Portfolio will invest globally in equity, fixed income and currency markets, either directly, or indirectly through collective investment schemes and/or financial derivative instruments, and when determined appropriate cash and Money Market Instruments. The Portfolio will also gain indirect exposure to commodities, property or other assets through, but not limited to, investment in collective investment schemes, securitised notes and/or financial derivative instruments where such derivative's underlying instruments are indices. The Portfolio will not invest in physical commodities or property.

The Portfolio is expected to invest more than 10% and up to 100% of its assets in other UCITS or UCIs.

The Portfolio will use financial derivative instruments and forward transactions for both efficient portfolio management and investment purposes, including synthetic short selling and leverage. The use of derivatives may increase or decrease the risk profile of the Portfolio.

The Portfolio retains the flexibility to vary its exposure between asset classes where it deems necessary in order to achieve the investment objective.

Typical Investor Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- have a high risk tolerance;
- have a long term investment time horizon.

European Smaller Companies Absolute Alpha

The European Smaller Companies Absolute Alpha Portfolio seeks to achieve an absolute return. The Portfolio will principally invest in equity securities, convertible debt securities and equity related derivative instruments of European Smaller Companies, and when determined appropriate cash and Money Market Instruments. Secondarily, the Portfolio may invest in securities and derivatives related to companies headquartered outside Europe.

The Portfolio will take both long and short positions. Short positions (and possibly long positions) will be taken by the use of financial derivative instruments to include, but not limited to, equity swaps, total/excess return swaps, and futures and options related to individual equity securities, related to exchange traded funds and/or related to indices. Hedging may also be achieved through the purchase of exchange traded funds.

[22] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time, confirmation of the launch will be made available at the registered office of the SICAV.

The Portfolio will use financial derivative instruments and forward transactions for both efficient portfolio management and investment purposes. The use of derivatives may increase or decrease the risk profile of the Portfolio.

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek returns driven principally by long and short investment decisions;
- have a high risk tolerance;
- have a long term investment time horizon.

Global Opportunities Bond
The Global Opportunities Bond Portfolio seeks to achieve an absolute return. The Portfolio will principally invest either directly, or indirectly through derivatives, in both government and non-government fixed income and floating rate securities. These include, but are not limited to: developed and emerging market government bonds; Investment Grade, non-Investment Grade and unrated corporate bonds; asset backed Transferable Securities; and when determined appropriate cash and Money Market instruments. At times the Portfolio may be concentrated in any one or a combination of these types of assets. The Portfolio may take long positions, and short positions through derivatives, in such assets.

The Portfolio will use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, futures and options on Transferable Securities, interest rate swaps and credit default swaps. The use of derivatives may increase or decrease the risk profile of the Portfolio.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek potential return in excess of cash;
- seek returns from both income and capital appreciation;
- have a moderate to high risk tolerance;
- have a medium to long term investment time horizon.

European Absolute Alpha[23]
The European Absolute Alpha Portfolio seeks to achieve an absolute return.

The Portfolio will principally invest in equity securities, convertible debt securities and equity related derivative instruments of European companies headquartered or exercising a predominant part of their activity in Europe, and when determined appropriate, cash and Money Market Instruments. Secondarily, the Portfolio may invest in securities and derivatives related to companies headquartered outside Europe.

The Portfolio will take both long and short positions (the Portfolio's positions are generally expected to be directionally long, but at times may be market neutral or net short). Short positions (and possibly long positions) will be taken by the use of financial derivative instruments to include, but not limited to, equity swaps, total/excess return swaps, and futures and options related to individual equity securities, related to exchange traded funds and/or related to indices. Hedging may also be achieved through the purchase of exchange traded funds.

The Portfolio will use financial derivative instruments for investment purposes, hedging and efficient portfolio management. The use of derivatives for investment purposes may increase the risk profile of the Portfolio.

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek return driven principally by long and short investment decisions;
- have a high risk tolerance; and
- have a long-term investment time horizon.

The Specialist Portfolio:
Enhanced Commodities
The Enhanced Commodities Portfolio seeks to achieve capital appreciation which is directly and indirectly linked to commodity markets.

The Portfolio will invest in financial derivative instruments whose underlying instruments are commodity indices or sub-indices composed of futures contracts on physical commodities. Investments into single commodity indices will be in accordance with section A(7)(b) in Appendix A "Investment Restrictions". The Portfolio may also gain high exposure to an index that is sufficiently diverse on the basis set out in section A(7)(a) in Appendix A "Investment Restrictions".

The Portfolio may also invest in exchange traded funds and/or exchange traded commodities/securitised notes, certificates, Investment Grade government securities, Money Market Instruments, cash, equities and/or other debt securities.

The Portfolio will use financial derivative instruments for investment purposes, hedging and efficient portfolio management.

[23] This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

Typical Investor's Profile
This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek portfolio diversification within their investment through exposure to commodities;
- have a high risk tolerance;
- can tolerate potentially high volatility in value of their investment;
- have a long term investment time horizon.

Investors should note the "Risk factors" section of this Prospectus in terms of risks applicable to investing in the Enhanced Commodities Portfolio and in particular "Use of Derivatives and other investment Techniques", "Counterparty Risk", "Financial derivatives on indices or sub-indices", "Total/Excess Return Swaps", "Commodity Indexes" and "Exchange traded notes". Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

The Portfolio uses derivatives to gain exposure to commodity indices or sub-indices composed of futures contracts on physical commodities. The use of such derivatives for investment purposes may increase the risk profile of the Portfolio.

Other Investment Practices

The Global Asset Allocation Portfolio, the Equity Portfolios and certain Bond Portfolios may invest in warrants to purchase common stock. Investment in warrants entails special risks, notably those described under "Investment in warrants" in the "Risk Factors" section below.

Each Portfolio may hold ancillary liquid assets as appropriate to provide for redemptions or to meet other liquidity needs. These assets may consist of commercial paper and other Money Market Instruments with a remaining maturity not in excess of 12 months and of time deposits, and demand deposit accounts. In addition, each such Portfolio may invest up to 10% of its net assets in Money Market Instruments that are regularly traded and have a remaining maturity in excess of 12 months.

Unless otherwise specified within the Portfolio's investment objective and policy, each Portfolio may invest up to 10% of its net assets in units of other UCIs or UCITS. See Section C(a)(12) of Appendix A below. Investors are thus subject to the risk of duplication of fees and commissions except that if a Portfolio invests in other UCIs or UCITS sponsored by Ameriprise Financial, Inc. or one of its affiliates or by a company with which Ameriprise Financial, Inc. is bound within the framework of a community of management or of control or by a direct or indirect shareholding of more than 10% of the share capital or of the votes, the Portfolio will not be charged any subscription and redemption fees with respect to such investment and any of the Asset Management Fee with respect to such assets. The maximum management fees of other UCIs or UCITS in which a Portfolio may invest shall not exceed 2.5% of such Portfolio's assets.

When market or financial conditions warrant, and in accordance with the Investment Restrictions in Appendix A, each Portfolio may invest, as a temporary defensive measure, up to 100% of its net assets in transferable debt obligations issued or guaranteed in accordance with Investment Restriction C(a)(6) by a member state of the OECD or issued by public international bodies of which one or more Member States are members. In addition, for temporary purposes, each Portfolio may borrow from banks or other lending institutions in amounts up to 10% of its net assets. Such borrowing may be used for liquidity purposes (e.g., to cover cash shortfall caused by mismatched settlement dates on purchase and sale transactions, finance repurchases or pay fees reverting to a service provider) and/or for investment purposes. The assets of such Portfolio may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provided by Article 181 of the 2010 Law.

To determine the rating of an instrument with a split rating, the lower rating shall prevail.

The portfolios that invest in US Bonds may purchase restricted securities that are offered and sold only to "qualified institutional buyers" under Rule 144A of the US Securities Act of 1933.

Each Portfolio's ability to purchase or sell portfolio securities may be affected by laws or regulations relating to the convertibility and repatriation of assets. Because the Shares of each Portfolio may be redeemed on each Valuation Date in the currency which has been elected at the time of subscription, the Management Company and the relevant Sub-Advisor intend to manage each Portfolio so that they will be able to obtain the liquidity necessary to meet anticipated redemptions. There can be no guarantee that this result will be achieved.

In order to reduce operating and administrative costs while allowing investment risk to be spread more widely, the Directors may decide that all or part of the assets of the SICAV will be co-managed with the assets belonging to other collective investment undertakings or that all or part of the assets of the Portfolios and/or Classes of Shares will be co-managed among themselves. For additional information see Appendix B, section IV "Co-Management".

Except as otherwise noted below, each Portfolio may use financial derivative instruments (including options, forwards, futures, contracts for difference and/or swaps (including credit default swaps, credit default swaps on loans, interest rate swaps and total/excess return swaps) on Transferable Securities and/or any financial instruments and currencies) to hedge against market and currency risks, as well as for efficient portfolio management, as described under "Investment Restrictions" in Appendix A and "Investment Techniques and Instruments" in Appendix B. Certain Portfolios may further use financial derivative instruments as a principal investment objective, as more fully described in the investment policy of each relevant Portfolio, when appropriate. In such case, the underlying of the financial derivative instruments must consist in instruments in which the Portfolio may invest according to its investment policy. Shareholders should be aware that the use of derivative instruments for purposes other than hedging carries a certain degree of risk.

If a Portfolio invests in OTC derivatives, such Portfolio may hold material quantities of cash, time deposit and/or Money Market Instruments with a remaining maturity not in excess of 12 months. These additional cash levels will not be held in direct pursuit of achieving the investment objectives of the relevant Portfolio, but may be required as a consequence of the use of the OTC derivatives for risk management purposes, notably in order to cover for exposure to such derivatives or mitigate the risk of the leverage entailed by the use of the derivatives.

Risk Factors

General

Investment in any Portfolio entails a degree of risk. While there are some risks that may be common to a number or all of the Portfolios, there may also be specific risk considerations which apply to particular Portfolios in which case such risks will be specified in the investment policy section for that Portfolio. It is important to keep in mind one of the main principles of investing:

the higher the risk of losing money, the higher the potential reward. The reverse, also, is generally true: the lower the risk, the lower the potential reward. Investment in the Shares may not be suitable for all investors and should not be considered a complete investment program.

The Net Asset Value of Shares can go down as well as up, and Shareholders may lose money by investing in a Portfolio. Shareholders should generally view an investment in a Portfolio as being a medium to long-term investment. The value of an investment in a Portfolio changes with the values of that Portfolio's investments. Many factors can affect those values. Each separate security in which a Portfolio may invest and the investment techniques which a Portfolio may employ are subject to various risks. The following describes some of the general risk factors that should be considered before investing in a particular Portfolio. The following list is neither specific nor exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice.

Exchange Rates

Many of the Portfolios are invested in securities denominated in a number of different currencies other than the Base Currency in which the Portfolios are denominated (or the currency of denomination of the particular Share Class) and, therefore, changes in foreign currency exchange rates will affect the value of securities in such Portfolios.

Interest Rates

The values of fixed income securities held by the Portfolios generally will vary inversely with changes in interest rates and such variation may affect Share prices accordingly.

High Yield

Certain Portfolios may invest in High Yield. Investing in High Yield involves special risks in addition to the risks associated with investments in higher-rated fixed income securities. While offering a greater potential opportunity for capital appreciation and higher yields, High Yield typically entail greater potential price volatility and may be less liquid than higher rated securities. High Yield may be regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. They may also be more susceptible to real or perceived adverse economic and competitive industry conditions than higher rated securities.

Risk Factors Relating to Small and Mid-Cap Companies

Some of the Portfolios invest in the securities of small and middle capitalised companies. There are certain risks associated with investing in securities of these types of companies, including greater market price volatility, less publicly available information, and greater vulnerability to fluctuations in the economic cycle. Because small and middle capitalised companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without affecting prevailing market prices.

Shares in the same Portfolio with different characteristics

Some of the Portfolios may have multiple Shares Classes which will expose the investor to different levels of risk. Although each Share Class so far as possible will be treated as bearing the liabilities, expenses, costs and charges attributable to it, if its assets are not sufficient, the assets, liabilities, expenses, costs and charges may be reallocated between the Share Classes of the Portfolios in a manner which is fair to the Shareholders of the Portfolio generally. A Shareholder is not liable to make any further payment to the Portfolio after they have paid the purchase price of the Shares.

Hedged Shares Classes

Non-hedged Shares may be available in different currencies than the Base Currency of the Portfolio, and therefore will be converted to the Base Currency of the Portfolio at the point of investment. This investment will then be converted back to the currency of the Shares at the point at which an investor withdraws their money from the Portfolio. The investor will therefore receive the return of the underlying investments in the Portfolio, as well as the currency movement between the Base Currency of the Portfolio and the currency of the Shares. Hedged Shares on the other hand will aim to hedge the currency risk of investing in portfolios whose base currency is different to the share class currency. This will be achieved by using currency derivatives (Please see the Risk warning on the Use of Derivatives and other Investment Techniques).

Emerging Markets

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risk of expropriation, confiscatory taxation, nationalisation and social, political and economic instability are greater in emerging markets than in developed markets. In addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors.

A number of attractive emerging markets restrict, to varying degrees, foreign investment in securities. Further, some attractive equity securities may not be available to one or more of the Portfolios because foreign shareholders hold the maximum amount permissible under current law. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging markets and may be subject to currency exchange control restrictions. Such restrictions may increase the risks of investing in certain of the emerging markets. Unless otherwise specified within the Portfolio's investment objective and policy, a Portfolio will only invest in markets where these restrictions are considered acceptable by the Directors.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities, including trading on material non-public information.

The securities markets of emerging countries have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Portfolio's acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed countries because brokers and counterparties in such countries may be less well capitalised and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Portfolio is unable to acquire or dispose of a security.

There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of certain of the Portfolios.

Emerging Market Country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the SICAV may have limited legal recourse against the issuer and/or guarantor.

Use of Derivatives and other Investment Techniques

The Portfolios may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for either efficient portfolio management i.e. to increase or decrease their exposure to changing security prices, interest rates, currency exchange rates, commodity prices or other factors that affect security values and hedging purposes, and/or to attempt to reduce certain risks of its investments and to attempt to enhance return. These techniques may include but are not limited to the use of options, forward currency exchange contracts, futures contracts, contracts for difference and swaps (including credit default swaps, credit default swaps on loans, interest rate swaps and total/excess return swaps) and other investment techniques described in Appendix B "Investment Techniques and Instruments".

Participation in the options or futures markets and in currency exchange or contracts for difference or swap transactions involves investment risks and transactions costs to which the Portfolios would not be subject in the absence of the use of these strategies. The use of derivatives and other techniques carries high risk and leverage risk in particular. Leverage has the effect of increasing the magnitude of any profits compared to if there were no leverage; however, it also increases the level of any loss. This is the risk arising from the use of relatively small financial resources to obtain a large number of market positions. In a falling market, leverage can increase the losses on the derivative positions concerned. In a falling market, the sale of options and other currency derivatives or other assets may mean that their entire purchase price or premiums are lost.

The use of such techniques and instruments for the Portfolios is, however, subject to special limits (see Appendix A).

The SICAV may use these techniques to adjust the risk and return characteristics of a Portfolio's investments. If the Management Company or the relevant Sub-Advisor judges market conditions incorrectly or employs a strategy that does not correlate well with a Portfolio's investments, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase the volatility of a Portfolio and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty of the transaction does not perform as promised. Portfolios engaging in contracts for difference or swap transactions are also exposed to a potential counterparty risk. In the case of insolvency or default of the swap counterparty, the Portfolio involved could suffer a loss.

There can be no assurance that the Management Company or the relevant Sub-Advisor will be able to successfully hedge the Portfolios or that the Portfolios will achieve their investment objectives.

Certain Portfolios of the SICAV may also invest in financial derivative instruments as a principal investment objective, as more fully described in the investment policy of the relevant Portfolios, which may entail additional risks for Shareholders. If leverage is used, the global exposure of the SICAV shall not exceed a maximum percentage of 200% of its net asset value on a permanent basis.

The SICAV may use Value at Risk ("VaR") and/or, as the case may be, commitments methodologies depending on the Portfolios concerned, in order to calculate the global exposure of each relevant Portfolio and to ensure that such global exposure relating to financial derivative instruments does not exceed the total net asset value of such Portfolio.

Attention of Shareholders is drawn to the potential additional leverage which may result from the use of a VaR methodology to calculate the global exposure relating to financial derivative instruments for the relevant Portfolio.

The Management Company employs a risk management process in accordance with CSSF Circular 11/512 and article 13 of CSSF Regulation 10-4, which it communicates to the CSSF regularly and in accordance with the detailed rules defined by the latter. This reporting also lists the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments. Under no circumstances shall these operations cause the SICAV to diverge from its investment objectives as laid down in its constitutional documents.

Global exposure is determined using the Commitment Approach for all Portfolios with the exception of those listed in the table below, where it is determined using either the Absolute or Relative VaR Approach (all as defined in CSSF Circular 11/512). For the Portfolios using the Absolute VaR or Relative VaR Approach leverage is also determined in accordance with CSSF Circular 11/512. The leverage factor is calculated using the methodology defined in CESR/10-788 for calculating the Global Exposure using the Commitment Approach. Typical levels of leverage are shown in the table, but actual levels may be higher than the ranges shown. Where leverage is high, additional measures are used to monitor the Portfolio's risk profile.

Absolute VaR Portfolios

Portfolio	**Expected level of leverage:**
Target Return (US$)	0-500% A range of 0-500% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 400% exposure from derivatives
American Absolute Alpha	0-200% A range of 0-200% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 100% exposure from derivatives
Absolute Emerging Market Macro	0-400% A range of 0-400% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 300% exposure from derivatives
Multi Asset Absolute Alpha	0-400% A range of 0-400% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 300% exposure from derivatives
European Smaller Companies Absolute Alpha	0-200% A range of 0-200% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 100% exposure from derivatives
Global Opportunities Bond	0-500% A range of 0-500% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 400% exposure from derivatives
European Absolute Alpha	0-200% A range of 0-200% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 100% exposure from derivatives

Relative VaR Portfolios

Portfolio	Expected Level of Leverage	Reference Portfolio
Global Bonds (Euro)[24]	0-400%*	Tracks the performance of liquid local currency denominated fixed rate government debt globally with a maturity of at least 13 months remaining until maturity
Global Aggregate Bond	0-400%*	Tracks the performance of global investment grade fixed rate debt markets, including government bonds, mortgage-backed bonds and corporate bonds
Euro Active Bonds	0-400%*	Tracks the performance of large capitalisation Euro denominated investment grade debt

*A range of 0-400% of expected leverage would include up to 100% exposure in physical assets, and up to an additional 300% exposure from derivatives

Credit Risk

Investors in a Portfolio should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share.

Investors in any Portfolio investing in OTC derivatives should be aware that the assets covering the obligations of such Portfolio under such OTC derivatives, where applicable, will generally include bonds or other debt instruments that involve credit risk that may be retained by such Portfolio.

Counterparty Risk

This risk relates to the quality of the counterparty with whom the Management Company or the relevant Sub-Advisor does business, in particular for the settlement/delivery of financial instruments or the conclusion of financial forward contracts.

The risk reflects the counterparty's ability to honour its commitments (payment, delivery, repayment, etc.).

[24] On 12 January 2012, this Portfolio will be merged with the Threadneedle (Lux) – Global Aggregate Bond Portfolio.

Options and futures on currencies and other assets

The sale of calls on currencies and other assets commits the relevant Portfolio to supply the underlying asset to the call purchaser if he or she exercises the option to buy. This gives rise to the risk that, if the option is exercised, the Portfolio could either fail to benefit from any significant rise in the value of the underlying asset or be forced to purchase that asset on the open market at a higher price in order to supply it to the counterparty to the contract. In the case of the sale of puts on currencies or other assets, the risk is that the relevant Portfolio will be forced to buy those currencies or other assets at the strike price, even though their market prices may be significantly lower at the exercise date. The value of fund assets could be more adversely affected by option leverage than by the direct purchase of currencies or other assets.

Similar risks accompany financial futures in which the parties to the contract agree to deliver an agreed asset or currency at an agreed time at an agreed price. Leverage and its associated risks exist here too because only one part of the contract (the "margin") must be delivered immediately. Sharp price fluctuations in either direction on the margin can produce major gains or losses. In private transactions, the duty to make margin payments need not necessarily apply.

Financial derivatives on indices or sub-indices

Some Portfolios may invest in financial derivative instruments on indices or sub-indices. When investing in such instruments, there is no assurance that the underlying index or sub-index will continue to be calculated and published or that it will not be amended significantly. Any change to the underlying index or sub-index may adversely affect the value of the relevant instrument. The past performance of an index or sub-index is not necessarily a guide to its future performance.

When a Portfolio invests in a financial derivative instrument on an index or a sub-index, the relevant Sub-Advisor will not actively manage the underlying components of such financial derivative instrument. The selection of the underlying components will be made in accordance with the relevant index composition rules and eligibility criteria and not by reference to any performance criteria or performance outlook.

Investors should be aware that investments in financial derivative instruments on indices or sub-indices involve assessing the risk of an investment linked to the relevant index or sub-index and, where applicable, the techniques used to link the investment to the underlying index or sub-index.

The value of the underlying indices or sub-indices and the value of the techniques used to link the investment to them may vary over time and may increase or decrease by reference to a variety of factors which may include, amongst others, corporate actions, macro economic factors and speculation.

Investment in warrants
Warrants confer on the investor the right to subscribe a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period.

The cost of this right will be substantially less than the cost of the share itself. Consequently, the price movements in the share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor. The higher the leverage the more attractive the warrant. By comparing, for a selection of warrants, the premium paid for this right and the leverage, their relative worth can be assessed. The levels of the premium and gearing can increase or decrease with investor sentiment. Warrants are therefore more volatile and speculative than ordinary shares. Investors should be warned that prices of warrants are extremely volatile and that furthermore, it may not always be possible to dispose of them.

The gearing effect of investments in warrants and the volatility of warrant prices make the risks attached to investment in warrants higher than is the case with investments in equities.

Mortgage-backed securities
The Portfolios may invest in mortgage derivatives, including mortgage-backed securities. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by such Portfolios (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the Portfolios reinvest such principal. In addition, as with callable fixed-income securities generally, if the Portfolios purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline the value of a mortgage-related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Payment of principal and interest on some mortgage pass-through securities (but not the market value of the securities themselves) may be guaranteed by the U.S. Government, or by agencies or instrumentalities of the U.S. Government (which guarantees are supported only by the discretionary authority of the U.S. Government to purchase the agency's obligations). Certain mortgage pass-through securities created by non-governmental issuers may be supported by various forms of insurance or guarantees, while other such securities may be backed only by the underlying mortgage collateral.

The Portfolios may also invest in Investment Grade collateralised mortgage obligations ("CMOs"), which are structured products backed by underlying pools of mortgage pass-through securities. Similar to a bond, interest and prepaid principal on a CMO are paid, in most cases, monthly. CMOs may be collateralised by whole residential or commercial mortgage loans but are more typically collateralised by portfolios of residential mortgage pass-through securities guaranteed by the U.S. Government or its agencies or instrumentalities. CMOs are structured into multiple Classes, with each Class having a different expected average life and/or stated maturity. Monthly payments of principal, including prepayments, are allocated to different Classes in accordance with the terms of the instruments, and changes in prepayment rates or assumptions may significantly affect the expected average life and value of a particular Class.

The Portfolios may invest in principal-only or interest-only stripped mortgage-backed securities. Stripped mortgage-backed securities have greater volatility than other types of mortgage-related securities. Stripped mortgage-backed securities which are purchased at a substantial premium or discount generally are extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a sustained higher or lower than expected rate of principal payments may have a material adverse effect on such securities' yield to duration. In addition, stripped mortgage securities may be less liquid than other securities which do not include such a structure and are more volatile if interest rates move unfavourably.

The Management Company expects that government, government-related or private entities may create other mortgage-related securities in addition to those described above. As new types of mortgage-related securities are developed and offered to investors, the Management Company will consider making investments in such securities, provided they are dealt in on a Regulated Market.

Asset-backed Transferable Securities
The Portfolios may also invest in asset-backed Transferable Securities. Asset-backed Transferable Securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Structured products
The Portfolios may invest in structured products. These include interests in entities organised solely for the purpose of restructuring the investment characteristics of certain other investments. These investments are purchased by the entities, which then issue Transferable Securities (the structured products) backed by, or representing interests in, the underlying investments. The cash flow from the underlying investments may be apportioned among the newly issued structured products to

create Transferable Securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions, and the extent of the payments made with respect to structured investments depends on the amount of the cash flow from the underlying investments.

Structured products are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the underlying market or security. Structured products may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or security.

Each Portfolio may also invest in credit linked securities referenced to underlying securities, instruments, baskets of securities or indices. These securities are subject to both counterparty risk and the risks inherent in the underlying investment. The counterparty risk lies with each party with whom the Management Company or the Sub-Advisors contract on behalf of the SICAV for the purpose of making investments (the counterparty). The underlying investment risk lies with the sovereign or corporate entity against which payments made under the product are referenced.

Credit default swaps

Some Portfolios may also enter into credit default swap transactions which can be subject to higher risk than direct investment in debt securities. The market for credit default swaps may from time to time be less liquid than debt securities markets. The "buyer" (of protection) in a credit default swap transaction is obliged to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for the reference obligation. The Portfolios, if sellers, will lose their investment and recover nothing. However, if an event of default occurs, the Portfolios (if buyers) will receive the full notional value of the reference obligation that may have little or no value. As sellers, the Portfolios receive a fixed rate of income throughout the term of the contract, which is typically between six months and three years, provided that there is no event of default.

The above mentioned Portfolios may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities they hold in their portfolios. This would also involve the risk that the swap may expire worthless and would only generate income in the event of an actual default by an issuer of the underlying obligation as opposed to a credit downgrade or other indication of financial instability. This would also involve credit risk: the risk that the seller may fail to satisfy its payment obligations to the Portfolios in the event of a default. To mitigate the counterparty risk resulting from credit default swaps transactions, the Portfolios will only enter into credit default swaps with highly rated financial institutions specialised in this type of transaction.

Interest rate swaps

Some Portfolios may enter into an interest rate swap, in which one party exchanges a stream of interest for another party's stream. This type of swap is a contractual agreement entered into between two counterparties under which each agrees to make periodic payment to the other for an agreed period of time based upon a notional amount of principal. Under the commonest form of interest rate swap, a series of payments calculated by applying a fixed rate of interest to a notional principal amount is exchanged for a stream of payments similarly calculated but using a floating rate of interest.

Total/Excess return swaps

Some Portfolios may enter into a total return swap and/or excess return swap in which one party receives interest payments on a reference asset plus any capital gains and losses over the payment period, while the other receives a specified fixed and/or floating cash flow unrelated to the performance of the reference asset.

Equity swaps

Some Portfolios may enter into an equity swap which is a swap where a set of future cash flows are exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate. The other will be based on the performance of a share of stock or stock market index.

Currency Fluctuations

All globally invested Portfolios will be exposed to currencies other than the Base Currency, which may increase the volatility of the Net Asset Value of the Portfolios. In addition, those Portfolios exposed to emerging markets currencies may experience even greater volatility.

Some currencies may experience significant declines against some other currencies and devaluation of any such currencies may occur subsequent to the investment in these currencies by a Portfolio. The value of the assets of the Portfolio, as measured in one currency, may consequently be affected unfavourably by such devaluations. In addition, the Portfolios may engage in certain currency transactions, where available, in an attempt to hedge the Portfolio's currency risks. Such transactions may entail additional costs.

While the factors described above may result in a generally higher risk with respect to emerging markets, the Portfolios will attempt to manage this risk through diversification of investments within the Portfolio.

Commodity indexes

Some Portfolios may invest in commodity indexes comprised of futures contracts on physical commodities in certain sectors. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the futures contracts that the index comprises approach expiration, they are replaced by contracts that have a later expiration. For example, a contract purchased and held in August may have an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November. This process is referred to as "rolling". Those Portfolios which invest in rolling indexes could be positively or negatively impacted depending on whether the underlying market is in "backwardation", or "contango". If the market for these contracts is in "backwardation", where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a "roll yield". Conversely, contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The absence of backwardation in the commodity markets could result in negative "roll yields", which could adversely affect the value of the index and, accordingly, adversely affect the market value of the Portfolio.

Portfolios investing in commodity indexes will be affected by the underlying commodity markets and the underlying commodities may perform very differently to the traditional securities markets such as equities and bonds. Commodity prices may change unpredictably, affecting the index and the level of the index and the value of the Portfolio in unforeseeable ways. Trading in futures contracts associated with the index commodities is speculative and can be extremely volatile.

Some Portfolios may invest in single commodity indexes, e.g. solely in the livestock sector. Single commodity indexes may be particularly susceptible to fluctuation and may fluctuate rapidly based on numerous factors, including: changes in supply and demand relationships; weather; trade; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; disease; technological developments and changes in interest rates. These factors may affect the level of the index and the value of the relevant Portfolio in varying ways, and different factors may cause the value of the index commodities, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates. This could adversely affect the value of the Portfolio.

The commodities underlying the index components may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply related events in such countries could have a disproportionate impact on the prices of such commodities and the value of the index.

Exchange traded notes

Some Portfolios may invest in exchange traded securitised notes ("Notes") linked to the performance of a reference asset issued by certain counterparties (the "Note Provider"). Changes in the credit ratings of the Note Provider may affect the market value of the reference asset. Credit ratings are an assessment of the Note Provider's ability to pay its obligations, including those on the Notes. Consequently, actual or anticipated changes in the Note Provider's credit ratings may affect the market value of the Notes. However, because the return on the Notes is dependent upon certain factors in addition to the Note Provider's ability to pay its obligations on the Notes, an improvement in the credit ratings of the Note Provider will not reduce the other investment risks related to the Notes.

Investment in other UCIs (including Exchange Traded Funds)

Some Portfolios may invest in other UCIs. Investment decisions of such underlying UCIs are made at the level of such UCIs. There can be no assurance that the selection of the managers of the underlying UCIs will result in an effective diversification of investment styles and that positions taken by the underlying UCIs will always be consistent. The underlying UCIs may not be subject to the supervision of the CSSF and may be less regulated; custody and audit rules may notably differ. The valuations of the assets of the underlying UCIs may not be verified by an independent third party on a regular or timely basis.

Both the Portfolio and the underlying UCIs will have costs and impose fees and commissions, which will cause a higher level of fees than if the investors invested directly in the underlying UCIs. However, when a Portfolio invests in units/shares of other UCITS and/or other UCI which are managed, either directly or by delegation, by the Management Company or any appointed Sub-Advisor or by any other company with which the Management Company or any appointed Sub-Advisor is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or any appointed Sub-Advisor or other company may not charge subscription or redemption fees on account of the Portfolio's investment in the units of such other UCITS and/or UCIs. The maximum management fees of other UCIs or UCITS in which a Portfolio may invest shall not exceed the percentage indicated in the "Other Investment Practices" section.

Some underlying UCIs may invest in assets that are not readily realisable or may be hard to value. The value of these assets is a matter of the relevant valuation agent's policy and the true value may not be recognised until the asset is sold. This may be an ongoing risk for UCIs investing in property, but could also include other asset classes in extreme market conditions. There may be occasions where UCIs restrict redemptions and as such the Portfolios may not be able to liquidate a position in such UCIs. In a falling market this may result in losses to the Portfolios.

Custody Risk

Without prejudice to the obligations of the Custodian under Luxembourg law and to any related legal actions that may be available in this respect, the SICAV may be exposed to risk in relation to the custody of its assets particularly but not exclusively cash, where – depending on factors such as the legal regime in the country of custody or local market practice or other factors – assets may not be fully protected.

In the unlikely event of this happening, the SICAV's assets may be lost or access to SICAV assets may be barred temporarily or permanently. Legal proceedings to retrieve such assets and/or for damages may or may not be successful and may be time consuming. Therefore these factors may lead to disruptions of the operations of the SICAV, ultimately assets of the SICAV may be lost, and consequently the Net Asset Value may be reduced.

The SICAV

The SICAV is an investment company organised as a "société d'investissement à capital variable" in the Grand Duchy of Luxembourg under the Companies Law and qualifies as a UCITS under the 2010 Law.

The SICAV was incorporated on 10 February 1995 for an unlimited period and may be liquidated by decision of its Shareholders in an extraordinary general meeting. The Articles were published in the Memorial on 31 March 1995 and were last amended effective on 1 July 2011. The SICAV was formerly known as American Express Funds and subsequently as *World Express Funds I*. The SICAV's principal and registered office is at 69, Route d'Esch, L-1470 Luxembourg.

The SICAV is registered under the number R.C.S. Luxembourg B 50 216 at the Register of Commerce and Companies at the District Court of Luxembourg where the Articles are available for inspection and where copies thereof may be obtained upon request.

The corporate capital of the SICAV shall be at all times equal to the total net assets of all of the Portfolios of the SICAV. The minimum share capital of the SICAV shall be the equivalent in U.S. Dollars of 1,250,000 Euro.

The Directors are responsible for the overall administration, control and management of the SICAV and each of its Portfolios. The Directors are listed below together with their principal occupations:

Crispin HENDERSON (Chairman), Chief Executive Officer of Threadneedle Asset Management Limited and Threadneedle Asset Management Holdings Limited;

Simon DAVIES, Chairman of Threadneedle Asset Management Holdings Limited;

Dominik KREMER, Head of European Distribution of the Threadneedle Group

Tony POON, Head of Client Service and Business Manager North Asia of the Threadneedle Group;

Marie-Jeanne CHEVREMONT-LORENZINI, Independent Director.

The Auditors are PricewaterhouseCoopers, S.à r.l., 400, Route d'Esch, B.P. 1443, L-1014 Luxembourg.

The SICAV may, with the consent of the Shareholders expressed in the manner provided for by articles 67 and 172 of the Companies Law be liquidated and the liquidator authorised to transfer all assets and liabilities of the SICAV to a Luxembourg UCITS or to a UCITS of another EU member state, in exchange for the issue to Shareholders in the SICAV of shares or units of such UCITS proportionate to their shareholdings in the SICAV. Any liquidation of the SICAV will be carried out in accordance with Luxembourg law and each Shareholder shall be entitled to a *pro rata* share of the liquidation proceeds corresponding to his shareholding in each Class of Shares of each Portfolio. Monies available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders will, at the close of liquidation, be deposited at the *Caisse de Consignation* in Luxembourg pursuant to article 146 of the 2010 Law.

If the capital of the SICAV falls below two-thirds of the minimum capital of the equivalent in U.S. Dollars of 1,250,000 Euro, the Directors must submit the question of the dissolution of the SICAV to a general meeting of Shareholders convened to be held within 40 days and for which no quorum shall be prescribed, and a decision to dissolve the SICAV may be taken by a simple majority of the affirmative votes of the Shareholders present or represented.

If the capital of the SICAV falls below one quarter of the minimum capital stated above, the Directors must submit the question of the dissolution of the SICAV to a general meeting of Shareholders convened to be held within 40 days and for which no quorum shall be prescribed, and a decision to dissolve the SICAV may be taken by the Shareholders owning one quarter of the Shares represented at the meeting.

The Shares of each Portfolio have no par value. Each Share is entitled to one vote at all general meetings of Shareholders irrespective of its Net Asset Value, subject to the limitations imposed by the Articles of Incorporation and by applicable Luxembourg laws and regulations. The SICAV will not recognise the vote of any United States Person. See "Restrictions on Ownership".

The Shares of each Portfolio when issued will have no preferential or pre-emptive rights. There are and will be no outstanding options or special rights relating to any Shares. The Shares are freely transferable, subject to the restrictions set forth below under "Restrictions on Ownership".

Shares of each Portfolio are presently issued in non-certificated registered form, including fractional entitlements, except where a Shareholder specifically also asks for a physical Share certificate to be issued, in which case such Shareholder shall bear the associated costs.

Separate Portfolio or Class meetings may be held on certain matters materially affecting the interests of the relevant Shareholders, at which only the Shares of the relevant Portfolio and/or Class will vote.

The Management Company

The SICAV has designated Threadneedle Management Luxembourg S.A. to serve as its designated management company in accordance with the 2010 Law, pursuant to a Management Company Services Agreement dated as of October 31, 2005. Under this Agreement, the Management Company provides investment management, administrative and marketing services to the SICAV, subject to the overall supervision and control of the Directors.

Threadneedle Management Luxembourg S.A. formerly known as American Express Bank Asset Management Company (Luxembourg) S.A. and subsequently Standard Chartered Investments (Luxembourg) S.A was organised on August 24, 2005 as a public limited company (*société anonyme*) for an unlimited period of time under the laws of the Grand Duchy of Luxembourg. Its articles of incorporation were published in the Memorial on 22 September 2005 and were last amended on 28 September 2010. It is registered under the number R.C.S. Luxembourg B 110242 at the Register of Commerce and Companies at the District Court of Luxembourg. Its share capital amounts to Euro 800,000 fully paid-up. Threadneedle Management Luxembourg S.A. is indirectly owned by and is an indirect subsidiary of Ameriprise Financial, Inc. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Law.

The Management Company is in charge of the day-to-day operations of the SICAV. The board of directors of the Management Company is composed of:

Crispin HENDERSON (Chairman), Chief Executive Officer of Threadneedle Asset Management Limited and Threadneedle Asset Management Holdings Limited;

Simon DAVIES, Chairman of Threadneedle Asset Management Holdings Limited;

Dominik KREMER, Head of European Distribution of the Threadneedle Group;

Tony POON, Head of Client Service and Business Manager North Asia of the Threadneedle Group;

Marie-Jeanne CHEVREMONT-LORENZINI, Independent Director.

The conducting persons of the Management Company are:

Philip Best, Chief Risk Officer of Threadneedle Asset Management Limited;

Carmel McGovern, General Manager of Threadneedle Management Luxembourg S.A.

In fulfilling its responsibilities set forth by the 2010 Law and the Management Company Services Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the SICAV and the Regulatory Authority. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the following functions to third parties: investment management, transfer agency and administration and marketing and distribution. See "Investment Advisory Arrangements", "Distribution Arrangements" and "Service Providers" below.

The Management Company shall at all times act in the best interests of the SICAV and its Shareholders and according to the provisions set forth by the 2010 Law, the Prospectus and the Articles.

The Management Company Services Agreement provides for a term of unlimited duration and may be terminated by either party upon three months' prior written notice.

Investment Advisory Arrangements

Subject to the overall responsibility of the Directors, the Management Company will provide or procure for each Portfolio investment advisory and discretionary investment management services, pursuant to the provisions of the Management Company Services Agreement.

In order to implement the investment policies of each Portfolio, the Management Company has delegated the management of the assets of each Portfolio to the Sub-Advisors listed below pursuant to a Sub-Advisory agreement with each Sub-Advisor. The Sub-Advisors provide the Management Company with management or advisory services in relation to Portfolio assets and also provide investment research and credit analysis concerning prospective and existing Portfolio investments. Each Sub-Advisor has day-to-day investment responsibility in respect of the relevant Portfolios. The Management Company is responsible for paying the fees of such Sub-Advisors as set forth in the section "Fees and Expenses".

[25] On 12 January 2012, this Portfolio will be merged with the Threadneedle (Lux) – Emerging Market Corporate Bonds Portfolio.

- Columbia Management Investment Advisers, LLC, 100 Federal Street Boston, MA 02110, United States, acts as Sub-Advisor to Global Technology, US$ High Income Bonds, Global Energy Equities and US Contrarian Core Equities.

- Threadneedle Asset Management Limited, 60 St. Mary Axe, London, EC3A 8JQ, United Kingdom, acts as Sub-Advisor to Global Aggregate Bond, Global Opportunities Bond, Global Emerging Market Short-Term Bonds, Global Asset Allocation, Global High Yield and Emerging Market (Euro)[25], Global Focus, Target Return (US$), Emerging Market Debt, Emerging Market Corporate Bonds, Pan European Smaller Companies, Pan European Equities, Asia, Global Bonds (Euro)[26], American Select, Euro Active Bonds, Global Emerging Market Equities, Greater China Equities, American Absolute Alpha, Absolute Emerging Market Macro, Multi Asset Absolute Alpha, European Smaller Companies Absolute Alpha, Enhanced Commodities, European High Yield Bond, UK Equities, Latin America, US Smaller Companies, Global Equity Dividend, European Absolute Alpha and American[27].

- Mondrian Investment Partners Limited, 5th Floor, 10 Gresham Street, London EC2V 7JD, United Kingdom, acts as Sub-Advisor to Mondrian Investment Partners – Focused Emerging Markets Equity.

- Walter Scott & Partners Limited, 1, Charlotte Square, Edinburgh EH2 4DR, Scotland acts as Sub-Advisor to US Equities[28] and Global Equities – Walter Scott & Partners.

- MC Gestioni S.G.R. S.p.A., Via della Chiusa n. 15, 20123 Milan, Italy, acts as Sub-Advisor to European Quantitative Equities.

While the Management Company is at all times subject to the direction of the Directors, the Management Company Services Agreement and relevant Sub-Advisory agreement provide that the Management Company or the Sub-Advisor appointed by it is responsible for the management of the relevant Portfolios. Therefore, the responsibility for making decisions to buy, sell or hold a particular security rests with the Management Company or the Sub-Advisors appointed by it, subject to the control, supervision, direction and instruction of the Directors.

Conflicts of Interest

There are potential sources of conflicts of interest between the SICAV and/or the Management Company and the Shareholders and the Threadneedle Group and any persons appointed as Sub-Advisor (each an "Interested Party"). These include the following:

(i) an Interested Party may purchase and sell for its own account securities in which the SICAV may also invest. In addition, the Management Company in its normal course may purchase and sell assets for the SICAV from and to an Interested Party on an arm's length basis and may give investment advice in respect of, or manage third-party funds that are invested in, the same securities in which the SICAV will invest;

(ii) an Interested Party may lend money to the companies or countries in which the SICAV invests. Credit decisions that an Interested Party makes in respect of such companies or countries could have an impact on the market value of the securities in which the SICAV invests. Furthermore, an Interested Party's position as a lender may be senior to the securities in which the SICAV invests;

(iii) an Interested Party may also engage in other activities involving or affecting the securities in which the SICAV invests. In particular, an Interested Party may be involved in origination of transactions concerning such securities, underwriting such securities and acting as broker-dealer in respect of such securities. In addition, an Interested Party may perform other services for portfolio companies and receive fees, commissions and other remuneration therefore;

(iv) in conjunction with its various activities, an Interested Party may come into possession of confidential information that could, if known to the public, affect the market value of the securities in which the SICAV will invest. An Interested Party may not disclose such information to the SICAV or use such information for the benefit of the SICAV.

In effecting foreign exchange or in making any purchase or sale of any securities or other assets for the SICAV, an Interested Party may act as a counterparty, principal agent or broker in the transaction and may be separately compensated in that capacity.

Portfolio Transactions

Subject to policies established by the Directors, the Management Company is primarily responsible for the execution of each Portfolio's transactions and the allocation of such transactions. The SICAV has no obligation to deal with any broker or group of brokers in respect of the execution of transactions in Portfolio securities. The SICAV contemplates, however, that a substantial amount of its portfolio transactions will be conducted through the Management Company or its delegates. Transactions may also be effected through brokers and dealers that are affiliated with Sub-Advisors. Such transactions may be subject to a commission or dealer mark-up, which may not be the lowest commission or spread available.

Brokers who provide supplemental investment research to the Management Company may receive orders for transactions by the SICAV. Information so received will be in addition to and not in lieu of the services required to be performed by the Management Company under the Management Company Services Agreement,

[26] On 12 January 2012, this Portfolio will be merged with the Threadneedle (Lux) – Global Aggregate Bond Portfolio.
[27] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities" and sub-advised by Walter Scott & Partners Limited.
[28] On 1 December 2011, this Portfolio will be renamed "Threadneedle (Lux) – American" and will be sub-advised by Threadneedle Asset Management Limited.

and the expenses of the Management Company will not necessarily be reduced as a result of the receipt of such supplemental information.

Securities held by a Portfolio also may be held by another Portfolio or by other funds or investment advisory clients for which the Management Company or Sub-Advisors or their affiliates act as an advisor. Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more clients are selling the same security. If the Management Company or Sub-Advisor is considering the purchase or sale of a security for a Portfolio or for another company for which it acts as management company or sub-advisor, transactions in such securities will be made, insofar as feasible, in a manner deemed by the Management Company or Sub-Advisor to be equitable to both the Portfolio and the SICAV. There may be occasions, however, when such purchases or sales of securities have an adverse effect on the Portfolio or on other clients of the Management Company or Sub-Advisor.

Net Asset Value Determination

The Net Asset Value per Share of each Class of each Portfolio is calculated as of each Valuation Date.

The Net Asset Value per Share is determined by or at the direction of the SICAV and made available at the registered office of the SICAV. The Net Asset Value per Share is stated in the currency in which the relevant Class of such Portfolio's Shares is denominated as well as in certain other currencies as may be determined from time to time by the Directors.

The assets of the SICAV will be valued as follows:

(i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the SICAV may consider appropriate in such case to reflect the true value thereof;

(ii) the value of Transferable Securities, Money Market Instruments and any financial assets listed or dealt in on a stock exchange of an Other State or on a Regulated Market, or on any Other Regulated Market of a Member State or of an Other State, are generally valued at the last available known price in the relevant market prior to the time of valuation, or any other price deemed appropriate by the Directors. Fixed income securities not traded on such markets are generally valued at the last available price or yield equivalents obtained from one or more dealers or pricing services approved by the Directors, or any other price deemed appropriate by the Directors;

(iii) if such prices are not representative of their value, such securities are stated at market value or otherwise at the fair value at which it is expected they may be resold, as determined in good faith by or under the direction of the Directors;

(iv) Money Market Instruments (or other instruments in line with market convention in the jurisdiction in which the instrument is held) with a remaining maturity of 90 days or less will be valued by the amortised cost method, which approximates market value. Under this valuation method, the relevant Portfolio's investments are valued at their acquisition cost or the last market value prior to the 90 day period commencing (where an instrument at purchase date originally had more than 90 days to maturity) and adjusted for amortisation of premium or accretion of discount rather than at market value;

(v) units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the SICAV on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value;

(vi) the liquidating value of futures, forward or options contracts not traded on a stock exchange of an Other State or on Regulated Markets, or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Directors, on a basis consistently applied for each different variety of contracts. The value of futures, forward or options contracts traded on a stock exchange of an Other State or on Regulated Markets, or on other Regulated Markets shall be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on regulated markets, or on other regulated markets on which the particular futures, forward or options contracts are traded on behalf of the SICAV; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;

(vii) interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve;

(viii) credit default swaps and total/excess return swaps will be valued at fair value under procedures approved by the Directors. As these swaps are not exchange-traded, but are private contracts into which the SICAV and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for credit default swaps and total/excess return swaps near the Valuation Date. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments be made to reflect any differences between the credit default swaps and total/excess return swaps being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty.

If no such market input data are available, credit default swaps and total/excess return swaps will be valued at their fair value pursuant to a valuation method adopted by the Directors which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Directors may deem fair and reasonable be made. The SICAV's auditor will review the appropriateness of the valuation methodology used in valuing credit default swaps and total/excess return swaps. In any way the SICAV will always value credit default swaps and total/excess return swaps on an arm's-length basis;

(ix) All other swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Directors;

(x) all other securities, instruments and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Directors;

(xi) assets denominated in a currency other than that in which the relevant Net Asset Value will be expressed, will be converted at the relevant foreign currency spot rate on the relevant Valuation Date. In that context account shall be taken of hedging instruments used to cover foreign exchange risks.

The SICAV constitutes one single collective investment scheme with separate Portfolios. Each Portfolio, however, is deemed a separate entity vis-à-vis third parties and creditors and is exclusively liable for its own debts and obligations.

Notwithstanding the above, pursuant to general guidelines and policies adopted by the Directors from time to time, if the Directors consider that another method of valuation would more accurately reflect the value at which it is expected that the securities or other investments may be resold, the method used to value such securities or other investments, whether on each Valuation Date, or on any particular Valuation Date, may be adjusted by or under the direction of the Directors, in their sole and absolute discretion.

In addition, if on any Valuation Date the aggregate transactions in Shares of a Portfolio result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Portfolio, the investments will be valued on an offer or bid price basis, as appropriate. The investments will be valued on an offer price basis if there is a net increase in Net Assets of the Portfolio (net subscription) above the threshold. On the other hand, the investments will be valued on a bid price basis if there is a net decrease in Net Assets of the Portfolio (net redemption) above the threshold. Furthermore the valuations may take into account applicable dealing costs and/or fiscal charges, to reflect more fairly the value of the investments in the circumstances.

The Net Asset Value per Class of each Portfolio is determined by dividing the value of the total assets of the Portfolio properly allocable to such Class of Shares, less the liabilities of such Portfolio properly allocable to such Class of Shares by the total number of Shares of such Class outstanding on the Valuation Date.

If the Net Asset Value per Share is certified by an authorised officer or representative of the SICAV, any such certification shall be conclusive except in the case of manifest error.

Interest receivable on debt securities held by a Portfolio is accrued daily and dividends receivable are accrued as of the relevant ex-dividend dates.

Net Asset Value Publication

The Net Asset Value per Class of each Portfolio and the offering and redemption prices shall be available at the registered office of the SICAV. The SICAV may arrange for the publication of this information in leading financial newspapers or as otherwise required by applicable law. The SICAV cannot accept any responsibility for any error or delay in publication or for non-publication of a Net Asset Value.

Fees and Expenses

Portfolio Operating Expenses

Portfolio Operating Expenses until 31 March 2012 (included)

Each Portfolio pays the portfolio charges described under Appendices C, D, E, F and G below (except with respect to performance fees and to Classes BU, WS, M and MGH for which charges are described directly in the body of this Prospectus which are accrued daily and paid monthly). In addition, until 31 March 2012 (included), each Portfolio pays all other expenses incurred in the operation of the SICAV, including, among other things, taxes, expenses for legal and auditing services, costs of printing proxies, stock certificates, Shareholders' reports and notices, Prospectuses and Key Investor Information and other promotional expenses, fees and charges of the Custodian and its correspondents, and of the Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent and of any paying agent, expenses of the issue and redemption of Shares, registration fees and expenses in various jurisdictions, listing fees, fees of unaffiliated directors of the SICAV, expenses of the Directors and officers of the SICAV and the Sub-Advisors relating to attendance at meetings of the Directors and of the Shareholders of the SICAV, translation costs, accounting and pricing costs (including the calculation of Net Asset Value per Share), insurance, litigation and other extraordinary or non-recurring expenses, and all other expenses properly payable by the SICAV. Such other expenses will be allocated to each Portfolio having regard to the asset size of each Portfolio outstanding.

Certain Classes of Shares of each Portfolio may also be subject to a shareholder servicing fee accrued daily and payable monthly at the annual rates indicated in Appendices C, D, E and F (except with respect to Classes BU, WS, M and MGH for which charges are described directly in the body of this Prospectus). Such shareholder servicing fees and related expenses of shareholder servicing of each Portfolio will also be allocated to such Portfolio.

The Custodian, Domiciliary and Administrative Agent is entitled to receive a fee up to 0.20% per annum calculated quarterly as a percentage of the average Net Asset Value of each Share Class within each Portfolio.

The custody, domiciliary and administration fees are accrued daily and paid monthly.

The Management Company is entitled to receive for its services to the SICAV a fee up to 0.09% per annum of the net assets of each Portfolio computed on each Valuation Date and payable monthly in arrears (the “service fee”), with the exception of Classes WS, M and MGH where such service fee is up to 0.06% and of Classes XU, XE, XUH, XEH, XG, XGH, XFH and XSH where there is no such service fee.

For the avoidance of doubt, the Portfolio expenses in the preceding paragraph will only apply up to 31 March 2012 (included), whereafter the following fees apply:

Portfolio Operating Expenses from 1 April 2012

From 1 April 2012, all other expenses incurred in the operation of the SICAV and defined below (hereafter the “Operating Expenses”) are fixed at the rates shown in Appendices C, D, E, F and G to this Prospectus except for Classes WS, M and MGH, for which the Operating Expenses are 0.20% and Class BU, for which the Operating Expenses are 0.35%.

The Operating Expenses include, among other things, taxes, expenses for legal and auditing services, costs of printing proxies, stock certificates, Shareholders’ reports and notices, Prospectuses and Key Investor Information and other promotional expenses, fees and charges of the Custodian and its correspondents, and of the Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent and of any paying agent, expenses of the issue and redemption of Shares, registration fees and expenses in various jurisdictions, listing fees, fees of unaffiliated directors of the SICAV, expenses of the Directors and officers of the SICAV and the Sub-Advisors relating to attendance at meetings of the Directors and of the Shareholders of the SICAV, translation costs, accounting and pricing costs (including the calculation of Net Asset Value per Share), insurance, litigation and other extraordinary or non recurring expenses, and all other expenses properly payable by the SICAV. The Operating Expenses also include the service fee payable to the Management Company. In the case of Classes WS, M and MGH only, sub-custody charges are paid by the relevant Classes as incurred and are not included in the Operating Expenses.

The Management Company will bear the excess of any Operating Expenses above the annual rate. Conversely the Management Company will be entitled to retain any amount by which the annual rate of Operating Expenses exceeds the actual expenses incurred by the SICAV.

Furthermore, the Management Company is entitled to receive an Asset Management Fee as more fully described in Appendices C, D, E, F and G herein (except with respect to Classes BU, WS, M and MGH for which charges are described directly in the body of this Prospectus) which are accrued daily and paid monthly. Also, in relation to certain Portfolios, the Management Company is entitled to receive a performance fee as more fully described in the section below entitled “Performance fee”. For the avoidance of doubt, Operating Expenses do not include either Asset Management Fees or performance fees which are separate and distinct.

For the avoidance of doubt, from 1 April 2012, no shareholder servicing fees will be payable.

The Management Company will be responsible for paying ongoing sub-advisory fees to the Sub-Advisors out of the Asset Management Fee. The actual Asset Management Fee charged during any semi-annual period to each Class within each Portfolio will be disclosed in the annual or semi-annual reports covering such period. Investors may also obtain a schedule of the Asset Management Fee currently in effect upon request at the registered offices of the SICAV, the Management Company or the sub-distributors.

Institutional Share Classes – Portfolio Charges – Class IU, Class IE, Class IEH, Class IUH, Class IG, Class IGH, Class IGP, Class IFH, Class ISH, Class XU, Class XE, Class XUH, Class XEH, Class XG, Class XGH, Class XFH, Class XSH, Class WS, Class M and Class MGH.

There will be no initial sales charges applicable to any of the Institutional Share Classes except for Share Classes M and MGH. An Asset Management Fee for Classes IU, IE, IEH, IUH, IG, IGH, IGP, IFH, and ISH will be charged as disclosed in Appendix G below, for Share Class WS in which an Asset Management Fee of up to 1.00% of the average monthly net assets of the relevant Share Class per annum will be charged, for Share Classes M and MGH in which an Asset Management Fee of up to 0.95% of the average monthly net assets of the relevant Share Class per annum will be charged. A portion of the Asset Management Fee being paid with respect to Share Class WS will be used to compensate Walter Scott & Partners Limited for referrals to that Share Class. There will be no initial sales charges or Asset Management Fee for Classes XU, XE, XUH, XEH, XG, XGH, XFH, and XSH as these Share Classes are only available to Eligible Investors.

BU Share Class – Portfolio Charges

The SICAV offers Class BU Shares within the Global Technology Portfolio. Class BU Shares are only available for subsequent investments and not for new subscriptions. Class BU Shares bear no initial sales charge and are subject to a distribution fee of 1.00% per annum and up to 31 March 2012 (included) a shareholder servicing fee[29] of 0.75% per annum.

For Share Class BU an Asset Management Fee of 1.25% of the average monthly net assets of the relevant Share Class per annum will be charged up to 31 March 2012 (included). After 1 April 2012 Class BU Shares are subject to an Asset Management Fee of 2.00% of the average monthly net assets of the relevant Share Class per annum.

There is a declining Contingent Deferred Sales Charge, "CDSC" on Class BU shares redeemed within 4 years of purchase as follows:

Years since Purchase	CDSC
Less than 1 year	4%
1 year or more but less than 2 years	3%
2 years or more but less than 3 years	2%
3 years or more but less than 4 years	1%
4 years or more	0%

The amount of the CDSC is equal to the lesser of the current Net Asset Value and the original purchase price of the Class BU Shares being redeemed, multiplied by the applicable percentage rate referenced above. The Class BU Shares will continue to age without regard to any exchanges. Accordingly, upon redemption of Shares acquired in an exchange for Class BU Shares of another Portfolio, the amount of any CDSC will be applied as if the Shares redeemed were held since the date of initial purchase.

In order to minimise any CDSC that is payable, the SICAV assumes for each Shareholder that Class BU Shares not subject to any charge are redeemed first, followed by Class BU Shares held the longest during the four year period.

[29] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.

Soft commission arrangements

The Management Company and each relevant Sub-Advisor may enter into soft commission arrangements with broker-dealers under which certain business services are obtained from such broker-dealers directly or from third parties and are paid for by the broker-dealers out of the commissions they receive on transactions for the SICAV. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the SICAV may be specifically allocated by the Management Company or each relevant Sub-Advisor to broker-dealers in consideration of any research services rendered as well as for services rendered in the execution of orders by such broker-dealers.

Soft commission arrangements are subject to the following conditions: (i) the Management Company or the Sub-Advisor will act at all times in the best interest of the SICAV and of its Shareholders when entering into soft commission arrangements; (ii) the services provided will be in direct relationship to the activities of the Management Company or Sub-Advisor; (iii) brokerage commissions on portfolio transactions for the SICAV will be allocated by the Management Company or the Sub-Advisor to broker-dealers that are entities and not to individuals; (iv) the amount of soft commissions paid to the broker-dealers does not entail any increase in brokerage commissions and is not a determining factor in the selection of the broker-dealers; (v) the Management Company or the Sub-Advisor will provide reports to the Directors with respect to soft commission arrangements including the nature of the services it receives; (vi) neither the Management Company, the Sub-Advisor nor any of their connected persons may retain cash or other rebates from broker-dealers; (vii) the goods or services received are of demonstrable benefit to the Shareholders; and (viii) periodic disclosure will be made in the SICAV's annual report in the form of statement describing the Management Company's soft commission practices, including a description of the goods and services received.

Performance fee

The Management Company shall receive a performance fee as set forth below with respect to all Share Classes of the following Portfolios except the X Share Classes (in which case it receives its fees under a separate written arrangement): Pan European Smaller Companies, American Absolute Alpha, Absolute Emerging Market Macro, Multi Asset Absolute Alpha, European Smaller Companies Absolute Alpha and European Absolute Alpha Portfolios, and shall receive a performance fee with respect to all Share Classes except the D and X Share Classes within the Global Opportunities Bond. Daily provisions shall be set up for the accrual of the payment of the performance fee and the balance shall be paid to the Management Company at the end of the fiscal year of the SICAV. The amount of this performance fee depends on the performance of the Net Asset Value of the relevant Share Class within the relevant Portfolio compared to the performance of the benchmark (described below) (the

"Benchmark"). Provisions shall only be set up when the Benchmark and NAV High Water Mark (defined below) are exceeded. However, for the purpose of calculating the performance fee, the Benchmark will also be subject to its own high water mark ("Benchmark High Water Mark" as defined below). Where the Net Asset Value of a relevant Share Class exceeds its NAV High Water Mark and the Benchmark is below its Benchmark High Water Mark then in such case, only the performance of the relevant Share Class above the NAV High Water Mark will be taken into account in the calculation of the performance fee.

The performance fee shall be calculated on the difference between the performance of the Benchmark and the performance of the Share Class concerned. For the American Absolute Alpha, Absolute Emerging Market Macro, European Smaller Companies Absolute Alpha and European Absolute Alpha Portfolios:

(i) in the event the performance of the relevant Share Class exceeds the performance of the Benchmark on a particular day, a 20% performance fee shall be accrued in respect of that day;

(ii) if the performance of the relevant Share Class decreases below the Benchmark, the accrued performance fee will adjust for a 20% reduction for that particular day.

For the Multi Asset Absolute Alpha and Pan European Smaller Companies[30] Portfolios:

(i) in the event the performance of the relevant Share Class exceeds the performance of the Benchmark on a particular day, a 10% performance fee shall be accrued in respect of that day;

(ii) if the performance of the relevant Share Class decreases below the Benchmark, the accrued performance fee will adjust for a 10% reduction for that particular day.

For the Global Opportunities Bond Portfolio:

(i) in the event the performance of the relevant Share Class exceeds the performance of the Benchmark on a particular day, a 15% performance fee shall be accrued in respect of that day;

(ii) if the performance of the relevant Share Class decreases below the Benchmark, the accrued performance fee will adjust for a 15% reduction for that particular day.

If the amount of the accrued performance fee is positive at the end of the fiscal year and the Net Asset Value as of the last day of such fiscal year has exceeded the NAV High Water Mark defined below, the amount of the accrued performance fee will be paid to the Management Company within the first quarter of the subsequent fiscal year. The performance fee shall only be paid to the Management Company if the Net Asset Value of the relevant Share Class exceeds the NAV High Water Mark.

[30] With effect from 1 January 2012, Pan European Smaller Companies will no longer pay a performance fee.

If the amount of the accrued performance fee is negative, such negative amount will be carried forward and the Management Company shall not receive the payment of a performance fee until the amount of the accrued performance fee is positive at the subsequent fiscal year's end.

In the event all of the assets of a Portfolio or a Share Class are liquidated and the Portfolio or Share Class becomes dormant, any outstanding performance fee accrual shall be realised and payable to the Management Company. Thereafter, when new Shareholders have invested in such Portfolio or Class, the fee accruals will be reset.

Portfolios	Benchmark for performance fee purposes
Global Opportunities Bond	1 month USD Deposit Rate +4.5% (gross of fees)
Pan European Smaller Companies[31]	HSBC Smaller European Companies Index
American Absolute Alpha	3 month Libor (US$)
Absolute Emerging Market Macro	3 month Libor (US$)
Multi Asset Absolute Alpha	3 month Libor (Euro)
European Smaller Companies Absolute Alpha	3 month Libor (Euro)
European Absolute Alpha	3 month Libor (Euro)

NAV High Water Mark: in respect of each Share Class, the greater of (i) the Net Asset Value (prior to the deduction of any performance fee) of a Share of such Share Class as of the last Valuation Date of the relevant fiscal year in which any accrued performance fee becomes due and payable; and (ii) the Net Asset Value of a Share of such Share Class as of the last Valuation Date of the most recent fiscal year end of the SICAV in which a performance fee was payable except for the first period in which any accrued performance fee becomes due and payable in which case the Net Asset Value to be taken into account is (i) the Net Asset Value of a Share of such Share Class of the last Valuation Date immediately preceding that period or (ii) the initial offering price of a Share of the new Share Class.

Benchmark High Water Mark: the highest level of the Benchmark since the inception of a performance fee accrual of the relevant Share Class.

Distribution Arrangements

The Management Company has also been appointed to provide distribution and marketing services pursuant to the Management Company Services Agreement. The Management Company may

[31] With effect from 1 January 2012, the Pan European Smaller Companies Portfolio will no longer pay a performance fee.

enter into contractual arrangements with financial institutions for the distribution of Shares outside the United States. Shares also may be purchased directly from the SICAV on the same pricing and charge basis as if obtained through the Management Company. The Shares have not been registered under the Securities Act, as amended, and may not be sold in the United States or to United States Persons.

The Management Company may re-allow discounts to sub-distributors with whom it has agreements and are entitled to the balance over such discounts. The Management Company and the sub-distributors may further re-allow the total or some part of the agreed discount to other parties, such as certain recognised financial intermediaries. The Management Company may, but is not obligated to, pay out of its assets for certain distribution and other expenses related to any Class of Shares.

The Management Company will provide a nominee service and may appoint additional nominees, (each a "Nominee") to investors purchasing Shares of any Portfolio. Investors in a Portfolio may elect to make use of such nominee service pursuant to which the Nominee will hold the Shares of such Portfolio in its name for and on behalf of the investors who shall be entitled to at any time claim direct title to the Shares and who, in order to empower the Nominee to vote the Shares at any general meeting of Shareholders, shall provide the Nominee with specific or general voting instructions to that effect.

Only registered Shareholders may submit redemption orders directly to the SICAV. Investors whose Shares are maintained in the name of a Nominee must submit an order through the Nominee since the Nominee is recognised by the Management Company as the owner of record of the Shares. Beneficial owners of Shares held by a Nominee may at all times request the SICAV to register such Shares into their own name, subject to prior notification to the Nominee and documentation of the identity of such owners to be provided to the Registrar and Transfer Agent.

The SICAV draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the shareholders' register of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

Luxembourg Anti-Money Laundering Regulations

In an effort to deter money laundering, the SICAV, the Management Company, sub-distributors and the Registrar and Transfer Agent must comply with all applicable international and Luxembourg laws and circulars regarding the prevention of money laundering and in particular with Luxembourg law dated November 12, 2004 against money laundering and terrorism financing, as amended. To that end, the SICAV, the Management Company, sub-distributors and the Registrar and Transfer Agent may request information necessary to establish the identity of a potential investor and the origin of subscription proceeds. Failure to provide documentation may result in a delay or rejection by the SICAV of any subscription or exchange or a delay in payout of redemption of Shares by such investor.

Purchase of Shares

Investors will be required to complete an initial subscription application or other documentation satisfactory to the Management Company, sub-distributor and/or the Registrar and Transfer Agent in order to purchase Shares.

Applications for the subscription of Shares must be received by either the Registrar and Transfer Agent or the Management Company, or if investing through a sub-distributor at the office of the sub-distributor prior to 3.00 p.m. (Luxembourg time) on the relevant Valuation Date, subject to such orders being received by the Registrar and Transfer Agent from the distributor within a reasonable period of time thereafter. Any orders received after this time or not transmitted to the Registrar and Transfer Agent by the distributor within a reasonable period of time thereafter will be dealt with on the next Valuation Date.

Different subscription procedures and earlier time limits may apply if applications for Shares are made through a sub-distributor. In such instance, the sub-distributors will inform the applicant of the relevant procedure together with any time limit by which the application must be received. No sub-distributor is permitted to withhold subscription orders to benefit itself or its customers by a price change.

In the event the SICAV has suspended the Net Asset Value determination, the valuation on the first Valuation Date (on which the SICAV resumes the Net Asset Value determination) occurring after receipt of the order will be utilised.

Any order may be rejected by the Management Company, the sub-distributor, the Registrar and Transfer Agent or the SICAV. The SICAV reserves the right to suspend the sale to the public of Shares of any Portfolio in response to conditions in the securities markets or otherwise.

During the continuous offerings of the Shares of the respective Portfolios, the Subscription Price of Classes of Shares of each Portfolio is the Net Asset Value per Share of such Class plus any applicable sales charges imposed at the time of purchase. Sales charges can be found in Appendices C, D, E, F and G (except with respect to Classes BU, WS, M and MGH for which charges are described directly in the body of this Prospectus).

Subject to the terms of this Prospectus, Shares are available for purchase on each Valuation Date, which is normally each Business Day.

Prior to subscription to Classes XU, XE, XUH, XEH, XG, XGH, XFH and XSH Shares, the prospective Shareholder must have received confirmation that they fall within the definition of Eligible Investors.

In each Class, Shares may be made available in the currency in which the Class is denominated and in such other freely convertible currencies upon a decision of the Directors.

In particular, the Subscription Price shall be payable in Multiple Payment Currencies which currently include U.S. Dollar and Euro. Multiple Payment Currencies will be available for the following Share Classes: Class AU, Class AE, Class DU, Class DE, Class W, Class IU, Class IE, Class XU, Class XE, Class BU, Class M and Class SU. Where permitted, the Redemption Price shall be payable in the same currency elected for subscription. In Classes offering the Multiple Payment Currency option, the foreign currency exchange cost of conversion to the Portfolio's Base Currency, if any, will be paid by the Portfolio. While the foreign currency exchange is being performed, the SICAV may be exposed to a short-term risk of foreign exchange fluctuation.

Certain Classes of Shares of each Portfolio may also be subject to a shareholder servicing fee[32] accrued and payable monthly at the annual rates indicated in Appendices C, D, E, and F (except with respect to Classes BU, M and MGH for which charges are described directly in the body of this Prospectus). The Share Classes IU, IE, IEH, IUH, IG, IGH, IGP, IFH, ISH, XU, XE, XUH, XEH, XGH and XSH are not subject to a shareholder servicing fee.

Share Classes M and MGH within the Mondrian Investment Partners – Focused Emerging Markets Equity Portfolio may be subject to a transaction charge of up to 0.75% of the Net Asset Value subject to the fair and equal treatment of the Shareholders. The charge is to cover certain investment expenses of the relevant Portfolio such as brokerage commissions and transaction related costs, including stamp duty, dealer spreads and, at times, market impact. The aim of such charge is to protect any existing Shareholders of the relevant Portfolio from carrying said costs and charges upon a subscription. The amount of the charge so collected shall be retained in the relevant Portfolio.

The SICAV retains the right to offer only one Class of Shares of each Portfolio for purchase by investors in any particular jurisdiction in order to conform to local law, or any other reason. The SICAV also reserves the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares of a Portfolio. Investors should consult their distributor or sub-distributor representatives for information concerning the Classes of Shares of each Portfolio currently available for purchase or write to the SICAV's Registrar and Transfer Agent.

If in any country in which a Class of Shares of a Portfolio is offered with an initial sales charge, local law or practice requires or permits a lower initial sales charge than set forth in Appendix C, D, E, F or G (or directly in the body of this Prospectus with respect to Classes BU, WS, M and MGH) for any individual purchase order, the Management Company may sell Shares, and may authorise sub-distributors to sell Shares, within such country with a lower sales charge. The SICAV also retains the right to authorise the Management Company or sub-distributor to sell Shares of each affected Class of a Portfolio with a higher initial sales charge, but not in excess of 5.0% of the Net Asset Value per Share.

The applicable Subscription Price of each Class of Shares ordinarily will be payable within three Business Days after the relevant Valuation Date, with the exception of Multi Asset Absolute Alpha which will be payable within four Business Days after the relevant Valuation Date. If the payment period in the relevant currency ends on a day which is not a bank business day in New York and Luxembourg in respect of U.S. Dollar, Luxembourg and Brussels in respect of the Euro, Luxembourg and London in respect of GBP, of Luxembourg and Geneva in respect of CHF, or Luxembourg and Singapore in respect of SGD, then payment must be made on the next following bank business day in the relevant place. The Subscription Price of each Class of Shares of each Portfolio shall be available in Luxembourg at the registered office of the SICAV unless alternative arrangements are made by the Management Company or sub-distributors.

The SICAV may elect, at its discretion, to accept in certain cases subscriptions in kind by contribution of Transferable portfolio Securities and other eligible assets and any associated transfer costs may be charged to the Shareholder, provided that these are suitable assets in respect of the relevant Portfolio's investment objective and that their market value on the relevant Valuation Date will be verified by a special report of Luxembourg independent auditors at the expense of the contributing Shareholder(s).

Share confirmations will be sent to investors within one month after Shares are issued, by the Registrar and Transfer Agent, to the investor's address or elsewhere at his request and expense, unless alternative arrangements are made by the Management Company or sub-distributor.

Redemption of Shares

The Articles provide that it will, subject to the limitations described therein, redeem Shares of any Class of a Portfolio tendered to it by Shareholders. Subject to the terms of this document, Shares may be redeemed on each Valuation Date in Luxembourg. Requests for redemption must be made in writing

[32] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.

to the Registrar and Transfer Agent at its registered office and are irrevocable, except during any period of suspension or deferral of redemption as described below.

In case of suspension or deferral of the Net Asset Value determination or postponement of redemption requests, Shares of such Portfolio presented for redemption as from the date of such suspension or postponement will be redeemed upon the SICAV resuming redemption at the first then determined Net Asset Value.

Share Classes M and MGH within the Mondrian Investment Partners – Focused Emerging Markets Equity Portfolio may be subject to a transaction charge of up to 0.75% of the Net Asset Value subject to the fair and equal treatment of the Shareholders. The charge is to cover certain disinvestment expenses of the relevant Portfolio such as brokerage commissions and transaction related costs, including dealer spreads and, at times, market impact. The aim of such charge is to protect any existing Shareholders of the relevant Portfolio from carrying said costs and charges upon a redemption. The amount of the fee so collected shall be retained in the relevant Portfolio.

Redemption requests must be received by either the Registrar and Transfer Agent, the Management Company, or if investing through a sub-distributor at the office of the sub-distributor by 3.00 p.m. (Luxembourg time) on any Valuation Date in order to receive the prevailing Net Asset Value for that day, subject to such requests being received by the Registrar and Transfer Agent from the distributor within a reasonable period of time thereafter. Any request received after that time or not transmitted to the Registrar and Transfer Agent by the distributor within a reasonable period of time thereafter will be treated as received on the next succeeding Valuation Date.

Payments will ordinarily be made within seven Business Days in the case of the Mondrian Investment Partners – Focused Emerging Markets Equity Portfolio and four Business Days in the case of the Multi Asset Absolute Alpha and, in respect of the other Portfolios, within three Business Days after the relevant Valuation Date in U.S. Dollar, Euro, GBP, CHF or SGD (depending on which currency was elected at the time of subscription). If the date for payment is not a bank business day in the country of the relevant payment currency (*e.g.*, New York for U.S. Dollar, Brussels for Euro, London for GBP, Geneva for CHF, or Singapore for SGD) and in Luxembourg, the payment will be made on the next day that is a bank business day in such countries. Upon the request of an investor, payment of redemption proceeds may also be made to the relevant sub-distributor who will remit the relevant funds, if so requested by the investor, in local currency as may be freely purchased with U.S. Dollar, GBP, CHF, Euro or SGD as the case may be (depending on which currency was elected at the time of subscription). Payment will not be processed until the Subscription Price on the purchase of Shares has been paid.

The value of Shares of each Portfolio at the time of redemption may be more or less than the Subscription Price, depending on the market value of the relevant Portfolio's investments at such time.

The SICAV's obligation to redeem Shares of each Portfolio is subject to suspension or deferral as set forth below under "Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value".

The SICAV shall not be bound to redeem or exchange on any Valuation Date more than 10% of a Portfolio's Shares or Class of Shares outstanding on such Valuation Date. Accordingly, any redemption or exchange request in excess of such limits may be deferred for a period that the Directors consider to be in the best interest of the SICAV but normally not exceeding 30 Valuation Dates after the date of receipt of the redemption or exchange requests. In case of deferral of redemptions or conversions, the relevant Shares will be redeemed or exchanged at the Net Asset Value per Share as of the Valuation Date following such period. Any deferred redemption or exchange shall be treated in priority to any redemption or exchange requests received for subsequent Valuation Dates.

The SICAV may, in certain cases, subject to the fair and equal treatment of the remaining Shareholders of any Class of Shares and by agreement with redeeming Shareholders, effect payment for redeemed Shares of Portfolios by an in specie transfer, of securities and other assets of the relevant Portfolio. 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 Shareholders of the relevant class or classes of Shares. In the event that a redemption of Shares is effected by way of an *in specie* transfer any associated transfer costs may be charged to the redeeming Shareholder, provided that the market value of such securities will be verified by a special report of Luxembourg independent auditors, at the expense of the redeeming Shareholder(s).

If as result of a redemption or exchange request, the value of the account held by any Shareholder in a Portfolio would fall below the equivalent of US$ 1,000 or 100 Shares, the Management Company may decide to redeem (or exchange) the entire shareholding of such Shareholder in a Portfolio.

Restrictions on subscriptions and conversions into certain Portfolios

A Portfolio may be closed to new subscriptions or conversions in (but not to redemptions or conversions out) if, in the opinion of the Management Company, this is necessary to protect the interests of existing Shareholders. One such circumstance would be where the Portfolio has reached a size such that the capacity of the market and/or the capacity of the Management Company or the relevant Sub-Advisor has been reached, and where to permit further inflows would be detrimental to the performance of the Portfolio. Any Portfolio which, in the opinion of the Management Company, is materially capacity constrained may be closed to new subscriptions or conversions without notice to Shareholders. Once closed to new subscriptions or conversions in, a Portfolio will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail and significant capacity is available within the Portfolio for new investment.

Where closures to new subscriptions or conversions occur, the website www.threadneedle.com/lux will be amended to indicate the change in status of the applicable Portfolio or Share Class. Investors should confirm with the Management Company for the current status of Portfolios or Share Classes.

Merger or Liquidation

A. The Portfolios/Classes of Shares

The Directors may decide to liquidate a Portfolio created for an unlimited period of time or a Class of Shares if the net assets of such Portfolio or Class of Shares fall below an amount determined by the Directors to be a minimum level to enable such Portfolio or Class to be operated in an economically efficient manner, if a change in the economic or political situation relating to the Portfolio or Class concerned would justify such liquidation or, if for other reasons the Directors believe it is required for the interests of the Shareholders. If a Portfolio is feeder of another UCITS or of one of its sub-funds, the merger, split or liquidation of such master UCITS or such relevant master sub-fund of the UCITS triggers liquidation of the feeder Portfolio, unless the investment policy of such Portfolio is amended in compliance with Part I of the 2010 Law. The decision of the liquidation will be published (either in a newspaper in Luxembourg and in newspapers issued in countries where the Shares are sold (insofar as required by applicable regulations), or sent to the Shareholders at their addresses indicated in the register of Shareholders or communicated via other means as deemed appropriate by the Directors) prior to the effective date of the liquidation and the publication will indicate the reasons for, and the procedures of, the liquidation. Unless the Directors otherwise decide in the interests of or to keep equal treatment between the Shareholders, the Shareholders of the Portfolio or Class of Shares concerned may continue to request to redeem or to exchange their Shares without redemption fees. Assets which cannot be distributed to their beneficiaries upon the completion of the liquidation of the Portfolio or Class of Shares concerned will be deposited with the Custodian for a period of six months after the completion of the liquidation. After such time, the assets will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries. The liquidation of a Portfolio shall in principle be closed within nine months from the decision to liquidate. In the event where such liquidation could not be closed within such timeframe, an authorisation to extend the period must be sought from the CSSF. Any funds to which Shareholders are entitled upon the liquidation of the Portfolio and which are not claimed by those entitled thereto prior to the close of the liquidation process shall be deposited for the persons entitled thereto at the *Caisse de Consignation* in Luxembourg and shall be forfeited after thirty years.

Under the same circumstances as provided in the preceding paragraph, the Directors may decide to liquidate one Portfolio by contribution into another Portfolio. Such decision will be published in the same manner as described in the preceding paragraph and, in addition, the publication will contain information in relation to the new Portfolio. Such publication will be made one month (or such longer period as required by compulsory law) before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption of their Shares, without redemption fees, before the operation involving contribution into another Portfolio becomes effective.

The Directors may also, under the same circumstances as provided above, decide to liquidate one Portfolio by contribution into another Luxembourg UCITS governed by the 2010 Law or to another UCITS in another EU member state. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the other UCITS. Such publication will be made one month (or such longer period as required by compulsory law) before the date on which the merger becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, before the operation involving contribution into another UCITS becomes effective.

In the event that the Directors believe it is required for the interests of the Shareholders of the relevant Portfolio or that a change in the economic or political situation relating to the Portfolio concerned has occurred which would justify it, the reorganisation of one Portfolio, by means of a division into two or more Portfolios, may be decided by the Directors. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more new Portfolios. Such publication will be made one month (or such longer period as required by compulsory law) before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares, free of charge before the operation involving division into two or more Portfolios becomes effective.

Any of the aforesaid decisions of liquidation, amalgamation, merger or reorganisation may for any reason also be decided by a separate meeting of the Shareholders of relevant Classes in the Portfolio concerned where no quorum is required and the decision is taken at the simple majority of the Shares voting at the meeting.

Should future Portfolios be created for a limited maturity, the procedure for liquidation, amalgamation, merger or reorganisation will be described in the sales documents of the SICAV.

B. The SICAV

The SICAV may at any time be dissolved by a resolution of the general meeting of Shareholders. Liquidation will be carried out by one or more liquidators appointed by the general meeting of Shareholders and the net liquidation proceeds of the SICAV distributed to Shareholders in proportion to their respective holdings at the close of liquidation.

Assets or proceeds which cannot be distributed following liquidation of the SICAV will be deposited with the *Caisse de Consignation*.

Whenever the Share capital of the SICAV falls below two thirds of the minimum capital required by Luxembourg law, the question of the dissolution of the SICAV shall be referred to the general meeting by the Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares present and represented at the meeting. The question of the dissolution of the SICAV shall further be referred to the general meeting whenever the Share capital falls below one fourth of the minimum capital indicated above. In such an event, the general meeting shall be held without any quorum requirements and the dissolution may be decided by Shareholders holding one fourth of the Shares present and represented at the meeting. This general meeting must be convened within 40 days from the date of ascertaining that the net assets of the SICAV have fallen below the relevant minimum.

Exchange Privilege

Subject to the terms of this document, on any Valuation Date Shareholders of a Portfolio will be entitled to exchange their Shares for: (i) Shares of the same Class of another Portfolio or (ii) Shares of a different Class of the same or of another Portfolio provided that (i) both Classes have the same fee structure; (ii) the requested Class is available in the jurisdiction in which the Shareholder is subscribing; and (iii) in the case of XU, XE, XUH, XEH, XG, XGH, XFH and XSH, the Shareholder is an Eligible Investor.

Furthermore, in order to be compliant with the requirements of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, Shareholders that qualify as Institutional Investors of Share Classes DU, AU, DE, AE, AEC, AUC, AUP, AEP, AUH, DEH, DUH, AEH, AGH, AGP, DG, AFH, and ASH will be entitled to exchange their Shares for Shares Classes IU, IE, IUH, IEH, IGH, IGP, IFH and ISH within the same Portfolio provided that the requested Class is available in the jurisdiction in which the Shareholder is subscribing.

In all cases, exchanges may be made as long as the Shareholder remains in the currency in which he or she first subscribed. These exchanges shall be made at the prevailing Net Asset Value per Share for the relevant Classes.

Where exchanges among Shares of the same Class are permitted, if there is a difference in the initial sales charge imposed between the two Portfolios between which the exchange will be effected, the difference may be assessed to the Shares involved in the exchange. All exchanges will be processed in the payment currency selected at the time of subscription of the initial Shares.

The Management Company and sub-distributors of the SICAV may impose an exchange fee of up to 0.75% of the Net Asset Value of the Shares on each exchange of those Shares acquired through them. The exchange fee, if any, will be deducted at the time of such exchange and paid to the relevant distributors.

Shareholders have also the right to exchange Shares into certain other UCIs with similar Share Classes sponsored by the sponsor of the SICAV and/or the Management Company denominated in the same currency on the basis of relative net asset value per share, and subject to the minimum investment requirements of that UCI. Such exchanges are effected by means of redemption of the existing Shares and purchase of the new shares. No sales charge will be imposed at the time of the exchange. However, an exchange fee may be levied at the discretion of the Directors but in compliance with the principle of fair and equal treatment between Shareholders in the same circumstances. Before exchanging, Shareholders should request a current prospectus which describes charges and expenses and other matters of interest. The exchange of Shares is not available in certain countries and prospective investors should inform themselves as to whether the exchange of Shares is available in their country.

To exercise the right to exchange Shares, the Shareholder must deliver an exchange order in proper form to the SICAV's Registrar and Transfer Agent, either directly or through the Management Company or a sub-distributor.

The number of Shares in the newly selected Portfolio/Class of Shares will be calculated in accordance with the following formula:

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

where:

A is the number of Shares to be allocated in the new Portfolio/Class of Shares

B is the number of Shares relating to the original Portfolio/Class of Shares to be exchanged

C is the Net Asset Value per Share as determined for the original Portfolio/Class of Shares calculated in the manner referred to herein

D is the Net Asset Value per Share as determined for the new Portfolio/Class of Shares calculated in the manner referred to herein

E is the exchange fee (if any) that may be levied to the benefit of any distributor or any agent appointed by it as disclosed in the sales documents of the SICAV.

Market Timing & Late Trading

The SICAV may reject or cancel any purchase orders, including exchanges, for any reason.

For example, excessive trading of Shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as 'market timing', has a disruptive effect on portfolio management and increases Portfolio expenses. Accordingly, the SICAV may in the sole discretion of the Directors compulsorily redeem or reject any purchase orders, including exchanges, from any investor that the SICAV reasonably believes has engaged in market timing activity, or investors that in the Directors' sole discretion, may be disruptive to the SICAV or any Portfolio. For these purposes, the Directors may consider an investor's trading history in the Portfolios and accounts under common control or ownership.

Moreover, in addition to the exchange fees listed elsewhere in this Prospectus, the SICAV may impose a penalty of 2.00% of the Net Asset Value of the Shares redeemed or exchanged where the SICAV reasonably believes that an investor has engaged in market timing activity. The Shareholders concerned will be warned in advance if such a fee is likely to be charged and that penalty shall be credited to the relevant Portfolio. The Directors will not be held liable for any loss resulting from rejected orders or mandatory redemption.

Late trading is not allowed by the SICAV.

Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value

All subscriptions, redemptions or exchanges will be done on the Net Asset Value next calculated after the order is received (e.g. an unknown Net Asset Value).

The SICAV may suspend the determination of the Net Asset Value, the issue of Shares and the right of any Shareholder to require redemption or exchange of Shares of any Portfolio:

(a) During any period when any principal stock exchange, Regulated Market or any Other Regulated Market in a Member State or in an Other State on which a substantial part of the SICAV's investments attributable to such Portfolio is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Portfolio is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or

(b) Political, economic, military, monetary or other emergency beyond the control, liability and influence of the SICAV makes the disposal of the assets of any Portfolio impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders; or

(c) During any breakdown in the means of communication network normally employed in determining the price of any of the relevant Portfolio's investments or the current prices on any market or stock exchange or any other reason makes it impossible to determine the value of a major portion of the assets of any Portfolio; or

(d) During any period when the remittance or transfer of monies which will or may be involved in the realisation of, or in the payment of the relevant Portfolio's investments or in the redemption of Shares is not possible or where it can be objectively demonstrated that purchases and sales of the assets of any Portfolio cannot be effected at normal prices; or

(e) In case of a decision to liquidate the SICAV or a Portfolio on and after the day of publication of the first notice convening the general meeting of Shareholders for this purpose or notice given by the Board to this effect, as applicable; or

(f) When the NAV calculation of a UCI or Portfolio in which a Portfolio has invested more than 50% of its NAV, is suspended.

The SICAV shall suspend the issue, exchange and redemption of Shares of any Class within a Portfolio forthwith upon occurrence of an event causing it to enter into liquidation or upon the order of the Regulatory Authority.

Any suspension shall be published, if appropriate, by the SICAV and Shareholders requesting subscription, exchange or redemption of their Shares shall be notified by the SICAV of the suspension at the time of the filing of the written request for such subscription, exchange and redemption. The suspension as to any Portfolio will have no effect on the determination of Net Asset Value and the issue, redemption or exchange of Shares in any Class of the other Portfolios.

Dividend Policy

The policy of the SICAV in respect of all Share Classes of Portfolios, with the exception of Class AEP, Class AGP, Class AUP, Class AEC, Class IGP, Class SUP, Class SEP and Class P, is to make no distributions, to accumulate in such Portfolios all net earnings and to reinvest these within the same Portfolio and Class. In respect of Class AEP, Class AGP, Class AUP, Class AEC, Class IGP, Class SUP, Class SEP and Class P, the SICAV intends to make distributions, with a frequency, at least annually, and in an amount to be determined by the Directors. The Shareholders of these Share Classes have the option to receive the dividend or to reinvest it in the SICAV.

Tax Considerations

General

Prospective purchasers of Shares of each Portfolio should consult their own tax advisors as to the taxes applicable to the acquisition, holding or disposition of the Shares, or distributions made with regard to Shares under the laws of the countries of their respective citizenship, residence or domicile.

Grand Duchy of Luxembourg

Under current legislation, non-resident Shareholders are not subject to any capital gains or income tax in Luxembourg except for those who maintain a permanent establishment in Luxembourg to which the share capital of the SICAV is allocated. Corporate Shareholders resident in Luxembourg, or having a permanent establishment in Luxembourg to which the shares of the SICAV are allocated, are subject to tax in Luxembourg on the amount of the distribution made by the SICAV and on capital gains realised at the ordinary applicable corporate income tax rate.

Individual Shareholders domiciled or resident in Luxembourg are subject to personal tax in Luxembourg on the amount of the distribution made by the SICAV at a progressive rate. They are only subject to tax on capital gains realised on disposal of their shares in the SICAV if (i) they personally or by attribution hold, or have held at any time during the last 5 years, 10% or more of the issued share capital of the SICAV or (ii) dispose of all or part of their holdings within six months from the date of acquisition or before their acquisition.

The foregoing is based on the Directors' understanding of the law and practice currently in force in Luxembourg and is subject to changes therein. It should not be taken as constituting legal or tax advice and investors are advised to obtain information and, if necessary, advice regarding the laws and regulations applicable to them by reason of the subscription, purchase, holding and realisation of Shares in their countries of origin, residence or domicile.

The SICAV is subject to a tax of 0.05% per annum levied on the Net Asset Value at the last day of each calendar quarter in accordance with the 2010 Law, provided that no such tax is due on the portion of the assets of the SICAV invested in other Luxembourg UCIs (if any).

In respect of the Institutional Share Classes of the other Portfolios, the SICAV is subject to a tax of 0.01% per annum levied on the Net Asset Value, as at the last day of each calendar quarter, in accordance with the 2010 Law, as amended, provided that no such tax is due on the portion of the assets of the SICAV invested in other Luxembourg UCIs (if any).

For the avoidance of doubt, these asset based taxes (*"taxe d'abonnement"*) form part of the Operating Expenses.

Dividends and interest received by the SICAV on portfolio investments generally will be subject to non-recoverable withholding taxes in the countries of origin.

Any dividends, other distributions of income made by the SICAV or payments of the proceeds of sale and/or redemption of Shares in the SICAV, may since July 1, 2005 (depending on the investment portfolio of the SICAV) be subject to the withholding tax and/or information providing regime imposed by EU Tax Savings Directive 2003/48/EC of 3 June 2003 (the "Directive") on taxation of savings income in the form of interest payments, where payment is made to a Shareholder who is an individual resident in a Member State for the purposes of the Directive (or a "residual entity" established in a Member State) by a paying agent resident in another Member State.

Restrictions on Ownership

The Articles permit to restrict or prevent the ownership of Shares of each Portfolio by any person, firm or corporate body including, but without limitation, any United States Person.

If it shall come to the attention of the SICAV at any time that Shares of any Portfolio are beneficially owned by a United States Person either alone or in conjunction with any other person, the SICAV will compulsorily redeem such Shares at their redemption price as described herein. Not less than ten days after the SICAV gives notice of such compulsory redemption, the Shares will be redeemed and Shareholders will cease to be the owners of such Shares.

The Institutional Share Classes are available only to Institutional Investors.

Share Classes SU, SUP and SEP are exclusively available to Shareholders subscribing through certain select sub-distributors.

Meetings and Reports

The annual general meeting of Shareholders of the SICAV is held in Luxembourg on the last Friday in July in each year at 2.00 p.m. (or if such a day is a legal holiday on the next following Business Day). Other general meetings of Shareholders may be held at such time and place in Luxembourg as are indicated in the notices of such meetings. Notices of general meetings are given in accordance with Luxembourg law and in accordance with applicable rules in the relevant countries where Shares are publicly offered for sale. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements.

An annual report containing the audited financial accounts of the SICAV, describing those of each Portfolio, will be made available to Shareholders in respect of the preceding fiscal year ended

31 March, at least 15 days before the annual general meeting. Unaudited semi-annual reports will also be made available to Shareholders at the registered office of the SICAV in respect of the period ending on 30 September in each year within two months thereafter. The consolidated accounts of the SICAV shall be expressed in U.S. Dollar.

The SICAV also intends to make available to Shareholders and potential investors abridged versions of the financial reports referred to above, which will not contain the detailed list of portfolio securities of each of the Portfolios. Such abridged annual reports and abridged semi-annual reports will, however, contain the offer to provide to those persons upon request and free of charge a copy of the complete version of such documents which are also available for inspection at the offices of the Registrar and Transfer Agent and the Management Company.

The Shareholders of a specified Portfolio may, at any time, hold general meetings with the aim to deliberate on a subject that concerns only the Portfolio.

The Shareholders of any Class of Shares, issued in respect of any Portfolio may hold, at any time, general meetings to decide on any matters, which relate exclusively to such Class of Shares.

Unless otherwise stipulated by law or in the Articles, the decision of the general meeting of a specified Portfolio or Class of Shares will be reached by a simple majority of Shareholders present or represented.

Service Providers

Auditors

PricewaterhouseCoopers, S.à r.l., 400, Route d'Esch, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg act as Auditors.

Registrar and Transfer Agent

The Management Company has undertaken to provide the SICAV with registrar and transfer agent services. As such the Management Company will be responsible for handling processing of subscriptions of Shares, dealing with requests for redemption and conversion, and accepting transfers of funds, for the safekeeping of the register of Shareholders of the SICAV and the safekeeping of all non-issued Share certificates of the SICAV.

The Management Company has delegated the registrar and transfer agent services to International Financial Data Services (Luxembourg) S.A., 47, Avenue J.F. Kennedy, L-1855 Luxembourg, pursuant to the Registrar and Transfer Agency Agreement.[33] This agreement has been entered into for an unlimited duration and may be terminated as provided in such agreement.

[33] With effect from 31 October 2011 (included). Up to 31 October 2011 the Management Company delegated the registrar and transfer agent services to The Bank of New York Mellon (Luxembourg) S.A., Vertigo Building – Polaris, 2-4 Rue Eugène Ruppert, L-2453 Luxembourg, pursuant to an assignment agreement dated 31 October 2005 to a registrar and transfer agency agreement entered into by the SICAV and the Bank of New York Mellon (Luxembourg) S.A. on 1 October 2004.

Domiciliary and Administrative Agent

The Management Company has undertaken to provide the SICAV with certain administration services, including general administration as well as bookkeeping and maintenance of all accounts of the SICAV, the periodic determination of the Net Asset Value per Share, the preparation and filing of the SICAV's financial reports and the liaison with the Auditors.

In addition, the Management Company will, under the terms of the Management Company Services Agreement act as corporate and domiciliary agent for the SICAV.

The Management Company has delegated the above mentioned domiciliary and administrative functions to RBC Dexia Investor Services Bank S.A. pursuant to the Investment Fund Service Agreement dated 31 March 2006. The agreement was concluded for an unlimited duration and may be terminated as provided therein.

Custodian

The SICAV has entered into a Custodian Agreement dated 31 March 2006 with RBC Dexia Investor Services Bank S.A. This agreement is concluded for an unlimited duration and may be terminated as provided therein.

This agreement provides that all securities and cash of each Portfolio of the SICAV, other than cash held in trading accounts or held in any operating accounts for expense disbursement accounts (which may be maintained at other banks) are to be held by, or to the order of, the Custodian, provided that the SICAV also may deposit securities and liquid assets directly with third parties approved by the Custodian.

The Custodian will also be responsible for the collection of principal and income on and the payment for and collection of proceeds of, securities bought and sold for each Portfolio of the SICAV. The Custodian will charge the SICAV fees for these services which are more fully described under Fees and Expenses.

Under the 2010 Law the Custodian must ensure that:

(a) the sale, issue, redemption and cancellation of Shares effected by the SICAV are carried out in accordance with the 2010 Law and the Articles;

(b) in transactions involving the assets of the SICAV, the consideration is remitted to it within the usual time limits; and

(c) the income of the SICAV is applied in accordance with the Articles.

The Custodian may from time to time, under its responsibility, delegate duties to other banks and financial institutions for the purpose of providing local custody of assets.

The Custodian shall, in accordance with article 35 of the 2010 Law, be liable to the Shareholders for any loss suffered by them as a result of its wrongful failure to perform its obligations under the Custodian Agreement or its wrongful improper performance thereof.

The Custodian is appointed for an unlimited period of time, subject to the right of the SICAV or the Custodian to terminate the role of the Custodian.

Data Protection

The SICAV collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription ("Personal Data"). Personal Data will be used by the SICAV for maintaining the register of Shareholders, processing Shareholder transactions and dividends, and complying with its legal and regulatory obligations. The SICAV will delegate the processing of Personal Data to various entities (the "Processors") located either in the European Union or in countries outside the European Union including the Management Company, the Administrative Agent and the Registrar and Transfer Agent, and undertakes not to transfer the Personal Data to any other third parties, unless required by law or upon Shareholder consent. Communication of Personal Data in countries outside the European Union implies the transfer of data to a country that may not provide legal protection of Personal Data equivalent to that of Luxembourg. The Shareholder has a right to access and correct its Personal Data, in case of error, upon request. The SICAV will maintain Personal Data for such periods as may be required by law.

The data processing is more fully detailed in any initial relationship document executed by the Shareholders (e.g. the application form).

Documents Available for Inspection

Copies of the following contracts, which are governed by the laws of Luxembourg and are incorporated herein by reference, are available for inspection during normal business hours at the registered office of the SICAV:

(a) the Management Company Services Agreement;

(b) the Custodian Agreement;

(c) the Investment Fund Service Agreement; and

(d) the Registrar and Transfer Agency Agreement.

The Agreements listed above may be amended at any time by mutual consent of the parties thereto.

A copy of the Prospectus, Key Investor Information, the most recent financial statements and the Articles may be obtained free of charge upon request at the registered office of the SICAV.

Appendix A

Investment Restrictions

The SICAV shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Portfolio, the Base Currency, as the case may be, and the course of conduct of the management and business affairs of the SICAV.

Except to the extent that more restrictive rules are provided for in connection with a specific Portfolio under "Investment Objectives and Policies" in the Prospectus, the investment policy of each Portfolio shall comply with the rules and restrictions laid down hereafter:

A. Investments in the Portfolios shall consist solely of:

(1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;

(2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

(3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange of an Other State or dealt in on an Other Regulated Market in an Other State;

(4) recently issued Transferable Securities and Money Market Instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange in an Other State or on a Regulated Market or on any Other Regulated Market as described under (1)-(3) above;

- such admission is secured within one year of issue;

(5) units of UCITS authorised according to the UCITS Directive (including shares of other Portfolios of the SICAV under the conditions set forth by Luxembourg laws and regulations) and/or other UCIs within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive, whether situated in a Member State or in an Other State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and short sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;

- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the net assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law;

(7) financial derivative instruments, i.e. in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

(i) the underlying consists of instruments covered by this Section A., financial indices, interest rates, foreign exchange rates, Transferable Securities or currencies, in which the Portfolio may invest according to its investment objectives; the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority, and

the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the SICAV's initiative;

(ii) under no circumstances shall these operations cause the Portfolio to diverge from its investment objectives;

If a Portfolio invests in financial derivative instruments on a financial index or sub-index (both referred to below as an "index") the following rules shall also apply:

(a) if the relevant financial derivative instruments are used to track or gain high-exposure to an index, such index must be sufficiently diversified, in that the following criteria are fulfilled:

(x) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

(y) where the index is composed of assets referred to under section A in Appendix A, its composition is at least diversified in accordance with section C(a)(7) in Appendix A;

(z) where the index is composed of assets other than those referred to under section A in Appendix A, it is diversified in a way which is equivalent to that provided for in section C(a)(7) in Appendix A;

(b) if the relevant financial derivative instruments are not used to track or gain high-exposure to an index there is no need to look at the underlying components of the individual index to ensure that they are sufficiently diversified, provided that the exposure of the Portfolio to each index complies with the 5/10/40% ratios;

in both cases the underlying index must in addition:

(c) represent an adequate benchmark for the market to which it refer, in that the following criteria are fulfilled:

(x) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;

(y) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;

(z) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;

and

(d) be published in an appropriate manner, in that the following criteria are fulfilled:

(x) its publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;

(y) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

(8) Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

– issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

– issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above, or

– issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law; or

– issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the three paragraphs directly above and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

B. Each Portfolio may however:

(1) Invest up to 10% of its net assets in assets other than those referred to above under A(1) through (4) and (8).

(2) Hold cash on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the SICAV considers this to be in the best interest of the Shareholders.

(3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Such borrowings may be used for liquidity purposes (e.g. to cover cash shortfall caused by mismatched settlement dates on purchase and sale transactions, finance repurchases or pay fees reverting to a service provider) and/or for investment purposes. The assets of the relevant Portfolio may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provided by Article 181(5) of the 2010 Law. Collateral arrangements with

respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

(4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the SICAV shall comply in respect of the net assets of each Portfolio with the following investment restrictions per issuer:

(a) Risk Diversification rules

For the purpose of calculating the restrictions described in (1) to (5), (8), (9), (13) and (14) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple portfolios where the assets of a portfolio are exclusively reserved to the investors in such portfolio and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that portfolio, each portfolio is to be considered as a separate issuer for the purpose of the application of the risk spreading rules described under items (1) to (5), (7) to (9) and (12) to (14) hereunder.

- ***Transferable Securities and Money Market Instruments***

(1) No Portfolio may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

(i) upon such purchase more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or

(ii) the total value of all Transferable Securities and Money Market Instruments of issuers in each of which it invests more than 5% of its net assets would exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(2) A Portfolio may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Portfolio invests more than 5% of its net assets in qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Portfolio.

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).

(6) **Notwithstanding the ceilings set forth above, each Portfolio is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other member state of the OECD such as the United States or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the total assets of such Portfolio.**

(7) Without prejudice to the limits set forth hereunder under (b), the limits set forth in (1) are raised to a maximum of 20% for investments in stocks and/or bonds issued by the same body when the aim of the Portfolio's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:

– the composition of the index is sufficiently diversified,

– the index represents an adequate benchmark for the market to which it refers,

– it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- ***Bank Deposits***

(8) A Portfolio may not invest more than 20% of its net assets in deposits made with the same body.

- ***Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Portfolio's net assets when the counterparty is a credit institution referred to in A. (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made, and within the limits set forth in (2), (5) and (14), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Portfolio invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of A (7) (ii) and C (a) (10) and (D) hereunder as well as with the risk exposure and information requirements laid down in the sales documents of the SICAV.

- ***Units of Open-Ended Funds***

Under the Law, no Portfolio may invest more than 20% of its net assets in the units of a single UCITS or other UCIs. However, the Portfolios will limit their investment in units of UCITS or other UCIs to 10% of their net assets unless otherwise specified within the Portfolio's investment objective and policy.

(12) For the purpose of the application of this investment limit, each portfolio of a UCI with multiple portfolios within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Portfolio.

When a Portfolio has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in (1) to (5), (8), (9), (13) and (14).

When a Portfolio invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or any appointed Sub-Advisor or by any other company with which the Management Company or any appointed Sub-Advisor is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or any appointed Sub-Advisor or other company may not charge subscription or redemption fees on account of the Portfolio's investment in the units of such other UCITS and/or UCIs.

A Portfolio that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the Prospectus the maximum level of the asset management fee that may be charged both to the Portfolio itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the SICAV shall indicate the maximum proportion of asset management fee charged both to the Portfolio itself and to the UCITS and/or other UCIs in which it invests.

- ***Combined limits***

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Portfolio may not combine:

- investments in Transferable Securities or Money Market Instruments issued by;
- deposits made with, and/or;
- exposures arising from OTC derivative transactions undertaken,

with a single body in excess of 20% of its net assets.

(14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of each Portfolio of the SICAV.

(b) Limitations on Control

(15) No Portfolio may acquire such amount of shares carrying voting rights which would enable the SICAV to exercise a significant influence over the management of the issuer.

(16) Neither any Portfolio nor the SICAV as a whole may acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCITS and/or UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;

- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);

- shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Portfolio in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investment policy the restrictions set forth under C., items (1) to (5), (8), (9) and (12) to (16); and

- shares in the capital of subsidiary companies which, exclusively on behalf of the SICAV carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of Shares at the request of Shareholders.

D. In addition, the SICAV shall comply in respect of its assets with the following investment restrictions per instrument:

Except as otherwise stated therein, each Portfolio shall ensure that its global exposure relating to financial derivative instruments does not exceed its total net value.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

E. Finally, the SICAV shall comply in respect of the assets of each Portfolio with the following investment restrictions:

(1) No Portfolio may acquire commodities or precious metals or certificates representative thereof. For the avoidance of doubt, transactions in foreign currencies, financial instruments, indices, or Transferable Securities as well as futures and forward contracts, options and swaps are not considered as commodities for the purposes of this restriction.

(2) No Portfolio may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(3) No Portfolio may issue warrants or other rights to subscribe for its Shares.

(4) A Portfolio may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Portfolio from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A., items (5), (7) and (8).

(5) The SICAV may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

F. Notwithstanding anything to the contrary herein contained:

(1) The ceilings set forth above may be disregarded by each Portfolio when exercising subscription rights attaching to Transferable Securities and Money Market Instruments in such Portfolio's portfolio.

(2) If such ceilings are exceeded for reasons beyond the control of a Portfolio or as a result of the exercise of subscription rights, such Portfolio must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

The SICAV has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the SICAV are offered or sold.

G. Global Exposure and Risk Management

In accordance with CSSF Circular 11/512 and article 13 of CSSF Regulation 10-4, the SICAV must employ a risk management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its portfolios.

In relation to financial derivative instruments the SICAV must employ a process (or processes) for accurate and independent assessment of the value of OTC derivatives and the SICAV shall ensure for each Portfolio that its global exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

Except as otherwise noted below, each Portfolio may invest, according to its investment policy and within the limits laid down in Appendix A and in Appendix B in financial derivative instruments (including options, forwards, futures and/or swaps (including credit default swaps, credit default swaps on loans, interest rate swaps and total/excess return swaps) on Transferable Securities and/or any financial instruments and currencies) provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Appendix A. Certain Portfolios may use financial derivative instruments as a principal investment objective, as more fully described in the investment policy of each relevant Portfolio. Shareholders should be aware that the use of derivative instruments as a principal investment objective carries a greater degree of risk.

When a Portfolio invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in Appendix A item C(a)(1)-(5), (8), (9), (13) and (14).

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Section.

Whenever risk management processes adequate to perform the functions described above are employed on behalf of the SICAV by the Management Company and/or Sub-Advisors in managing the Portfolios, they are deemed to be employed by the SICAV.

As a consequence of the above, the Management Company has implemented procedures to ensure that all the day-to-day duties concerning active risk management of the Portfolio(s) are being carried out by the Sub-Advisors and Custodian. The oversight process is performed by the responsible person(s) of the Management Company (the "Responsible Persons") and the risk management committee ("RMC"). These individuals along with other resources monitor reports that are provided by the Sub-Advisors as well as the Custodian. Such reports are at a minimum received monthly. The individuals involved in such risk management monitoring are located in London at Threadneedle Asset Management Limited. All relevant documents are made available to a Luxembourg-resident Responsible Person(s).

Information about the risk management process used by the Management Company to monitor and measure the risk of the positions and their contribution to the overall risk profile of each Portfolio is set out in the "Risk Factors" section of this Prospectus.

In addition to the above:

(1) The SICAV will not make direct investments in Russia (i.e., Russian securities that are physically deposited with Russian transfer agents) which exceed 10% of the Net Asset Value of each Portfolio, at the time of purchase except for Transferable Securities and Money Market Instruments which are listed or traded on the Russian Trading System and on the Moscow Interbank Currency Exchange which are recognised as Regulated Markets.

The Russian Trading System was established in 1995 to consolidate separate regional securities trading floors into a unified regulated Russian securities market. It lists in particular leading Russian securities. The Russian Trading System establishes market prices for a wide range of stocks and bonds. The trading information is distributed worldwide through financial information services companies, such as Reuters and Bloomberg. Moscow Interbank Currency Exchange serves as a basis for the nationwide system of trading in the currency, stocks and derivatives sectors of the financial market, covering Moscow and Russia's largest financial and industrial centres. Jointly with its partners the MICEX Group (the MICEX Stock Exchange, the MICEX Settlement House, the National Depositary Center, regional exchanges and other), the MICEX provides settlement and clearing as well as depositary services for about 1500 organisations and participants in the stock market.

(2) For so long as the sale of Shares in a Portfolio is authorised in Taiwan and to the extent the Taiwan regulations continue to so require, the total value of the non offset short position in derivatives for hedging purpose shall not exceed the total market value of the relevant securities held by the Portfolio and the risk exposure of the non offset long position in derivatives for purposes of increase of investment efficiency shall not exceed 40% of the Net Asset Value of the Portfolio.

(3) Important information for Italian investors–

The local documents that Italian investors receive prior to subscribing in Shares may provide:

(a) the ability for investors to appoint a distributor or a local paying agent to send orders in its own name on behalf of the investors and to be recorded as holder of the Shares on behalf of the effective underlying Shareholder (a so called nominee arrangement); and/or

(b) the possibility for local paying agents to charge a fee to investors in relation to the execution and subscription, redemption and/or exchange transactions; and/or

(c) the possibility for Italian investors to subscribe the SICAV shares through regular saving plans.

(4) For investors in France, the Pan European Equities and Pan European Smaller Companies Portfolios are an eligible investment for a PEA. This means the Portfolios have at least 75% of its Net Asset Value invested in the equity of corporate issuers with their registered office in an EEA country (excluding Liechtenstein).

The Directors reserve the right to cease managing the above Portfolios so that they are eligible for investment through a PEA should it determine that doing so would no longer enable the Portfolios to comply with its investment objectives, not be in the interests of all Shareholders in the Portfolios or be impractical due to changing market conditions. Should the Directors decide to cease managing the Portfolios so they are eligible for investment through a PEA, the Directors will notify the registered Shareholders resident in France at least one month in advance of the Portfolios ceasing to be managed to be eligible for investment through a PEA.

Definition of the Expression "Connected Person"

The expression "Connected Person" in relation to the SICAV, any Sub-Advisor appointed by the SICAV or the Management Company (a "Sub-Advisor") or any company appointed for the purpose of distributing Shares or the Custodian (the relevant such SICAV being referred to below as "the relevant SICAV") means:

(a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of the relevant SICAV, or able to exercise directly or indirectly 20% or more of the total votes in the relevant SICAV;

(b) any person or company controlled by a person who falls within (a) above;

(c) any company 20% or more of whose ordinary share capital is beneficially owned, directly or indirectly, by the relevant company and each of the others of the Management Company and Sub-Advisor and taken together or by the Custodian and any company 20% or more of the total votes of which can be exercised, directly, or indirectly by the relevant SICAV and each of the others of the Management Company and Sub-Advisor taken together or by the Custodian; and

(d) any director or officer of the relevant SICAV or any Connected Person of the relevant SICAV, as defined in (a), (b) or (c) above.

Appendix B

Investment Techniques and Instruments

The SICAV may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management and hedging purposes within the conditions and limits of the relevant Regulatory Authority regulation.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in Appendix A "Investment Restrictions".

Under no circumstances shall these operations cause a Portfolio to diverge from its investment objectives as laid down under "Investment Objective Policies" in the Prospectus.

In particular, some Portfolios may also enter into credit default swaps:

> A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between the par value and the market price of the said bond or other designated reference obligations when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due.
>
> Provided it is in its exclusive interest, the relevant Portfolios may sell protection under credit default swaps (individually a "credit default swap Sale Transaction", collectively the "credit default swap Sale Transactions") in order to acquire a specific credit exposure.
>
> In addition, the relevant Portfolios may, provided it is in its exclusive interest, buy protection under credit default swaps (individually a "credit default swap Purchase Transaction", collectively the "credit default swap Purchase Transactions") without holding the underlying assets.
>
> Such swap transactions must be effected with first class financial institutions specialising in this type of transactions and executed on the basis of standardised documentation such as the International Swaps and Derivatives Association (ISDA) Master Agreement.
>
> The relevant Portfolios must ensure adequate coverage of commitments linked to such credit default swap and maintain sufficient liquidity to honor redemption requests from investors.

Furthermore, some Portfolios may enter into interest rate swaps and total/excess return swaps.

> A total/excess return swap is a transaction in which one party ("the First Party") makes an initial payment equal to the value of a loan, debt security or other financial instrument (the "Reference Obligation") issued, guaranteed or otherwise entered into by a third party (the "Reference Entity") to the other party ("the Second Party"). The Second Party shall pay to the First Party any interest, dividend and fee payments, as applicable, on the Reference Obligation and the market value of the Reference Obligation at the maturity of the transaction (this will typically, absent default or another referenced event, be the notional amount of the Reference Obligation if the total/excess return swap is linked to the maturity of the Reference Obligation).
>
> Such swap transactions must be effected with first class financial institutions specializing in this type of transactions.

Furthermore, the SICAV may also enter into securities lending transactions and repurchase agreements provided that they comply with the provisions of CSSF Circular 08/356 and the following rules.

I. Techniques and Instruments relating to transferable securities

1. Lending of Portfolio Securities

The SICAV may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the Regulatory Authority as equivalent to those provided by Community law, in exchange for a securities lending fee. To limit the risk of loss to the SICAV, the borrower must post in favor of the SICAV collateral representing at any time, during the lifetime of the agreement, at least 90% of the total value of the securities loaned in favor of the SICAV. The amount of collateral is valued daily to ensure that this level is maintained.

Collateral may consist of cash, or securities or instruments permissible under Luxembourg law or regulations, such as (i) liquid assets and/or (ii) sovereign OECD bonds, (iii) shares or units issued by specific money market UCIs, calculating a daily net asset value and having a rating of AAA or its equivalent (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a Member State of the OECD provided they are included in a main index, (vi) direct investment in bonds or shares with the characteristics mentioned in (iv) and (v). Cash collateral can be reinvested in liquid assets in the manner described in CSSF circular 08/356 in shares or units of UCIs of the money market-type, calculating a daily net asset value and which have a rating of AAA or its equivalent, short-term bank deposits, money market instruments as defined in Directive 2007/16/EC of 19 March 2007, short-term bonds issued or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with a European Union, regional or world-wide scope, bonds issued or guaranteed by first class issuers offering an adequate liquidity and reverse repurchase agreements. Non-cash guarantees must be issued by an entity that is not affiliated with the counterparty.

The SICAV may pay fees to third parties for services in arranging such loans, as such persons may or may not be affiliated with the SICAV, the Management Company or any Sub-Advisor as permitted by applicable securities and banking law.

The principal risk when lending securities is that the borrower might become insolvent or refuse to honor its obligations to return the securities. In this event, a Portfolio could experience delays in recovering its securities and may possibly incur a capital loss. A Portfolio may also incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Portfolio to the securities lending counterparty at the conclusion of the securities lending contract. The Portfolio would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Portfolio.

The counterparty risk of the SICAV vis-à-vis a single counterparty arising from one or more securities lending transaction(s) may not exceed 10% of the assets of the relevant Portfolio when the counterparty is a financial institution falling within Section A (6) of Appendix A, or 5% of its assets in all other cases.

The Portfolios of the SICAV may enter into securities lending and borrowing transactions of up to 50% of the aggregate market value of the securities in the Portfolio. The SICAV must ensure that securities lending transactions remain within appropriate levels, or must be able to request the return of the securities on loan so that it can satisfy its redemption obligations at any time and so that these lending transactions do not jeopardise the management of the SICAV's assets in compliance with its investment policy.

The SICAV will seek to deal with counterparties from a list of approved borrowers whose short-term and long-term ratings so rated by S&P or Moody's or Fitch Ratings must not be lower than such level of short-term and long-term ratings determined by the relevant Sub-Advisor of the relevant Portfolio.

At least 80% of income generated from any securities lending transaction will accrue to the relevant Portfolio. The remainder will be paid to (i) the security clearing body or financial institution arranging the securities lending transaction and (ii) the Sub-Advisor or their respective agents for the management of, and additional administrative work involved in, entering into and monitoring securities lending transactions for the relevant Portfolios.

2. When-Issued Securities and Delayed Delivery Transactions

Each Portfolio may purchase securities on a when-issued basis, and it may purchase or sell securities for delayed delivery. These transactions occur when securities are purchased or sold by the Portfolio with payment and delivery taking place in the future to secure what is considered an advantageous yield and price to the Portfolio at the time of entering into the transactions. Each Portfolio will maintain a segregated account with its Custodian of cash or liquid securities of governmental entities in an aggregate equal to the amount of its commitments in connection with such purchase transactions.

3. Repurchase Agreements

The SICAV may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The SICAV can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

(i) The SICAV may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specialising in this type of transaction subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those provided by Community law.

(ii) During the life of a repurchase agreement contract, the SICAV cannot sell the 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, except to the extent the SICAV has other means of coverage.

(iii) As the SICAV is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

II. Warrants

The Global Asset Allocation Portfolio, the Equity Portfolios and some Bond Portfolios may invest in warrants to purchase common stock. The gearing effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than is the case with investments in equities.

III. Pooling

The SICAV may invest and manage all or any part of the assets established for two or more Portfolios (for the purposes hereof "Participating Portfolios") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate in respect of the investment policy of the pool concerned) from each of the Participating Portfolios. Thereafter, the SICAV may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Portfolio up to the amount of the participation of the Portfolio concerned. The share of a Participating Portfolio in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the SICAV shall determine the initial value of notional units (which shall be expressed in such currency as the SICAV may consider appropriate) and shall allocate to each Participating Portfolio notional units having an aggregate value equal to the amount of cash (or the value of other assets) contributed. Thereafter, the value of the units shall be determined by dividing the net assets of the asset pool by the number of notional units existing.

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

Dividends, interest and other distributions of an income nature earned in respect of the assets in an asset pool will be applied to such asset pool and cause the respective net assets to increase. Upon the dissolution of the SICAV, the assets in an asset pool will be allocated to the Participating Portfolios in proportion to their respective participation in the asset pool.

IV. Co-management

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Directors may decide that part or all of the assets of one or more Portfolios will be co-managed with assets belonging to the other Portfolios within the SICAV and/or other collective investment schemes. In the following paragraphs, the words "co-managed entities" shall refer to the SICAV or Portfolio and all entities with and between which there would exist any given co-management arrangement and the words "co-managed assets" shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the investment advisors to the Portfolios will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and Portfolio readjustment decisions which will influence the composition of the relevant Portfolio's assets. Each co-managed entity shall hold a portion of the co-managed assets corresponding to the proportion of its net assets to the total value of the co-managed assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed assets held by each co-managed entity.

In the case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Directors or their appointed agents, the co-management arrangement may cause the composition of assets of the relevant Portfolio to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which the SICAV is co-managed will lead to an increase of the SICAV's reserve cash. Conversely, redemptions made in one entity with which any Portfolio is co-managed will lead to a reduction of the SICAV's reserve of cash. Subscriptions and redemptions may, however, be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Directors or their appointed agents to decide at any time to terminate their participation in the co-management arrangement permit the

SICAV or the relevant Portfolio to avoid the re-adjustments of their Portfolio if these re-adjustments are likely to affect the interest of the SICAV and of its Shareholders.

If a modification of the composition of the relevant Portfolio or the SICAV's assets resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e., not attributable to the SICAV) is likely to result in a breach of the investment restrictions applicable to the relevant Portfolio or the SICAV, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed assets of the Portfolios shall, as the case may be, only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed assets in order to assure that investment decisions are fully compatible with the investment policy of the relevant Portfolio. Co-managed assets shall only be co-managed with assets for which the Custodian is also acting as depository in order to assure that the Custodian is able, with respect to the SICAV, to fully carry out its functions and responsibilities pursuant to the applicable provisions of the 2010 Law. The Custodian shall at all times keep the SICAV's assets segregated from the assets of other co-managed entities, and shall therefore be able at all time to identify the assets of the SICAV. Since co-managed entities may have investment policies which are not strictly identical to the investment policy of the relevant Portfolio, it is possible that as a result the common policy implemented may be more restrictive than that of the SICAV.

A co-management agreement shall be signed between the Management Company, the Custodian and, as appropriate, the relevant investment advisor in order to define each of the parties' rights and obligations. The Management Company may decide at any time and without notice to terminate the co-management arrangement.

Shareholders may at all times contact the registered office of the SICAV to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Annual and half-yearly reports shall state the co-managed assets' composition and percentages.

Appendix C

Portfolio Charges

SHARE CLASSES AU, AE, AG, AEC, AUC, AUH, AEH AGH, AGP, AFH, ASH, AUP and AEP

Portfolio(s)	Initial Sales Charge as a % of the amount invested	Exchange Fee
Bond Portfolios	Maximum 2.0%	Maximum 0.75%
Equity Portfolios and Asset Allocation Portfolio	Maximum 5.0%	Maximum 0.75%
Target Return (US$) Portfolio	Maximum 3.0%	Maximum 0.75%
Absolute Return Portfolios except for the Target Return (US$) Portfolio	Maximum 5.0%	Maximum 0.75%
Specialist Portfolio	Maximum 5.0%	Maximum 0.75%

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

Until 31 March 2012 (included)

Portfolio Type	Name of Portfolio	Asset Management Fee	Shareholder Servicing Fee[34]	Operating Expenses[35]	Base Currency
Bond Portfolios					
	Global Bonds (Euro)[36]	0.85%	0.25%	Footnote 35	Euro
	Global Aggregate Bond	0.75%	0.25%	Footnote 35	US$
	Euro Active Bonds	0.85%	0.25%	Footnote 35	Euro
	Emerging Market Corporate Bonds	1.00%	0.50%	Footnote 35	US$
	Emerging Market Debt	1.00%	0.50%	Footnote 35	US$
	Global Emerging Market Short-Term Bonds	1.15%	0.25%	Footnote 35	US$
	US$ High Income Bonds	1.25%	0.50%	Footnote 35	US$
	Global High Yield and Emerging Market (Euro)[37]	1.25%	0.50%	Footnote 35	Euro
	European High Yield Bond	1.00%	0.25%	Footnote 35	Euro
Asset Allocation Portfolio					
	Global Asset Allocation	1.25%	0.50%	Footnote 35	US$
Equity Portfolios					
	Global Focus	1.25%	0.50%	Footnote 35	US$
	Global Emerging Market Equities	1.50%	0.50%	Footnote 35	US$
	American[38]	1.00%	0.50%	Footnote 35	US$
	American Select	1.25%	0.50%	Footnote 35	US$
	US Contrarian Core Equities	1.00%	0.50%	Footnote 35	US$
	Pan European Equities	1.25%	0.50%	Footnote 35	Euro
	Pan European Smaller Companies	1.40%	0.50%	Footnote 35	Euro
	European Quantitative Equities	1.25%	0.50%	Footnote 35	Euro
	Asia	1.50%	0.50%	Footnote 35	US$
	Greater China Equities	1.50%	0.50%	Footnote 35	US$
	Global Energy Equities	1.25%	0.50%	Footnote 35	US$
	Global Technology	1.25%	0.50%	Footnote 35	US$
	UK Equities	1.25%	0.25%	Footnote 35	GBP
	Latin America	1.25%	0.25%	Footnote 35	US$

[34] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.
[35] Please refer to the "Fees and Expenses" section of the Prospectus and in particular the paragraph immediately under the heading "Portfolio Operating Expenses until 31 March 2012 (included)".
[36] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Aggregate Bond Portfolio.
[37] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Emerging Market Short-Term Bonds Portfolio.
[38] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Appendix C

Until 31 March 2012 (included)

Portfolio Type	Name of Portfolio	Asset Management Fee	Shareholder Servicing Fee[34]	Operating Expenses[35]	Base Currency
Equity Portfolios *(continued)*					
	US Smaller Companies	1.25%	0.25%	Footnote 35	US$
	Global Equity Dividend	1.25%	0.25%	Footnote 35	US$
Absolute Return Portfolios					
	Target Return (US$)	1.00%	0.25%	Footnote 35	US$
	American Absolute Alpha	1.25%	0.25%	Footnote 35	US$
	Absolute Emerging Market Macro	1.25%	0.50%	Footnote 35	US$
	Multi Asset Absolute Alpha	1.00%	0.25%	Footnote 35	Euro
	European Smaller Companies Absolute Alpha	1.25%	0.25%	Footnote 35	Euro
	Global Opportunities Bond	1.15%	0.25%	Footnote 35	US$
	European Absolute Alpha	1.25%	0.25%	Footnote 35	Euro
Specialist Portfolio					
	Enhanced Commodities	1.25%	0.50%	Footnote 35	US$

From 1 April 2012

Portfolio Type	Name of Portfolio	Asset Management Fee	Operating Expenses	Base Currency
Bond Portfolios				
	Global Aggregate Bond	1.00%	0.30%	US$
	Euro Active Bonds	0.90%	0.30%	Euro
	Emerging Market Corporate Bonds	1.50%	0.30%	US$
	Emerging Market Debt	1.50%	0.30%	US$
	Global Emerging Market Short-Term Bonds	1.40%	0.30%	US$
	US$ High Income Bonds	1.25%	0.30%	US$
	European High Yield Bond	1.25%	0.30%	Euro
Asset Allocation Portfolio				
	Global Asset Allocation	1.50%	0.35%	US$
Equity Portfolios				
	Global Focus	1.50%	0.35%	US$
	Global Emerging Market Equities	1.50%	0.35%	US$
	American[39]	1.50%	0.35%	US$
	American Select	1.50%	0.35%	US$
	US Contrarian Core Equities	1.50%	0.35%	US$
	Pan European Equities	1.50%	0.35%	Euro
	Pan European Smaller Companies	1.50%	0.35%	Euro
	European Quantitative Equities	1.50%	0.35%	Euro
	Asia	1.50%	0.35%	US$
	Greater China Equities	1.50%	0.35%	US$
	Global Energy Equities	1.75%	0.35%	US$
	Global Technology	1.75%	0.35%	US$
	UK Equities	1.50%	0.35%	GBP
	Latin America	1.50%	0.35%	US$
	US Smaller Companies	1.50%	0.35%	US$
	Global Equity Dividend	1.50%	0.35%	US$

[39] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Appendix C

From 1 April 2012 *(continued)*

Portfolio Type	Name of Portfolio	Asset Management Fee	Operating Expenses	Base Currency
Absolute Return Portfolios				
	Target Return (US$)	1.25%	0.30%	US$
	American Absolute Alpha	1.50%	0.35%	US$
	Absolute Emerging Market Macro	1.75%	0.35%	US$
	Multi Asset Absolute Alpha	1.25%	0.30%	Euro
	European Smaller Companies Absolute Alpha	1.50%	0.35%	Euro
	Global Opportunities Bond	1.40%	0.30%	US$
	European Absolute Alpha	1.50%	0.35%	Euro
Specialist Portfolio				
	Enhanced Commodities	1.75%	0.35%	US$

Appendix D

Portfolio Charges

SHARE CLASSES DU, DE, DG, DUH and DEH

Share Class	Portfolios	Initial Sales Charge as a % of the amount invested	Exchange Fee
Classes DU, DE, DG, DUH and DEH	All Portfolios	Maximum 1.00%	Maximum 0.75%

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

Until 31 March 2012 (included)

Portfolio Type	Name of Portfolio	Asset Management Fee	Shareholder Servicing Fee[40]	Operating Expenses[41]	Base Currency
Bond Portfolios					
	Global Bonds (Euro)[42]	0.85%	0.60%	Footnote 41	Euro
	Global Aggregate Bond	0.75%	0.60%	Footnote 41	US$
	Euro Active Bonds	0.85%	0.60%	Footnote 41	Euro
	Emerging Market Corporate Bonds	1.00%	1.00%	Footnote 41	US$
	Emerging Market Debt	1.00%	1.00%	Footnote 41	US$
	Global Emerging Market Short-Term Bonds	1.15%	0.40%	Footnote 41	US$
	US$ High Income Bonds	1.25%	1.00%	Footnote 41	US$
	Global High Yield and Emerging Market (Euro)[43]	1.25%	1.00%	Footnote 41	Euro
	European High Yield Bond	1.25%	1.00%	Footnote 41	Euro
Asset Allocation Portfolio					
	Global Asset Allocation	1.25%	1.00%	Footnote 41	US$
Equity Portfolios					
	Global Focus	1.25%	1.00%	Footnote 41	US$
	Global Emerging Market Equities	1.50%	1.00%	Footnote 41	US$
	American[44]	1.00%	1.00%	Footnote 41	US$
	American Select	1.25%	1.00%	Footnote 41	US$
	US Contrarian Core Equities	1.00%	1.00%	Footnote 41	US$
	Pan European Equities	1.25%	1.00%	Footnote 41	Euro
	Pan European Smaller Companies	1.40%	1.00%	Footnote 41	Euro
	European Quantitative Equities	1.25%	1.00%	Footnote 41	Euro
	Asia	1.50%	1.00%	Footnote 41	US$
	Greater China Equities	1.50%	1.00%	Footnote 41	US$
	Global Energy Equities	1.25%	1.00%	Footnote 41	US$
	Global Technology	1.25%	0.75%	Footnote 41	US$
	UK Equities	1.50%	0.75%	Footnote 41	GBP
	Latin America	1.50%	1.00%	Footnote 41	US$
	US Smaller Companies	1.50%	0.90%	Footnote 41	US$
	Global Equity Dividend	1.50%	0.75%	Footnote 41	US$

[40] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.
[41] Please refer to the "Fees and Expenses" section of the Prospectus and in particular the paragraph immediately under the heading "Portfolio Operating Expenses until 31 March 2012 (included)".
[42] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Aggregate Bond Portfolio.
[43] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Emerging Market Short-Term Bonds Portfolio.
[44] Until 30 November 2011, this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Appendix D

Until 31 March 2012 (included) *(continued)*

Portfolio Type	Name of Portfolio	Asset Management Fee	Shareholder Servicing Fee[40]	Operating Expenses[41]	Base Currency
Absolute Return Portfolios					
	Target Return (US$)	1.00%	0.75%	Footnote 41	US$
	American Absolute Alpha	1.25%	0.75%	Footnote 41	US$
	Absolute Emerging Market Macro	1.25%	1.00%	Footnote 41	US$
	Multi Asset Absolute Alpha	1.00%	0.75%	Footnote 41	Euro
	European Smaller Companies Absolute Alpha	1.25%	0.75%	Footnote 41	Euro
	Global Opportunities Bond	1.15%	0.75%	Footnote 41	US$
	European Absolute Alpha	1.25%	0.75%	Footnote 41	Euro
Specialist Portfolio					
	Enhanced Commodities	1.25%	1.00%	Footnote 41	US$

From 1 April 2012

Portfolio Type	Name of Portfolio	Asset Management Fee	Operating Expenses	Base Currency
Bond Portfolios				
	Global Aggregate Bond	1.35%	0.30%	US$
	Euro Active Bonds	1.45%	0.30%	Euro
	Emerging Market Corporate Bonds	2.00%	0.30%	US$
	Emerging Market Debt	2.00%	0.30%	US$
	Global Emerging Market Short-Term Bonds	1.55%	0.30%	US$
	US$ High Income Bonds	2.25%	0.30%	US$
	European High Yield Bond	2.25%	0.30%	Euro
Asset Allocation Portfolio				
	Global Asset Allocation	1.75%	0.35%	US$
Equity Portfolios				
	Global Focus	2.25%	0.35%	US$
	Global Emerging Market Equities	2.50%	0.35%	US$
	American[45]	2.00%	0.35%	US$
	American Select	2.25%	0.35%	US$
	US Contrarian Core Equities	2.00%	0.35%	US$
	Pan European Equities	2.25%	0.35%	Euro
	Pan European Smaller Companies	2.40%	0.35%	Euro
	European Quantitative Equities	2.25%	0.35%	Euro
	Asia	2.50%	0.35%	US$
	Greater China Equities	2.50%	0.35%	US$
	Global Energy Equities	2.25%	0.35%	US$
	Global Technology	2.00%	0.35%	US$
	UK Equities	2.25%	0.35%	GBP
	Latin America	2.50%	0.35%	US$
	US Smaller Companies	2.40%	0.35%	US$
	Global Equity Dividend	2.25%	0.35%	US$

[45] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Appendix D

From 1 April 2012 *(continued)*

Portfolio Type	Name of Portfolio	Asset Management Fee	Operating Expenses	Base Currency
Absolute Return Portfolios				
	Target Return (US$)	1.75%	0.30%	US$
	American Absolute Alpha	2.00%	0.35%	US$
	Absolute Emerging Market Macro	2.25%	0.35%	US$
	Multi Asset Absolute Alpha	1.75%	0.30%	Euro
	European Smaller Companies Absolute Alpha	2.00%	0.35%	Euro
	Global Opportunities Bond	1.90%	0.30%	US$
	European Absolute Alpha	2.00%	0.35%	Euro
Specialist Portfolio				
	Enhanced Commodities	2.25%	0.35%	US$

Appendix E

Portfolio Charges

SHARE CLASSES W, WEH and P

Share Class	Initial Sales Charge as a % of the amount invested	Exchange Fee
Classes W, WEH and P	Maximum 5.0%[46]	Maximum 0.75%

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

Until 31 March 2012 (included)

Portfolio Type	Name of Portfolio	Asset Management Fee	Shareholder Servicing Fee[47]	Operating Expenses[48]	Base Currency
Bond Portfolios					
	Global Bonds (Euro)[49]	0.85%	–	Footnote 48	Euro
	Global Aggregate Bond	0.75%	–	Footnote 48	US$
	Euro Active Bonds	0.85%	–	Footnote 48	Euro
	Emerging Market Corporate Bonds	1.00%	–	Footnote 48	US$
	Emerging Market Debt	1.00%	–	Footnote 48	US$
	Global Emerging Market Short-Term Bonds[50]	1.15%	–	Footnote 48	US$
	US$ High Income Bonds	1.25%	–	Footnote 48	US$
	Global High Yield and Emerging Market (Euro)	1.25%	–	Footnote 48	Euro
Asset Allocation Portfolio					
	Global Asset Allocation	1.25%	0.15%	Footnote 48	US$
Equity Portfolios					
	Global Focus	1.25%	0.15%	Footnote 48	US$
	Global Emerging Market Equities	1.40%	0.25%	Footnote 48	US$
	American[51]	1.00%	0.15%	Footnote 48	US$
	American Select	1.25%	0.15%	Footnote 48	US$
	Pan European Equities	1.25%	0.15%	Footnote 48	Euro
	Pan European Smaller Companies	1.40%	0.15%	Footnote 48	Euro
	European Quantitative Equities	1.25%	0.15%	Footnote 48	Euro
	Asia	1.40%	0.25%	Footnote 48	US$
	Greater China Equities	1.40%	0.25%	Footnote 48	US$
	Global Energy Equities	1.25%	0.15%	Footnote 48	US$

[46] The maximum sales charge is equivalent to 5.00% of the Class W, WEH and P Net Asset Value per Share.
[47] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.
[48] Please refer to the "Fees and Expenses" section of the Prospectus and in particular the paragraph immediately under the heading "Portfolio Operating Expenses until 31 March 2012 (included)".
[49] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Aggregate Bond Portfolio.
[50] These fees will apply until 12January 2012, when the Portfolio will be merged with the Global Emerging Market Short-Term Bonds Portfolio.
[51] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Appendix E

From 1 April 2012

Portfolio Type	Name of Portfolio	Asset Management Fee	Operating Expenses	Base Currency
Bond Portfolios				
	Global Aggregate Bond	0.75%	0.30%	US$
	Euro Active Bonds	0.85%	0.30%	Euro
	Emerging Market Corporate Bonds	1.00%	0.30%	US$
	Emerging Market Debt	1.00%	0.30%	US$
	Global Emerging Market Short-Term Bonds	1.15%	0.30%	US$
	US$ High Income Bonds	1.25%	0.30%	US$
Asset Allocation Portfolio				
	Global Asset Allocation	1.40%	0.35%	US$
Equity Portfolios				
	Global Focus	1.40%	0.35%	US$
	Global Emerging Market Equities	1.65%	0.35%	US$
	American[52]	1.15%	0.35%	US$
	American Select	1.40%	0.35%	US$
	Pan European Equities	1.40%	0.35%	Euro
	Pan European Smaller Companies	1.55%	0.35%	Euro
	European Quantitative Equities	1.40%	0.35%	Euro
	Asia	1.65%	0.35%	US$
	Greater China Equities	1.65%	0.35%	US$
	Global Energy Equities	1.40%	0.35%	US$

[52] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Appendix F

Portfolio Charges

SHARE CLASSES SU, SUP and SEP

Share Class	Initial Sales Charge as a % of the amount invested	Exchange Fee
Classes SU, SUP and SEP	Maximum 5.0%	Maximum 0.75%

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

Until 31 March 2012 (included)

Portfolio Type	Name of Portfolio	Asset Management Fee	Shareholder Servicing Fee[53]	Operating Expenses[54]	Base Currency
Bond Portfolios					
	Emerging Market Debt	1.00%	0.50%	Footnote 54	US$
	Global High Yield and Emerging Market (Euro)[55]	1.25%	0.50%	Footnote 54	Euro

From 1 April 2012

Portfolio Type	Name of Portfolio	Asset Management Fee	Operating Expenses	Base Currency
Bond Portfolios				
	Emerging Market Debt	1.50%	0.30%	US$

[53] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.
[54] Please refer to the "Fees and Expenses" section of the Prospectus and in particular the paragraph immediately under the heading "Portfolio Operating Expenses until 31 March 2012 (included)".
[55] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Emerging Market Short-Term Bonds Portfolio.

Appendix G

Portfolio Charges

SHARE CLASSES IU, IE, IG, IGP, IEH, IUH, IGH, IFH, ISH, XU, XEH, XG, XGH, XFH and XSH

Share Class	Initial Sales Charge as a % of the amount invested	Exchange Fee
Classes IU, IE, IG, IEH, IUH, IGH, IGP, IFH, ISH, XU, XEH, XG, XGH, XFH, and XSH	N/A	Maximum 0.75%

FOR THE AVOIDANCE OF DOUBT THERE ARE NO ASSET MANAGEMENT FEES FOR CLASSES XU, XEH, XG, XGH, XFH and XSH

Until 31 March 2012 (included)

Portfolio Type	Name of Portfolio	Asset Management Fee for Classes IU, IE, IG, IGP, IEH, IUH, IGH, IFH and ISH	Operating Expenses[56] for Classes IU, IE, IG, IGP, IEH, IUH, IGH, IFH, ISH, XU, XEH, XG, XGH, XFH and XSH	Base Currency
Bond Portfolios				
	Global Bonds (Euro)[57]	0.55%	Footnote 56	Euro
	Global Aggregate Bond	0.50%	Footnote 56	US$
	Euro Active Bonds	0.55%	Footnote 56	Euro
	Emerging Market Corporate Bonds	0.80%	Footnote 56	US$
	Emerging Market Debt	0.80%	Footnote 56	US$
	Global Emerging Market Short-Term Bonds	0.80%	Footnote 56	US$
	US$ High Income Bonds	0.80%	Footnote 56	US$
	Global High Yield and Emerging Market (Euro)[58]	0.85%	Footnote 56	Euro
	European High Yield Bond	0.65%	Footnote 56	Euro
Asset Allocation Portfolio				
	Global Asset Allocation	0.85%	Footnote 56	US$
Equity Portfolios				
	Global Focus	0.85%	Footnote 56	US$
	Global Emerging Market Equities	1.00%	Footnote 56	US$
	American[59]	0.85%	Footnote 56	US$
	American Select	0.85%	Footnote 56	US$
	US Contrarian Core Equities	0.80%	Footnote 56	US$
	Pan European Equities	0.85%	Footnote 56	Euro
	Pan European Smaller Companies	1.00%	Footnote 56	Euro
	European Quantitative Equities	1.00%	Footnote 56	Euro
	Asia	1.00%	Footnote 56	US$
	Greater China Equities	1.00%	Footnote 56	US$
	Global Energy Equities	1.00%	Footnote 56	US$
	Global Technology	1.00%	Footnote 56	US$
	UK Equities	0.80%	Footnote 56	GBP
	Latin America	0.85%	Footnote 56	US$
	US Smaller Companies	0.85%	Footnote 56	US$
	Global Equity Dividend	0.80%	Footnote 56	US$

[56] Please refer to the "Fees and Expenses" section of the Prospectus and in particular the paragraph immediately under the heading "Portfolio Operating Expenses until 31 March 2012 (included)".
[57] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Aggregate Bond Portfolio.
[58] These fees will apply until 12 January 2012, when the Portfolio will be merged with the Global Emerging Market Short-Term Bonds Portfolio.
[59] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Appendix G

Until 31 March 2012 (included) *(continued)*

Portfolio Type	Name of Portfolio	Asset Management Fee for Classes IU, IE, IG, IGP, IEH, IUH, IGH, IFH and ISH	Operating Expenses[56] for Classes IU, IE, IG, IGP, IEH, IUH, IGH, IFH, ISH, XU, XEH, XG, XGH, XFH and XSH	Base Currency
Absolute Return Portfolios				
	Target Return (US$)	0.65%	Footnote 56	US$
	American Absolute Alpha	0.75%	Footnote 56	US$
	Absolute Emerging Market Macro	1.00%	Footnote 56	US$
	Multi Asset Absolute Alpha	0.65%	Footnote 56	Euro
	European Smaller Companies Absolute Alpha	0.75%	Footnote 56	Euro
	Global Opportunities Bond	0.65%	Footnote 56	US$
	European Absolute Alpha	0.75%	Footnote 56	Euro
Specialist Portfolio				
	Enhanced Commodities	1.00%	Footnote 56	US$

Appendix G

From 1 April 2012

Portfolio Type	Name of Portfolio	Asset Management Fee for Classes IU, IE, IG, IGP, IEH, IUH, IGH, IFH and ISH	Operating Expenses for Classes IU, IE, IG, IGP, IEH, IUH, IGH, IFH, ISH, XU, XEH, XG, XGH, XFH and XSH	Base Currency
Bond Portfolios				
	Global Aggregate Bond	0.50%	0.20%	US$
	Euro Active Bonds	0.50%	0.20%	Euro
	Emerging Market Corporate Bonds	0.80%	0.20%	US$
	Emerging Market Debt	0.80%	0.20%	US$
	Global Emerging Market Short-Term Bonds	0.80%	0.20%	US$
	US$ High Income Bonds	0.65%	0.20%	US$
	European High Yield Bond	0.65%	0.20%	Euro
Asset Allocation Portfolio				
	Global Asset Allocation	0.75%	0.25%	US$
Equity Portfolios				
	Global Focus	0.80%	0.25%	US$
	Global Emerging Market Equities	0.85%	0.25%	US$
	American[60]	0.80%	0.25%	US$
	American Select	0.80%	0.25%	US$
	US Contrarian Core Equities	0.80%	0.25%	US$
	Pan European Equities	0.80%	0.25%	Euro
	Pan European Smaller Companies	0.85%	0.25%	Euro
	European Quantitative Equities	0.80%	0.25%	Euro
	Asia	0.80%	0.25%	US$
	Greater China Equities	0.85%	0.25%	US$
	Global Energy Equities	1.00%	0.25%	US$
	Global Technology	1.00%	0.25%	US$
	UK Equities	0.80%	0.25%	GBP
	Latin America	0.85%	0.25%	US$
	US Smaller Companies	0.85%	0.25%	US$
	Global Equity Dividend	0.80%	0.25%	US$
Absolute Return Portfolios				
	Target Return (US$)	0.65%	0.20%	US$
	American Absolute Alpha	0.75%	0.25%	US$
	Absolute Emerging Market Macro	1.00%	0.25%	US$
	Multi Asset Absolute Alpha	0.65%	0.25%	Euro
	European Smaller Companies Absolute Alpha	0.75%	0.25%	Euro
	Global Opportunities Bond	0.65%	0.20%	US$
	European Absolute Alpha	0.75%	0.25%	Euro
Specialist Portfolio				
	Enhanced Commodities	1.00%	0.25%	US$

[60] Until 30 November 2011 (included), this Portfolio will remain named "Threadneedle (Lux) – US Equities".

Glossary

"Articles"	the articles of incorporation of the SICAV;
"Asset Management Fee"	the monthly fee payable by the SICAV to the Management Company under the terms of the Management Company Services Agreement at the annual rates set forth in Appendices C, D, E, F and G (except with respect to Classes BU, M and MGH for which charges are described directly in the body of this Prospectus);
"Auditors"	PricewaterhouseCoopers S.à r.l. or such other service provider as may be lawfully appointed to serve as auditor to the SICAV;
"Base Currency"	currency in which a Portfolio is denominated;
"Below Investment Grade"	are securities rated below "Baa3" by Moody's, "BBB–" by S&P or that have an equivalent rating by another NRSRO, or are unrated and believed to be of equivalent quality in the opinion of the Management Company or of the relevant Sub-Advisor;
"Business Day"	with respect to each Portfolio any day on which banks are open for normal banking business in Luxembourg and when the Directors believe that sufficient markets in which the Portfolio invested are also open and permit sufficient trading and liquidity to enable such Portfolio to be managed efficiently;
"CDSC"	Contingent Deferred Sales Charge;
"CHF"	the legal currency of the Swiss Confederation;
"Class"	a class of Shares in the SICAV;
"Companies Law"	the Luxembourg law of 10 August 1915 on Commercial Companies, as amended;
"Continental Europe"	all European countries ex-United Kingdom and ex-Ireland;
"CSSF"	the Luxembourg *Commission de Surveillance du Secteur Financier*;
"CSSF Circular 11/512"	the circular issued by the CSSF on 30 May 2011 to all Luxembourg management companies in relation to (i) the presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications; (ii) further clarifications from the CSSF on risk management rules; and (iii) the definition of the content and format of the risk management process to be communicated to the CSSF;
"CSSF Circular 08/356"	the circular issued by the CSSF on 4 June 2008 to all Luxembourg UCIs and those who act in relation to their operation and outlining rules applicable to UCIs when they employ certain techniques and instruments relating to transferable securities and money market instruments;
"CSSF Regulation 10-4"	the regulation issued by the CSSF on 24 December 2010 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and the content of the agreement between a depositary and a management company;
"Custodian"	RBC Dexia Investor Services Bank S.A. or such other service provider as may be lawfully appointed to serve as custodian to the SICAV;
"Custodian Agreement"	an agreement made between the SICAV and the Custodian dated 31 March 2006, as may be amended from time to time;

"Domiciliary and Administrative Agent"	RBC Dexia Investor Services Bank S.A. or such other service provider as may be lawfully appointed to serve as domiciliary and administrative agent to the SICAV;
"Directors"	the board of directors from time to time of the SICAV including any duly authorised committee thereof;
"Dow Jones Euro Stoxx 50"	a leading Blue-chip index whose stated objective is to provide a representation of supersector leaders in the Euro Area. The index covers 50 stocks from 12 Euro Area countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain;
"Eligible Investor"	an existing or new investor of the SICAV that is eligible at the SICAV's discretion to invest in Class XU, XE, XUH, XEH, XG, XGH, XFH, and XSH either (i) upon entering into an agreement with the Management Company or Threadneedle Portfolio Services Hong Kong Limited on behalf of the SICAV and fulfilling the eligibility conditions set by the SICAV from time to time or (ii) other UCIs or UCITS which have the same Management Company or have the same ultimate owner as the Management Company and therefore will not be subject to an asset management fee, shareholder servicing fee[61] or subscription fee;
"Eligible Market"	a regulated market in an Eligible State which operates regularly and is recognised and open to the public;
"Eligible State"	any member state of the OECD and all other countries of the American continents, Europe, Asia, Africa and Oceania;
"Eligible Transferable Securities"	(i) transferable securities admitted to official listing on a stock exchange in an Eligible State; and/or (ii) transferable securities dealt in on another Eligible Market; and/or (iii) recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange in an Eligible State or on an Eligible Market and such admission is achieved within a year of the issue;
"Emerging Market Countries"	those countries represented in the MSCI Emerging Markets Index. However, if a country is not represented in that particular stated index, the relevant Sub-Advisor will adopt the following approach: any country that is not represented in the MSCI World Index will be considered as an Emerging Market Country;
"EU"	current and any future member countries of the European Union;
"Euro" or **"€"**	the legal currency of the countries participating in the European Economic and Monetary Union;
"Euro Area"	the collective group of countries whose legal currency is the Euro;
"Europe"	all countries that are members of the European Economic Area and Switzerland and the term "European" shall be construed accordingly;
"European Smaller Companies"	European companies either headquartered in Europe or exercising a predominant part of their activities in Europe, that at the time of purchase are not represented in the top 300 companies in the FTSE World Europe Index;

[61] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.

"GBP"	the legal currency of the United Kingdom;
"G-7"	Canada, France, Germany, the United Kingdom, Italy, Japan and the United States;
"Group of Companies"	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules or would be required to do so if they were located in the EU;
"High Yield"	securities having a rating below "Baa3" by Moody's, "BBB–" by S&P or that have an equivalent rating by another NRSRO, or are unrated and believed to be of similar quality;
"Institutional Investors"	Institutional Investors, as defined by guidelines or recommendations issued by the Regulatory Authority from time to time;
"Institutional Share Classes"	Classes which are only available for subscription and holding by Institutional Investors;
"Investment Fund Service Agreement"	an agreement made between the SICAV and the Domiciliary and Administrative Agent dated 31 March 2006, as may be amended from time to time;
"Investment Grade"	are securities rated within the four highest rating categories as determined by Moody's or S&P or that have an equivalent rating band by another NRSRO, or are unrated and believed to be of equivalent quality in the opinion of the Management Company or of the relevant Sub-Advisor;
"Key Investor Information"	the Key Investor Information contains the essential characteristics of the SICAV and shall be provided to investors before their proposed subscription of Shares. Subscription of the Shares implies acceptance of terms of the Key Investor Information. A version of the Key Investor Information is available on the website www.threadneedle.com;
"Latin America"	all countries in the Americas except the United States and Canada, and where the context so requires "Latin America" refers to the Portfolio of that name;
"2010 Law"	the Luxembourg law of 17 December 2010 relating to UCI, as amended;
"LIBOR"	the London Interbank Offered Rate, the daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market (or interbank lending market);
"Management Company"	Threadneedle Management Luxembourg S.A., the designated management company of the SICAV;
"Management Company Services Agreement"	an agreement made between the SICAV and the Management Company dated as of 31 October 2005, as may be amended from time to time;
"Member State"	a member state of the European Union;
"Memorial"	Memorial, Recueil des Sociétés et Associations of the Grand Duchy of Luxembourg;
"Money Market Instruments"	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time;
"Moody's®"	Moody's Investors Service;
"MSCI"	Morgan Stanley Capital International Index;

"Multiple Payment Currencies"	U.S. Dollar and Euro;
"Net Asset Value"	the net asset value of each Class within each Portfolio, as described in Section "Net Asset Value Determination";
"North America"	the United States and Canada;
"NRSRO"	a nationally recognised statistical rating organisation;
"OECD"	the members of the Organisation for Economic Co-operation and Development;
"Other Regulated Market"	market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public;
"Other State"	any State of Europe which is not a Member State, any State of America, Africa, Asia and Oceania;
"Portfolios"	segregated portfolios of assets of the SICAV, each represented by one or more Classes and managed in accordance with a specified investment objective and policy;
"principally"	each time that the word "principally" is used in the description of the investment objective of a Portfolio, this means at least two thirds of the assets of the relevant Portfolio are directly invested in the currency, the country, the type of security or the other material element in relation to which the term "principally" is used in description of the relevant Portfolio's investment objective;
"Redemption Price"	the redemption price per Share of each Class in respect of each Portfolio, calculated in accordance with the methodology set out under the "Redemption of Shares" section;
"Registrar and Transfer Agency Agreement"[62]	an agreement made between the SICAV and the Registrar and Transfer Agent dated 31 October 2012;
"Registrar and Transfer Agent"[63]	International Financial Data Services (Luxembourg) S.A. or such other service provider as may be lawfully appointed to serve as registrar and transfer agent to the SICAV;
"Regulated Market"	a regulated market as defined in the Parliament and Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments as amended ("Directive 2004/39/EC") namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of Directive 2004/39/EC. An updated list of Regulated Markets is available at: http://eur–lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:280:0005:0011:EN:PDF;

[62] With effect from 31 October 2011 (included). Prior to 31 October 2011, an agreement made between the SICAV and The Bank of New York Mellon (Luxembourg) S.A. dated 1 October 2004 as assigned to the Management Company on 31 October 2005.
[63] With effect from 31 October 2011 (included). Prior to 31 October 2011, The Bank of New York Mellon (Luxembourg) S.A. of Vertigo Building – Polaris, 2-4, Rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg acted as the Registrar and Transfer Agent.

"Regulatory Authority"	the Luxembourg authority or its successor in charge of the supervision of UCI in the Grand Duchy of Luxembourg;
"secondarily"	each time that the word "secondarily" is used in the description of the investment objective of a Portfolio, this means that no more than one third of the assets of the relevant Portfolio are invested in the currency, the country, the type of security or the other material element in relation to which the term "secondarily" is used in the description of the relevant Portfolio's investment objective;
"Securities Act"	the U.S. Securities Act of 1933, as amended;
"Shareholders"	holders of Shares in the SICAV, as recorded in the books of the SICAV on file with the Registrar and Transfer Agent;
"SICAV"	Threadneedle (Lux), a *société d'investissement à capital variable* (an open-ended investment fund of the corporate type);
"Sub-Advisor"	a service provider appointed under the terms of an agreement with the Management Company to provide investment management or advisory services with respect to one or more portfolios, as set out in the section "Investment Advisory Arrangements";
"Subscription Price"	the subscription price per Share of each Class in respect of each Portfolio, calculated in accordance with the methodology set out under the "Purchase of Shares" section;
"S&P®"	Standard and Poor's Corporation;
"S&P 500 Index®"	the index compiled by S&P consisting of 500 stocks chosen for market size, liquidity and industry group representation and being a market-value weighted index, with each stock's weight in the index being proportionate to its market value;
"Shares"	shares of the SICAV of no par value each designated into different Classes with reference to the Portfolios of the SICAV;
"SGD"	means the legal currency of Singapore;
"Transferable Securities"	– shares and other securities equivalent to shares; – bonds and other debt instruments; – any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange with the exclusion of techniques and instruments; – loan participations;
"UCI"	an undertaking for collective investment as defined by Luxembourg law;
"UCITS"	an undertaking for collective investment in Transferable Securities under Article 1 (2) of the UCITS Directive;
"UCITS Directive"	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as may be amended;
"UK" or **"United Kingdom"**	the United Kingdom of Great Britain and Northern Ireland, its territories and possessions;
"US" or **"United States"**	the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"United States Person"	a person as defined in Regulation S of the Securities Act and thus shall include but not limited to, (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer, or other fiduciary for the benefit or account of a U.S. Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if: (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts; but shall not include (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non -U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States or (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by foreign law;
"U.S. Dollar" or **"US$"**	the currency of the United States;
"Valuation Date"	any Business Day;
"VaR"	Value at risk.

THREADNEEDLE (LUX)
Société d'investissement à capital variable
69, route d'Esch
L-1470 Luxembourg
R.C.S. Luxembourg B 50 216

A Luxembourg Undertaking for Collective Investment
in Transferable Securities

Loose Leaf to the Prospectus dated November 2011 (the "Prospectus")

This loose leaf forms an integral part of the Prospectus for THREADNEEDLE (LUX) (the "SICAV") and may not be distributed separately.

I. The initial offering prices for the launch of the following Share Classes in the **Multi Asset Absolute Alpha** Portfolio will be as follows and will be available upon request:

15 EUR for Share Class AE;
15 US$ for Share Class AUH;
15 GBP for Share Class AGH;
15 CHF for Share Class AFH;
10 SGD for Share Class ASH;
12 EUR for Share Class DE;
12 US$ for Share Class DUH;
20 EUR for Share Class IE;
20 US$ for Share Class IUH;
20 GBP for Share Class IGH;
20 CHF for Share Class IFH;
20 SGD for Share Class ISH;
25 EUR for Share Class XE;
25 US$ for Share Class XUH;
25 GBP for Share Class XGH;
25 CHF for Share Class XFH; and
25 SGD for Share Class XSH.

The above mentioned initial offering prices are increased by any applicable sales charge.
Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

II. The initial offering prices for the launch of the following Share Classes in the **European Absolute Alpha** Portfolio will be as follows and will be available upon request:

15 EUR for Share Class AE;
15 US$ for Share Class AUH;
15 CHF for Share Class AFH;
15 GBP for Share Class AGH;
10 SGD for Share Class ASH;
12 EUR for Share Class DE
12 US$ for Share Class DUH;
20 EUR for Share Class IE;
20 US$ for Share Class IUH;
20 CHF for Share Class IFH;
20 GBP for Share Class IGH;
20 SGD for Share Class ISH;
25 EUR for Share Class XE;
25 US$ for Share Class XUH;
25 CHF for Share Class XFH;
25 GBP for Share Class XGH; and
25 SGD for Share Class XSH.

The above mentioned initial offering prices are increased by any applicable sales charge.
Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

III. The initial offering prices for the launch of the following Share Classes in the **European High Yield Bond** Portfolio will be as follows and will be available upon request:

15 EUR for each of Share Classes AE and AEP;
15 US$ for each of Share Classes AUH and AUC;
15 CHF for Share Class AFH;
15 GBP for Share Class AGH;
10 SGD for Share Class ASH;
12 EUR for Share Class DE;
12 US$ for Share Class DUH;
20 EUR for Share Class IE;
20 US$ for Share Class IUH;
20 SGD for Share Class ISH;
20 CHF for Share Class IFH;
20 GBP for Share Class IGH;
25 EUR for Share Class XE;
25 US$ for Share Class XUH;
25 SGD for Share Class XSH;
25 CHF for Share Class XFH; and
25 GBP for Share Class XGH.

IV. The initial offering prices for the launch of the following Share Classes in the **UK Equities** Portfolio will be as follows and will be available upon request:

15 GBP for Share Class AG;
15 GBP for Share Class AGP;
15 US$ for Share Class AUH;
15 CHF for Share Class AFH;
15 EUR for Share Class AEH;
10 SGD for Share Class ASH;
12 GBP for Share Class DG;
12 EUR for Share Class DEH;
20 GBP for Share Class IG;
20 GBP for Share Class IGP;
20 US$ for Share Class IUH;
20 CHF for Share Class IFH;
20 EUR for Share Class IEH;
20 SGD for Share Class ISH;
25 GBP for Share Class XG;
25 US$ for Share Class XUH;
25 CHF for Share Class XFH;
25 EUR for Share Class XEH; and
25 SGD for Share Class XSH.

The above mentioned initial offering prices are increased by any applicable sales charge.
Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

V. The initial offering prices for the launch of the following Share Classes in the **Latin America** Portfolio will be as follows and will be available upon request:

15 US$ for Share Class AU;
15 EUR for Share Class AEH;
15 CHF for Share Class AFH;
15 GBP for Share Class AGH;
10 SGD for Share Class ASH;
12 US$ for Share Class DU
12 EUR for Share Class DEH;
20 US$ for Share Class IU;
20 EUR for Share Class IEH;
20 CHF for Share Class IFH;
20 GBP for Share Class IGH;
20 SGD for Share Class ISH;

25 US$ for Share Class XU;
25 EUR for Share Class XEH;
25 CHF for Share Class XFH;
25 GBP for Share Class XGH; and
25 SGD for Share Class XSH.

The above mentioned initial offering prices are increased by any applicable sales charge.
Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

VI. The initial offering prices for the launch of the following Share Classes in the **US Smaller Companies** Portfolio will be as follows and will be available upon request:`

15 US$ for Share Class AU;
15 EUR for Share Class AEH;
15 CHF for Share Class AFH;
15 GBP for Share Class AGH;
10 SGD for Share Class ASH;
12 US$ for Share Class DU
12 EUR for Share Class DEH;
20 US$ for Share Class IU;
20 EUR for Share Class IEH;
20 CHF for Share Class IFH;
20 GBP for Share Class IGH;
20 SGD for Share Class ISH;
25 US$ for Share Class XU;
25 EUR for Share Class XEH;
25 CHF for Share Class XFH;
25 GBP for Share Class XGH; and
25 SGD for Share Class XSH.

The above mentioned initial offering prices are increased by any applicable sales charge.
Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

VII. The initial offering prices for the launch of Classes AEC, WEH and XSH in the **Emerging Market Corporate Bonds** will be, respectively; 15 EUR for Share Class AEC, 15 EUR for Share Class WEH and 25 SGD for Share Class XSH. The above mentioned initial offering prices are increased by any applicable sales charge. Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

VIII. The initial offering price for the launch of Class WEH in the **Global Aggregate Bond** will be 15 EUR. The above mentioned initial offering price is increased by any applicable sales charge. Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

IX. The initial offering prices for the launch of the following Share Classes in the **Global Equity Dividend** Portfolio will be as follows and will be available upon request:

15 US$ for Share Class AUP;
15 EUR for Share Class AEC;
15 CHF for Share Class AFC;
15 GBP for Share Class AGC;
10 SGD for Share Class ASC;
12 US$ for Share Class DUP
12 EUR for Share Class DEC;
20 US$ for Share Class IUP;
20 EUR for Share Class IEC;
20 CHF for Share Class IFC;
20 GBP for Share Class IGC;
20 SGD for Share Class ISC;
25 US$ for Share Class XUP;
25 EUR for Share Class XEC;
25 CHF for Share Class XFC;
25 GBP for Share Class XGC; and
25 SGD for Share Class XSC.

The above mentioned initial offering prices are increased by any applicable sales charge.
Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

X. The initial offering price for the launch of Class AEP in the **Euro Active Bonds** will be 15 EUR. The above mentioned initial offering price is increased by any applicable sales charge. Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

XI. The initial offering price for the launch of Class AEC in the **US$ High Income Bonds** will be 15 EUR. The above mentioned initial offering price is increased by any applicable sales charge. Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

XII. The initial offering price for the launch of Class AEC in the **Target Return (US$)** will be 15 EUR. The above mentioned initial offering price is increased by any applicable sales charge. Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

XIII. The initial offering price for the launch of Class AEC in the **Absolute Emerging Market Macro** will be 15 EUR. The above mentioned initial offering price is increased by any applicable sales charge. Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

XIV. The initial offering price for the launch of Class AEC in the **Global Opportunities Bond** will be 15 EUR. The above mentioned initial offering price is increased by any applicable sales charge. Subscriptions orders and subscription proceeds should be made in accordance with the Prospectus.

XV. The Portfolios of the SICAV offer the following Share Classes:

- Class AU, Class AE, Class AUH, Class AEH, Class AFH, Class AG, Class AGH, Class AGP, Class ASH, Class AUP, Class AUC, Class AEP, Class AEC, Class DU, Class DE, Class DEH, Class DUH and Class DG.
- Class W, Class WEH and Class P.
- Class BU.
- Class SU, Class SUP, Class SEC and Class SEP. These Share Classes are exclusively available to Shareholders subscribing through certain select sub-distributors.
- Institutional Share Classes: Class XU, Class XE, Class IU, Class IE, Class IEH, Class XUH, Class XEH, Class XGH, Class XG, Class XFH, Class XSH, Class IFH, Class IG, Class IGH, Class IGP, Class IUH, Class ISH, Class M, Class MGH and Class WS.

The below characters are contained in the name of the Share Classes, whereas:

"A" reflects that the Shares are intended for both retail and Institutional Investors;
"B" reflects that Shares have a CDSC;
"D" reflects that the Shares are intended for both retail and Institutional Investors and have a different fee structure than "A";
"I" reflects that the Shares are Institutional Share Classes with a different minimum initial subscription amount;
"U" reflects that the Shares are denominated in USD;
"E" reflects that the Shares are denominated in EUR;
"F" reflects that the Shares are denominated in CHF;
"G" reflects that the Shares are denominated in GBP;
"S" reflects that the Shares are denominated in SGD when it appears as the second character;
"H" reflects hedging between the currency of the Share Class and the Base Currency of the Portfolio;
"P" flects that the Shares are dividend paying;
"C" reflects (i) hedging between the currency of the Share Class and the Base Currency of the Portfolio and (ii) that the Shares are dividend paying;
"M" reflects that the Shares are intended for exclusive availability to the clients of Mondrian Investment Partners Limited;
"X" reflects that the Shares are also Institutional Share Classes with a higher minimum initial subscription amount than Class I and are only available to Eligible Investors;
"W" reflects that the Shares are intended for distribution to existing Shareholders only; and
"WS" reflects that the Shares are intended for exclusive availability to the clients of Walter Scott & Partners Limited.

Classes AUH, AUC, DUH, IUH and XUH shall be expressed in U.S. Dollars although the Net Asset Value of the relevant Portfolio is expressed in Euro or GBP. These Classes will be hedged, with the objective of minimizing currency risk exposure. This activity may increase or decrease the return to investors in these Classes. The Net Asset Value of the remaining Classes of the relevant Portfolio shall be expressed in Euro or GBP.

Classes AEH, AEC, DEH, IEH, WEH, and XEH shall be expressed in Euro although the Net Asset Value of the relevant Portfolio is expressed in U.S. Dollars or GBP. These Classes will be hedged, with the objective of minimizing currency risk exposure. This activity may increase or decrease the return to investors in those Classes. The Net Asset Value of the remaining Classes of the relevant Portfolio shall be expressed in U.S. Dollars or GBP.

Classes AGH, IGH, MGH, XGH shall be expressed in GBP although the Net Asset Value of the relevant Portfolio is expressed in U.S. Dollars or Euro. These Classes will be hedged, with the objective of minimizing currency risk exposure. This activity may increase or decrease the return to investors in those Classes. The Net Asset Value of the remaining Classes of the relevant Portfolio shall be expressed in U.S. Dollars or in Euro.

Classes AFH, IFH and XFH shall be expressed in CHF although the Net Asset Value of the relevant Portfolio is expressed in U.S. Dollars, GBP or Euro. These Classes will be hedged, with the objective of minimizing currency risk exposure. This activity may increase or decrease the return to investors in those Classes. The Net Asset Value of the remaining Classes of the relevant Portfolio shall be expressed in U.S. Dollars, GBP or in Euro.

Classes ASH, ISH, and XSH shall be expressed in SGD although the Net Asset Value of the relevant Portfolio is expressed in U.S. Dollars, GBP or Euro. These Classes will be hedged, with the objective of minimizing currency risk exposure. This activity may increase or decrease the return to investors in those Classes. The Net Asset Value of the remaining Classes of the relevant Portfolio shall be expressed in U.S. Dollars or in Euro.

Classes W, WS and M are denominated in the Base Currency of the relevant Portfolio.

Threadneedle (Lux) Portfolios

	Base Currency of Portfolio	A Base Currency	A Hedge Currency	A Dividend Paying	A Hedge Currency Dividend Paying	D Base Currency
Bond Portfolios						
Global Bonds (Euro)	EUR	AE	AUH/ASH			DE
Global Aggregate Bond	USD	AU	AEH/AFH/ AGH/ASH		AEC	DU
Euro Active Bonds	EUR	AE	ASH		AEP	DE
Emerging Market Corporate Bonds	USD	AU	AEH/AFH/ AGH/ASH	AUP	AEC	DU
Emerging Market Debt	USD	AU	AEH/AFH/ AGH/ASH	AUP	AEC	DU
Global Emerging Market Short-Term Bonds	USD	AU	AEH/AFH/ AGH/ASH	AUP	AEC	DU
US$ High Income Bonds	USD	AU	AEH/AFH/ AGH/ASH	AUP	AEC	DU
Global High Yield and Emerging Market (Euro)	EUR	AE	AUH/ASH	AEP		DE
European High Yield Bond	EUR	AE	AUH/AFH/ AGH/ASH	AEP	AUC	DE
Asset Allocation Portfolio						
Global Asset Allocation	USD	AU	AEH/AFH/ AGH/ASH	AUP	AEC	DU
Equity Portfolios						
Global Focus	USD	AU	AEH/AFH/ AGH/ASH			DU
Global Emerging Market Equities	USD	AU	AEH/AFH/ AGH/ASH	AUP		DU
American	USD	AU	AEH/AFH/ AGH/ASH			DU
American Select	USD	AU	AEH/AFH/ AGH/ASH	AUP		DU
US Contrarian Core Equities	USD	AU	AEH/AFH/ AGH/ASH			DU
Pan European Equities	EUR	AE	ASH/AGH			DE
Pan European Smaller Companies	EUR	AE	ASH/AGH			DE
European Quantitative Equities	EUR	AE	ASH			DE
Asia	USD	AU	AEH/AFH/ AGH/ASH			DU
Greater China Equities	USD	AU	AEH/AFH/ AGH/ASH			DU
Global Energy Equities	USD	AU	AEH/AFH/ AGH/ASH			DU
Global Technology	USD	AU	AEH/AFH/ AGH/ASH			DU
Global Equities – Walter Scott & Partners	EUR					
Mondrian Investment Partners – Focused Emerging Markets Equity	USD					
UK Equities	GBP	AG	AUH/AFH/ AEH/ASH	AGP		DG

Share Classes												
D Hedge Currency	W* Base Currency (or with "H" Hedge Currency)	P Dividend Paying	X Base Currency and with "P" identifies Dividend Paying	X Hedge Currency and with "P" identifies Dividend Paying	B Base Currency	I Base Currency and with "P" identifies Dividend Paying	I Hedge Currency and with "P" identifies Dividend Paying	WS Base Currency	M Base Currency	M Hedge Currency	S Base Currency	S Dividend Paying
	W		XE	XUH /XFH/ XGH/XSH		IE	IUH/ISH					
DEH	W/WEH	XU	XEH/XFH/ XGH/XSH			IU	IEH/IFH/ IGH/ISH					
	W	XE	XUH /XFH/ XGH/XSH			IE	ISH					
DEH	W/WEH	P	XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH				SU	SUP
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/X GH/XSH		IU	IEH/IFH/ IGH/ISH					
	W		XE	XUH/XFH/ XGH/XSH		IE	ISH					SEP
DUH			XE	XUH/XFH/ XGH/XSH		IE	IUH/IFH/ IGH/ISH					
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH			XU	XEH/XGH/ XFH/XSH		IU	IEH/IFH/ IGH/ISH					
W			XE	XUH /XFH/ XGH/XSH		IE	ISH/IGH					
W			XE	XUH /XFH/ XGH/XSH		IE	ISH/IGH					
W			XE	XUH/XFH/ XGH/XSH		IE	ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH	W		XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH			XU	XEH/XFH/ XGH/XSH	BU	IU	IEH/IFH/ IGH/ISH					
								WS				
									M	MGH		
DEH			XG	XUH/XFH/ XEH/XSH		IG/ IGP	IUH/IFH/ IEH/ISH					

Threadneedle (Lux) Portfolios

	Base Currency of Portfolio	A Base Currency	A Hedge Currency	A Dividend Paying	A Hedge Currency Dividend Paying	D Base Currency
Equity Portfolios *(continued)*						
Latin America	US$	AU	AEH/AFH/ AGH/ASH			DU
US Smaller Companies	US$	AU	AEH/AFH/ AGH/ASH			DU
Global Equity Dividend	US$			AUP	AEC/AFC/ AGC/ASC	DUP
Absolute Return Portfolios						
Target Return (US$)	USD	AU	AEH/AFH/ AGH/ASH		AEC	DU
American Absolute Alpha	USD	AU	AEH/AFH/ AGH/ASH			DU
Absolute Emerging Market Macro	USD	AU	AEH/AFH/ AGH/ASH		AEC	DU
Multi Asset Absolute Alpha	EUR	AE	AUH/ AFH/ AGH/ASH			DE
European Smaller Companies Absolute Alpha	EUR	AE	AUH/AFH/ AGH/ASH			DE
Global Opportunities Bond	USD	AU	AEH/AFH/ AGH/ASH		AEC	DU
European Absolute Alpha	EUR	AE	AUH/AFH/ AGH/ASH			DE
Specialist Portfolio						
Enhanced Commodities	USD	AU	AEH/AFH/ AGH/ASH			DU

Classes W and WEH are available exclusively to existing Shareholders of such Share Class.

Share Classes												
D Hedge Currency	**W* Base Currency (or with "H" Hedge Currency)**	**P Dividend Paying**	**X Base Currency and with "P" identifies Dividend Paying**	**X Hedge Currency and with "P" identifies Dividend Paying**	**B Base Currency**	**I Base Currency and with "P" identifies Dividend Paying**	**I Hedge Currency and with "P" identifies Dividend Paying**	**WS Base Currency**	**M Base Currency**	**M Hedge Currency**	**S Base Currency**	**S Dividend Paying**
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEC			XUP	XGC/XEC/ XFC/XSC		IUP	IGC/IEC/ IFC/ISC					
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DUH			XE	XUH/XFH/ XGH/XSH		IE	IUH/IFH/ IGH/ISH					
DUH			XE	XUH/XFH/ XGH/XSH		IE	IUH/IFH/ IGH/ISH					
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					
DUH			XE	XUH/XFH/ XGH/XSH		IE	IUH/IFH/ IGH/ISH					
DEH			XU	XEH/XFH/ XGH/XSH		IU	IEH/IFH/ IGH/ISH					

XI. The minimum initial subscription amounts accepted for investment are as follows:

Share Class	Minimum Initial Investment per Portfolio
Classes AU, DU, AUH and AUP	US$ 2,500
Classes AE, DE, AEH, DEH, AEP and AEC	EUR 2,500
Class AFH	CHF 3,500
Classes AG, AGH and AGP	GBP 2,000
Class ASH	SGD 2,500
Class BU	Not Applicable
Classes W, WEH and P	US$ 10,000 or EUR 10,000 (depending on the Base Currency of the Portfolio)
Classes XE and XEH	EUR 5,000,000
Classes XU and XUH	US$ 5,000,000
Classes XG and XGH	GBP 3,000,000
Class XFH	CHF 7,500,000
Class XSH	SGD 5,000,000
Classes IU and IUH	US$ 100,000
Classes IE and IEH	EUR 100,000
Class IFH	CHF 150,000
Classes IG, IGH and IGP	GBP 100,000
Class ISH	SGD100,000
Class M	US$ 10,000,000
Class MGH	GBP 6,000,000
Class WS	EUR 10,000,000
Classes SU and SUP	US$ 2,500
Class SEP	EUR 2,500

The minimum initial subscription amount may be waived at the discretion of the board of directors of the Management Company, provided the principle of fair and equal treatment between Shareholders be respected. For Shares purchased through a sub-distributor, different minimum initial subscription amounts may apply, as determined by the sub-distributors through which the Shares are subscribed.

The SICAV retains the right to offer only one Share Class of the Portfolio for purchase by investors in any particular jurisdiction in order to conform to local law or any other reason.

XI. A summary of the fees associated with an investment in each Share Class for each Portfolio, including any applicable Asset Management Fee, shareholder servicing fees[64] or front-end sales charges, is found in the section entitled "Fees and Expenses" and in Appendices C, D, E and F of the Prospectus (except with respect to Classes BU, M and MGH for which charges are described directly in the body of this Prospectus).

November 2011

[64] From 1 April 2012, the shareholder servicing fee will be included in the Asset Management Fee.

threadneedle
investments

ADDITIONAL INFORMATION FOR UK INVESTORS

I. General

This document is authorised for distribution only when accompanied by the prospectus for the Threadneedle (Lux) SICAV (the "**SICAV**") dated November 2011 together with any supplement or loose leaf from time to time (the "**Prospectus**") and/or the simplified prospectus (the "**Simplified Prospectus**").

This document should be read together with the Prospectus of which it forms part. This document is issued with respect to the offering of the shares of the SICAV (the "**Shares**"). Terms defined in the Prospectus also apply to this document.

The registered office of the SICAV is 69 route d'Esch, L-1470 Luxembourg. The Management Company is Threadneedle Management Luxembourg S.A., 74, Mühlenweg, L-2155 Luxembourg.

This document neither constitutes an offer by the SICAV or any other person to enter into an investment agreement with the recipient of this document nor an invitation to the recipient to respond to the document by making an offer to the SICAV, or any other person, to enter into an investment agreement. Investors who have any doubt about or wish to discuss the suitability of an investment in the Shares and/or obtain further information on the Shares should contact an independent financial advisor.

Nothing in this document should be construed as investment or tax advice. UK investors should seek their own professional advice before making any investment decision.

The SICAV is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 (the "**FSMA**") of the United Kingdom. Accordingly, Shares may be marketed to the general public in the United Kingdom.

II. UK Facilities Agent

J.P. Morgan Europe Limited ("**JPMorgan**") has been appointed to act as Facilities Agent for the SICAV in the United Kingdom and it has agreed to provide facilities at its offices at Worldwide Securities Services, 60 Victoria Embankment, London EC4Y 0JP.

The following documents are available for inspection free of charge during usual business hours on a weekday (Saturday, Sunday and public holidays excepted) at the above offices of JPMorgan:

(a) the articles of incorporation of the SICAV;

(b) the latest available Prospectus and Simplified Prospectus;

(c) the latest annual and half-yearly reports.

Copies of the Prospectus and Simplified Prospectus can be obtained free of charge upon request from JPMorgan. JPMorgan may charge for the delivery of copies of the articles of incorporation, the latest annual and half-yearly reports.

Information about the SICAV's Share prices is available from JPMorgan at its Victoria Embankment offices.

Any shareholder wishing to make a complaint regarding any aspect of the SICAV or its operations may do so directly to the SICAV or to JPMorgan for transmission to the Management Company.

A shareholder in the SICAV may redeem his or her Shares in the SICAV and obtain payments of the price on redemption from the Registrar and Transfer Agent of the SICAV, International Financial Data Services (Luxembourg) S.A. at 47, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. Such redemption facilities are also provided by JPMorgan at its Victoria Embankment offices.

JPMorgan and other related or associated companies will or may perform investment services for the SICAV, including the distribution of Shares in the SICAV, and have or may have been providing significant services to the SICAV within the previous 12 months. JPMorgan and other related or associated companies may themselves hold or subsequently acquire Shares in the SICAV.

The Management Company is responsible for all aspects of asset management within the SICAV. JPMorgan does not manage the SICAV's investments.

III. Risk factors

There are certain risk factors associated with the operation and investments of the SICAV which are described below and more fully in the Prospectus and the Simplified Prospectus.

The price of the Shares and the income from them may fall as well as rise and will also fluctuate in line with financial markets and international interest rates; accordingly an investor may not get back the amount invested. Even if a Portfolio is described as "high yield" or "high income", income may fluctuate in money terms. Changes in the rates of exchange between the currency of denomination of different Portfolios and the investor's currency of acquisition or redemption may have an adverse effect on the value or income (if any) of the Shares. Investments may be denominated in a wide range of currencies. Accordingly, changes in foreign currency exchange rates may cause the value of your investment to go down or up. Past performance is not an indicator of future performance.

Investment in the SICAV may not be suitable for all investors. Investors should seek advice from their investment advisor for information concerning the SICAV and the suitability of making an investment in the SICAV in the context of their individual circumstances. References should in particular be made to the sections headed "Investment Objectives and Policies", "Other Investment Practices" and "Risk Factors" in the Prospectus.

Some Portfolios may invest in high yield securities issued by companies with lower credit ratings. Whilst offering a greater potential opportunity for capital appreciation and higher yields, investment in such securities brings an increased risk of default on repayment and therefore a risk that the capital value of the Fund will be affected.

Depending on the class of Shares purchased by the investor and the timing of any subsequent redemption of Shares, expenses and charges may not be made uniformly throughout the period that the Shares are outstanding but may be loaded disproportionately onto the early years with the consequence that an investor redeeming Shares during the early years of a holding may not get back all that he has invested. Charges are payable out of income to the extent possible, and then out of capital.

IV. Important Information

UK investors do not have the right to cancel or withdraw from any purchase of Shares in the SICAV.

Although Shareholders have a right to have their Shares purchased by the SICAV, this right may be terminated by the Directors of the SICAV in certain circumstances. Investors should note that if the determination of net asset value is suspended, as set out in the section headed "Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value" in the Prospectus, an investment in the SICAV may be difficult to realise and it may be difficult to obtain reliable information about the value of Shares or the extent of the risks to which Shares are exposed.

As against the SICAV, and any overseas agent thereof who is not authorised to carry on regulated activities in the United Kingdom, a United Kingdom investor will not benefit from the rules and regulations made under the Act for the protection of private investors, including the Financial Services Compensation Scheme and the Financial Ombudsman Service.

The SICAV's articles of incorporation permit the SICAV to restrict or prevent the ownership of Shares by any "United States Person" (as defined in the Prospectus). If it shall come to the attention of the SICAV at any time that the Shares of any Portfolio are beneficially owned by a United States Person either alone or in conjunction with any other person, the SICAV will compulsorily redeem such Shares at their redemption price as described in the Prospectus.

V. Subscription and Redemption Procedures

The attention of investors is drawn in particular to the provision within the section headed "Purchase of Shares" in the Prospectus which discloses the ability to impose a sales charge on the purchase of Shares in the SICAV. If such sales charge is imposed, the investor, if he or she withdraws from the investment after a short period, may not get the amount back he or she has invested. The attention of investors is also drawn to the section headed "Exchange Privilege" in the Prospectus which discloses the ability to charge an exchange fee of up to 0.75%.

Initial investments in the SICAV must be of a minimum amount, the level of which depends on the class of Shares in which the investment is made. The minimum initial investment in relation to each Share Class is set out in the loose leaf to the Prospectus.

Save as disclosed in the Prospectus, no commissions, discounts, brokerages or other special terms have been granted or are payable by the SICAV in connection with the issue or sale of any Shares in the SICAV and no officer or director of the SICAV has an interest, direct or indirect, in the promotion of the SICAV or in any property proposed to be acquired by the SICAV.

Investors should note that the type and scale of charges applicable to Shares may differ for each class of Shares and therefore particular attention should be paid to the relevant information as set out in the section headed "Fees and Expenses" in the Prospectus and Appendices C, D, E, F and G thereto. Other taxes or costs may exist that are not imposed by the SICAV.

VI. Taxation

The following summary is intended to offer general guidance to persons (other than dealers in securities) holding Shares as an investment and on the United Kingdom taxation of the SICAV and its investors, but does not constitute legal or tax advice. The summary is based on the taxation law and HM Revenue & Customs practice in force at the date of this document but prospective investors should be aware that taxation levels, bases and reliefs may change, possibly with retrospective effect. The following tax summary is not a guarantee to any investor of the tax results of investing in the SICAV. Prospective investors should consult their own professional advisors on the implications of making an investment in, holding or disposing of Shares in any of the different portfolios of assets (each a "**Portfolio**") of the SICAV and the receipt of distributions with respect to such Shares under the laws of the jurisdictions in which they are liable to taxation. Levels and bases of taxation in relevant jurisdictions are subject to change.

The SICAV

The Board of Directors intends to conduct the affairs of the SICAV in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the SICAV (although no assurance can be given that any attempts to minimise taxation will be successful). This will include conducting the affairs of the SICAV so that it does not become resident in the United Kingdom for taxation purposes, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the SICAV which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

Shareholders

Each portfolio is deemed to constitute an "offshore fund" for the purposes of the Taxation (International and Other Provisions) Act 2010. The Offshore Funds (Tax) Regulations 2009 as introduced through Statutory Instrument 2009/3001 provide a reporting framework in the UK for the taxation of investments in offshore funds. Under this legislation a fund will be a "**Non-Reporting Fund**" unless it successfully opts into the reporting regime ("**Reporting Funds**"). The regime is effective for accounting periods ending on or after 1 December 2009 and includes transitional provisions for funds which successfully obtained UK Distributor Status under the old regime.

UK resident or ordinarily resident investors in a Reporting Fund are subject to tax on the share of the Reporting Fund's income attributable to their holding in the Fund, whether distributed or not.

The tax treatment of any gain arising on the sale, disposal or redemption of shares in an offshore fund held by persons who are resident or ordinarily resident in the UK is determined by the 'Reporting' or 'Non-Reporting' status of the Fund. Gains arising on the sale, disposal or redemption of shares in a share class that has Reporting Fund status are subject to UK capital gains tax where Reporting Fund status has been obtained throughout the period during which shares in the Fund have been held. Any gains arising on shares in a share class that is a Non-Reporting Fund would be subject to tax as income. Currently the Portfolio and Share Classes which have Reporting Fund status are as follows:

Portfolio	Share Class
Absolute Emerging Market Macro	AGH, AU, IGH, IU, XGH, XU
American Absolute Alpha	AGH, AU, IGH, IU, XGH, XU
American Select	AGH, AU, IGH, IU, XGH, XU
Asia	AGH, IGH, XGH, XU
Emerging Market Corporate Bonds	AGH, AU, IGH, IU, XGH, XU
Emerging Market Debt	AGH, AU, IGH, IU, XGH, XU
Enhanced Commodities	AGH, AU, IGH, IU, XGH, XU
European Smaller Companies Absolute Alpha	AGH, AE, IGH, IE, XGH, XE
Global Aggregate Bond	AGH, IGH, XGH, XU
Global Asset Allocation	AGH, AU, IGH, IU, XGH, XU
Global Emerging Market Equities	AGH, IGH, XGH, XU
Global Emerging Market Short-Term Bonds	AGH, IGH, XGH, XU
Global Focus	AGH, IGH, XGH, XU
Global Opportunities Bond	AGH, AU, IGH, IU, XGH, XU
Greater China Equities	AGH, IGH, XGH, XU
Multi Asset Absolute Alpha	AGH, IGH, XGH, XE
Pan European Equities	AGH, AE, IGH, IE, XGH, XE
Pan European Smaller Companies	AGH, IGH, XGH, XE
Target Return (US$)	AGH, IGH, XGH, XU
UK Equities	AG, IG

As at the date of this document, the following Portfolios, which have launched, are not yet available for distribution in the United Kingdom:

- **Global Opportunities Bond**
- **US Contrarian Core Equities**
- **UK Equities**

Under the rules for the taxation of corporate and government debt contained in the Corporation Tax Act 2009, if any Portfolio at any time has more than 60% by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), building society shares or in holdings in unit trusts or other offshore funds with, broadly, more than 60% of their investments similarly invested, investors within the charge to corporation tax in the United Kingdom will be taxed on any increase (or relieved for any loss) in the value of their interest at the end of each accounting period and at the date of disposal of their interest as income as calculated on a fair value accounting basis. Exchange gains and losses will also be subject to these rules. The time at which the corporate investor holds the Shares does not have to be at the same time as the Portfolio satisfies the 60% test provided that the test is satisfied at some time during the corporate investor's accounting period. In addition, income distributions of the SICAV will be taxed as interest.

Investors who are authorised unit trusts or open-ended investment companies will also be subject to these rules save that capital profits, gains and losses on loan relationships are excluded.

Special rules apply to insurance companies. Investors who are life insurance companies within the charge to United Kingdom taxation holding their shares in the SICAV for the purposes of their long-term business (other than their pensions business) will be deemed to dispose of and immediately reacquire their Shares at the end of each accounting period. Such shareholders should seek their own professional advice as to the tax consequences of the deemed disposal.

According to their circumstances, investors resident in the United Kingdom for tax purposes will be liable to United Kingdom income tax in respect of any dividends or other distributions of income by the SICAV, whether or not such distributions are reinvested. A dividend tax credit of 1/9th of the gross dividend is available to certain individual investors on dividends received from certain non-UK resident companies. However, as a result of anti-avoidance rules such credit will not be available to individual investors in certain offshore funds where the market value of the fund's investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60% of the market value of all of the assets of the fund at any relevant time. Investors in these funds will be treated as receiving an interest payment which will not carry the tax credit.

Legislation in the Finance Act 2009 changes the way in which dividends and other income distributions received by companies within the charge to United Kingdom corporation tax are treated for United Kingdom tax purposes. The legislation provides for a wide exemption from United Kingdom corporation tax on such distributions (including distributions received from non-United Kingdom companies) subject to certain exclusions and specific anti-avoidance rules.

The attention of individual shareholders ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, under which the income accruing to the SICAV may be attributed to such a shareholder and may render them liable to taxation in respect of the undistributed income and profits of the SICAV. This legislation will, however, not apply if such a shareholder can satisfy HM Revenue & Customs that either:

(i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or

(ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

Chapter IV of Part XVII of the UK Income and Corporation Taxes Act 1988 contains provisions which subject certain United Kingdom resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions, broadly, affect any United Kingdom resident company which holds, alone or together with certain other associated persons, shares which confer a right to at least 25% of the profits of a non-resident company which is controlled by residents of the United Kingdom and is itself resident in a low tax jurisdiction. The legislation is not directed towards the taxation of capital gains. Reform of the legislation expected to take place in future based on the outcome of an ongoing consultation.

It is anticipated that the shareholdings in the SICAV will be such as to ensure that the SICAV would not be a close company if resident in the United Kingdom. If, however, the SICAV would be close if resident in the United Kingdom, gains accruing to it may be apportioned to certain United Kingdom resident shareholders. Such shareholders may thereby become chargeable to capital gains tax, or corporation tax on chargeable gains, on the gains apportioned to them on a just and reasonable basis. No liability will be incurred where the gains apportioned to a shareholder do not exceed one-tenth of the SICAV's gain. Provisions in the Finance Act 2008 extended this charge to UK resident or ordinarily resident individuals domiciled outside the UK in respect of gains relating to UK situate assets of the SICAV, or in respect of gains relating to non-UK situate assets if such gains are remitted to the UK.

On 3 June 2003, the European Union adopted Council Directive 2003/48/EC (the "**Savings Directive**"). The Savings Directive was implemented into Luxembourg law on 1 July 2005. Pursuant to the Savings Directive, member states of the European Union, other than Austria, Belgium and Luxembourg, are required to provide to the tax authorities of other member states details of payments of interest and other similar income paid by a person to an individual in another member state. Austria, Belgium and Luxembourg will, instead, impose a withholding system for a transitional period unless during such period they elect otherwise. The date of the end of such transitional period in Luxembourg will be dependent on the conclusion of agreements relating to exchange of information with certain other countries. Since 1 July 2011, the withholding tax rate has been 35%.

The Savings Directive may have an impact on the individual tax affairs of shareholders in certain Portfolios, depending on the proportion of the relevant Portfolio's assets invested in debt-claims, as defined in the Savings Directive.

The Savings Directive may apply to the proceeds of redemption or other disposal of Shares and to distributions made by the SICAV if a Portfolio invests, directly or indirectly, more than 25 per cent. of its assets in debt claims of any kind as defined in the Savings Directive, and to distributions made by the SICAV if a Portfolio invests, directly or indirectly, more than 15% of its assets in such debt claims.

According to article 9(1) of the Luxembourg law of 21 June 2005 (the "**Law of 2005**") implementing the Savings Directive in Luxembourg, a beneficial owner of the relevant savings income (generally speaking, a shareholder) may elect to disapply withholding tax under the Savings Directive by submitting to the paying agent (in the case of the Portfolios, the Custodian and Paying Agent, Domiciliary and Administrative Agent, Registrar and Transfer Agent) a mandate to provide the information required under the Savings Directive. The foregoing is only a summary of the implications of the Savings Directive and the Law of 2005 and is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Savings Directive and the Law of 2005.

Shareholders should note that the European Commission has proposed an extension of the scope of the Savings Directive to include all investment funds or schemes, whether or not they are constituted as UCITS, and certain other changes. Draft amendments have not been published and whilst the consultation process continues it remains uncertain if, or when, any changes will be implemented.

The Portfolios will at all times be invested so as to render them as qualifying investments for the purposes of the Individual Savings Accounts Regulations 1998 (as amended).

The date of this document is 13 January 2012.