

ING Index Linked Fund II

Open-ended Investment Company
with Variable Capital (SICAV)

FULL PROSPECTUS

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LUXEMBOURG – JANUARY 2008

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Note

Subscriptions to the Company's shares are only valid if they are made in accordance with the provisions of the current prospectus (simplified or full prospectus) accompanied by the most recent annual report available and, in addition, by the most recent semi-annual report if this was published after the most recent annual report. No parties are authorised to provide information other than that which appears in the full prospectus, simplified prospectus or in the documents referred to in either prospectus as being available to the public for consultation.

This prospectus details the general framework applicable to all the sub-funds and should be read in conjunction with the factsheets for each sub-fund. These factsheets are inserted each time a new sub-fund is created and form an integral part of both the simplified and full prospectuses. Potential investors are requested to refer to these factsheets prior to making any investment.

The prospectus (simplified and full) will be regularly updated to include any significant modifications. Investors are advised to confirm with the Company that they are in possession of the most recent prospectus. In addition, the Company will provide, free of charge, the most recent version of the simplified prospectus to any shareholder or potential investor.

This prospectus does not constitute an offer or solicitation in any country or under any circumstances where such offers or solicitations are not authorised by the competent authorities.

The Company is established in Luxembourg and has obtained the approval of the competent Luxembourg authority. This approval should in no way be interpreted as an approval by the competent Luxembourg authority of either the contents of the prospectus or the quality of the shares of the Company or the quality of the investments that it holds. The Company's operations are subject to the prudential supervision of the competent Luxembourg authority.

Furthermore, the Company has not been registered under the United States Investment Company Act of 1940, as amended, or any similar regulation in any other jurisdiction except as described herein. Moreover, the shares of the Company have not been registered under the United States Securities Act of 1933, as amended, or any similar regulation in any other jurisdiction except as described herein.

The shares of the Company may not be offered for sale or sold, transferred or delivered in the United States of America, its territories or possessions or to any "US Person", as defined in Regulation S under the US Act of 1933 (a definition which may change from time to time by virtue of legislation, rules, regulations or administrative interpretations), except in a transaction which does not breach US laws on transferable securities.

Investors may be required to declare that they are not a "US Person" and that they are not subscribing in the name of or on behalf of a "US Person".

It is recommended that investors obtain information on the laws and regulations (in particular, those relating to taxation and exchange controls) applicable in their country of origin, residence or domicile as regards an investment in the Company and that they consult their own financial or legal advisor or accountant on any issue relating to the contents of this prospectus.

The Company confirms that it fulfils all the legal and regulatory requirements applicable to Luxembourg regarding the prevention of money laundering and the financing of terrorism.

The Board of Directors is responsible for the information contained in this prospectus on the date of its publication. Insofar as it can reasonably be aware, the Board of Directors certifies that the information contained in the prospectus has been correctly and accurately represented and that no information has been omitted which, if it had been included, would have altered the significance of this

document. The value of the Company's shares is subject to fluctuations in a large number of elements. Any return estimates given or indications of past performance are provided for information purposes only and in no way constitute a guarantee of future performance. The Board of Directors therefore warns that, under normal circumstances and taking into consideration the fluctuation in the prices of the securities held in the portfolio, the redemption price of shares may be higher or lower than the subscription price.

The official language of this prospectus is . It may be translated into other languages. In the event of a discrepancy between of the prospectus and versions written in other languages, will take precedence, except in the event (and in this event alone) that the law of a jurisdiction where the shares are available to the public stipulates otherwise. In this case, the prospectus will nevertheless be interpreted according to Luxembourg law. Any settlement of disputes or disagreements with regard to investments in the Company shall also be subject to Luxembourg law.

THIS PROSPECTUS IN NO WAY CONSTITUTES AN OFFER OR SOLICITATION TO THE PUBLIC IN JURISDICTIONS IN WHICH SUCH AN OFFER OR SOLICITATION TO THE PUBLIC IS ILLEGAL. THIS PROSPECTUS IN NO WAY CONSTITUTES AN OFFER OR SOLICITATION TO A PERSON TO WHOM IT WOULD BE ILLEGAL TO MAKE SUCH AN OFFER OR SOLICITATION.

PART I: ESSENTIAL INFORMATION REGARDING THE COMPANY

Brief overview of the Company

Place, form and date of establishment

Established in Luxembourg, Grand Duchy of Luxembourg, as an open-ended investment company with variable share capital (Société d'investissement à capital variable ("SICAV")) with multiple sub-funds, on .

Registered office

52, route d'Esch – L-1470 Luxembourg

Trade and Companies Register

No.

Luxembourg supervisory authority

Commission de Surveillance du Secteur Financier (CSSF)

Board of Directors

Chairman:

- **Mr Michel van Elk (Chairman),**
Director and Head of Marketing and Sales,
ING Investment Management (Europe) bv, The Hague

Directors:

- **Mrs Maaïke van Meer,**
Head of Legal Services,
ING Investment Management (Europe) bv, The Hague
- **Mr Michael van Diemen,**
COO
ING Investment Management (Europe) bv, The Hague
- **Mr Jonathan Attack,**
Chief Financial and Risk Officer,
ING Investment Management (Europe) bv, The Hague
- **Mr Bruno Springael,**
Managing Director,
ING Investment Management Belgium,
24 avenue Marnix, Brussels
- **Mr Nicolas Schulz,**
Head of Legal, Compliance & Domiciliation,
ING Investment Management Luxembourg S.A.

Independent Auditors

Ernst & Young, société anonyme (public limited company)
7 Parc d'activité Syrdall, L-5365 Munsbach
(BP 780 - L-2017 Luxembourg)

Management Company

ING Investment Management Luxembourg S.A.
52 route d'Esch, L-2965 Luxembourg

Portfolio Managers

Custodian

Administrative agent, transfer agent and registrar

Promoter

Subscriptions, redemptions, conversions, financial services

Financial year

Date of the ordinary general meeting

(if this is not a bank business day in Luxembourg, the first following bank business day)

I. Information on investments

General

The Company's sole object is to invest funds available to it in transferable securities and/or other liquid financial assets listed in Article 41 (1) of the Law of 20 December 2002, with a view to enabling its shareholders to benefit from the results of its portfolio management. The Company must comply with the investment limits as laid out in part I of the Law of 20 December 2002.

In the context of its objectives, the Company may offer a choice of several sub-funds, which are managed and administered separately. The investment policies specific to each sub-fund are set out in the factsheets relating to each sub-fund. In the context of its investments, the assets of any given sub-fund are only liable for the debts, liabilities and obligations concerning this sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

The Board of Directors may issue one or more share classes for each sub-fund. The fee structures, the minimum set out for the initial investment, the currency in which the net asset value is expressed and the eligible investor categories may differ depending on the different share classes. The various share classes may also be differentiated according to other objective elements as determined by the Board of Directors.

Information particular to each sub-fund

The investment objectives and policies to be followed for each sub-fund are described in the factsheet for each sub-fund.

II. Information on investments

General

The Company's sole object is to manage investments on behalf of its shareholders with a view to enabling shareholders to benefit from the income generated as a result of its portfolio management. The Company must comply with the investment limits as laid down in part II of the Law of 20 December 2002.

In the context of its objectives, the Company may offer a choice of several sub-funds, which are managed and administered separately. The investment policies specific to each sub-fund are set out in the factsheets relating to each sub-fund. In the context of its investments, the assets of any given sub-fund are only liable for the debts, liabilities and obligations concerning this sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

The Board of Directors may issue one or more share classes for each sub-fund. The fee structures, the minimum set out for the initial investment, the currency in which the net asset value is expressed and the eligible investor categories may differ depending on the different share classes. The various share classes may also be differentiated according to other objective elements as determined by the Board of Directors.

Information particular to each sub-fund

The investment objectives and policies to be followed for each sub-fund are described in the factsheet of each sub-fund.

III. Information on investments

General

The Company's sole object is to manage investments on behalf of its shareholders with a view to enabling shareholders to benefit from the income generated as a result of its portfolio management. The Company must comply with the investment limits as laid down in part I of the Law of 20 December 2002.

In the context of its objectives, the Company may offer a choice of several sub-funds, which are managed and administered separately. The investment policies specific to each sub-fund are set out in the factsheets relating to each sub-fund. In the context of its investments, the assets of any given sub-fund are only liable for the debts, liabilities and obligations concerning this sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

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Information particular to each sub-fund

The investment objectives and policies to be followed for each sub-fund are described in the factsheet of each sub-fund.

The SICAV applies the "Defence Policy" of the ING Group and will not invest in companies directly linked to controversial weapons (antipersonnel mines, cluster bombs, depleted uranium munitions, biological, chemical or nuclear weapons, etc.). The "Defence Policy" of the ING Group is available for consultation on the website www.ing.com.

IV. Subscriptions, redemptions and conversions

Shares may be subscribed, redeemed and converted through ING Luxembourg S.A. and financial services companies. Fees and expenses relating to subscriptions, redemptions and conversions are indicated in each sub-fund factsheet.

Bearer shares and/or registered shares may be issued, as stipulated in each sub-fund factsheet. The Board of Directors may decide to create fractions of shares.

The subscription, redemption or conversion price is subject to any taxes, levies and stamp duty payable by virtue of the subscription, redemption or conversion.

In the event of the suspension of the net asset value calculation and/or the suspension of subscription, redemption and conversion requests, the requests received will be executed at the first applicable net asset value upon the expiry of the suspension period.

The Company does not authorise practices associated with Market Timing and reserves the right to reject subscription and conversion requests from an investor that it suspects of employing such practices and, where applicable, to take the measures necessary to protect the interests of the Company and other investors.

Subscriptions

The Company accepts subscription requests in Luxembourg unless otherwise stated in the sub-fund factsheets. Investors whose requests have been accepted will receive shares which will be issued on the basis of the applicable net asset value set out in the sub-fund factsheets.

The amount due may be subject to a subscription fee payable to the relevant sub-fund and/or the distributor as more described in the sub-fund factsheets. Under no circumstances will the rate exceed the limits stated in each of the sub-fund factsheets.

The subscription amount is payable in the reference currency of the relevant share class. Shareholders requesting to make the payment in another currency must bear the cost of any foreign exchange charges. This amount is payable within the stated time limit for each sub-fund in the sub-fund factsheets.

Shares are delivered within of the date of the calculation of the net asset value applicable to the subscription.

The Board of Directors of the Company will be entitled at any time to stop the issuance of shares. It may limit this measure to certain countries, sub-funds or share classes.

The Company may limit or prohibit the acquisition of its shares by any natural or legal person.

Redemptions

Each shareholder has the right to request the redemption of its shares. The redemption request is irrevocable.

The Company accepts redemption requests in Luxembourg. The redemption amount will be set on the basis of the applicable net asset value specified in each sub-fund factsheet.

The amount due may be subject to a redemption fee payable to the relevant sub-fund and/or the distributor as more described in the sub-fund factsheets. Under no circumstances will the rate exceed the limits stated in each sub-fund factsheet.

When applying for the redemption of shares, shareholders must supply, where applicable, (i) the bearer shares (physical certificates) or (ii) the registered share certificates, together with (iii) all unmatured coupons in the case of distribution (bearer or registered) shares.

The usual taxes, fees and administrative costs will be borne by the shareholder.

The redemption amount is payable in the reference currency of the relevant share class. Shareholders requesting payment in another currency must bear the cost of any foreign exchange charges.

Neither the Board of Directors nor the custodian may be responsible for any lack of payment resulting from the application of any exchange control or other circumstances beyond their control which may limit or prevent the transfer abroad of the proceeds of the redemption of the shares.

The Company may proceed with the compulsory redemption of all the shares if it appears that a person who is not authorised to hold shares in the Company (e.g. a US person), either alone or together with other persons, is the owner of shares in the Company, or proceed with the compulsory redemption of part of the shares, if it emerges that one or several persons own(s) a proportion of the shares in the Company to the extent that the Company may be subject to the tax laws of a jurisdiction other than Luxembourg.

Conversions

Shareholders may apply for any shares of any sub-fund to be converted into shares of another sub-fund, provided that the conditions for accessing the target class of shares, type or sub-type are fulfilled with respect to this sub-fund, on the basis of their respective net asset values calculated on the Valuation Day following receipt of the conversion request. Nevertheless, in the case of conversion requests in a sub-fund for which the limit for receiving requests differs from that applicable to a subscription to the target sub-fund, the conversion application will be treated as a redemption request followed by a subscription request for the target sub-fund, without any additional costs charged to the shareholder.

Fractions of physical shares remaining following the conversion are bought back by the Company. This part is reimbursed to the shareholder at the applicable net asset value.

The redemption and subscription costs connected with the conversion may be charged to the shareholder as indicated in each sub-fund's factsheet.

When applying for a conversion, shareholders must supply, where applicable, the bearer shares (physical certificates) together with all unmatured coupons, in the case of distribution shares, or the registered share certificates.

Subscriptions and redemptions in kind

The Company may, should a shareholder so request, agree to issue shares of the Company in exchange for a contribution in kind of eligible assets, subject to compliance with Luxembourg law and in particular the obligation to produce an independent auditor's evaluation report. The nature and type of eligible assets will be determined by the Board of Directors on a case by case basis, provided that the securities comply with the investment policy and objectives of the relevant sub-fund. Costs arising from such subscriptions in kind will be borne by the shareholders who apply to subscribe in this way.

The Company may, following a decision taken by the Board of Directors, make redemption payments in kind by allocating investments from the pool of assets with respect to the share class or classes concerned up to the limit of the value calculated on the Valuation Day on which the redemption price is calculated. Redemptions other than those made in cash will be the subject of a report drawn up by the Company's independent auditor. A redemption in kind is only possible provided that (i) equal treatment is afforded to shareholders, (ii) the shareholders concerned have so agreed and (iii) the nature and type of assets to be transferred are determined on a fair and reasonable basis and without harming the interests of the other shareholders of the relevant share class or classes. In this case, the costs arising from these redemptions in kind will be borne by the pool of assets with respect to the share class or classes concerned.

V. Subscriptions, redemptions and conversions

Shares may be subscribed, redeemed and converted through ING Luxembourg S.A. and financial services companies. Fees and expenses relating to subscriptions, redemptions and conversions are indicated in each sub-fund's factsheet.

Only bearer shares may be issued. The Board of Directors may decide to create fractions of shares.

The subscription, redemption or conversion price is subject to any taxes, levies and stamp duty payable by virtue of the subscription, redemption or conversion.

In the event of the suspension of the net asset value calculation and/or the suspension of subscription, redemption and conversion requests, the requests received will be executed at the first applicable net asset value upon the expiry of the suspension period.

The Company does not authorise practices associated with Market Timing and reserves the right to reject subscription and conversion requests from an investor that it suspects of employing such practices and, where applicable, to take the measures necessary to protect the interests of the Company and other investors.

Subscriptions

The Company accepts subscription requests in Luxembourg, unless otherwise stated in the sub-fund factsheets. Investors whose requests have been accepted will receive shares which will be issued on the basis of the net asset value applicable as determined in each sub-fund factsheet.

The amount due may be subject to a subscription fee payable to the relevant sub-fund and/or the distributor, as detailed in the sub-fund factsheets. Under no circumstances shall the fee exceed the limits laid down in each sub-fund factsheet.

The subscription amount is payable in the reference currency of the relevant share class. Shareholders requesting to make the payment in another currency must bear the cost of any foreign exchange charges. This amount is payable within the time limit stated for each sub-fund in the relevant factsheet.

Shares are delivered within of the date of the calculation of the net asset value applicable to the subscription.

The Board of Directors of the Company will be entitled at any time to stop the issuance of shares. It may limit this measure to certain countries, sub-funds or share classes.

The Company may limit or prohibit the acquisition of its shares by any natural or legal person.

Redemptions

Each shareholder has the right to request the redemption of their shares. The redemption request is irrevocable.

The Company accepts redemption requests in Luxembourg. The redemption amount will be set on the basis of the applicable net asset value specified in each sub-fund's factsheet.

The amount due may be subject to a redemption fee payable to the relevant sub-fund and/or the distributor, as detailed in the sub-fund factsheets. Under no circumstances shall the fee exceed the limits laid down in each sub-fund factsheet.

When requesting the redemption of shares, shareholders must supply, where applicable and in the case of distribution shares, the bearer shares (physical certificates) together with all unmatured coupons.

The usual taxes, fees and administrative costs will be borne by the shareholder.

The redemption amount is payable in the reference currency of the relevant share class. Shareholders requesting payment in another currency must bear the cost of any foreign exchange charges.

Neither the Board of Directors nor the custodian bank may be held responsible for any lack of payment resulting from the application of any exchange control or other circumstances beyond their control which may limit or prevent the transfer abroad of the proceeds of the redemption of the shares.

The Company may proceed with the compulsory redemption of all the shares if it appears that a person who is not authorised to hold shares in the Company (e.g. a US person), either alone or together with other persons, is the owner of shares in the Company, or proceed with the compulsory redemption of part of the shares, if it emerges that one or several persons own(s) a proportion of the shares in the Company to the extent that the Company may be subject to the tax laws of a jurisdiction other than Luxembourg.

Conversions

Shareholders may apply for any shares of any sub-fund to be converted into shares of another sub-fund, provided that the conditions for accessing the shares of a class, type or sub-type are fulfilled with respect to this sub-fund, on the basis of their respective net asset values calculated on the common valuation day following receipt of the conversion request. Nevertheless, in the case of a conversion request from a sub-fund for which the cut-off time for receiving requests differs from that applicable to a subscription to the target sub-fund, the conversion request will be treated as a redemption request followed by a subscription request for the target sub-fund, without any additional costs to the shareholder arising thereof.

Fractions of physical shares remaining following the conversion are bought back by the Company. This part is reimbursed to the shareholder at the applicable net asset value.

The redemption and subscription costs connected with the conversion may be charged to the shareholder as indicated in the factsheet for each sub-fund.

When requesting the conversion of shares, shareholders must supply, where applicable and in the case of distribution shares, the bearer shares (physical certificates) together with all unmatured coupons.

Subscriptions and redemptions in kind

The Company may, should a shareholder so request, agree to issue shares in exchange for a contribution in kind of eligible assets, subject to compliance with Luxembourg law and in particular the obligation to produce an independent auditor's evaluation report. The nature and type of eligible assets will be determined by the Board of Directors on a case by case basis, provided that the securities correspond to the investment policy and objectives of the relevant sub-fund. Costs arising from such subscriptions in kind will be met by the shareholders who apply to subscribe in this way.

The Company may, following a decision taken by the Board of Directors, make redemption payments in kind by allocating investments from the pool of assets with respect to the share class or classes concerned up to the limit of the value calculated on the valuation day on which the redemption price is calculated. Redemptions other than those made in cash will be the subject of a report drawn up by the Company's independent auditor. A redemption in kind is only possible provided that (i) equal treatment is afforded to shareholders, (ii) the shareholders concerned have so agreed and (iii) the nature and type of assets to be transferred are determined on a fair and reasonable basis and without harming the interests of the other shareholders of the relevant share class or classes. In this case, the costs arising from these redemptions in kind will be borne by the pool of assets with respect to the share class or classes concerned.

Redemption and Conversion Limitation

Where the balance of the operations of redemptions and conversions of the shares of one sub-fund into shares of another sub-fund is equivalent to a net redemption whose value exceeds a threshold of 10% of the total net assets of a sub-fund, as calculated on the Valuation Day before the redemptions and conversions, all redemptions and/or conversions may be reduced proportionally to the required threshold of 10%.

The redemptions and/or conversions that are not executed because of a proportional reduction will be given priority for execution at the next Valuation Day.

The conversion of capitalization shares into distribution shares of the same sub-fund, and *vice versa*, will not be subject to this limitation.

VI. Fees, expenses and taxation

A. FEES PAYABLE BY THE COMPANY

1. The Company shall bear the expenses relating to its formation and operation and it may also cover promotional expenses. These expenses may, in particular and without being limited to the following, include the remuneration of the custodian, the Company's designated management company and the auditor, the costs of printing, distributing and translating prospectuses and periodic reports, brokerage, fees, taxes and expenses connected with the movement of securities or cash, the Luxembourg "*taxe d'abonnement*" (subscription tax) and any other taxes relating to the Company's business, the costs of printing share certificates, translations and legal publications in the press, the financial services costs of its securities and coupons, the costs, where applicable, of obtaining a listing on the stock exchange or of publishing the price of its shares, the costs of official deeds, legal costs and legal advice costs relating thereto and any directors' fees. In certain cases, the Company may also cover sums due to the authorities of countries where its shares are available to the public, as well as any costs incurred in registering abroad. The Company may bear the cost of the remuneration of portfolio managers, investment advisors, the administrative agent and other service providers, where applicable, subject to the provision that the sums thus paid will be deducted from the remuneration allocated to the management company appointed by the Company.

2. The Company will pay the custodian a custodian fee as remuneration, together with transaction fees, in accordance with the terms and conditions of the custodian agreement. This remuneration and the fees are payable monthly and are paid to the custodian by the relevant sub-funds in arrears. The remuneration stipulated for custodian services will be a maximum of per year, calculated on the basis, with the exception of potential positions held on the emerging markets, for which the custodian is entitled to charge the sub-funds sub-custody and/or correspondent bank costs in addition.
3. In remuneration for its asset management services provided, the appointed management company, ING Investment Management Luxembourg S.A., will receive a management fee as stipulated in each sub-fund factsheet and in the collective portfolio management agreement concluded between the Company and ING Investment Management Luxembourg S.A. For administrative management services provided to the Company, ING Investment Management Luxembourg S.A. will receive a fee calculated on the basis of each sub-fund, as stipulated in the collective portfolio management agreement concluded between the Company and ING Investment Management Luxembourg S.A. This remuneration will not exceed per year. These fees are payable monthly in arrears. ING Investment Management Luxembourg S.A. is moreover entitled to pass on transfer agent fees to each sub-fund at cost. Should the central administrative agent or any other service provider appointed by the management company receive remuneration charged directly to the assets of the relevant sub-fund(s) of the Company, such payments will be deducted from the remuneration payable to ING Investment Management Luxembourg S.A..
4. The assets of a given sub-fund will be liable only for the debts, liabilities and obligations of that sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

B. FEES AND EXPENSES PAYABLE BY INVESTORS

Where applicable, depending on the particular information stipulated in the sub-fund factsheets, investors may be required to bear fees and expenses arising from subscriptions, redemptions or conversions.

C. TAXATION

1. Taxation of the Company in Luxembourg

No fee or tax is payable in Luxembourg on the issue of Company shares, with the exception of the fixed fee payable on the Company's incorporation, which covers the raising of capital. This fee amounted to EUR 1,250 at the time of incorporation.

The Company is, in principle, subject to a *taxe d'abonnement* (subscription tax), at the annual rate of 0.05% per year on the net assets. However, this tax is reduced to 0.01% per year on the net assets of money market sub-funds and on the net assets of sub-funds and/or share classes reserved for institutional investors as prescribed by Article 129 of the Law of 20 December 2002. The tax is not applied to the portion of assets invested in other Luxembourg undertakings for collective investment. Under certain conditions, some sub-funds and/or share classes reserved for institutional investors may be totally exempt from the *taxe d'abonnement* where these sub-funds invest in money market instruments and in deposits with credit institutions.

However, certain types of dividend and interest income on the Company's portfolio may be subject to withholding taxes at varying rates in the country of origin.

2. Taxation of investors

Investors are encouraged to seek advice from professionals on the laws and regulations (in particular those relating to taxation and exchange controls) applicable to the subscription, purchase, ownership and sale of shares in their country of origin, residence or domicile

Under the current tax system, corporate shareholders (with the exception of legal entities domiciled in Luxembourg for tax purposes or which are permanently established there) are not subject to any taxation or withholding tax in Luxembourg on their income, realised or unrealised capital gains, the transfer of shares or the distribution of income in the event of dissolution.

Under the current system, shareholders who are natural persons domiciled in Luxembourg for tax purposes are not subject to withholding tax on income distributed by the Company. However, resident investors are taxable on distributions effected by the Company. They may be taxable in the event of capital gains realised through the sale, reimbursement or redemption of shares where the holding period has not exceeded 6 months and/or they hold over 10% of the shares issued by the Company.

The description of the current Luxembourg tax system does not presume any possible future modifications whatsoever.

In the context of the system set up by the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, non-resident natural persons may, from 1 July 2005, be subject to withholding tax on income from interest payments, regardless of whether this income comes from the distribution of Company dividends or from income realised through the sale, reimbursement or redemption of Company shares.

VII. Risk factors

Potential investors must be aware that the investments of each sub-fund are subject to normal and exceptional market fluctuations as well as other risks inherent in the investments described in the factsheet for each sub-fund. The value of investments and the income generated thereof may fall as well as rise and there is a possibility that investors may not recover their initial investment.

In particular, investors' attention is drawn to the fact that if the objective of the sub-fund is long-term capital growth, depending on the investment universe, elements such as exchange rates, investments in the emerging markets, the yield curve trend, changes in issuers' credit ratings, the use of derivatives, investments in companies or the investment sector may influence volatility in such a way that the overall risk may increase significantly and/or trigger a rise or fall in the value of the investments. A detailed description of the risks referred to in each sub-fund factsheet can be found in the full prospectus.

It should also be noted that the investment manager may, in compliance with the applicable investment limits and restrictions imposed, temporarily adopt a more defensive attitude by holding more cash in the portfolio when he believes that the markets or the economy in countries in which the sub-fund invests are experiencing excessive volatility, a persistent general decline or other negative conditions. In such circumstances, the sub-fund concerned may prove to be incapable of pursuing its investment objective, which may affect its performance.

VIII. Information and documents available to the public

1. Information

The net asset value of the shares of each class is made available to the public at the Company's registered office, the custodian and other establishments responsible for financial services as of the first bank business day following the calculation of the aforementioned net asset values. The Board of Directors will also publish the net asset value using all the means that it deems appropriate, and at the same frequency as its calculation, in the countries where the shares are offered to the public.

2. Documents

On request, before or after a subscription of shares of the Company, the prospectus, the simplified prospectus, the annual and semi-annual report may be obtained free of charge at the office of the custodian bank and other establishments designated by it as well as at the Company's registered office.

ING Index Linked Fund II – Continuous Click Fund World (NOK)

Abbreviated Denomination

ING Continuous Click Fund World (NOK)

Investment objective and policy

The objective of the ING Continuous Click Fund World (NOK) is to offer investors the opportunity to participate in the upside potential of the European, US and Japanese equity market indices while trying to maintain, on a daily basis, 90% of the net asset value through investing in fixed income securities and money market instruments of high quality issuers.

However this does not constitute a guarantee of capital preservation.

The investment objective will be achieved by investing in fixed-income securities, and money market instruments, such as Certificates of Deposit ("CD's"), Commercial Papers ("CP's"), as well as time deposits, issued by issuers from countries of the European Union (EU), the United States of America (US), Japan and the Organisation for Economic Co-operation and Development (OECD) and denominated in NOK, directly or through currency forwards, in accordance with Part III, Chapter 3 of the full prospectus

The participation in the global equity markets will be achieved by using derivative contracts such as (OTC) options and futures within the limits as described in the first paragraph of Part III, Chapter 4. "Financial Techniques and Instruments" of the full prospectus.

The sub-fund may additionally invest in equities issued by issuers of all economic sectors from countries of the European Union (EU), the United States of America (US), Japan and the Organisation for Economic Co-operation and Development (OECD).

The initial balance between investments in transferable fixed income securities (investment portfolio) and the use of derivatives and equities will be "a ratio 90-10", which will be re-balanced or corrected each day.

The assets of the sub-fund will be invested mainly in fixed-income securities including fixed-interest bonds, floating-rate bonds, medium term notes, issued by governments, local authorities, supra-nationals or highly rated prime financial institutions or corporations based in EU and OECD member states and denominated in their currencies, directly and or through repo's or reversed repo transactions, in accordance with Part III, Chapter 3 of the full prospectus, and in money market instruments, such as CD's, CP's, as well as time deposits.

In order to allow for the monthly adjustment of the ratio, the maturity structure of the investments will be relatively short-term.

In order to achieve the investment objective, derivative contracts such as (OTC) options and futures will be used in connection with the investments at the level up to 10% of the net assets, calculated on a daily basis. Also investments in equities may be used in connection with the investments up to this 10% level of the net assets. These will be on European, US and Japanese equity market indices. Such OTC contracts give the right to benefit from rises in the underlying indices. The protection of achieved performance happens through fixed income securities, not by means of the derivative structure. The derivative contracts will have different exercise prices and different maturities. This will ensure that a constant exposure is maintained.

Each day, if there is an increase in the net asset value, through interest income and profit from the derivative contracts and from the investments in equity, the ratio 90-10 will be rebalanced by adding 90% of the increment to the fixed income securities and investments. Thus 90% of the net assets will always be maintained. In case there was a decrease in the net asset value of the sub-fund (lower stock markets will lead to a

lower value of the derivative instruments and investments in equities), the income earned on the investment portfolio will be used to add to the derivative positions or the investments in equities. In that case the net assets will be maintained and exposure to the underlying equity markets is increased; while the total of the investment portfolio does not decrease. As a result, the investment portfolio will grow above the 90% level of protection. In this way the fixed income part of the portfolio is increased (percentage wise) in case of declining equity markets. When subsequently the underlying equity markets increase and the value of the sub-fund grows above that of the previous clicked level, then the 90-10 ratio will be corrected again as far as possible. Therewith the exposure in increasing markets is optimal.

The premium paid for the OTC option contracts will not exceed the income of the portfolio and will not exceed 15% of the net asset value of the sub-fund.

No guaranty is given to the investors whether the objective will be realised although all relevant measures of protection will be taken.

The Board of Directors may decide to use any instrument, such as swap contracts, future contracts, repurchase and/or reversed repurchase agreements deemed appropriate for the fulfillment of maintaining the investment portfolio and/or the realisation of performances of the appropriate indices, within the limits of the first paragraph of Part III Chapter 4 of the full prospectus.

The derivative contracts shall be valued on each valuation day according to the following parameters: interest rates, volatility of the underlying index, expected dividends of the underlying index, the actual level of the underlying index and the remaining time until the maturity of the contracts.

The Board of Directors reserves the right to amend the investments in the portfolio of the sub-fund at any time, should it be deemed necessary in order to be able to achieve the investment objectives and to safeguard the shareholders' interests.

The sub-fund will adhere to the investment restrictions as outlined in Part III, Chapter 3 of the full prospectus.

The risks linked to this use of financial derivative instruments for other purposes than hedging are subject to a description of risks in Part III point 2 Risk warnings, of the full prospectus.

Risk Profile of the sub-fund

Investor Profile

Eval® Rating

Risk	Low						High	Minimum horizon
Euro	0	1	2	3	4	5	6	1 year
Fund currency	0	1	2	3	4	5	6	1 year

Type of the sub-fund

Participation in the upside potential of an underlying index.

Portfolio Manager

ING Asset Management B.V. / ING Investment Management Belgium

ING Asset Management B.V. is managing the derivative part of the portfolio whereas ING Investment Management Belgium is managing the fixed income securities and the money market instruments of the portfolio.

ING Index Linked Fund II – Continuous Click Fund World (NOK)

Capitalisation (NOK)

Type of shares	Capitalisation
Form of shares	Bearer share with certificate – Bearer share without certificate (book entry) – Registered share with certificate – Registered share without certificate (book entry)
Fraction of shares	Up to three decimal places (only for shares issued in book entry form)
Currency of the share class	NOK
Valuation day	Each bank business day in Luxembourg
Subscription fee payable to the distributor(s)	Maximum 5%
Conversion fee payable to the distributor(s)	Maximum 1% of which 0.5% is returned to the sub-fund, as a cost of dealing and the remainder is paid to the agents authorised to receive conversion application
Redemption fee payable to the distributor(s)	Maximum 1% payable to the sub-fund as a cost of dealing
Payment date of subsequent subscription, redemption and conversion requests	Maximum five bank business days following the applicable valuation date
Management fee	Maximum 1.80% per year
Historical performance	<i>Historical performance not available</i>

ING Index Linked Fund II – ING Czech Continuous Click Fund Euro

Abbreviated Denomination

ING Czech Continuous Click Fund Euro

Investment objective and policy

The objective of the ING Czech Continuous Click Fund Euro is to offer investors the opportunity to participate in the upside potential of an underlying well-know European Index, while trying to maintain, on a monthly basis, 90% of the net asset value through investing in transferable securities and money market instruments of high quality issuers.

However this does not constitute a guarantee of capital preservation.

This index is composed of European companies characterized by a relatively large market capitalization and free float thereby assuring easy tradability and liquidity. Furthermore the index is well diversified over sectors and countries, therefore providing a good coverage of the European equity markets.

The investment objective will be achieved by investing in CZK denominated fixed-income securities and money market instruments, such as Certificates of Deposit (“CD’s”), Commercial Papers (“CP’s”), as well as time deposits issued by issuers from countries of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD).

The participation in the positive performance of the index will be achieved by using derivative contracts such as (OTC) options within the limits as described in the first paragraph of Part III, Chapter 4. "Financial Techniques and Instruments" of the full prospectus. The initial balance between investments in transferable securities (investment portfolio) and the use of derivatives will be “a ratio 90-10”, which will be re-balanced or corrected each month.

The assets of the sub-fund will be invested mainly in fixed-income securities including fixed-interest bonds, floating-rate bonds, medium term notes, issued by governments, local authorities, supra-nationals or highly rated prime financial institutions or corporations based in EU and OECD member states and denominated in CZK, directly and or through repo’s or reversed repo transactions, in accordance with Part III, Chapter 3 of the full prospectus, and in money market instruments, such as CD’s, CP’s, as well as time deposits.

In order to allow for the monthly adjustment of the ratio as far as possible, the maturity structure of the investments will be relatively short-term.

In order to achieve the investment objective, derivative contracts such as OTC options will be used in connection with the investments at the level up to 10% of the net assets, calculated on a monthly basis. These options will be EUR-denominated options on the index. Such contracts give the right to benefit from rises in the underlying index as well as protect (“click”) performances recorded over periods of time. The protection of achieved performance happens through fixed income securities, not by means of the derivative structure. The derivative contracts will have different exercise prices and different maturities. This will ensure that a constant exposure is maintained.

Each month, if there is an increase in the net asset value, through interest income and profit from the derivative contracts, the ratio 90-10 will be rebalanced by adding 90% of the increment to the securities and investment. Thus 90% of the net assets will always be maintained. In case there was a decrease in the net asset value (lower stock markets will lead to a lower value of the derivative instruments), the income earned on the investment portfolio will be used to add to the derivative

positions. In that case the net assets will be maintained and exposure to the underlying index is increased; while the total of the investment portfolio does not decrease. As a result, the investment portfolio will grow above the 90% level of protection. In this way the fixed income part of the portfolio is increased (percentage wise) in case of declining equity markets. When subsequently the underlying index increases and the total value of the sub-fund grows above that of the previous clicked level, then the 90-10 ratio will be corrected again as far as possible. Therewith the exposure in increasing markets is optimal.

The premium paid for the OTC option contracts will not exceed the income of the portfolio and will not exceed 15% of the net asset value of the sub-fund.

No guaranty is given to the investors whether the objective will be realised although all relevant measures of protection will be taken.

The Board of Directors may decide to use any instrument, such as swap contracts, future contracts, repurchase and/or reversed repurchase agreements deemed appropriate for the fulfillment of maintaining the investment portfolio and/or the realisation of performances of the appropriate indices, within the limits of the first paragraph of Part III, Chapter 4 of the full prospectus.

The derivative contracts shall be valued on each valuation day according to the following parameters: interest rates, volatility of the index, expected dividends of the index, the actual level of the index and the remaining time until the maturity of the contracts.

The Board of Directors reserves the right to amend the investments in the portfolio of the sub-fund at any time, should it be deemed necessary in order to be able to achieve the investment objectives and to safeguard the shareholders’ interests.

The sub-fund will adhere to the investment restrictions as outlined in Part III, Chapter 3 of the full prospectus.

In case the predetermined index is suspended for a longer period of time, or ceases to exist, its successor will be used. In case there is no representative designated successor, an index will be calculated on the basis of the initial underlying values within the original index, by an independent third party, to be determined by the Board of Directors. In this case the calculation will be binding for each party, except in the case of manifest errors.

The risks linked to this use of financial derivative instruments for other purposes than hedging are subject to a description of risks in Part III point 2 Risk warnings, of the full prospectus.

Risk Profile of the sub-fund

Investor Profile

Eval® Rating

Risk	Low						High	Minimum horizon
Euro	0	1	2	3	4	5	6	3 years
Fund currency	0	1	2	3	4	5	6	3 years

Type of the sub-fund

Participation in the upside potential of an underlying index.

Portfolio Manager

ING Asset Management B.V. / ING Investment Management (C.R.)

ING Asset Management B.V. is managing the derivative part of the investment portfolio whereas ING Investment Management (C.R.) is managing the fixed income securities and the money market instruments of the investment portfolio.

ING Index Linked Fund II – ING Czech Continuous Click Fund Euro

Capitalisation (CZK)

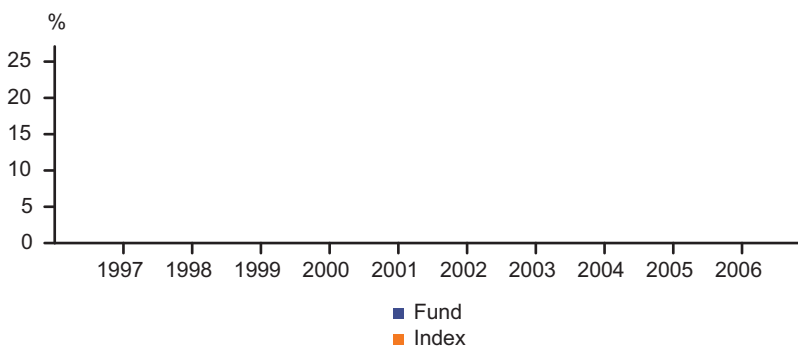
Type of shares	Capitalisation
Form of shares	Bearer share with certificate – Bearer share without certificate (book entry) – Registered share with certificate – Registered share without certificate (book entry)
Fraction of shares	Up to three decimal places (only for shares issued in book entry form)
Currency of the share class	CZK
Valuation day	Each bank business day in Luxembourg
Subscription fee payable to the distributor(s)	Maximum 5%
Conversion fee payable to the distributor(s)	Maximum 1% of which 0.5% is returned to the sub-fund, as a cost of dealing and the remainder is paid to the agents authorised to receive onversion application
Redemption fee payable to the distributor(s)	Maximum 1% payable to the sub-fund as a cost of dealing
Payment date of subsequent subscription, redemption and conversion requests	Maximum five bank business days following the applicable valuation date
Management fee	Maximum 1.25% per year

Historical performance

Past performance is not an indication of future results.

CZK	Fund	Index
1997	0.00	0.00
1998	0.00	0.00
1999	0.00	0.00
2000	0.00	0.00
2001	0.00	0.00
2002	0.00	0.00
2003	0.00	0.00
2004	0.00	0.00
2005	0.00	0.00
2006	0.00	0.00

Capitalisation (devises)



ING Index Linked Fund II – ING Polish Continuous Click Fund Euro

Abbreviated Denomination

ING Polish Continuous Click Fund Euro

Investment objective and policy

The objective of the ING Polish Continuous Click Fund Euro is to offer investors the opportunity to participate in the upside potential of an underlying well-known European Index, while trying to maintain, on a monthly basis, 90% of the net asset value through investing in transferable securities and money market instruments of high quality issuers.

However this does not constitute a guarantee of capital preservation.

This index is composed of European companies characterized by a relatively large market capitalization and free float thereby assuring easy tradability and liquidity. Furthermore the index is well diversified over sectors and countries, therefore providing a good coverage of the European equity markets.

The investment objective will be achieved by investing in Polish Zloty (PLN) denominated fixed-income securities and money market instruments, such as Certificates of Deposit ("CD's"), Commercial Papers ("CP's"), as well as time deposits, issued by issuers from countries of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD).

The participation in the positive performance of the index will be achieved by using derivative contracts such as (OTC) options within the limits as described in the first paragraph of Part III Chapter 4. "Financial Techniques and Instruments" of the full prospectus. The initial balance between investments in transferable securities (investment portfolio) and the use of derivatives will be "a ratio 90-10", which will be re-balanced or corrected each month.

The assets of the sub-fund will be invested mainly in fixed-income securities including fixed-interest bonds, floating-rate bonds, medium term notes, issued by governments, local authorities, supra-nationals or highly rated prime financial institutions or corporations based in EU and OECD member states and denominated in PLN, directly and or through repo's or reversed repo transactions, in accordance with Part III, Chapter 3 of the full prospectus and in money market instruments such as Certificates of Deposit ("CD's"), Commercial Papers ("CP's"), as well as time deposits.

In order to allow for the monthly adjustment of the ratio as far as possible, the maturity structure of the investments will be relatively short-term.

In order to achieve the investment objective, derivative contracts such as OTC options will be used in connection with the investments at the level up to 10% of the net assets, calculated on a monthly basis. These options will be EUR-denominated options on the index. Such contracts give the right to benefit from rises in the underlying index as well as protect ("click") performances recorded over periods of time. The protection of achieved performance happens through fixed income securities, not by means of the derivative structure. The derivative contracts will have different exercise prices and different maturities. This will ensure that a constant exposure is maintained.

Each month, if there is an increase in the net asset value, through interest income and profit from the derivative contracts, the ratio 90-10 will be rebalanced by adding 90% of the increment to the securities and investment. Thus 90% of the net assets will always be maintained. In case there was a decrease in the net asset value (lower stock markets will lead to a lower value of the derivative instruments), the income

earned on the investment portfolio will be used to add to the derivative positions. In that case the net assets will be maintained and exposure to the underlying index is increased; while the total of the investment portfolio does not decrease. As a result, the investment portfolio will grow above the 90% level of protection. In this way the fixed income part of the portfolio is increased (percentage wise) in case of declining equity markets. When subsequently the underlying index increases and the total value of the sub-fund grows above that of the previous clicked level, then the 90-10 ratio will be corrected again as far as possible. Therewith the exposure in increasing markets is optimal.

The premium paid for the OTC option contracts will not exceed the income of the portfolio and will not exceed 15% of the net asset value of the sub-fund.

No guaranty is given to the investors whether the objective will be realised although all relevant measures of protection will be taken.

The Board of Directors may decide to use any instrument, such as swap contracts, future contracts, repurchase and/or reversed repurchase agreements deemed appropriate for the fulfillment of maintaining the investment portfolio and/or the realisation of performances of the appropriate indices, within the limits of the first paragraph of Part III Chapter 4 of the full prospectus.

The derivative contracts shall be valued on each valuation day according to the following parameters: interest rates, volatility of the index, expected dividends of the index, the actual level of the index and the remaining time until the maturity of the contracts.

The Board of Directors reserves the right to amend the investments in the portfolio of the sub-fund at any time, should it be deemed necessary in order to be able to achieve the investment objectives and to safeguard the shareholders' interests.

The sub-fund will adhere to the investment restrictions as outlined in Part III, Chapter 3 of the full prospectus.

In case the predetermined index is suspended for a longer period of time, or ceases to exist, its successor will be used. In case there is no representative designated successor, an index will be calculated on the basis of the initial underlying values within the original index, by an independent third party, to be determined by the Board of Directors. In this case the calculation will be binding for each party, except in the case of manifest errors.

The risks linked to this use of financial derivative instruments for other purposes than hedging are subject to a description of risks in Part III point 2 Risk warnings, of the full prospectus.

Risk Profile of the sub-fund

Typical investor profile

Eval® Rating

Risk	Low						High	Minimum horizon
Euro	0	1	2	3	4	5	6	4 years
Fund currency	0	1	2	3	4	5	6	2 years

Fund type

Participation in the upside potential of an underlying index.

Manager of the sub-fund

ING Asset Management B.V. / ING Investment Management Belgium

ING Asset Management B.V. is managing the derivative part of the investment portfolio whereas ING Investment Management Belgium is managing the fixed income securities and the money market instruments of the investment portfolio.

ING Index Linked Fund II – ING Polish Continuous Click Fund Euro

Capitalisation (PLN)

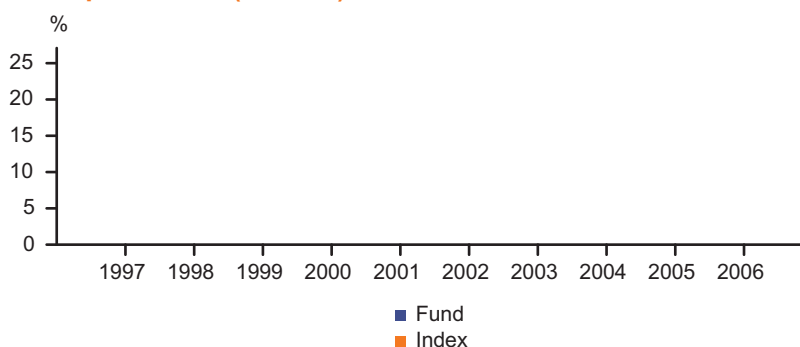
Type of shares	Capitalisation
Form of shares	Bearer share with certificate
Fraction of shares	Up to three decimal places (only for shares issued in book entry form)
Denomination	Share certificates will not be issued
Currency of the share class	PLN
Valuation day	Each bank business day in Luxembourg
Subscription fee payable to the distributor(s)	Maximum 5%
Conversion fee payable to the distributor(s)	Maximum 1% of which 0.5% is returned to the sub-fund, as a cost of dealing and the remainder is paid to the agents authorised to receive conversion application
Redemption fee payable to the distributor(s)	Maximum 1% payable to the sub-fund as a cost of dealing
Cut-off time for receipt of subscription, redemption and conversion requests	Before 15:30 each bank business day in Luxembourg prior to the applicable valuation day
Payment date of subsequent subscription, redemption and conversion requests	Maximum five bank business days following the applicable valuation date
Management fee	Maximum 2.80% per year

Historical performance

Past performance is not an indication of future results.

PLN	Fund	Index
1997	0.00	0.00
1998	0.00	0.00
1999	0.00	0.00
2000	0.00	0.00
2001	0.00	0.00
2002	0.00	0.00
2003	0.00	0.00
2004	0.00	0.00
2005	0.00	0.00
2006	0.00	0.00

Capitalisation (devises)



ING Index Linked Fund II – Multi Protector

Abbreviated Denomination

Multi Protector

Investment objective and policy

This sub-fund is a fixed sub-fund maturing on July 8, 2009.

The objectives are:

- protecting 90% of the initial issue price (excluding fees and taxes on stock exchange transactions), i.e. EUR 25 excluding fees and taxes, at maturity (July 8, 2009)
- allowing the investor to participate in the performance of a basket of 24 shares during 6 years, according to the conditions described below.

Assets will be mainly invested in fixed income transferable securities under the form of buy and sell back transactions ⁽¹⁾ in order to receive a floating interest rate in accordance with risk allocation principles. Liquid assets may be held on an ancillary basis. Actually, the sub-fund concludes a swap contract with ING Belgium SA according to which the sub-fund will pay a floating amount (depending on the Euribor 6 months conditions) to the counterpart every 6 months in order to participate, at maturity, in the rise of an equity basket (initially made of the 24 shares as mentioned above and described below). This floating interest rate will be paid with the gains made on the transferable securities. Consequently, the sub-fund will not take advantage of these gains. The portfolio manager will make sure that the floating rate paid to ING Belgium SA is in line with the interest rate received on the portfolio assets. The interest rate risk on assets and liabilities will be reduced to the bare minimum for each maturity (every 6 months and at final maturity) for clients requesting their withdrawal at the final maturity (July 8, 2009); this is possible because 1) all modalities of the swap agreement are determined at the conclusion of the agreement with maturity on July 6th, 2009 and 2) timing and interest rates between the repurchase agreement and the floating amount for the swap to be paid are matched.

Equity basket

The basket is initially made of the following shares:

British Aerospace (UK)	(Defence)
Nike (USA)	(Consumer goods)
Ford Motors (USA)	(Car industry)
Bridgestone (Japan)	(Car industry)
Fleet Boston Financial (USA)	(Banks)
Pernod Ricard (France)	(Consumer goods)
Saint Gobain (France)	(Industry)
Dow Chemicals(USA)	(Chemicals)
Sun Microsystems (USA)	(IT)
Gillette (USA)	(Cosmetics)
JP Morgan Chase (USA)	(Banks)
Consol Edison (USA)	(Electronics)
Murata (Japan)	(Electronics)
Kellogs(USA)	(Consumer goods)
Royal Sun Alliance (UK)	(Insurance)

AOL Time Warner (USA)	(Media)
Eastman Kodak(USA)	(Photographic products)
Canon (Japan)	(Electronics)
Schlumberger (USA)	(Industry)
Yamanouchi (Japan)	(Pharmaceuticals)
Seven Eleven (Japan)	(Consumer goods)
Alstom(France)	(Industry)
Verizon (USA)	(Telecom)
United Utilities (USA)	(Water)

These 24 shares are equally weighted in the basket. On the 2nd of July 2003, the value of each share will equal '100'. The initial basket of 24 shares will lose 10 shares (*the 'worst performers'*) between the launching of the sub-fund and December 2003: on term it will remain only 14 shares in the basket. This is this basket of 14 shares that will be used to determine the final participation in the performance, following the modalities described hereunder.

How does it work?

On the 4th of August 2003 (i.e. at the end of the first month following the inception of the sub-fund), the portfolio manager will remove the two shares with the lowest closing price (i.e. the two worst performing shares). The portfolio manager will do it again on the 3rd of September, the 3rd of October, the 4th of November and the 3rd of December 2003. After that, the basket will be made of 14 shares.

At the end of the third, fourth, fifth and sixth year (i.e. the 3rd of July 2006, the 3rd of July 2007, the 3rd of July 2008 and the 2nd of July 2009), the portfolio manager will determine the average performance value of the four worst performing shares among the 14 shares remaining in the basket. There will thus be four averages: 'A', 'B', 'C' and 'D'.

- Average A:
performance value of the basket composed of the 4 worst performing shares on July 3rd 2006, divided by 4; this is compared to the initial level of this basket
- Average B:
performance value of the basket composed with the 4 worst performing shares on July 3rd, 2007, divided by 4; this is compared to the initial level of this basket
- Average C:
performance value of the basket composed with the 4 worst performing shares on July 3rd, 2008, divided by 4; this is compared to the initial level of this basket
- Average D:
performance value of the basket composed with the 4 worst performing shares on July 2nd, 2009, divided by 4; this is compared to the initial level of this basket

⁽¹⁾ For more explanation about this structure, please refer to the point 'How does a buy and sell back transaction work?' at the end of the present addendum.

Final Pay-Off

- If at least one of the four averages (A,B,C or D) calculated at the end of the third (average 'A'), fourth (average 'B'), fifth (average 'C') and sixth year (average 'D') is equal or higher than 100% of its initial level, the shareholder will receive at maturity (on July 8th, 2009):

40% of the nominal⁽¹⁾ + the maximum between 120% of the nominal⁽¹⁾ and the average performance of basket D (i.e. minimum 160)

Example: if for example at the end of fourth year (on July 3rd, 2007), performance B (calculated on the four shares closing the concerned year with the lowest performance), is equal to 115 (compared to 100 at the sub-fund start), the client receives at final maturity (on July 8th, 2009) 40% plus the best between 120% and the performance t D.

*If performance D is equal to 110 (< 120), the client receives at final maturity 40% + 120% = 160% of the initial investment.
If performance D is equal to 135 (>120), the client receives at final maturity (July 8th, 2009) 40% + 135%= 175% of the initial investment.*

- If none of the four average performances calculated at the end of the third (basket 'A'), fourth (basket 'B'), fifth (basket 'C') and sixth year (basket 'D') reaches 100% of its initial level, the shareholder will receive:

40% of the nominal⁽¹⁾ + the maximum between 50% of the nominal⁽¹⁾ and the average performance of D (i.e. minimum 90% of the initial issue price (excluding fees and taxes on stock exchange transactions))

Example: if at maturity of year 3, 4, 5 and 6, the value of respectively basket A, B, C and D (made of the four shares closing the concerned year with the lowest performance), is equal to 95, 80, 85 and 75 (compared to 100 at the sub-fund start), the client receives at final maturity (on July 8th, 2009) 40% plus the best between 50% and the performance D.

As performance D is in the example equal to 75 (> 50), the client receives at final maturity (July 8th, 2009) 40% + 75% = 115% of the initial investment.

If performance D would for example be 30 (<50), the client receives at final maturity (July 8th, 2009) 40% + 50%= 90% of the initial investment.

However this does not constitute a guarantee of capital preservation nor of performance.

No guaranty is given to the investors whether the objective will be realised although all relevant measures of protection will be taken.

The Board of Directors may decide to use any instrument, such as swap contracts, future contracts, repurchase and/or reversed repurchase agreements deemed appropriate for the fulfilment of maintaining the investment portfolio and/or the realisation of performances of the appropriate indices, within the limits of the first paragraph of Part III, Chapter 4 of the full prospectus.

The derivative contracts shall be valued on each valuation day according to the following parameters: interest rates, volatility of the underlying index, expected dividends of the underlying index, the actual level of the underlying index and the remaining time until the maturity of the contracts.

The Board of Directors reserves the right to amend the investments in the portfolio of the sub-fund at any time, should it be deemed necessary in order to be able to achieve the investment objectives and to safeguard the shareholders' interests.

The sub-fund will adhere to the investment restrictions as outlined in section 4 of the prospectus.

There is no capital protection apart from the capital protection at the maturity date of the sub-fund (being July 8, 2009). For redemption occurring before the maturity date, the redemption price can be in the advantage or in the disadvantage of the shareholder requesting his withdrawal. For more details about the calculation method of the Net Asset Value before the maturity date, please read hereafter 'How is the NAV calculated before maturity date?'

'How do a "Buy and Sell Back" and the inverse "Sell and Buy Back transaction" work?

The Board of Directors may decide to use the so-called 'Buy and Sell Back' technique (spot buying of securities and at the same time a forward sale of these securities) that enables the fund after a defined holding period (in general 6 months) to generate a global positive return on these securities at the end of the defined holding period.

This operation is settled with ING Belgium SA., which is a first-class financial institution.

This operation can be coupled with a performance swap (see above)

How is the Net Asset Value determined in case of withdrawals before the maturity date if securities concerned by a "Buy and Sell Back" have to be sold.

When redemptions make additional liquidities necessary during the pre-defined period, additional liquidities towards the liquidities at the disposal of the SICAV, the SICAV has two possibilities:

- reduce the Buy and Sell Back operation;
- to agree on an inversed Buy and Sell Back operation

To reduce the Buy and Sell back operation means to terminate the operation and thus to disrespect the terms agreed by the SICAV to sell the securities back. A penalty is foreseen for the rupture of the agreement. Such penalties do not exist for inversed operations, which reduces the costs of the operation.

Therefore, in the interest of the shareholders, the SICAV does an inversed operation instead of a request to reduce which will be equal to a rupture of the agreement (operation B of point 1 hereunder).

(image)

A 'Buy and Sell Back' operation is a spot buying of securities and at the same time a forward sale of these securities.

It is an effective buying by which the sub-fund becomes owner of X securities, which it will sell after a pre-defined holding period (most of the time 6 months) to the counterpart who has initially sold these securities to the sub-fund (operation A). The purpose of this operation is to have these X securities in the portfolio with a certain "Sell Back value" which after the pre-defined holding period generate a gain (certain return) compared to the initial "buy" price.

Thanks to this procedure, the sub-fund

- disposes each 6 months of a cash amount (the return), which enables the sub-fund to pay the floating rate of the swap
- can secure the protection of principal at maturity, because there is no risk of price volatility of the securities

(image)

When the SICAV doesn't hold enough liquidities to face a massive redemption from the shareholders, the sub-fund will have to sell part of its portfolio to reimburse the shareholders requesting their redemption.

Therefore the sub-fund will conclude a reverse operation with the counterpart. It will sell spot Y securities (Y being a part of the X securities in the portfolio), and at the same time buy back on term of these Y securities (sell & buy back – operation 'B').

⁽¹⁾ ⁽¹⁾ nominal = initial issue price

This operation has an impact on the NAV, that will be applied to the redemption orders; this impact can be either positive or negative.

Thanks to operation B, the sub-fund will hold enough liquidities to reimburse the shareholders requesting redemption of their shares before the maturity date of the sub-fund.

Because the maturity of operation B corresponds to the maturity of operation A, the sub-fund will be owner of its X securities on term (6 months).

This has no consequences for the shareholders requesting their withdrawal on the maturity date.

Every 6 months, the sub-fund knows the global return it receives on the securities concerned by the Buy and Sell Back.

In case of early redemption, the determination of the NAV depends on two factors:

- the present value of the flows between the sub-fund and the counterpart. These flows are the ones resulting from the initial operation of Buy and Sell Back (Sell Back price) and the price of the intermediary operation of Sell and Buy Back (Buy Back price).
- The value of the rate used as reference at the date of the redemption.

This technique enables to ensure a defined global return that allows the payment of the floating part of the used swap (see description above). Regarding redemption requests executed before the maturity of the sub-fund, the Board of Directors draws the attention of the potential investors on the fact that the redemption price can be in the advantage or disadvantage of the shareholder who does this request.

A hypothetical example regarding the use of the 'Buy and Sell Back' technique is included hereafter.

A hypothetical example regarding the use of the 'Buy and Sell Back' technique:

On T_0 ⁽¹⁾, the sub-funds holds 10.000 EUR (= the notional); it invests 80% in obligations through Buy and Sell Back operations (8.000 EUR) and maintains 20% (2.000 EUR) in liquidities, which are held on a deposit account.

We suppose that the interest rate for the Buy and Sell Back and for the deposit is the same.

Suppose Euribor on T_0 = 3%. The investment (operation A) is done at Euribor – margin ⁽²⁾, for example – 0.25%, this means 2.75%.

If there is an immediate redemption of 20% of the assets, there will no longer be any liquidities left. Suppose another Shareholder also requests a redemption, for example of 1.000 EUR on T_1 (T_1 = after one month). The sub-fund will have to sell part of the bonds purchased via the Buy & Sell Back: this is only possible by doing an inverse operation of the Sell & Buy Back (operation B) of 1000 EUR.

The Euribor evolves following the market conditions. If Euribor on T_1 is higher than on T_0 , this will have a negative impact on the NAV, if it is lower, this will have a positive impact.

The accrued interest of the Buy and Sell Back and of the deposit will have a positive impact on the NAV.

The rate applied on the inverse operation will be Euribor + margin (for example 0.125%). The spread between the investment rate used in the Buy and Sell back operation and in the inverse Sell and Buy back operation is the bid/offer spread, the bid price always being lower than the offer price. This will have a negative impact on the NAV.

So some events have a positive impact and others have a negative impact on the NAV.

To determine the impact (positive or negative), the portfolio manager has to calculate the present value on T_6 of the amount for which a redemption is requested.

To determine the impact, we have to:

- Calculate the present value of the flows in T_6 .
The initial Buy & Sell Back operation will give a total return after 6 months of 8.110 EUR (for initial amount in the Buy & Sell Back = 8.000 EUR).
 $8.000 \times (1 + (\text{Euribor} (3\%) - \text{margin}) \times (\text{number of months} / 12)) = 8.000 \text{ EUR} \times (1 + 2,75\% \times 6 / 12)$
On these 8.000 EUR, we have to take in account 1.000 EUR, being the amount for which the client requested the redemption.
- The inverse operation of the Sell & Buy Back on T_1 will generate a cashflow in T_6 of 1.015,10 EUR (the inverse operation is done for the amount of the redemption):
 $1.000 \times (1 + (\text{Euribor} + \text{margin}) \times (\text{number of months} / 12)) = 1.000 \text{ EUR} \times (1 + 3,625\% \times 5 / 12) = 1.015,10 \text{ EUR}$
- The portfolio manager has to compare the ratio of the amounts developed under point a & b.
 - Point (a):
 - on T_0 , the redemption request of 1.000 EUR on the 8.000 EUR represents 1/8
 - on T_6 , the redemption is worth 1/8 of 8.110 EUR (present value of 8.000 in T_6) = 1.013,75 EUR
 - Point (b):
 - on T_6 , the inverse operation generated an amount of 1.015,10 EUR.
On T_6 , the difference between both is 1,35 EUR.
The present value on T_1 , (date of the redemption request) of 1,35 EUR = 1,33 EUR
 $1.35 \text{ EUR} / (1 + 3.625\% \times 5) = 1.33 \text{ EUR}$; 3.625%, being the Euribor on 5 months

Time	Type	Euribor level	Notional to Invest	Investment rate
T_0	Buy & Sell Back	3%	8.000 EUR	Euribor - 25bp = 2.75%
T_1	Sell & Buy Back	3,5% (5 months)	(-1.000) EUR	Euribor + 12.5 bp = 3.625%

⁽¹⁾ T_0 = time 0; T_1 = one month later than T_0 ; T_6 = 6 months later than T_0

⁽²⁾ The margin ("spread") is the difference between the buy rate and sell rate to be used to determine the forward price that the counterpart will pay or receive depending if the forward operation is a sell back by the UCITS (operation A) or a buy back (operation B). This price equals the value computed as follows ($VF = VP \times (1+i) \times (n/12)$), where:

- FV = Future Value
- PV = Present Value
- i = interest rate +/- the margin
- n = number of months

⁽³⁾ we suppose for the example the margin = 0.25%

⁽⁴⁾ the Buy and Sell back is agreed for a term of 6 months. The flow is calculated using the 6 months reference rate

⁽⁵⁾ being the number of months until the end of the initial operation of the Buy and Sell Back. So the Euribor in T_1 is used for the remaining period

Why is this technique used?

One of the targets at maturity of the sub-fund (the 2nd one is principal protection) is to give the right to participate in the rise of an equity basket. Therefore, a swap is concluded (see point 'Invest Policy'): the SICAV receives the rise of the equity basket (as defined above) and pays a floating amount every 6 months to the counterpart (=Swap).

Due to this structure of 'Buy & Sell back', the SICAV receives every 6 months a pre-defined amount, corresponding to the floating amount to be paid (minus margin).

Without this structure, the floating amount would not be insured, the SICAV would not be able to pay the floating branch of the Swap and the counterpart would not give the right to participate in the rise of the equity basket.

The risks linked to this use of financial derivative instruments for other purposes than hedging are subject to a description of risks in Part III point 2 Risk warnings, of the full prospectus.

Risk Profile of the sub-fund

Typical

Investor Profile

Eval® Rating

Risk	Low						High	Minimum horizon
Euro	0	1	2	3	4	5	6	1 year
Fund currency	0	1	2	3	4	5	6	1 year

Fund type

Participation in the upside potential of an underlying index.

Reference currency

Euro (EUR)

Manager of the sub-fund

ING Investment Management Belgium

ING Index Linked Fund II – Multi Protector

Capitalisation (EUR)

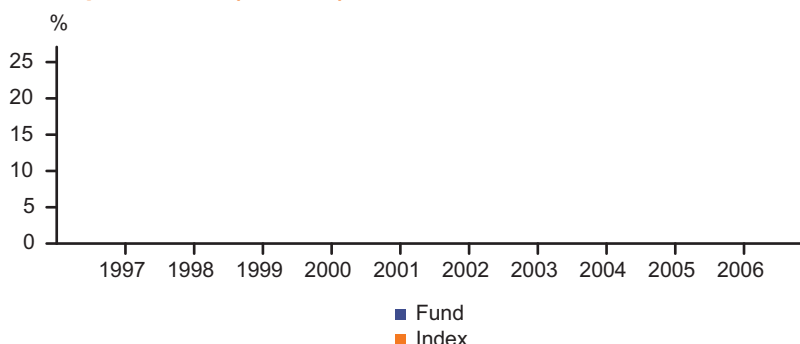
Type of shares	Capitalisation
Form of shares	Bearer share with certificate – Bearer share without certificate (book entry) – Registered share with certificate – Registered share without certificate (book entry)
Fraction of shares	Up to three decimal places (only for shares issued in book entry form)
Currency of the share class	EUR
Valuation day	Each bank business day in Luxembourg
Subscription fee payable to the distributor(s)	Maximum 5%
Conversion fee payable to the distributor(s)	Maximum 1% returned to the sub-fund, as a cost of dealing
Redemption fee payable to the distributor(s)	Maximum 1% returned to the sub-fund, as a cost of dealing
Cut-off time for receipt of subscription, redemption and conversion requests	Before 15:30 each bank business day in Luxembourg prior to the applicable valuation day
Payment date of subsequent subscription, redemption and conversion requests	Maximum five bank business days following the applicable valuation date
Management fee	Maximum 2% per year

Historical performance

Past performance is not an indication of future results.

EUR	Fund	Index
1997	0.00	0.00
1998	0.00	0.00
1999	0.00	0.00
2000	0.00	0.00
2001	0.00	0.00
2002	0.00	0.00
2003	0.00	0.00
2004	0.00	0.00
2005	0.00	0.00
2006	0.00	0.00

Capitalisation (devises)



ING Index Linked Fund II – Postbank Euro Continu Clickfonds

Abbreviated Denomination

Postbank Euro Continu Clickfonds

Investment objective and policy

The objective of the Postbank Euro Continu Clickfonds is to offer investors the opportunity to participate in the upside potential of an underlying well-known European Index, while trying to maintain, on a monthly basis, 90% of the net asset value through investing in transferable securities and money market instruments of high quality issuers.

However this does not constitute a guarantee of capital preservation.

This index is composed of European companies characterized by a relatively large market capitalization and free float thereby assuring easy tradability and liquidity. Furthermore the index is well diversified over sectors and countries, therefore providing a good coverage of the European equity markets.

The investment objective will be achieved by investing in fixed-income securities and money market instruments, such as Certificates of Deposits ("CD's"), Commercial Papers ("CP's"), as well as time deposits issued by issuers from countries of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD).

The participation in the positive performance of the index will be achieved by using derivative contracts such as (OTC) options within the limits as described in the first paragraph of Part III, Chapter 4. "Financial Techniques and Instruments" of the full prospectus. The initial balance between investments in transferable securities (investment portfolio) and the use of derivatives will be "a ratio 90-10", which will be re-balanced or corrected each month.

The assets of the sub-fund will be invested mainly in fixed-income securities including fixed-interest bonds, floating-rate bonds, medium term notes, issued by governments, local authorities, supra-nationals or highly rated prime financial institutions or corporations based in EU and OECD member states and denominated in their currencies, directly and or through repo's or reversed repo transactions, in accordance with Part III, Chapter 3 of the full prospectus, and in money market instruments, such as CD's, CP's, as well as time deposits.

In order to allow for the monthly adjustment of the ratio as far as possible, the maturity structure of the investments will be relatively short-term.

In order to achieve the investment objective, derivative contracts such as OTC options will be used in connection with the investments at the level up to 10% of the net assets, calculated on a monthly basis. Such contracts give the right to benefit from rises in the underlying Index as well as protect ("click") performances recorded over periods of time. The protection of achieved performance happens through fixed income securities, not by means of the derivative structure. The derivative contracts will have different exercise prices and different maturities. This will ensure that a constant exposure is maintained.

Each month, if there is an increase in the net asset value, through interest income and profit from the derivative contracts, the ratio 90-10 will be rebalanced by adding 90% of the increment to the securities and investment. Thus 90% of the net assets will always be maintained. In case there was a decrease in the net asset value (lower stock markets will lead to a lower value of the derivative instruments), the income earned on the investment portfolio will be used to add to the derivative positions. In that case the net assets will be maintained and exposure to the underlying index is increased; while the total of the investment

portfolio does not decrease. As a result, the investment portfolio will grow above the 90% level of protection. In this way the fixed income part of the portfolio is increased (percentage wise) in case of declining equity markets. When subsequently the underlying index increases and the total value of the sub-fund grows above that of the previous clicked level, then the 90-10 ratio will be corrected again as far as possible. Therewith the exposure in increasing markets is optimal.

The premium paid for the OTC option contracts will not exceed the income of the portfolio and will not exceed 15% of the net asset value of the sub-fund.

No guaranty is given to the investors whether the objective will be realised although all relevant measures of protection will be taken.

The Board of Directors may decide to use any instrument, such as swap contracts, future contracts, repurchase and/or reversed repurchase agreements deemed appropriate for the fulfillment of maintaining the investment portfolio and/or the realisation of performances of the appropriate indices, within the limits of the first paragraph of Part III Chapter 4 of the full prospectus.

The derivative contracts shall be valued on each valuation day according to the following parameters: interest rates, volatility of the index, expected dividends of the index, the actual level of the index and the remaining time until the maturity of the contracts.

The Board of Directors reserves the right to amend the investments in the portfolio of the sub-fund at any time, should it be deemed necessary in order to be able to achieve the investment objectives and to safeguard the shareholders' interests.

The sub-fund will adhere to the investment restrictions as outlined in Part III, chapter 3 of the complete prospectus.

In case the predetermined index is suspended for a longer period of time, or ceases to exist, its successor will be used. In case there is no representative designated successor, an index will be calculated on the basis of the initial underlying values within the original index, by an independent third party, to be determined by the Board of Directors. In this case the calculation will be binding for each party, except in the case of manifest errors.

The risks linked to this use of financial derivative instruments for other purposes than hedging are subject to a description of risks in Part III point 2 Risk warnings, of the full prospectus.

Risk Profile of the sub-fund

Olivier To confirm

Typical investor profile

Eval® Rating

Risk	Low							High	Minimum horizon
Euro	0	1	2	3	4	5	6		2 years
Fund currency	0	1	2	3	4	5	6		2 years

Fund type

Participation in the upside potential of an underlying index.

Reference currency

Euro (EUR)

Manager of the sub-fund

ING Asset Management B.V. / ING Investment Management Belgium

ING Asset Management B.V. is managing the derivative part of the investment portfolio whereas ING Investment Management Belgium is managing the fixed income securities and the money market instruments of the investment portfolio.

ING Index Linked Fund II – Postbank Euro Continu Clickfonds

Capitalisation (EUR)

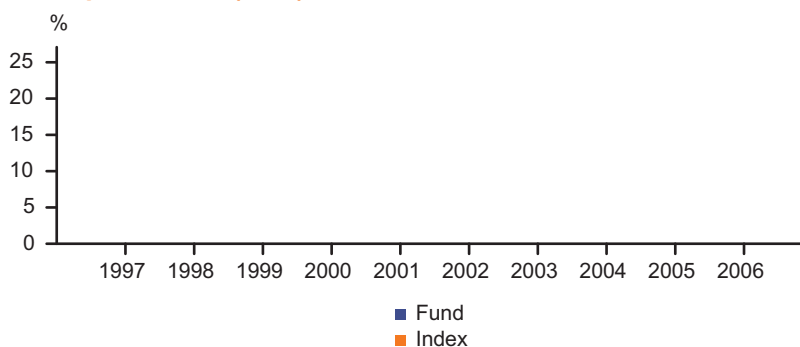
Type of shares	Capitalisation
Form of shares	Bearer share without certificate (book entry)
Fraction of shares	Up to three decimal places (only for shares issued in book entry form)
Denomination	Share certificates will not be issued
Currency of the share class	EUR
Valuation day	Each bank business day in Luxembourg
Subscription fee payable to the distributor(s)	Maximum 5%
Conversion fee payable to the distributor(s)	Maximum 1% of which 0.5% is returned to the sub-fund, as a cost of dealing and the remainder is paid to the agents authorised to receive conversion application
Redemption fee payable to the Company	Maximum 1% as a cost of dealing
Cut-off time for receipt of subscription, redemption and conversion requests	Before 15:30 each bank business day in Luxembourg prior to the applicable valuation day
Payment date of subsequent subscription, redemption and conversion requests	Maximum five bank business days following the applicable valuation date
Management fee	Maximum 0.72% per year
Subscription tax	0.05% per year

Historical performance

Past performance is not an indication of future results.

EUR	Fund	Index
1997	0.00	0.00
1998	0.00	0.00
1999	0.00	0.00
2000	0.00	0.00
2001	0.00	0.00
2002	0.00	0.00
2003	0.00	0.00
2004	0.00	0.00
2005	0.00	0.00
2006	0.00	0.00

Capitalisation (EUR)



PART III: ADDITIONAL INFORMATION

I. The Company

The Company was set up on under the Law of on undertakings for collective investment. The Articles of Association of the Company were amended for the last time on , and the coordinated Articles of Association were registered in the Luxembourg Trade and Companies Register, where they can be consulted and where copies can be obtained against payment of the relevant fees.

The share capital of the Company will, at all times, be equal to the value of the net assets of the sub-funds. It is represented by bearer or registered shares, all fully paid up, without par value.

The minimum capital is laid down in the Luxembourg Law of .

The consolidation currency of the Company is the .

Share capital variations are fully legal and there are no provisions requiring publication and entry in the Trade and Companies Register as prescribed for increases and decreases in the share capital of public limited companies (*sociétés anonymes*).

The Company may issue additional shares at any time at a price set in compliance with the contents of Chapter VIII "Shares", without any preference right being reserved for existing shareholders.

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The Company may issue additional shares at any time at a price set in compliance with the provisions contained in Chapter VIII "Shares", without any preference right being reserved for existing shareholders.

II. Risks linked to the investment universe: detailed description

General remarks regarding risks

Investments in the Company's shares are exposed to risks, which may include or be linked to equity, bond, currency, interest rate, credit, volatility and political risks. Each of these risks may also occur in conjunction with other risks. Some of these risk factors are described briefly below. Potential investors must have experience in investing in instruments used in the context of the investment policy described.

Investors must also be fully aware of the risks linked to investments in the Company's shares and ensure that they consult their legal, tax and financial adviser, auditor or other adviser in order to obtain complete information on (i) the appropriate nature of an investment in shares, depending on their personal financial and tax situation and on their particular circumstances, (ii) the information contained herein and (iii) the investment policy of the sub-fund (as described in the relevant factsheet for each sub-fund), before making any investment decision.

Apart from potential stock exchange profit, it is important to note that an investment in the Company also involves the risk of incurring stock exchange losses. Company shares are securities whose value is determined on the basis of fluctuations in the price of the transferable securities held by the Company. The value of shares may therefore go up or down in relation to their initial value.

There is no guarantee that the aims of the investment policy will be achieved.

Market Risk

This is a general risk which affects all types of investment. Price trends for transferable securities are determined mainly by financial market trends and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each country (market risk).

Interest rate

Investors must be aware that an investment in the shares of the Company may be exposed to interest rate risks. These risks occur when there are fluctuations in the interest rates of the main currencies of each transferable security or of the Company.

Currency risk

The value of investments may be affected by exchange rate fluctuations in the sub-funds where investments are allowed in a currency other than the sub-fund's reference currency.

Credit risk

Investors must be fully aware that any such investment may involve credit risks. Bonds and debt securities effectively involve issuer credit risk, which can be calculated using the issuer's solvency rating. Bonds and debt securities issued by entities with a low rating are generally considered to have higher credit risk and issuer default probability than those issued by issuers with a higher rating. If the issuer of bonds or debt securities runs into financial or economic difficulty, the value of the bonds or debt securities (which may become null and void) and the payments made on account of these bonds or debt securities (which may become null and void) may be affected.

Risk of issuer default

In parallel to the general trends prevailing on the financial markets, developments particular to each issuer can affect the value of an investment. Even a careful selection of transferable securities cannot, for example, eliminate the risk of losses caused by a decline in the assets of an issuer.

Liquidity risk

Liquidity risks arise when a particular security is difficult to sell. In principle, only securities that can be sold at any time are added to a fund. Similarly, some transferable securities may be difficult to sell at the desired moment during particular periods or on particular segments of the stock exchange. Finally, there is a risk that securities traded in a narrow market segment are subject to high price volatility.

Risk of flexibility

Lack of flexibility of investment product and restrictions which may limit the possibility to change the counterparts/providers. Difficulties may in particular exist to find another counterparty with similar conditions for OTC derivatives.

Counterparty risk

When over-the-counter (OTC) contracts are entered into, the Company may find itself exposed to risks arising from the solvency of its counterparts and from their ability to respect the conditions of these contracts. The Company may thus enter into futures, options and swap contracts, or use other derivative techniques, each of which involves the risk that the counterpart will fail to respect its commitments under the terms of each contract.

Risk arising from 144A securities

Rule 144A securities are not registered with the US Securities and Exchange Commission (SEC) in accordance with the stipulations of the Code of Federal Regulations, Title 177, Par. 230, 144A.

These Rule 144A securities are considered as newly issued transferable securities (see Part III, Chapter III, Section A, point 1, letter e of the prospectus) and may only be purchased by qualified professional investors.

Risk arising from investments in the emerging markets

Suspension of payments from the developing countries can be due to various factors, such as political instability, poor economic management, a lack of currency reserves, capital flight, internal conflicts or a lack of political willingness to continue servicing the previously contracted debt.

The capacity of private sector issuers to meet their obligations may also be affected by these factors. Moreover, these issuers are subject to decrees, laws and regulations enacted by government authorities. Examples include modification of exchange controls and amendments to the legal and regulatory system, expropriations and nationalisations and the introduction of, or increase in, taxes, such as withholding tax.

Uncertainty with regard to an unclear legal environment or incapacity to establish definitive and legal ownership rights are another determining factor. Added to this are the lack of reliable sources of information in these countries, the non-compliance of accounting methods with international standards and the lack of financial or commercial controls.

Investors' attention is drawn to the fact that, at present, investments in Russia are subject to increased risk as regards the ownership and custody of transferable securities: market practice for the custody of bonds is such that these bonds are deposited with Russian institutions that do not always have adequate insurance to cover the risk of loss arising from the theft, destruction or disappearance of instruments on deposit.

Derivatives

The Company may use derivative financial instruments within the framework of the investment policy outlined in each sub-fund factsheet. In addition to being used for hedging purposes, these instruments may also form an integral part of the investment strategy in order to optimise returns. Recourse to financial derivatives may be restricted by market conditions and applicable regulations and may involve risks and costs for the sub-fund to which it would not otherwise be exposed. Risks inherent in the use of options, foreign currency contracts, swaps, futures contracts and options on these contracts include: a) the fact that success depends on the ability of the portfolio manager(s) to accurately predict trends in interest rates, prices of transferable securities and/or money market instruments and currency markets; (b) the imperfect correlation between the price of options and futures contracts and options on these contracts and movements in the prices of the securities, money market instruments or currencies being hedged; (c) the fact that the skills needed to use these instruments are different from those needed to select portfolio securities; (d) the possibility of a non-liquid secondary market for a particular instrument at a given time; and (e) the risk that a sub-fund may not be able to purchase or sell a portfolio security during a favourable period, or the risk that a sub-fund may have to sell a portfolio security during an unfavourable period. When a sub-fund enters into a swap transaction, it is exposed to counterparty risk. The use of derivative financial instruments also involves leverage risk. Leverage occurs when a modest capital sum is invested in the purchase of derivatives in comparison with the cost of directly acquiring the underlying assets. The higher the leverage, the greater the variation in the price of the derivative in the event of a fluctuation in the price of the underlying asset (in comparison with the subscription price determined according to the conditions of the derivative). The potential and risks of derivatives thus increase in parallel with an increase in the leverage effect. Finally, there is no guarantee that the objective sought through the use of these derivative financial instruments will be achieved.

Please refer to the factsheet of the relevant sub-fund for more information on the risk(s) relating to investments in a particular sub-fund.

The above list shows the most commonly encountered risks and is not an exhaustive list of all potential risks.

III. Risks linked to the investment universe detailed description

General remarks regarding risks

Investments in the shares of the Company are exposed to risks. These risks may include or be linked to money market instruments and currency, interest rate, credit, volatility and political risks. Each of these risks may also occur in conjunction with other risks. Some of these risk factors are described briefly below. Potential investors must have experience in investing in the instruments used in the context of the investment policy described.

There is no guarantee that the objectives of the investment policy will be achieved.

Market Risk

This is a general risk which affects all types of investment. Price trends for transferable securities are determined mainly by financial market trends and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each country (market risk).

Interest rates

Investors must be aware that an investment in the shares of the Company may be exposed to interest rate risks. These risks occur when there are fluctuations in the interest rates of the main currencies of each transferable security or of the Company.

Currency risk

The value of investments may be affected by exchange rate fluctuations in the sub-funds where investments are allowed in a currency other than the sub-fund's reference currency.

Credit risk

Investors must be fully aware that any such investment may involve credit risks. Bonds and debt securities effectively involve issuer credit risk, which can be calculated using the issuer's solvency rating. Bonds and debt securities issued by entities with a low rating are generally considered to have higher credit risk and issuer default probability than those issued by issuers with a higher rating. If the issuer of bonds or debt securities runs into financial or economic difficulty, the value of the bonds or debt securities (which may become null and void) and the payments made on account of these bonds or debt securities (which may become null and void) may be affected.

Risk of issuer default

In parallel to the general trends prevailing on the financial markets, developments particular to each issuer can affect the value of an investment. Even a careful selection of transferable securities cannot, for example, eliminate the risk of losses caused by a decline in the assets of an issuer.

Liquidity risk

Liquidity risks arise when a particular security is difficult to sell. In principle, only securities that can be sold at any time are added to a fund. Similarly, some transferable securities may be difficult to sell at the desired moment during particular periods or on particular segments of the stock exchange. Finally, there is a risk that securities traded in a narrow market segment may be subject to high price volatility.

Flexibility risk

This refers to the lack of flexibility of certain investment products and to restrictions applying to the use of other counterparties/providers. Indeed, it can prove particularly difficult to find another counterparty that applies similar conditions in the case of derivative instruments traded over-the-counter.

Counterparty risk

When over-the-counter (OTC) contracts are entered into, the Company may find itself exposed to risks arising from the solvency of its counterparties and from their ability to respect the conditions of these contracts. The Company may thus enter into futures, options and swap contracts, or use other derivative techniques, each of which involves the risk that the counterparty will fail to respect its commitments under the terms of each contract.

Derivatives

The Company may use derivative financial instruments within the framework of the investment policy outlined in each sub-fund factsheet. In addition to being used for hedging purposes, these instruments may also form an integral part of the investment strategy in order to optimise returns. Recourse to financial derivatives may be restricted by market conditions and applicable regulations and may involve risks and costs for the sub-fund to which it would not otherwise be exposed. Risks inherent in the use of options, foreign currency contracts, swaps, futures contracts and options on these contracts include: (a) the fact that success depends on the ability of the portfolio manager(s) to accurately predict trends in interest rates, prices of transferable securities and/or money market instruments and currency markets; (b) the imperfect correlation between the price of options and futures contracts and options on these contracts and movements in the prices of the securities, money market instruments or currencies being hedged; (c) the fact that the skills needed to use these instruments are different from those needed to select portfolio securities; (d) the possibility of a non-liquid secondary market for a particular instrument at a given time; and (e) the risk that a sub-fund may not be able to purchase or sell a portfolio security during a favourable period, or the risk that a sub-fund may have to sell a portfolio security during an unfavourable period. When a sub-fund enters into a swap transaction, it is exposed to counterparty risk. The use of derivative financial instruments also involves leverage risk. Leverage occurs when a modest capital sum is invested in the purchase of derivatives in comparison with the cost of directly acquiring the underlying assets. The higher the leverage, the greater the variation in the price of the derivative in the event of a fluctuation in the price of the underlying asset (in comparison with the subscription price determined according to the conditions of the derivative). The potential and risks of derivatives thus increase in parallel with an increase in the leverage effect. Finally, there is no guarantee that the objective sought through the use of these derivative financial instruments will be achieved.

Please refer to the factsheet of the relevant sub-fund for more information on the risk(s) relating to investments in a particular sub-fund.

The above list shows the most commonly encountered risks and is not an exhaustive list of all potential risks.

IV. Investment restrictions

In the interests of shareholders and in order to ensure a wide diversification of the risks, the Company undertakes to comply with the following rules:

A. Eligible investments

1. The Company may invest the assets of each sub-fund in:
 - a. transferable securities and money market instruments listed or traded on a regulated market within the meaning of Article 1 (13) of the Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field;
 - b. transferable securities and money market instruments traded on another market of a Member State of the European Union (a "Member State") which is regulated, operates regularly, is recognised and open to the public;
 - c. transferable securities and money market instruments admitted to official listing on a stock exchange in a country which is not a member of the EU or traded on another market of a country which is not a Member State and that is regulated, operates regularly, is recognised and open to the public, insofar as the stock exchange or market is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
 - d. newly issued transferable securities and money market instruments, provided that:
 - i. the issue conditions include an undertaking that an application will be made for official listing on a stock exchange or another regulated market that operates regularly, is recognised and open to the public and provided that it is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
 - ii. the listing is secured within one year of issue at the latest;
 - e. Rule 144A transferable securities, as described in the provisions of the US Code of Federal Regulations, Title 17, Par 230, 144A, provided that:
 - i. the Rule 144A transferable securities are traded before the exchange on the US OTC fixed income market;
 - ii. the securities include an exchange contract registered under the Securities Act of 1933 that foresees a right to exchange the 144A for similar registered securities that are traded on the US OTC fixed income market;
 - iii. where the exchange contract has not been asserted within one year after the acquisition of the securities, the securities will be subject to the limit described in point 2 (a) hereunder;
 - f. units of UCITS authorised according to the Directive 85/611/EEC and/or other UCIs within the meaning of the first and second indent of Article 1 Par (2) of Directive 85/611/EEC whether located in a Member State or otherwise, provided that:
 - i. these UCIs are authorised in accordance with the legislation requiring that such undertakings are subject to supervision which the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier – CSSF*) considers equivalent to that prescribed under EU legislation, and that cooperation between the authorities is sufficiently guaranteed;
 - ii. the level of protection for unitholders of these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on the segregation of assets, borrowing, lending and short sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 85/611/EEC;
 - iii. the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

- iv. the proportion of assets of these UCITS or other UCIs in which units are to be acquired, which, in accordance with their Articles of Association can be globally invested in units of other UCITS or UCIs, does not exceed 10%;
- g. deposits with credit institutions which are repayable on demand or which may be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is located in another country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
- h. derivative financial instruments, including equivalent instruments involving cash settlements, traded on a regulated market referred to in (a), (b) and (c) above and/or derivative financial instruments traded over-the-counter ("OTC derivatives"), provided that:
 - i. the underlying consists of instruments covered by this point 1, or financial indices, interest rates, foreign exchange rates or currencies, in which the UCITS may invest according to its investment objectives;
 - ii. the counterparties to OTC derivative transactions are first-class financial institutions specialised in these types of transactions provided that they are also subject to prudential supervision; and
 - iii. 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 Company's initiative.
- i. money market instruments other than those traded on a regulated market, which are liquid and have a value that can be accurately determined at any time, provided that the issuer or issuer of these instruments is subject to regulations intended to protect investors and their savings, and provided that these instruments are:
 - i. issued or guaranteed by a central, regional or local government authority, by a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-member State of the EU or, in the case of a Federal State, by a member of the federation, or by an international public body to which one or more EU Member States belong, or
 - ii. issued by a company whose securities are traded on the regulated markets referred to in (a), (b) and (c) above, or
 - iii. issued or guaranteed by an institution subject to prudential supervision, in accordance with criteria defined by European Community law, or by an institution which is subject to and complies with prudential rules which the CSSF considers to be at least as stringent as those prescribed by EU legislation, or
 - iv. issued by other entities belonging to categories approved by the CSSF, provided that investments in such instruments are subject to rules for protecting investors which are equivalent to those stipulated above in bullets (i, ii, iii) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, or is an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group, or is an entity which is dedicated to financing securitisation vehicles backed by bank financing.

2. In addition, the Company:

- a. may invest up to a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to under point 1 above;
 - b. may acquire movable and immovable assets which are essential for the direct exercise of its activities;
 - c. may not acquire precious metals or certificates representing precious metals;
3. The Company may, on an ancillary basis, hold cash for each sub-fund.

B. Investment limits

1. The Company may not invest:

- a. more than 10% of the net assets of each sub-fund in transferable securities or money market instruments issued by the same entity;
- b. more than 20% of the net assets of each sub-fund in deposits placed with the same entity.

2. The Company's counterparty risk in an OTC derivative transaction may not exceed 10% of the net assets of each sub-fund when the counterparty is a credit institution referred to in point 1 (g) of Section A "Eligible Investments" above, or 5% of the net assets of the relevant sub-fund in other cases.

3.

- a. The total value of transferable securities and money market instruments of each issuer in which more than 5% of the net assets of a given sub-fund is invested may not exceed 40% of the value of these net assets; this restriction does not apply to deposits with credit institutions subject to prudential supervision and to OTC derivative transactions with these institutions;
- b. Notwithstanding the individual limits laid down in points 1 and 2 above, the Company may not combine:
 - i. investments in transferable securities or money market instruments issued by a single entity,
 - ii. deposits made with a single entity, and/or
 - iii. risks arising from OTC derivative transactions undertaken with a single entity,

that amount to more than 20% of the net assets of each sub-fund.

- c. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local public authorities, by a non-member State or by an international public body to which one or more Member States belong.
- d. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 25% for certain bonds if they are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bondholders. In particular, the proceeds resulting from the issue of these bonds must be invested, in accordance with the Law, in assets which, during the entire validity of the bonds, sufficiently cover the liabilities arising there from and that in the event of the issuer's default are assigned with priority to the repayment of capital and the payment of accrued interest. Where the Company invests more than 5% of the net assets of a sub-fund in the bonds referred to in this paragraph and issued by a single issuer, the total value of said investments may not exceed 80% of the value of the net assets of the relevant Company sub-fund.

- e. The transferable securities and money market instruments covered by point 3 (c) and (d) above are not taken into account in the 40% limit mentioned in point 3 (a);
- f. The limits stipulated in points 1, 2 and 3 (a), (b), (c) and (d) above may not be combined; consequently, investments in transferable securities or money market instruments issued by a single entity, in deposits or derivative instruments with this entity in compliance with points 1, 2 and 3 (a), (b), (c) and (d) above may not in aggregate exceed 35% of the net assets of the relevant Company sub-fund.
4. Companies grouped for the purpose of consolidating their accounts, within the meaning of Directive 83/349/EEC of 13 June 1983 or in accordance with recognised international accounting rules, are treated as a single entity when calculating the limits specified above.
5. The Company is authorised for each of its sub-funds to make cumulative investments in transferable securities and money market instruments within the same group up to a limit of 20% of its net assets.
- 6.
- a. By derogation to the above limits, and without prejudice to the limits laid down in point 9 below, the limits set out in points 1 to 5 above are raised to a maximum of 20% for investments in equities and/or bonds issued by a single entity when the aim of the sub-fund's investment policy is to replicate the composition of a certain equity or bond index which is recognised by the CSSF on the following basis:
- the composition of the index is sufficiently diversified;
 - the index constitutes a representative benchmark of the market to which it refers;
 - it is published in an appropriate manner.
- b. The limit set out above is raised to 35% when it proves to be justified by exceptional market conditions, particularly 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.
7. **as an exception to the limits set out in points 1 to 5 above, the Company is authorised to invest, following the principle of risk diversification, up to 100% of the net assets of each sub-fund in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or the Organisation for Economic Cooperation and Development (OECD), by local public authorities of an EU Member State, or by international public bodies to which one or more EU Member States belong, provided that the transferable securities and money market instruments foreseen hereunder are comprised of at least six different issues and that the transferable securities and money market instruments of any such single issue do not exceed 30% of the net assets of the relevant sub-fund.**
- 8.
- a. The Company may, for each sub-fund, acquire the units of UCITS and/or other UCIs referred to in Section A "Eligible Investments" above, point 1 (f), provided that no more than 20% of its net assets are invested in a single UCITS or other UCI. For the purposes of applying this investment limit, each sub-fund of a UCI with multiple sub-funds is to be regarded as a separate issuer, provided that the principle of segregation of the liabilities of the different sub-funds in relation to third parties is ensured.
- b. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of each sub-fund. Where the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in points 1, 2, 3, 4 and 5 above.
- c. Where the Company invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked through common management or control, or through a substantial direct or indirect holding, the said management company or other company may not charge subscription or redemption fees on the Company's investment in the units of such other UCITS and/or UCIs.
9. For all the sub-funds, the Company may not acquire:
- shares with voting rights that would enable it to exert a significant influence on the management of an issuer;
 - moreover, the Company may not acquire more than:
 - 10% of the non-voting shares of a single issuer;
 - 10% of the bonds of a single issuer;
 - 25% of the units of a single UCITS and/or other UCI;
 - 10% of the money market instruments of any single issuer.

The limits laid down above in bullets (ii, iii, iv) may be disregarded at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.

The restrictions set out under letters a and b above do not apply to:

 - transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local public authorities;
 - transferable securities and money market instruments issued or guaranteed by a State that is not a member of the European Union;
 - transferable securities and money market instruments issued by international public bodies of which one or more EU Member States are members;
 - shares held by the Company in the capital of a company of a non-member State of the EU that primarily invests its assets in the securities of issuers of that State where, under the legislation of that State, such an investment constitutes the only way in which the Company can invest in the securities of issuers of that state. This derogation only applies, however, on condition that the investment policy of the company of the non-member EU State complies with the limits laid down in the provisions contained in Section B, with the exception of points 6 and 7. Should the limits set out in Section B be exceeded, with the exception of the limits set out in points 6, 7 and 9, Article 49 of the Law of 20 December 2002 will apply by analogy;
 - shares held by one or more investment companies in the capital of subsidiary companies carrying out, exclusively on their behalf, management, advisory and marketing activities in the country in which the subsidiary is located, in regard to the redemption of units at unitholders' request.
10. Regarding derivative transactions, the Company will comply with the limits and restrictions set out in Chapter IV "Techniques and instruments" hereafter.
- The Company need not comply with the investment limits set out above when exercising subscription rights attached to transferable securities or money market instruments which form part of the assets of its sub-funds.

If the limits are exceeded for reasons beyond the Company's control or as a result of the exercise of subscription rights, the Company must, through its sales transactions, have as its priority objective the regularisation of that situation, bearing shareholders' interests in mind.

Insofar as an issuer is a legal entity with multiple sub-funds in which the assets of a sub-fund are exclusively liable for the rights of investors in relation to this sub-fund and for those of creditors whose financial claim arises from the creation, operation or liquidation of this sub-fund, each sub-fund is to be considered as a separate issuing entity for the purposes of the application of the rules of risk spreading specified in this title B, with the exception of points 7 and 9.

The above investment limits generally apply insofar as the sub-fund factsheets do not stipulate more stringent rules.

C. Borrowings, loans and guarantees

1. The Company is not authorised to borrow. As an exception, the Company may borrow:
 - a. up to 10% of its net assets provided that such borrowings are of a temporary nature.
 - b. up to 10% of its net assets provided that the purpose of such borrowings is to acquire real-estate assets required for the direct exercise of its activities; in this case the total of such borrowings and those referred to under (a) above may not under any circumstances exceed 15% of the net assets.
2. However, the Company may acquire foreign currency by means of a back-to-back loan for each sub-fund.
3. The Company may not enter into short sales of transferable securities, money market instruments or other financial instruments mentioned in Section A "Eligible Investments" point 1 (f), (g) and (h).
4. The Company may not grant credit or provide guarantees to third parties. This restriction will not prevent the relevant undertakings from acquiring transferable securities, money market instruments or other financial instruments as referred to in Section A "Eligible Investments" point 1 (j), (h) and (i) and which are not fully paid up.

V. Investment restrictions

In the interests of shareholders and in order to ensure a wide diversification of the risks, the Company undertakes to comply with the following rules:

A. Eligible investments

1. The Company may invest the assets of each sub-fund in:
 - a. transferable securities and money market instruments listed or traded on a regulated market within the meaning of Article 1 (13) of the Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field;
 - b. transferable securities and money market instruments traded on another market of a Member State of the European Union (a "Member State") which is regulated, operates regularly, is recognised and open to the public;
 - c. transferable securities and money market instruments admitted to official listing on a stock exchange in a country which is not a member of the EU or traded on another market of a country which is not a member of the EU and that is regulated, operates regularly, is recognised and open to the public, insofar as the stock exchange or market is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
- d. newly issued transferable securities and money market instruments, provided that:
 - i. the issue conditions include an undertaking that an application will be made for official listing on a stock exchange or another regulated market that operates regularly, is recognised and open to the public and provided that it is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
 - ii. the listing is secured within one year of issue at the latest;
- e. Rule 144A transferable securities, as described in the provisions of the US Code of Federal Regulations, Title 17, Par 230, 144A, provided that:
 - i. the securities include an exchange contract registered under the Securities Act of 1933 that foresees a right to exchange the 144As for similar registered securities that are traded on the US OTC fixed income market;
 - ii. where the exchange contract has not been asserted within one year after the acquisition of the securities, the aforementioned securities will be subject to the limit described in point 2 (a) hereunder;
- f. units of UCITS authorised according to the Directive 85/611/EEC and/or other UCIs within the meaning of the first and second indent of Article 1 Par (2) of Directive 85/611/EEC whether located in a Member State or otherwise, provided that:
 - i. these other UCIs are authorised in accordance with the legislation requiring that such undertakings are subject to supervision which the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier* – CSSF) considers equivalent to that prescribed under EU legislation, and that cooperation between the authorities is sufficiently guaranteed;
 - ii. the level of protection for unitholders of these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on the segregation of assets, borrowing, lending and short sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 85/611/EEC;
 - iii. the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - iv. the proportion of assets of these UCITS or other UCIs in which units are to be acquired, which, in accordance with their Articles of Association can be globally invested in units of other UCITS or UCIs, does not exceed 10%;
- g. deposits with credit institutions which are repayable on demand or which may be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is located in another country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
- h. derivative financial instruments, including equivalent instruments involving cash settlements, traded on a regulated market referred to in points (a), (b) and (c) above and/or derivative financial instruments traded over-the-counter ("OTC derivatives"), provided that:
 - i. the underlying consists of instruments covered by this point 1, or financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives;

- ii. the counterparties to OTC derivative transactions are first-class financial institutions specialised in these types of transactions provided that they are also subject to prudential supervision; and
 - iii. the OTC derivatives are subject to a 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 Company's initiative;
 - i. money market instruments other than those traded on a regulated market, which are liquid and have a value that can be accurately determined at any time, provided that the issuer or issuer of these instruments is subject to regulations intended to protect investors and their savings, and provided that these instruments are:
 - i. issued or guaranteed by a central, regional or local government authority, by a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a country that is not a Member State of the EU or, in the case of a Federal State, by a member of the federation, or by an international public body to which one or more EU Member States belong, or
 - ii. issued by a company whose securities are traded on the regulated markets referred to in points (a), (b) and (c) above, or
 - iii. issued or guaranteed by an institution subject to prudential supervision, in accordance with criteria defined by European Community law, or by an institution which is subject to and complies with prudential rules which the CSSF considers to be at least as stringent as those prescribed by EU legislation, or
 - iv. issued by other entities belonging to categories approved by the CSSF, provided that investments in such instruments are subject to rules for protecting investors which are equivalent to those stipulated under points (i), (ii) and (iii) above and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, or is an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group, or is an entity which is dedicated to financing securitisation vehicles backed by bank financing.
2. In addition, the Company:
- a. may invest up to a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to under point 1 above;
 - b. may acquire movable and immovable assets which are essential for the direct exercise of its activities;
 - c. may not acquire precious metals or certificates representing precious metals.
3. The Company may, on an ancillary basis, hold cash for each sub-fund.
2. The Company's counterparty risk in an OTC derivative transaction may not exceed 10% of the net assets of each sub-fund when the counterparty is a credit institution referred to in point 1 (g) of Section A "Eligible Investments" above, or 5% of the net assets of the relevant sub-fund in other cases.
- 3.
- a. The total value of transferable securities and money market instruments of each issuer in which more than 5% of the net assets of a given sub-fund is invested may not exceed 40% of the value of these net assets; this restriction does not apply to deposits with credit institutions subject to prudential supervision and to OTC derivative transactions with these institutions;
 - b. Notwithstanding the individual limits laid down in points 1 and 2 above, the Company may not combine:
 - i. investments in transferable securities or money market instruments issued by a single entity
 - ii. deposits made with a single entity, and/or
 - iii. risks arising from OTC derivative transactions undertaken with a single entity
 that amount to more than 20% of the net assets of each sub-fund.
 - c. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local public authorities, by a non-member State or by an international public body to which one or more Member States belong.
 - d. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 25% for certain bonds if they are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bondholders. In particular, the proceeds resulting from the issue of these bonds must be invested, in accordance with the Law, in assets which, during the entire validity of the bonds, sufficiently cover the liabilities arising therefrom and that in the event of the issuer's default are assigned with priority to the repayment of capital and the payment of accrued interest. Where the Company invests more than 5% of the net assets of a sub-fund in the bonds referred to in this paragraph and issued by a single issuer, the total value of said investments may not exceed 80% of the value of the net assets of the relevant Company sub-fund.
 - e. The transferable securities and money market instruments covered by point 3 (c) and (d) above are not taken into account in the 40% limit mentioned in point 3 (a);
 - f. The limits stipulated in points 1, 2 and 3 (a), (b), (c) and (d) above may not be combined; consequently, investments in transferable securities or money market instruments issued by a single entity, in deposits or derivative instruments with this entity in compliance with points 1, 2 and 3 (a), (b) (c) and (d) above may not in aggregate exceed 35% of the net assets of the relevant Company sub-fund.
4. Companies grouped for the purpose of consolidating their accounts, within the meaning of Directive 83/349/EEC of 13 June 1983 or in accordance with recognised international accounting rules, are treated as a single entity when calculating the limits specified above.
5. The Company is authorised for each of its sub-funds to make cumulative investments in transferable securities and money market instruments within the same group up to a limit of 20% of its net assets.

B. Investment limits

1. The Company may not invest:
- a. more than 10% of the net assets of each sub-fund in transferable securities or money market instruments issued by the same entity;
 - b. more than 20% of the net assets of each sub-fund in deposits placed with the same entity.

- 6.
- a. By way of derogation from the restrictions set out above, and without prejudice to the limits laid down in point 9 below, the limits set out in points 1 to 5 above are raised to a maximum of 20% for investments in equities and/or bonds issued by a single entity when the aim of the sub-fund's investment policy is to replicate the composition of a certain equity or bond index which is recognised by the CSSF on the following basis:
 - i. the composition of the index is sufficiently diversified;
 - ii. the index constitutes a representative benchmark of the market to which it refers;
 - iii. it is published in an appropriate manner.
 - b. The limit set out above is raised to 35% when it proves to be justified by exceptional market conditions, particularly 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.
7. **as an exception to the limits set out in points 1 to 5 above, the Company is authorised to invest, following the principle of risk diversification, up to 100% of the net assets of each sub-fund in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or the Organisation for Economic Cooperation and Development (OECD), by local public authorities of an EU Member State, or by international public bodies to which one or more EU Member States belong, provided that the transferable securities and money market instruments foreseen hereunder are comprised of at least six different issues and that the transferable securities and money market instruments of any such single issue do not exceed 30% of the net assets of the relevant sub-fund.**
- 8.
- a. The Company may, for each sub-fund, acquire the units of UCITS and/or other UCIs referred to in Section A "Eligible Investments" point 1 (f) above, provided that no more than 20% of its net assets are invested in a single UCITS or other UCI. For the purposes of applying this investment limit, each sub-fund of a UCI with multiple sub-funds is to be regarded as a separate issuer, provided that the principle of segregation of the liabilities of the different sub-funds in relation to third parties is ensured.
 - b. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of each sub-fund. Where the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in points 1, 2, 3, 4 and 5 above.
 - c. Where the Company invests in the units of other UCITS and/or other UCIs which are managed, directly, indirectly or by delegation, by the same management company or by any other company to which the management company is linked through common management or control, or through a substantial direct or indirect shareholding of more than 10% of the capital or voting rights, the said management company or other company may not charge subscription, redemption or management fees on the Company's investment in the units of such other UCITS and/or UCIs.
9. For all the sub-funds, the Company may not acquire:
- a. shares with voting rights that would enable it to exert a significant influence on the management of an issuer;
 - b. moreover, the Company may not acquire more than:
 - i. 10% of the non-voting shares of a single issuer;
 - ii. 10% of the bonds of a single issuer;
- iii. 25% of the units of a single UCITS and/or other UCI;
 - iv. 10% of the money market instruments of any single issuer.
- The limits laid down in points (ii), (iii) and (iv) above may be disregarded at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.
- The restrictions set out under (a) and (b) above do not apply to:
- i. transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local public authorities;
 - ii. transferable securities and money market instruments issued or guaranteed by a State that is not a member of the European Union;
 - iii. transferable securities and money market instruments issued by international public bodies of which one or more EU Member States are members;
 - iv. shares held by the Company in the capital of a company of a non-member State of the EU that primarily invests its assets in the securities of issuers of that State where, under the legislation of that State, such an investment constitutes the only way in which the Company can invest in the securities of issuers of that state. This derogation only applies on condition that the investment policy of the company of the non-member State of the EU complies with the limits laid down in the provisions contained in Section B, with the exception of points 6 and 7. Should the limits set out in Section B be exceeded, with the exception of the limits set out in points 6, 7 and 9, Article 49 of the Law of 20 December 2002 will apply by analogy;
 - v. shares held by one or more investment company in the capital of subsidiary companies carrying out, exclusively on their behalf, management, advisory and marketing activities in the country in which the subsidiary is located, in regard to the redemption of units at unitholders' request.
10. Regarding derivative transactions, the Company will comply with the limits and restrictions set out in Chapter 4 "Techniques and instruments" hereafter.
- The Company need not comply with the investment limits set out above when exercising subscription rights attached to transferable securities or money market instruments which form part of the assets of its sub-funds.
- If the limits are exceeded for reasons beyond the Company's control or as a result of the exercise of subscription rights, the Company must, through its sales transactions, have as its priority objective the regularisation of that situation, bearing shareholders' interests in mind.
- Insofar as an issuer is a legal entity with multiple sub-funds in which the assets of a sub-fund are exclusively liable for the rights of investors in relation to this sub-fund and for those of creditors whose financial claim arises from the creation, operation or liquidation of this sub-fund, each sub-fund is to be considered as a separate issuing entity for the purposes of the application of the rules of risk spreading specified in this Section B, with the exception of points 7 and 9.
- The above investment limits generally apply insofar as the sub-fund factsheets do not stipulate more stringent rules.**
- ## C. Borrowings, loans and guarantees
1. The Company is not authorised to borrow. As an exception, the Company may borrow:
 - a. up to 10% of its net assets provided that such borrowings are of a temporary nature.

- b. up to 10% of its net assets provided that the purpose of such borrowings is to acquire real-estate assets required for the direct exercise of its activities; in this case the total of such borrowings and those referred to under point (a) above may not under any circumstances exceed 15% of the net assets.
- 2. However, the Company may acquire foreign currency by means of a back-to-back loan for each sub-fund.
- 3. The Company may not enter into short sales of transferable securities, money market instruments or other financial instruments mentioned in Section A "Eligible Investments", point 1 (f), (g) and (h).
- 4. The Company may not grant credit or provide guarantees to third parties. This restriction will not prevent the relevant undertakings from acquiring transferable securities, money market instruments or other financial instruments as referred to in Section A "Eligible Investments" point 1 (j), (h) and (i) and which are not fully paid up.

VI. Investment restrictions

In general, and unless otherwise stated in the specific investment policy of the different sub-funds detailed in Part II of this prospectus, the Company undertakes to comply with the following rules in the interests of shareholders and in order to ensure a wide diversification of the risks.

A. On behalf of each sub-fund, the Company may:

- 1. Invest 20% or more of its net assets in securities other than the transferable securities and/or other financial assets referred to in Article 41(1) of the Law of 20 December 2002 on undertakings for collective investment.
- 2. Borrow up to 25% of its net assets, provided that the amounts borrowed do not take the form of a bond issue.
- 3. Invest up to 15% of the net assets in units of other undertakings for collective investment (this percentage may be temporarily exceeded in order to facilitate a merger or restructuring) provided that the following conditions and limits are respected:
 - a. undertakings for collective investment whose units are acquired must follow an investment policy that is in line with the Company's investment policy;
 - b. no subscription or purchase fee may be charged to the assets of the Company when investments are made in undertakings for collective investment that are managed by promoters who also manage the Company;
 - c. no management or advisory fee may be deducted from the portion of Company assets invested in undertakings for collective investment that are managed by promoters who also manage the Company.
- 4. For the purposes of hedging or efficient management of the portfolio of each sub-fund:
 - a. Only invest in options on transferable securities listed on an exchange or traded on another regulated market that operates regularly, is recognised and open to the public, or traded with first-class financial institutions specialised in this type of transaction (over-the-counter options).

The Company may either buy, issue or sell a call option or a put option, provided that:

- i. the cost of purchasing options on transferable securities does not exceed, in terms of premiums, 15% of the value of the net assets of each sub-fund;
- ii. for call options issued, the sub-funds of the Company **always hold** either the underlying transferable securities or the equivalent call options for the purpose of hedging. Notwithstanding this principle, the sub-funds may issue call options on securities not held in the portfolio provided that

the strike price of the call options issued does not exceed 25% of the net asset value, with hedging put in place in such case;

- iii. the issue or sale of put options serve to settle previously acquired put options, or that sufficient liquidity is maintained to enable the settlement of options or, if the cash reserve is insufficient, that the underlying transferable securities are held in sufficient quantity and are sufficiently liquid to generate the necessary liquidity at any time in the event that the options are exercised by the counterparty.

In order to optimise management, the Company may combine the purchase of call options and the sale of put options on a given asset for the same nominal value and strike price. These transactions, carried out exclusively for the purposes of efficient portfolio management, will never be carried out for speculative purposes and will comply with the provisions detailed in point a. above.

- b. Purchase and sell futures on stock market indices and call or put options on stock market indices. These transactions must be carried out on a regulated market that operates regularly, is recognised and open to the public, or with first-class financial institutions specialised in these types of transactions.
 - i. When the transaction is carried out in order to hedge the risk of unfavourable stock market movements (sale of futures, purchase of put options and sale of call options), sufficient correlation should exist between the composition of the index used and that of the corresponding portfolio. Moreover, the total commitments arising from futures and options on stock market indices may not significantly exceed the overall market value of the securities held by each sub-fund in the market corresponding to this index.
 - ii. If the transaction corresponds to a long position (purpose other than hedging; purchase of futures and call options and sale of put options), the commitments arising therefrom along with those arising from the sale of call and put options on transferable securities and from transactions described in point c. ii. may not in aggregate exceed the net asset value of each sub-fund. Sales of call options on transferable securities benefiting from sufficient hedging are not taken into account when calculating the commitments mentioned above.
- c. Purchase and sell futures on interest rates and call or put options on interest rates, the conclusion of forward rate agreements and interest rate swaps, in order to provide the assets of each sub-fund with efficient protection against interest rate risk. The forward rate agreements and interest rate swaps must be carried out with first-class financial institutions specialised in this type of transaction.
 - i. When the transaction is carried out in order to hedge the risk of unfavourable interest rate movements (sale of futures, purchase of put options, sale of call options, forward rate agreements and interest rate swaps), sufficient correlation should exist between the composition of the underlying and that of the corresponding portfolio. Moreover, the total commitments arising from the aforementioned transactions must not exceed the total market value of the securities held by each sub-fund in the corresponding market and currency.
 - ii. If the transaction corresponds to a long position (purpose other than hedging; purchase of futures and call options and sale of put options, forward rate agreements and interest rate swaps), the commitments arising therefrom along with those arising from the sale of call and put options on transferable securities and from transactions described in point b. ii. may not in aggregate exceed the net asset value of each sub-fund. Sales of call options on transferable

securities benefiting from sufficient hedging are not taken into account when calculating the commitments mentioned above.

- d. The sum of premiums paid in order to acquire all the call and put options outstanding may not exceed 15% of the net assets of each sub-fund.
 - e. Hedging transactions carried out via instruments involving an index presuppose that sufficient correlation exists between the composition of this index and that of the portfolio.
 - f. The Company may, on an ancillary basis, act either as buyer or seller in repurchase agreements. Its participation in such transactions is, however, subject to the following rules:
 - i. the Company may only purchase or sell securities if the counterparties in these transactions are first-rate financial institutions specialised in this type of transaction;
 - ii. during the term of a repurchase agreement the Company may not sell the securities covered by the agreement before the counterparty has exercised its right to repurchase the securities or before the repurchase term has expired;
 - iii. it shall limit the number of repurchase agreements in which it participates in order to ensure it can meet its redemption obligations at all times.
5. In order to hedge currency risk, the Company may conclude transactions involving the purchase and sale of currency futures contracts, financial futures contracts and currency options (sale of call options or purchase of put options). Hedging transactions may not involve an amount greater than the value of the assets being hedged or exceed the period for which these assets are held. If these assets generate a fixed rate of interest, the hedging may include the interest to be collected upon maturity; as an exception to the aforementioned principle, the amount of hedging transactions may, on a temporary basis and in the event of fluctuations in the value of the assets being hedged, exceed the value of the assets being hedged. These transactions may not under any circumstances be carried out for speculative purposes. The hedging transactions must be carried out in the same currency as the assets to be hedged.
 6. All transactions mentioned in points 4 and 5 above must be carried out on a regulated market that operates regularly, is recognised and open to the public, or with first-class financial institutions specialised in these types of transactions (including the use of over-the-counter options).
 7. Carry out, on an ancillary basis, performance swap transactions in order to ensure efficient management of the assets of each sub-fund. These performance swaps mean that an interest rate can be swapped for the performance of an underlying asset. They may include the performance of an index, a basket of equities, bonds, etc. These transactions must be carried out with first-class financial institutions specialised in this type of transaction. These transactions may not under any circumstances be carried out for speculative purposes.

The commitments arising therefrom along with those arising from the sale of call and put options on transferable securities and from the transactions described in points b and c, may not in aggregate exceed the net asset value of each sub-fund.

Sales of call options on transferable securities benefiting from sufficient hedging are not taken into account when calculating the commitments mentioned above.

8. Lend securities of a sub-fund within the framework of a standardised lending system organised by a recognised securities clearing house or by a first-class financial institution specialised in this type of transaction.

In the context of its lending transactions, the Company must in principle receive a guarantee whose value when the loan contract is concluded is at least equal to the total market value of the securities on loan; this guarantee must be given in the form of cash and/or securities issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and bodies with EU, regional or worldwide scope and blocked in the name of the Company until the expiry of the loan contract.

Securities lending transactions may not exceed 50% of the total market value of the securities held in the portfolio; this limitation does not apply if the Company is entitled at all times to request the termination of the contract and the restitution of the securities lent; securities lending transactions may not extend over a period of more than 30 days.

9. In the event that the Company owns securities which are not fully paid up, it shall be required to establish a sufficient reserve to cover any unpaid amounts; such amounts may not exceed 10% of the net assets at the time of acquisition of the securities.

B. For any sub-fund, the Company may not:

1. acquire more than 10% of all securities of the same type issued by a single body;
2. invest more than 10% of its net assets in securities issued by a single body (with the exception of money market instruments issued by a first-class banking institution);
3. invest in goods, commercial contracts, property or commodities;
4. carry out short sales of securities;
5. pledge or otherwise guarantee any securities forming part of its assets, transfer or provide them as a guarantee to cover debts;
6. invest more than 10% of the net assets in gold.

The restrictions set out in points 1 and 2 are not applicable to securities issued or guaranteed by the Member States of the OECD or by their local public authorities or by supranational institutions and bodies with EU, regional or worldwide scope.

If the percentages mentioned in points A and B above are exceeded other than through the purchase of securities, the Company must, in the interest of shareholders, have as its priority objective the regularisation of that situation through its sales transactions.

The Board of Directors of the Company may, in the interest of shareholders, adopt new restrictions intended to comply with the laws and regulations in force in the countries in which the shares of the Company are offered to the public.

VII. Investment restrictions

In the interests of shareholders and in order to ensure a wide diversification of the risks, the Company undertakes to comply with the following rules:

A. Eligible investments

1. The Company may invest the assets of each sub-fund in:
 - a. transferable securities and money market instruments listed or traded on a regulated market within the meaning of Article 1 (13) of the Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field;

- b. transferable securities and money market instruments traded on another market of a Member State of the European Union (a "Member State") which is regulated, operates regularly, is recognised and open to the public;
 - c. transferable securities and money market instruments admitted to official listing on a stock exchange in a country which is not a member of the EU or traded on another market of a country which is not a Member State and that is regulated, operates regularly, is recognised and open to the public, insofar as the stock exchange or market is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
 - d. newly issued transferable securities and money market instruments, provided that:
 - i. the issue conditions include an undertaking that an application will be made for official listing on a stock exchange or another regulated market that operates regularly, is recognised and open to the public and provided that it is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
 - ii. the listing is secured within one year of issue at the latest;
 - e. Rule 144A transferable securities, as described in the provisions of the US Code of Federal Regulations, Title 17, Par 230, 144A, provided that:
 - i. the securities include an exchange contract registered under the Securities Act of 1933 that foresees a right to exchange the 144A for similar registered securities that are traded on the US OTC fixed income market;
 - ii. where the exchange contract has not been asserted within one year after the acquisition of the securities, the securities will be subject to the limit described in point 2 (a) hereunder;
 - f. units of UCITS authorised according to the Directive 85/611/EEC and/or other UCIs within the meaning of the first and second indent of Article 1 Par (2) of Directive 85/611/EEC whether located in a Member State or otherwise, provided that:
 - i. these UCIs are authorised in accordance with the legislation requiring that such undertakings are subject to supervision which the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier – CSSF*) considers equivalent to that prescribed under EU legislation, and that cooperation between the authorities is sufficiently guaranteed;
 - ii. the level of protection for unitholders of these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on the segregation of assets, borrowing, lending and short sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 85/611/EEC;
 - iii. the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - iv. the proportion of assets of these UCITS or other UCIs in which units are to be acquired, which, in accordance with their Articles of Association can be globally invested in units of other UCITS or UCIs, does not exceed 10%;
 - g. deposits with credit institutions which are repayable on demand or which may be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is located in another country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
 - h. derivative financial instruments, including equivalent instruments involving cash settlements, traded on a regulated market referred to in (a), (b) and (c) above and/or derivative financial instruments traded over-the-counter ("OTC derivatives"), provided that:
 - i. the underlying consists of instruments covered by this point 1, or financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;
 - ii. the counterparties to OTC derivative transactions are first-class financial institutions specialised in these types of transactions provided that they are also subject to prudential supervision; and
 - iii. 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 Company's initiative.
 - i. money market instruments other than those traded on a regulated market, which are liquid and have a value that can be accurately determined at any time, provided that the issue or issuer of these instruments is subject to regulations intended to protect investors and their savings, and provided that these instruments are:
 - i. issued or guaranteed by a central, regional or local government authority, by a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-member State of the EU or, in the case of a Federal State, by a member of the federation, or by an international public body to which one or more EU Member States belong, or
 - ii. issued by a company whose securities are traded on the regulated markets referred to in (a), (b) and (c) above, or
 - iii. issued or guaranteed by an institution subject to prudential supervision, in accordance with criteria defined by European Community law, or by an institution which is subject to and complies with prudential rules which the CSSF considers to be at least as stringent as those prescribed by EU legislation, or
 - iv. issued by other entities belonging to categories approved by the CSSF, provided that investments in such instruments are subject to rules for protecting investors which are equivalent to those stipulated in (i), (ii) and (iii) above and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, or is an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group, or is an entity which is dedicated to financing securitisation vehicles backed by bank financing.
2. In addition, the Company:
 - a. may invest up to a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to under point 1 above;
 - b. may acquire movable and immovable assets which are essential for the direct exercise of its activities;
 - c. may not acquire precious metals or certificates representing precious metals;
 3. The Company may, on an ancillary basis, hold cash for each sub-fund.

B. Investment limits

1. The Company may not invest:
 - a. more than 10% of the net assets of each sub-fund in transferable securities or money market instruments issued by the same entity;
 - b. more than 20% of the net assets of each sub-fund in deposits placed with the same entity.
2. The Company's counterparty risk in an OTC derivative transaction may not exceed 10% of the net assets of each sub-fund when the counterparty is a credit institution referred to in point 1 (g) of Section A "Eligible Investments" above, or 5% of the net assets of the relevant sub-fund in other cases.
3.
 - a. The total value of transferable securities and money market instruments of each issuer in which more than 5% of the net assets of a given sub-fund is invested may not exceed 40% of the value of these net assets; this limit does not apply to deposits with credit institutions subject to prudential supervision and to OTC derivative transactions carried out with these institutions;
 - b. Notwithstanding the individual limits laid down in points 1 and 2 above, the Company may not combine:
 - i. investments in transferable securities or money market instruments issued by a single entity,
 - ii. deposits made with a single entity, and/or
 - iii. risks arising from OTC derivative transactions undertaken with a single entity,

that amount to more than 20% of the net assets of each sub-fund.
 - c. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local public authorities, by a non-member State or by an international public body to which one or more Member States belong.
 - d. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 25% for certain bonds if they are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bondholders. In particular, the proceeds resulting from the issue of these bonds must be invested, in accordance with the Law, in assets which, during the entire validity of the bonds, sufficiently cover the liabilities arising therefrom and that in the event of the issuer's default are assigned with priority to the repayment of capital and the payment of accrued interest. Where the Company invests more than 5% of the net assets of a sub-fund in the bonds referred to in this paragraph and issued by a single issuer, the total value of said investments may not exceed 80% of the value of the net assets of the relevant Company sub-fund.
 - e. The transferable securities and money market instruments covered by point 3 (c) and (d) above are not taken into account in the 40% limit mentioned in point 3 (a);
 - f. The limits stipulated in points 1, 2 and 3 (a), (b), (c) and (d) above may not be combined; consequently, investments in transferable securities or money market instruments issued by a single entity, in deposits or derivative instruments with this entity, in compliance with points 1, 2 and 3 (a), (b), (c) and (d) above, may not in aggregate exceed 35% of the net assets of the relevant Company sub-fund.
4. Companies grouped for the purpose of consolidating their accounts, within the meaning of Directive 83/349/EEC of 13 June 1983 or in accordance with recognised international accounting rules, are treated as a single entity when calculating the limits specified above.
5. The Company is authorised for each of its sub-funds to make cumulative investments in transferable securities and money market instruments within the same group up to a limit of 20% of its net assets.
6.
 - a. By derogation to the above limits, and without prejudice to the limits laid down in point 9 below, the limits set out in points 1 to 5 above are raised to a maximum of 20% for investments in equities and/or bonds issued by a single entity when the aim of the sub-fund's investment policy is to replicate the composition of a certain equity or bond index which is recognised by the CSSF on the following basis:
 - i. the composition of the index is sufficiently diversified;
 - ii. the index constitutes a representative benchmark of the market to which it refers;
 - iii. it is published in an appropriate manner.
 - b. The limit set out above is raised to 35% when it proves to be justified by exceptional market conditions, particularly 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.
7. **As an exception to the limits set out in points 1 to 5 above, the Company is authorised to invest, following the principle of risk diversification, up to 100% of the net assets of each sub-fund in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or the Organisation for Economic Cooperation and Development (OECD), by local public authorities of an EU Member State, or by international public bodies to which one or more EU Member States belong, provided that the transferable securities and money market instruments foreseen hereunder are comprised of at least six different issues and that the transferable securities and money market instruments of any such single issue do not exceed 30% of the net assets of the relevant sub-fund.**
8.
 - a. The Company may, for each sub-fund, acquire the units of UCITS and/or other UCIs referred to in Section A "Eligible Investments" above, point 1 (f), provided that no more than 20% of its net assets are invested in a single UCITS or other UCI. For the purposes of applying this investment limit, each sub-fund of a UCI with multiple sub-funds is to be regarded as a separate issuer, provided that the principle of segregation of the liabilities of the different sub-funds in relation to third parties is ensured.
 - b. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of each sub-fund. Where the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in points 1, 2, 3, 4 and 5 above.
 - c. Where the Company invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked through common management or control, or through a substantial direct or indirect holding, the said management company or other company may not charge subscription or redemption fees on the Company's investment in the units of such other UCITS and/or UCIs.

- d. Where the Company invests significant assets in other UCITS and/or other UCIs, the management fees that are chargeable to both the Company itself and other UCITS and/or other UCIs in which it intends to invest may not exceed 2% of its overall net assets invested in such UCITS and/or UCIs.
9. For all the sub-funds, the Company may not acquire:
- a. shares with voting rights that would enable it to exert a significant influence on the management of an issuer;
 - b. moreover, the Company may not acquire more than:
 - i. 10% of the non-voting shares of a single issuer;
 - ii. 10% of the bonds of a single issuer;
 - iii. 25% of the units of a single UCITS and/or other UCI;
 - iv. 10% of the money market instruments of any single issuer.

The limits laid down (ii), (iii) and (iv) above may be disregarded at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.

The restrictions set out under letters (a) and (b) above do not apply to:

 - i. transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local public authorities;
 - ii. transferable securities and money market instruments issued or guaranteed by a State that is not a member of the European Union;
 - iii. transferable securities and money market instruments issued by international public bodies of which one or more EU Member States are members;
 - iv. shares held by the Company in the capital of a company of a non-member State of the EU that primarily invests its assets in the securities of issuers of that State where, under the legislation of that State, such an investment constitutes the only way in which the Company can invest in the securities of issuers of that state. This derogation only applies, however, on condition that the investment policy of the company of the non-member EU State complies with the limits laid down in the provisions contained in Section B, with the exception of points 6 and 7. Should the limits set out in Section B be exceeded, with the exception of the limits set out in points 6, 7 and 9, Article 49 of the Law of 20 December 2002 will apply by analogy;
 - v. shares held by one or more investment companies in the capital of subsidiary companies carrying out, exclusively on their behalf, management, advisory and marketing activities in the country in which the subsidiary is located, in regard to the redemption of units at unitholders' request.
10. Regarding derivative transactions, the Company will comply with the limits and restrictions set out in Chapter IV "Techniques and instruments" hereafter.

The Company need not comply with the investment limits set out above when exercising subscription rights attached to transferable securities or money market instruments which form part of the assets of its sub-funds.

If the limits are exceeded for reasons beyond the Company's control or as a result of the exercise of subscription rights, the Company must, through its sales transactions, have as its priority objective the regularisation of that situation, bearing shareholders' interests in mind.

Insofar as an issuer is a legal entity with multiple sub-funds in which the assets of a sub-fund are exclusively liable for the rights of investors in relation to this sub-fund and for those of creditors

whose financial claim arises from the creation, operation or liquidation of this sub-fund, each sub-fund is to be considered as a separate issuing entity for the purposes of the application of the rules of risk spreading specified in this Section B, with the exception of points 7 and 9.

The above investment limits generally apply insofar as the sub-fund factsheets do not stipulate more stringent rules.

C. Borrowings, loans and guarantees

1. The Company is not authorised to borrow. As an exception, the Company may borrow:
 - a. up to 10% of its net assets provided that such borrowings are of a temporary nature.
 - b. up to 10% of its net assets provided that the purpose of such borrowings is to acquire real-estate assets required for the direct exercise of its activities; in this case the total of such borrowings and those referred to under (a) above may not under any circumstances exceed 15% of the net assets.
2. However, the Company may acquire foreign currency by means of a back-to-back loan for each sub-fund.
3. The Company may not enter into short sales of transferable securities, money market instruments or other financial instruments mentioned in Section A "Eligible Investments" point 1 (f), (g) and (h).
4. The Company may not grant credit or provide guarantees to third parties. This restriction will not prevent the relevant undertakings from acquiring transferable securities, money market instruments or other financial instruments as referred to in Section A "Eligible Investments" point 1 (j), (h) and (i) and which are not fully paid up.

VIII. Techniques and instruments

A. General provisions

For the purpose of efficient portfolio management and/or in order to protect the assets and undertakings of each sub-fund, the Company may, for each sub-fund, use techniques and instruments related to transferable securities and money market instruments. Where these transactions involve the use of derivatives, in the meaning provided under letter h of point 1 Section A Chapter III, the Company must comply with the following limits and conditions:

1. for each sub-fund, the Company may only invest in derivatives insofar as the overall exposure to the underlying assets does not exceed the investment limits specified in points 1, 2, 3 and 5 of Section B Chapter III; where the Company invests in index-based derivative financial instruments, these investments will not necessarily be combined with these limits;
2. the counterparty risk in an OTC derivative transaction may not exceed 10% of the relevant sub-fund's net assets when the counterparty is a credit institution referred to in point 1 letter g Section A Chapter III, or 5% of its net assets in other cases;
3. the Company will ensure that the overall risk to which each sub-fund is exposed arising from derivatives does not exceed the net value of the portfolios of the relevant sub-fund;
4. where a transferable security or money market instrument includes a derivative, this must be taken into account when complying with the provisions relating to derivative products.

The Company will ensure that the overall risk arising from derivatives does not exceed the total net value of its assets.

The risks are calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Under no circumstances will the use of transactions with respect to derivative instruments or other techniques and financial instruments cause the Company to deviate from the investment policy set forth for each sub-fund.

B. Securities lending and borrowing transactions

The Company may enter into securities lending transactions provided that they comply with the following rules:

1. The Company may only lend securities within the framework of a standardised lending system organised by a recognised securities clearing house or by a first-class financial institution specialising in this type of transaction.
2. In the context of its lending transactions, the Company must in principle receive a guarantee whose value when the loan contract is concluded is at least equal to the total assessed value of the securities on loan.

This guarantee, blocked in the name of the Company until the expiry of the loan contract, must be given in the form of:

- a. cash and/or
 - b. securities issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and bodies of a European community, regional or international nature and/or
 - c. transferable securities and money market instruments that have been awarded the highest rating by a first-class rating agency (i) listed or traded on a regulated market within the meaning of the Directive 2007/16 EC of March 19, 2007 or (ii) traded on any other market of a Member State of the European Union ("Member State"), which is regulated, operates regularly, is recognised and open to the public.
 - d. Such a guarantee shall not be required if the securities lending transaction is carried out via Clearstream Banking (formerly Cedelbank) or Euroclear or any other institution ensuring the lender the reimbursement of the value of the securities lent by means of a guarantee or otherwise.
3. Securities lending and borrowing transactions may not extend for a period longer than 30 days or exceed 50% of the total market value of the securities held in the portfolio of each sub-fund. These limitations do not apply where the Company is entitled at all times to the termination of the contract and the immediate restitution of the securities lent provided that the clauses of the securities lending agreement do not render the cost of such a termination or restitution prohibitive.
 4. The Company may not sell the borrowed securities while these are in its possession, except where they are hedged by financial instruments which enable the Company to return the securities lent at the close of the transaction.
 5. The Company may borrow securities for the purpose of concluding a sale transaction under the following circumstances: (a) during the period when the relevant securities have been removed from the portfolio and are in the process of registration; (b) when the securities have been lent but not returned in time; (c) to avoid a failed settlement when the custodian fails to make delivery and (d) in order to comply with an obligation to deliver the securities forming the subject of a repurchase agreement when the counterparty exercises its right to repurchase the securities, to the extent that these securities have previously been re-sold by the Company.

C. Repurchase transactions (*opérations à réméré*)

The Company may participate in repurchase agreements (*opérations à réméré*) which consist of the purchase and sale of securities, whereby the clauses of the agreement entitle the seller to repurchase the securities sold from the buyer at a price and date agreed between the two parties upon the conclusion of the agreement.

The Company may act either as buyer or seller in repurchase transactions. Their participation in such transactions is, however, subject to the following rules:

1. The Company may only purchase or sell securities under a repurchase agreement if the counterparties in these transactions are first-rate financial institutions specialising in such transactions.
2. During the term of a repurchase agreement the Company may not sell the securities covered by the agreement before the counterparty has exercised its right to repurchase the securities or before the repurchase term has expired.
3. Where the Company is open to redemptions, it shall limit the number of repurchase agreements in which it participates in order to ensure it can meet its redemption obligations at all times.

The Company may engage in repurchase agreements on a regular basis.

D. Use of collateral

In order to reduce counterparty risk faced by the Company's sub-funds, a guarantee ("collateral") system may be put in place for certain assets with the counterparty. The Company will ensure that the following conditions are met:

1. assets offered as collateral will be valued at the market price and will exceed the value of the amount exposed;
2. assets offered as collateral will be liquid and will involve minimum risk (e.g. first-class government bonds or cash);
3. assets offered as collateral will be kept by a third-party custodian (i.e. a legal entity distinct from the counterparty or entity granting the collateral) that is legally protected from the consequences of the default of an associated party;
4. assets offered as collateral may be wholly mobilised by the Company at any time.

E. Buy and Sell Back and Sell and Buy Back Transactions

The Company may use the "buy and sell back" technique (i.e. the spot purchase and forward sale of the same securities), enabling it to achieve an overall positive return on the securities in question at the end of a specified period (usually six months). Such transactions are entered into with first-class financial institutions.

This technique may be used in conjunction with a performance swap.

Where this technique is employed, it shall always be indicated in the factsheet of the sub-fund in question.

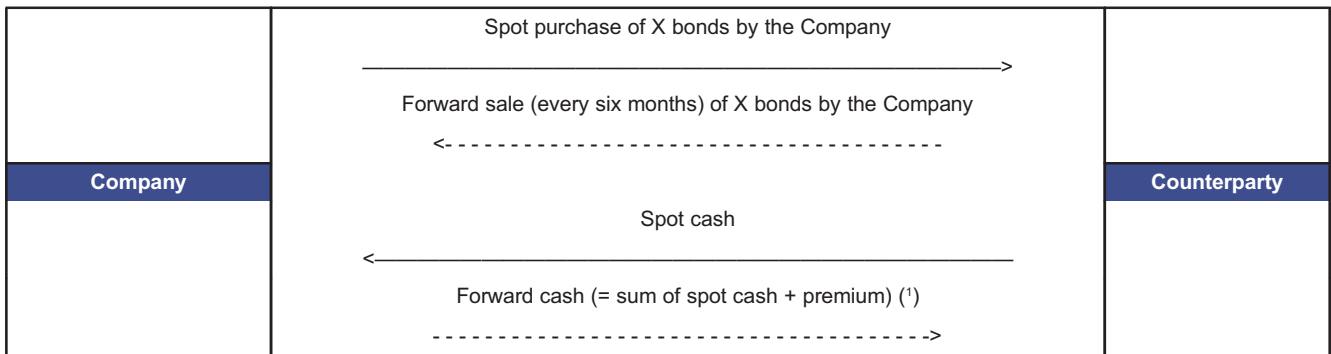
If during the period the Company requires cash in addition to that at its disposal in order to meet redemption requests, it may theoretically avail of one of the following two options: it may reduce the buy and sell back transaction or enter into a reverse transaction, i.e. a sell and buy back transaction.

Reducing a buy and sell back transaction involves a breach of the agreement and therefore the Company's failure to respect the fixed resale date. Consequently, penalties for breaching the agreement are established. These penalties do not apply in the case of reverse transactions, meaning that the cost of the transaction is thus reduced.

Therefore, in the interest of shareholders, the Company carries out reverse transactions rather than requesting a reduction, which would be equivalent to breaching the agreement (cf. Transaction B under point 1 below).

1. How do buy and sell back and sell and buy back transactions work?

a. Buy and sell back – Transaction A:

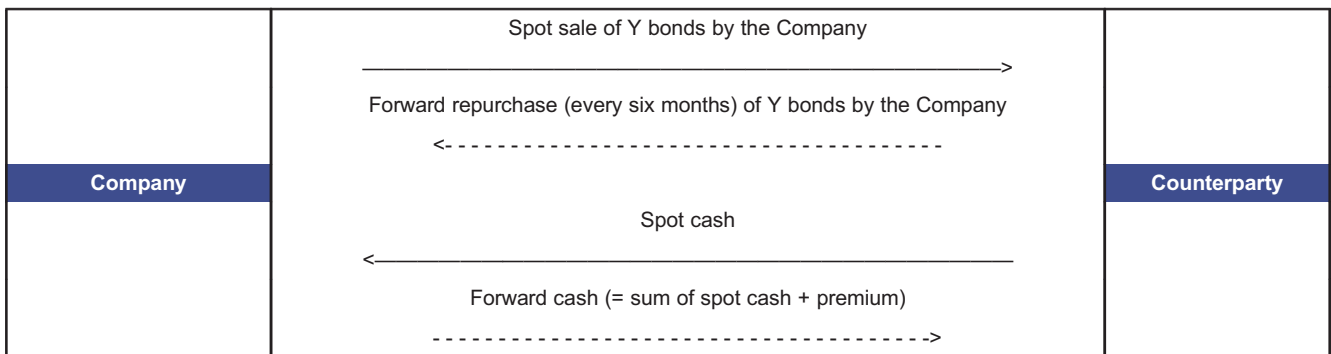


A buy and sell back transaction consists of the spot purchase of securities combined with the forward sale of the same securities.

To be more precise, it involves a purchase transaction via which the sub-fund becomes the owner of the X securities which are then resold at the end of a specified period (usually six months) to the counterparty that initially sold the securities to the sub-fund (Transaction A). The purpose of such a transaction is to hold the X securities, the resale value of which is fixed, in the portfolio, thus providing the sub-fund with forward gains (i.e. a definite return) in relation to the initial price of the securities.

Consequently:

- i. the sub-fund shall have a sum of money (the return generated) at its disposal every six months, enabling it to pay the floating rate of the swap;
 - ii. as there is no risk linked to the volatility of the securities, the return at the end of the period is guaranteed.
- b. Sell and buy back (reverse transaction) – Transaction B:



In the event that the sub-fund has insufficient cash to meet a large volume of redemption requests from shareholders, it shall have to sell part of its portfolio in order to pay the shareholders requesting to redeem their shares.

The sub-fund shall thus enter into a reverse transaction with the counterparty, involving the spot sale of Y securities (where Y is a portion of the X securities held in the portfolio) combined with the forward repurchase of the Y securities (sell and buy back – Transaction B). This transaction shall impact positively or negatively the net asset value to be applied to the redemption requests in question.

Transaction B allows the sub-fund to free up cash in order to pay shareholders requesting the redemption of their shares prior to the sub-fund's maturity date.

Therefore, this does not affect shareholders exiting the sub-fund at the maturity date.

2. How is the net asset value calculated in the event of early redemptions when the securities involved in a buy and sell back transaction must be sold?

The sub-fund knows what the overall six-monthly return will be on the securities involved in the buy and sell back transaction. In the event of early redemptions, two factors will affect the net asset value calculation:

- a. the current value of the semi-annual financial flows between the sub-fund and the counterparty, i.e. the return generated from the settlement of the initial buy and sell back transaction (resale price) and from the intermediate sell and buy back transaction (repurchase price).
 - b. the value of the reference rate applicable on the request date.
- ## 3. Hypothetical example of the buy and sell back technique in use:

At T_0 ⁽²⁾, the sub-fund holds EUR 10,000 (the notional value). It invests 80% (EUR 8,000) of this in bonds through a buy and sell back transaction and keeps 20% (EUR 2,000) in cash, held in the form of deposits.

⁽¹⁾ The premium is equal to the difference between the spot purchase price and the forward resale price of the underlying assets

⁽²⁾ T_0 = Time "0"; T_1 = one month after T_0 ; T_6 = six months after T_0

We shall assume that the interest rate relating to the buy and sell back transaction is the same as the rate applicable to the cash held in the form of deposits.

Let us assume that at T_0 the Euribor rate is 3%. The investment (Transaction A) is made at the rate of Euribor minus spread ⁽¹⁾, for example minus 0.25%, i.e. at 2.75%.

If an early redemption request is executed for 20% of the net assets, the sub-fund shall no longer hold any cash. Let us assume that another shareholder also makes an early redemption request for EUR 1,000 at T_1 (after one month). In this case, the sub-fund must resell some of the bonds purchased through the initial buy and sell back transaction, which may only be done by concluding a reverse sell and buy back transaction (Transaction B) for EUR 1,000.

The Euribor rate changes according to market conditions: if the Euribor rate at T_1 is greater than at T_0 , it will have a negative impact on the NAV; where the opposite is the case, it will have a positive impact.

The cumulative interest generated by the buy and sell back transaction and the cash held on deposit shall also have a positive effect on the NAV.

The rate applied to the reverse transaction shall be Euribor plus spread (for example, 0.125%). The difference between the investment rate of a buy and sell back transaction and that of the reverse sell and buy back transaction is called the bid-offer spread and, given that the bid price is always lower than the offer price, this shall have a negative effect on the NAV.

Therefore, certain factors contribute to a positive NAV valuation, while others have a negative influence.

To determine the impact, whether it be positive or negative, the fund manager calculates the value at T_6 of the amount of the redemption request.

To determine the impact, the fund manager must:

- a. calculate the return resulting from the buy and sell back transaction at T_6 .

After six months, the initial buy and sell back transaction will provide a return of EUR 8,110 (on an initial amount – i.e. the notional amount invested – of EUR 8,000 and at an investment rate equal to Euribor minus 25 bps, i.e. 2.75%):

$$8,000 \times (1 + (\text{Euribor}^{(2)} - \text{spread}) \times (\text{number of months}/12 \text{ months})) = \text{EUR } 8,000 \times (1 + 2.75\% \times (6/12))$$

The fund manager must take EUR 1,000 of this EUR 8,000 into account, i.e. the amount for which a redemption request was submitted.

- b. The reverse sell and buy back transaction at T_1 will provide a return of EUR 1,015.10 at T_6 (the reverse transaction is executed for the amount of the redemption request, i.e. - EUR 1,000, at an investment rate equal to Euribor plus 12.5 bps, i.e. 3.625%):

$$1,000 \times (1 + (\text{Euribor} + \text{spread}) \times (\text{number of months}/12 \text{ months})) = \text{EUR } 1,000 \times (1 + 3.625\% \times (5/12)) = \text{EUR } 1,015.10$$

The fund manager must then compare the two amounts calculated at (a) and (b):

- a. Amount (a): the redemption request for EUR 1,000 represents 1/8 of EUR 8,000. Therefore, at T_6 , the redemption request represents 1/8 of EUR 8,110 (the value of EUR 8,000 at T_6), or EUR 1,013.75.
- b. Amount (b): the reverse transaction at T_6 will result in an amount of EUR 1,015.10.
At T_6 , the difference between the two amounts is EUR 1.35.

The value of EUR 1.35 at T_1 (the redemption request date) is EUR 1.33 ⁽⁵⁾.

This technique guarantees a definite overall return, allowing for payment of the floating portion of the swap used (cf. description in the sub-fund's factsheet).

With regard to redemption requests carried out prior to the final maturity date of a sub-fund, the Board of Directors of the Company wishes to inform potential investors that the redemption price, which shall be affected by the techniques described above, shall always be adjusted upward or downward in such a way that shareholders receive the exact amount that they are due.

IX. Management of the Company

A. Designation of a management company

The Company designated ING Investment Management Luxembourg S. A. as its management company, within the meaning of the Law of 20 December 2002 on undertakings for collective investment.

ING Investment Management Luxembourg S.A. has been incorporated in the form of a public limited company (société anonyme) in compliance with the Law of 10 August 1915 on commercial companies and the Law of 20 December 2002 on undertakings for collective investment. ING Investment Management Luxembourg S.A. was established for an indefinite period by deed dated 4 February 2004 and published in the Mémorial C on 25 February 2004. Its registered office is situated at 52

route d'Esch, Luxembourg. The Company was registered under number B 98977 in the Trade and Companies Register of the District Court of Luxembourg.

The Board of Directors of the management company is composed as follows:

- **Mr Michel van Elk (Chairman),**
Director and Head of Marketing and Sales,
ING Investment Management (Europe) bv, The Hague
- **Mrs Maaïke van Meer,**
Head of Legal Services,
ING Investment Management (Europe) bv, The Hague

⁽¹⁾ The spread is the difference between the bid price and offer price and must be taken into account when determining the forward price that the counterparty will pay or receive depending on whether the forward transaction is a resale (Transaction A) or repurchase (Transaction B) by the Company. This price corresponds to the value calculated using the formula $(FV = CV \times (1+i) \times (n/12))$, where:

- FV = future value
- CV = current value
- i = interest rate +/- spread
- n = number of months

⁽²⁾ For the purposes of this example, it is assumed that the spread = 0.25%

⁽³⁾ A buy and sell back transaction is concluded for a period of six months. The return is therefore calculated using the six-month reference rate.

⁽⁴⁾ equals the number of months remaining until the end of the initial buy and sell back transaction period. Therefore, the rate applied is the Euribor rate at T_1 for the remaining period.

⁽⁵⁾ $\text{EUR } 1.35 / (1 + 3.625\% \times 5) = \text{EUR } 1.33$, where the five-month Euribor rate is 3.5%.

- **Mr Michael van Diemen,**
COO
ING Investment Management (Europe) bv, The Hague
- **Mr Jonathan Atack,**
Chief Financial and Risk Officer,
ING Investment Management (Europe) bv, The Hague
- **Mr Bruno Springael,**
Managing Director,
ING Investment Management Belgium,
24 avenue Marnix, Brussels

The Board of Directors of the management company has appointed the following persons as managers of the company:

- **Mr Nicolas Schulz,**
Head of Legal, Compliance & Domiciliation,
ING Investment Management Luxembourg S.A.
- **Mr Johannes Boltjes,**
Manager Account and Implementation Management,
ING Investment Management (Europe) bv, The Hague

The corporate object of ING Investment Management Luxembourg S.A. is the collective portfolio management of Luxembourg and/or foreign UCITS approved in accordance with Directive 85/611/EEC, as amended, as well as other Luxembourg or foreign UCIs which do not fall within the scope of this directive, with the management of its own assets remaining an ancillary activity. The activities of collective portfolio management of UCITS and UCIs include in particular:

1. Portfolio management: in this respect, ING Investment Management Luxembourg S.A. may, on behalf of the UCITS and/or other UCIs under management, provide advice and recommendations regarding the investments to be made, enter into contracts, purchase, sell, exchange and deliver any transferable securities and any other assets, and may exercise the voting rights attached to the transferable securities constituting the assets of such UCITS and/or other UCIs on their behalf. This list is not exhaustive but rather indicative.
2. Central administration of UCITS and UCIs: this consists in carrying out the tasks listed in annex II of the Law of 20 December 2002 on undertakings for collective investment, in particular, valuating the portfolio and determining the value of shares and/or units of UCITS and UCIs, the issue and redemption of shares and/or units of UCITS and UCIs, maintaining the register of UCITS and UCIs and keeping records of transactions. This list is not exhaustive but rather indicative.
3. Marketing shares/units of UCITS and UCIs in Luxembourg or abroad.

In compliance with the legislation and regulations currently in force and with the approval of the Board of Directors of the Company, ING Investment Management Luxembourg S.A. is authorised to delegate all or part of its duties to other companies that it deems appropriate, on condition that ING Investment Management Luxembourg S.A. remains responsible for the acts and omissions of these delegates as regards the tasks entrusted to it, as if these acts and omissions had been carried out by ING Investment Management Luxembourg S.A. itself. The present prospectus will be updated in the event of any such delegation. In the event of special delegation that is not specified in the simplified prospectus or in the current Part III of the full prospectus, the sub-funds' factsheets will make specific reference to it.

B. Management fee

In accordance with the terms and conditions of the nomination of ING Investment Management Luxembourg S.A. by the SICAV, the latter will pay ING Investment Management Luxembourg S.A. an annual management fee calculated on the average net assets of the sub-fund, as described in the factsheet relating to each sub-fund. This fee is payable monthly in arrears.

In addition, the management company may receive a performance fee as mentioned in the factsheet of the different sub-funds.

X. Portfolio Managers

ING Investment Management Luxembourg S.A. may entrust, at its own expense, the management of the different Company sub-funds' assets to one or more of the portfolio managers listed below. The portfolio managers are listed in each sub-fund factsheet.

These may include:

The portfolio managers may enter into soft commission arrangements with brokers under which certain business services are obtained for third parties and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by any portfolio manager to brokers dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such brokers dealers.

XI. Custodian, Paying Agent and Administrative Agent

A. Custodian and Paying Agent

On , the Company entered into an agreement with ING Luxembourg S.A. for an unlimited period of time, under the terms of which the latter was appointed as the custodian and main paying agent of the Company. Either party may terminate the agreement at any time subject to prior written notice of .

Pursuant to the custodian Agreement, ING Luxembourg S.A. will receive a fee payable by each of the Company sub-funds as indicated in Chapter III "Fees, expenses and taxation" of Part I of this prospectus, under Section A "Fees payable by the Company".

As the custodian, ING Luxembourg S.A. fulfils the customary obligations and duties regarding the deposit of cash, transferable securities and other Company assets. It also performs the tasks provided for in Article of the Law of on undertakings for collective investment. The custodian may, under its own responsibility, entrust all or part of the assets held on deposit to other banking institutions or financial intermediaries.

In particular, the custodian must ensure that:

All assets and cash belonging to the Company are entrusted to the custodian.

In accordance with normal banking practice, the custodian may, under its responsibility, entrust part of the Company's assets to correspondents.

Any actions relating to the sale of the Company's assets will be performed by the custodian on the instructions of the Company.

As the main paying agent, ING Luxembourg S.A. is responsible for the distribution of income and dividends to the shareholders.

ING Luxembourg S.A. is a credit institution incorporated on 15 September 1960 for an indefinite period in the form of a public limited company (*société anonyme*), whose registered office is located at 52 route d'Esch, Luxembourg.

B. Administrative agent

ING Investment Management Luxembourg S.A. has entrusted the administration of the Company to ING Luxembourg S.A.

The administrative agent agreement has been concluded between the Company, ING Investment Management Luxembourg S.A. and ING Luxembourg S.A. for an unlimited duration; it may be terminated at any time by either party subject to prior written notice of .

ING Luxembourg S.A., in its capacity as administrative agent, is responsible for calculating the net asset value in accordance with the prospectus and the Articles of Association and for the execution of all the legal and administrative formalities required by Luxembourg law and regulations. It is, in particular, responsible for the issue and sale of Company shares, maintaining the register of shareholders and the transfer of the Company's shares to shareholders, agents and third parties.

XII. Shares

The share capital of the Company is at all times equal to the assets represented by the outstanding shares of the different Company sub-funds.

Any natural person or legal entity may acquire Company shares in accordance with the provisions of Chapter II "Subscriptions, redemptions and conversions" of Part I of the prospectus.

The shares are issued without reference to a value and must be fully paid up. When new shares are issued, existing shareholders do not benefit from any preferential subscription rights.

The Board of Directors may issue one or more share classes for each sub-fund. These may be reserved for a particular group of investors, e. g. investors from a specific country or region or institutional investors.

The share classes may differ from another one with regard to their cost structure, the initial investment amount, the currency in which the net asset value is expressed or any other feature. The Board of Directors may impose initial investment obligations with regard to investments in a certain share class, a specific sub-fund or in the Company.

Capitalisation and distribution shares may exist within each class. Details can be found in the sub-fund factsheets.

Other classes may be created by the Board of Directors which decides on their names and features. These other classes are specified in each of the sub-fund factsheets containing these new classes.

Whenever dividends on distribution shares are distributed, the portion of net assets of the share class to be allocated to distribution shares will subsequently be reduced by an amount equal to the amounts of the dividends distributed, thus leading to a decrease in the percentage of net assets allocated to distribution shares, whereas the portion of the net assets allocated to capitalisation shares will remain the same.

Any payment of dividends results in an increase in the ratio between the value of capitalisation shares and the value of distribution shares of the share class and sub-fund concerned. This ratio is known as **parity**.

Within a single sub-fund, all the shares have equal rights with regard to dividends as well as liquidation and redemption proceeds (subject to the respective rights of distribution and capitalisation shares, taking the parity at the time into account).

The Company may decide to issue fractional shares. These fractional shares do not confer any voting rights upon their holders, but do enable them to participate pro rata in the net assets of the Company. Only full shares, regardless of their value, carry a voting right. In the event that bearer shares are issued, only certificates representing whole shares may be issued.

Shares are issued in registered or bearer form (physical or in book-entry form), depending on the choice of the shareholder, unless otherwise stated in the sub-fund factsheets and with the exception of share classes reserved for institutional investors, which are in principle issued in registered form only.

Registered shares may be converted into bearer shares and vice versa, at the request and cost of the shareholder, with the exception of the registered shares of classes reserved for institutional investors, which may not, in principle, be converted into bearer form.

Physical bearer shares may be issued in certificates of different denominations. If a holder of bearer shares wishes to obtain denominations different from those already held, they may be required to pay the exchange cost.

XIII. Shares

The share capital of the Company is at all times equal to the assets represented by the outstanding shares of the different Company sub-funds.

Any natural person or legal entity may acquire Company shares in accordance with the provisions of Chapter 2 "Subscriptions, redemptions and conversions" of Part I of the prospectus.

The shares are issued without reference to a value and must be fully paid up. When new shares are issued, existing shareholders do not benefit from any preferential subscription rights.

The Board of Directors may issue one or more share classes for each sub-fund. These may be reserved for a particular group of investors, e. g. investors from a specific country or region or institutional investors.

The fee structures, the initial investment amount, the currency in which the net asset value is expressed, etc., may vary from one share class to another. The Board of Directors may impose minimum initial investment amounts with respect to investments in share classes, sub-funds or the Company.

Capitalisation and distribution shares may exist within each class. For further details, please consult the sub-fund factsheets.

Other classes may be created by the Board of Directors which shall determine their names and characteristics. Such other classes are specified in the factsheets of the sub-funds in which they are offered.

Whenever dividends are distributed in respect of distribution shares, the portion of net assets of the share class attributable to distribution shares will be reduced by an amount equal to the amounts of the dividends distributed, thus leading to a decrease in the percentage of net assets allocated to distribution shares, whereas the portion of the net assets allocated to capitalisation shares will remain the same.

Any payment of dividends results in an increase in the ratio between the value of capitalisation shares and the value of distribution shares of the share class and sub-fund concerned. This ratio is known as **parity**.

Within a single sub-fund, all the shares have equal rights with regard to dividends as well as liquidation and redemption proceeds (subject to the respective rights of distribution and capitalisation shares, taking the parity at the time into account).

The Company may decide to issue fractional shares. These fractional shares do not confer any voting rights upon their holders, but do entitle them to a share in the net assets of the Company in proportion to the amount of fractional shares they hold. Only full shares, regardless of their value, carry a voting right. In the event that bearer shares are issued, only certificates representing whole shares may be issued.

Shares are issued in bearer form (physical certificates or book-entry form) only.

Physical bearer shares may be issued in certificates of different denominations. If a holder of bearer shares wishes to obtain denominations different from those already held, they may be required to pay the exchange cost.

XIV. Net asset value

The net asset value of the shares of each share class for each sub-fund of the Company will be expressed in the currency decided upon by the Board of Directors. In principle, this net asset value will be determined .

The Board of Directors will decide the valuation days (hereinafter called the "Valuation Day") and the methods used to publish the net asset value, in accordance with the legislation in force.

Details of the frequency of calculation of the net asset value are given in each sub-fund factsheet.

1. The Company's assets include:

- a. all cash in hand or on deposit, including any interest accrued and outstanding;
- b. all bills and promissory notes receivable and receivables, including any outstanding proceeds of sales of securities;
- c. all securities, equities, bonds, term bills, preferred shares, options or subscription rights, warrants, money market instruments and any other investments and transferable securities held by the Company;
- d. all dividends and distributions payable to the Company either in cash or in the form of stocks and shares (the Company may, however, make adjustments to take account of any fluctuations in the market value of transferable securities caused by practices such as ex-dividend or ex-right trading);
- e. all interest accrued and to be received on any interest-bearing securities belonging to the Company, unless this interest is included in the principal amount of such securities;
- f. the Company's formation costs, to the extent that these have not yet been amortised;
- g. all other assets of whatever nature, including the proceeds of swap transactions and advance payments.

2. The Company's liabilities include:

- a. all borrowings, bills due and accounts payable;
- b. all known liabilities, whether due or not, including all matured contractual liabilities payable either in cash or in the form of assets, including the amount of any dividends declared by the Company but not yet paid;
- c. all provisions for capital gains tax and income tax up to the Valuation Day and any other provisions authorised or approved by the Board of Directors;
- d. all of the Company's other liabilities regardless of their nature with the exception of those represented by shares of the Company. In order to determine the amount of such liabilities the Company will take into account all expenses payable by the Company which will include formation costs, fees payable to the management company, fees payable to portfolio managers or advisors, accountants, the custodian and correspondents, the administrative agent, registrar, transfer agent and paying agents, distributors and permanent representatives based in the countries in which the Company is registered and any other agent employed by the Company, costs related to legal assistance and auditing services, promotion, printing, reporting and publishing expenses, including the cost of advertising, preparing and printing prospectuses, explanatory memoranda, registration statements, annual and semi-annual reports, taxes or other levies, and all other operating expenses, including fees for buying and selling assets, interest, bank and brokerage charges, postage, telephone and telex charges. The Company may calculate administrative fees and other expenses of a regular or recurring nature in advance on the basis of an estimated figure for one year or other periods and may fix, in advance, proportional fees for any such periods.

3. The value of assets will be determined as follows:

- a. any cash in hand or on deposit, lists of bills for discount, bills and sight bills, receivables, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received will be valued taking their full value into account, unless it is unlikely that such amount will be paid or received in full, in which case the value thereof will be determined by applying a discount that the Board of Directors deems appropriate in order to reflect the true value of the asset;

- b. the valuation of Company assets will, for transferable securities and money market instruments or derivatives admitted to an official stock exchange or traded on any other regulated market, be based on the last available price on the principal market on which these securities, money market instruments or derivatives are traded, as provided by a recognised listing service approved by the Board of Directors. If such prices are not representative of the fair value, these securities, money market instruments or derivatives as well as other authorised assets will be valued on the basis of their foreseeable sale prices, as determined in good faith by the Board of Directors;
- c. securities and money market instruments which are not listed or traded on any regulated market will be valued based on the last available price, unless such price is not representative of their true value; in this case, the valuation will be based on the foreseeable sale price of the security, as determined in good faith by the Board of Directors;
- d. the amortised cost valuation method may be used for short-term transferable securities of certain sub-funds of the Company. This method involves valuing a security at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security. While this method provides a fair valuation, the value determined by amortised cost may sometimes be higher or lower than the price the sub-fund would receive if it were to sell the securities. For some short-term transferable securities, the return for a shareholder may differ somewhat from the return that could be obtained from a similar sub-fund which values its portfolio securities at their market value.
- e. the value of investments in investment funds is calculated on the last available valuation. Generally, investments in investment funds will be valued in accordance with the methods laid down for such investment funds. These valuations are usually provided by the fund administrator or the agent in charge of valuations of this investment fund. To ensure consistency in the valuation of each sub-fund, if the time at which the valuation of an investment fund was calculated does not coincide with the valuation day of the sub-fund in question, and such valuation is determined to have changed substantially since its calculation, the net asset value may be adjusted to reflect these changes as determined in good faith by the Board of Directors.
- f. the valuation of swaps is based on their market value, which itself depends on various factors such as the level and volatility of the underlying indices, market interest rates or the residual duration of the swap. Any adjustments required as a result of issues and redemptions will be carried out by means of an increase or decrease in the swaps, traded at their market value.
- g. the valuation of derivatives traded over-the-counter (OTC), such as futures, forwards or options not traded on a stock exchange or another regulated market, will be based on their net liquidation value determined in accordance with the policies established by the Board of Directors, in a manner consistently applied for each type of contract. The net liquidation value of a derivative position corresponds to the unrealised profit/loss with respect to the relevant position. This valuation is based on or controlled by the use of a model recognised and commonly practiced on the market.
- h. the value of other assets will be determined prudently and in good faith by the Board of Directors in accordance with generally accepted valuation principles and procedures.

The Board of Directors may, at its complete discretion, authorise an alternative valuation method to be used if it considers that such a valuation better reflects the fair value of any asset of the Company.

The valuation of the Company's assets and liabilities expressed in foreign currencies will be converted into the currency of the sub-fund concerned, based on the last known exchange rate.

All regulations will be interpreted and valuations carried out in accordance with generally accepted accounting principles.

Adequate provisions will be established for each sub-fund for the expenses incurred by each sub-fund of the Company and any off-balance sheet liabilities shall be taken into account in accordance with fair and prudent criteria.

For each sub-fund and for each share class, the net asset value per share will be determined in the calculation currency of the net asset value of the relevant class, by a figure obtained by dividing, on the Valuation Day, the net assets of the share class concerned, comprising the assets of this share class less any liabilities attributable to it, by the number of shares issued and outstanding for the share class concerned.

If both distribution and capitalisation shares are available for a share class, the net asset value of a distribution share of a given share class will at all times be equal to the amount obtained by dividing the portion of net assets of this share class attributable to all the distribution shares by the total number of distribution shares of this class issued and outstanding.

Similarly, the net asset value of an capitalisation share of a given share class will at all times be equal to the amount obtained by dividing the portion of net assets of this share class attributable to all the capitalisation shares by the total number of capitalisation shares of this class issued and outstanding.

Any share that is in the process of being redeemed pursuant to Chapter II "Subscriptions, redemptions and conversions" of Part I of the prospectus ("Essential information regarding the Company") will be treated as an issued and existing share until the close of the Valuation Day applicable to the redemption of this share and, until such time as the redemption is settled, it will be deemed a Company liability.

Any shares to be issued by the Company in accordance with subscription requests received shall be treated as being issued with effect from the close of the Valuation Day on which their issue price was determined, and this price will be treated as an amount payable to the Company until such time as it is received by the latter.

Insofar as possible, any purchases or sales of transferable securities contracted by the Company will be processed on the Valuation Day.

The Company's net assets will be equal to the sum of the net assets of all the sub-funds, where applicable converted into the Company's consolidation currency, on the basis of the last known exchange rates.

In the absence of bad faith, gross negligence or manifest error, any decision regarding the calculation of the net asset value taken by the Board of Directors, or by any bank, company or other organisation appointed by the Board of Directors for the purpose of calculating the net asset value, shall be final and bind the Company and present, former or future shareholders.

XV. Suspension of the calculation of the net asset value and/or the issue, redemption and conversion of shares.

The Board of Directors is authorised to temporarily suspend the calculation of the value of the assets and of the net asset value per share of one or several sub-funds and/or the issue, redemption and conversion of shares in the following cases:

1. in the event of the closure, for periods other than normal holidays, of a stock exchange or other regulated market that operates regularly, is recognised and open to the public and provides the listings for a significant portion of the assets of one or more sub-funds, or in the event that transactions on such markets are suspended, subject to restrictions or impossible to execute in the required quantities;

2. where there is a breakdown in the methods of communication normally used to determine the value of investments of the Company or the current value on any investment exchange or when, for any reason whatsoever, the value of investments cannot be promptly and accurately ascertained;
3. where exchange or capital transfer restrictions prevent the execution of transactions on behalf of one or more sub-funds or where purchases and sales made on its behalf cannot be executed at normal exchange rates;
4. where factors relating inter alia to the political, economic, military or monetary situation, and which are beyond the control, responsibility and operational ability of the Company, prevent it from disposing of its assets and determining their net asset value in a normal or reasonable way;
5. following any decision to dissolve one, several or all sub-funds of the Company;
6. where the market of a currency in which a significant portion of the assets of one or more sub-funds is expressed is closed for periods other than normal holidays, or where trading on such a market is either suspended or subject to restrictions;
7. to establish exchange parities in the context of a merger, contribution of assets, split or any restructuring operation, within or by one or more sub-funds.

Furthermore, in order to prevent Market Timing opportunities arising when a net asset value is calculated on the basis of market prices which are no longer up-to-date, the Board of Directors is authorised to temporarily suspend the issue, redemption and conversion of shares of one or several sub-funds when the stock exchanges or regulated markets that provide the prices for a significant portion of the assets of one or several sub-funds are closed.

In all the above cases, the requests received will be executed at the first net asset value applicable upon the expiry of the suspension period.

In exceptional circumstances which may have an adverse effect on the interests of shareholders, in the event of large volumes of subscription, redemption or conversion requests or in the event of a lack of liquidity on the markets, the Board of Directors reserves the right to set the net asset value of the Company shares only after carrying out the required purchases and sales of securities on behalf of the Company. In this case, any subscriptions, redemptions and conversions simultaneously pending will be executed on the basis of a single net asset value.

The suspension of the calculation of the net asset value and/or the issue, redemption or conversion of shares of one or more sub-funds will be announced by any appropriate means and more specifically by publication in the press, unless the Board of Directors feels that such a publication is not useful in view of the short duration of the suspension.

Such a suspension decision will be notified to any shareholders requesting the subscription, redemption or conversion of shares.

XVI. Periodic reports

Annual reports, including accounting data, will be certified by the Auditor and semi-annual reports will be made available to shareholders at the registered offices of the custodian and other establishments responsible for financial services, as well as at the Company's registered office.

The annual reports will be published within four months of the end of the financial year.

Semi-annual reports will be published within two months of the end of the half year.

These periodic reports contain all the financial information relating to each of the Company sub-funds, the composition and evolution of their assets and the consolidated situation of all the sub-funds, expressed in euro.

XVII. General meetings

The annual general meeting of shareholders will be held in Luxembourg, either at the Company's registered office or at any other location in Luxembourg specified in the convening notice, at the date and time indicated in Part I: Essential information regarding the Company.

Other general meetings, for one or several sub-funds, may be held at the place and date specified in the convening notice.

Convening notices of ordinary and extraordinary general meetings will be published in the countries in which the shares are available to the public and are required by the legislation of these countries. In Luxembourg, in the case of ordinary meetings, the convening notices will be published in the *Mémorial* and in a Luxembourg newspaper and, in the case of extraordinary meetings, in the *Mémorial* and in a Luxembourg newspaper (first meeting) or in two Luxembourg newspapers (if the first meeting is not competent to pass resolutions). Letters will be sent to registered shareholders at least eight days before the meeting, without having to prove that this formality has been fulfilled. When all the shares are registered shares, the meetings may be convened by registered letter alone.

Notices to attend any general meeting will contain the agenda.

Each share, regardless of its value, confers the right to one vote. Fractional shares do not carry voting rights, but do entitle their holder to distribution and liquidation proceeds.

The participation, quorum and majority required for any general meeting are those stipulated by Articles 67 and 67-1 of the Luxembourg Law of 10 August 1915 and in the Company's Articles of Association.

The meeting may be held abroad if the Board of Directors considers that exceptional circumstances require it.

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The meeting may be held abroad if the Board of Directors considers that exceptional circumstances require it.

XIX. Dividends

For distribution shares, the payment of a dividend will be made in compliance with the stipulations of each of the sub-fund factsheets.

The general meeting will set the amount of the dividend on the recommendation of the Board of Directors, within the framework of the legal limits and those of the Articles of Association in this regard, it being understood that the Board of Directors may distribute interim dividends.

A dividend may be distributed regardless of any realised or unrealised capital gains or losses.

However, no distribution may have the effect of reducing the capital of all the sub-funds of the Company to an amount below the minimum capital specified by the Law of .

In accordance with the Law, the Board of Directors will determine the dates and places where the dividends will be paid and the manner in which their payment will be announced to shareholders.

No interest will be paid to the shareholder on the dividend amounts to be paid.

Dividends not claimed within five years of the payment date shall be forfeited and will revert to the relevant sub-fund of the Company.

In the interests of shareholders, the Board of Directors may decide to defer the payment of a dividend.

Transaction costs will be charged to the shareholders.

XX. Dividends

For distribution shares, release for payment of a dividend may be made in compliance with the stipulations of each of the sub-fund information supplements.

The General Meeting will set the amount of the dividend on the recommendation of the Board of Directors, within the framework of the legal limits and those of the articles of incorporation laid down to this effect, it being understood that the Board of Directors may distribute advances on dividends.

A dividend may be distributed independently of any realized or unrealized capital gains or losses.

The total net amount of interest received, related remuneration, commissions and fees being deducted proportionally, will be then at least distributed.

No distribution may, however, have the effect of reducing the capital in all the Company sub-funds to an amount that is below the minimum capital provided for by the Law of 20 December 2002.

In compliance with the law, the Board of Directors will determine both the dates and locations where the dividends will be paid and the manner in which their payment will be announced to the shareholders.

No interest will be paid to the shareholder on the dividend amounts released for payment and which are still pending.

Dividends that have not been claimed within five years of the date of release for payment will be barred and will return to the relevant Company sub-funds.

The Board of Directors may distribute interim dividends. It will specify the amounts taking due account of the interests of the shareholders.

XXI. Liquidations, mergers and contributions of sub-funds or share classes

If the value of the assets of a sub-fund or any share class within a sub-fund has decreased to, or has not reached, an amount determined by the Board of Directors to be the minimum level needed for such a sub-fund or class to operate in an economically efficient manner, or in the event of a substantial change in the political, economic or monetary situation, or in the framework of an economic restructuring, the Board of Directors may decide to redeem all the shares of the relevant class or classes at the net asset value per share (taking into account the sale prices of investments and expenses relating thereto) calculated on the

Valuation Day on which such decision takes effect. The Company will send a notice to the shareholders of the relevant share class or classes prior to the effective date of the compulsory redemption. This notice will indicate the reasons for this redemption and the procedures to be followed. Registered shareholders will be notified in writing. The Company will inform holders of bearer shares by publishing a notice in the newspapers to be determined by the Board of Directors. Unless otherwise decided in the interests of, or in order to ensure equal treatment between shareholders, the shareholders of the sub-fund or the share class or classes concerned may continue to request the redemption of their shares free of charge (but taking into account the sale prices of investments and expenses relating thereto) prior the effective date of the compulsory redemption.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the general meeting of shareholders of the class or classes of shares issued in any sub-fund may, under all circumstances and upon proposal by the Board of Directors, redeem all the shares of the relevant class or classes issued in this sub-fund and refund to the shareholders the net asset value of their shares (taking into account the sale prices of investments and expenses relating thereto) calculated on the Valuation Day on which such decision takes effect. There will be no quorum requirements for such general meetings of shareholders and resolutions may be passed by a simple majority vote of those present or represented and voting at such meetings.

Assets which could not be distributed to their beneficiaries at the time of the redemption will be deposited with the custodian for a period of six months following the redemption; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the beneficiaries.

Under the same circumstances as those described in the first paragraph of this Chapter, the Board of Directors may decide to allocate the assets of a given sub-fund to another sub-fund within the Company or to another Luxembourg undertaking for collective investment created according to the provisions of Council Directive 85/611/EEC, as amended, or a sub-fund of such other undertaking for collective investment (the "new sub-fund") and to re-designate the shares of the class or classes concerned as shares of the new sub-fund (following a split or consolidation, if necessary, and the payment of any amounts corresponding to fractional shares to shareholders). Such decision will be published in the same manner as described in the first paragraph of this chapter one month before the effective date (and, in addition, the publication will contain the characteristics of the new sub-fund), in order to allow shareholders to request the redemption of their shares free of charge during such period. Shareholders who have not requested the redemption of their shares will be legally transferred to the new sub-fund.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the general meeting of shareholders of a sub-fund may decide to contribute the assets and liabilities attributable to said sub-fund to another sub-fund within the Company. There will be no quorum requirements for such general meetings and resolutions may be passed by a simple majority vote of those present or represented and voting at such meetings.

Furthermore, in circumstances other than those described in the first paragraph of this Chapter, the contribution of the assets and liabilities attributable to a given sub-fund to another undertaking for collective investment referred to in the fourth paragraph of this Chapter or to another sub-fund within such other undertaking for collective investment must be approved by a decision taken by the shareholders of the class or classes of shares issued in the relevant sub-fund. There will be no quorum requirements for such general meetings of shareholders and resolutions may be passed by a simple majority vote of those present or represented and voting at such meetings.

In the event that this merger is carried out with a contractual Luxembourg undertaking for collective investment (*fonds commun de placement*) or with a foreign-based undertaking for collective investment, the resolutions passed by the meeting shall only bind the shareholders who voted in favour of the merger.

On top of the circumstances described in the first paragraph of this Chapter, the Board of Directors may decide the liquidation, merger or contribution of a sub-fund in the event that, for whatever reason, the value of the assets of this sub-fund falls to less than:

- 20 million euro or the equivalent in foreign currency for "shares and related transferable securities" type ⁽¹⁾ sub-funds;
- 15 million euro or the equivalent in foreign currency for "investments in fixed income instruments" type sub-funds;
- 15 million euro or the equivalent in foreign currency for "mixed" type sub-funds;
- 10 million euro or the equivalent in foreign currency for "money market" type sub-funds;

XXII. Dissolution of the Company

The Company may be dissolved by a decision taken at the general meeting ruling in the same manner as for the amendment of the Articles of Association, as provided for under the law.

Any decision to dissolve the Company, together with the liquidation procedures, will be published in the *Mémorial* and in newspapers with sufficiently wide distribution, at least one of which will be a Luxembourg newspaper.

As soon as the general meeting of shareholders has decided to dissolve the Company, the issue, redemption and conversion of shares will be prohibited, any such transactions being rendered void.

If the share capital falls to below two-thirds of the minimum capital required by law, a general meeting convened by the Board of Directors, which will propose the dissolution of the Company, will be held within forty days of this fact coming to light. The meeting for which no quorum shall be required shall decide by simple majority of the votes of the shares represented.

If the share capital of the Company falls to below one fourth of the minimum capital, the Directors must propose the Company's dissolution to a general meeting within the same timeframe; in such an event the general meeting shall deliberate without any quorum requirement and the dissolution may be decided upon by the shareholders holding one-fourth of the votes of the shares represented at the meeting.

In the event of the dissolution of the Company, the liquidation shall be carried out by one or more liquidators, who may be natural persons or legal entities and who shall be appointed by the general meeting of shareholders. The latter will determine their powers and compensation.

The liquidation will take place in accordance with the Law of on undertakings for collective investment, specifying the distribution amongst the shareholders of the net liquidation proceeds after deduction of liquidation costs; the liquidation proceeds shall be distributed to shareholders in proportion to their rights, taking parities into due consideration.

On completion of the liquidation of the Company, the sums that have not been claimed by the shareholders will be paid into the *Caisse des Consignations*, which will hold said sums at their disposal for the period contemplated by the law. After the expiry of this period, the balance will revert to the State of Luxembourg.

⁽¹⁾ The fund type is indicated in each sub-fund factsheet.

XXIII. Stopped securities

The system is that provided for under the Luxembourg Law of 3 September 1996 concerning the involuntary dispossession of bearer securities. This Law provides for the issue, under certain conditions, of duplicates of stopped securities.

XXIV. Prevention of money laundering and the financing of terrorism

Within the context of the fight against money laundering and the financing of terrorism, the Company and/or ING Investment Management Luxembourg S.A. will ensure that the relevant Luxembourg legislation is complied with and that the identification of subscribers will be carried out in Luxembourg in accordance with the regulations currently in force in the following cases:

1. in the event of direct subscription to the Company;
2. in the event of subscription through a financial sector professional residing in a country that is not subject to identification requirements equivalent to Luxembourg standards with regard to the fight against money laundering and the financing of terrorism;
3. in the event of subscription through a subsidiary or branch whose parent company is subject to identification requirements equivalent to those under Luxembourg law, if the law applicable to the parent company does not oblige it to ensure compliance with these provisions for its subsidiaries and branches.

Furthermore, the Company must identify the source of the funds in the event that the sources are financial establishments that are not subject to identification requirements equivalent to those required under Luxembourg law. Subscriptions may be temporarily blocked until the source of the funds has been identified.

It is generally accepted that financial sector professionals residing in countries that have adhered to the conclusions of the GAFI report (*Groupe d'Action Financière sur le blanchiment de capitaux* – Financial Action Task Force on Money Laundering) are deemed to have identification requirements equivalent to those required by Luxembourg law.

XXV. Conflicts of Interests

The management company, portfolio managers and any investment advisers, the custodian, the paying agent, the administrative agent, the registrar and the transfer agent, together with their subsidiaries, directors, managers or shareholders (collectively the "Parties") are, or may be, involved in other professional and financial activities that are liable to create a conflict of interests with the management and administration of the Company. This includes the management of other funds, the purchase and sale of securities, brokerage services, custody of securities and the fact of acting as a director, manager, advisor or representative of other funds or companies in which the Company may invest.

Each Party respectively undertakes to ensure that the execution of their obligations vis-à-vis the Company is not compromised by such involvement. In the event that a conflict of interests becomes apparent, the Directors and the Party concerned undertake to resolve this in an equitable manner within a reasonable period of time and in the interests of the shareholders.

XXVI. Nominees

ING Investment Management Luxembourg S.A. may decide to appoint Nominees within the framework of the distribution of Company shares in countries where they will be marketed. Certain Nominees may not offer their clients all the sub-funds or share classes or the option to make subscriptions or redemptions in all currencies. For more information on this, the clients concerned are invited to consult their Nominee.

Where the issue of registered shares is available and where the intervention of a Nominee is an integral part of the marketing mechanism, relations between the Company, ING Investment Management Luxembourg S.A., the Nominee, ING Luxembourg and the investors must be stipulated in a contract that specifies the respective obligations of the parties involved. The Company and ING Investment Management Luxembourg S.A. will ensure that the Nominees they have chosen are sufficiently guaranteed to duly carry out their obligations with regard to investors using their services.

Furthermore, the intervention of a Nominee is subject to compliance with the following conditions:

1. investors must have the possibility of investing directly in the sub-fund of their choice without using the Nominee as an intermediary;
2. contracts between the Nominee and investors must contain a termination clause that confers on the investor the right to claim, at any time, direct ownership of the securities subscribed through a Nominee.

It is understood that the conditions laid down in 1 and 2 above will not be applicable in the event that the use of the services of a Nominee is essential, and even mandatory, for legal, regulatory or restrictive practice reasons.

In the event that a Nominee is appointed, it must apply the procedures for fighting money laundering and the financing of terrorism as laid out in Chapter XVII above.

Nominees are not authorised to delegate all or part of their duties and powers.

For additional information please contact:

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