

LIMESTONE FUND
Société d'Investissement à Capital Variable
organised under the laws of Luxembourg
R.C.S n° B 140.175

Full Prospectus
August 2010

VISA 2010/65337-5715-0-PC
L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 27/08/2010
Commission de Surveillance du Secteur Financier



LIMESTONE FUND (the "Company") is organised as a "*société d'investissement à capital variable*" under the laws of the Grand Duchy of Luxembourg. It qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) under Part I of the law of 20th December 2002 on collective investment undertakings (the "2002 Law").

The Company may issue shares of no par value of different classes of Shares (the "Shares"), which relate to each portfolio of assets (the "Sub-Fund(s)"). The Sub-Fund's are priced and Shares are issued and/or may be redeemed on each bank business day in Luxembourg. Initially the Company will have two Sub-Funds.

Subscriptions are accepted on the basis of the complete and simplified Prospectus and of the latest audited annual or semi-annual accounts (if published after the latest annual accounts) of the Company.

The Shares are offered on the basis of the information and representations contained in this Prospectus. All other information given or representations made by any person must be regarded as unauthorised. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

None of the Shares has been or will be registered under the United States Securities Act of 1933, as amended or registered or qualified under applicable state statutes and (except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes) none of the Shares may be offered or sold, directly or indirectly, in the United States of America or in any of its territories or possessions, or to any US Person (has the meaning ascribed to that term in Regulation S of the United States Securities Act of 1933, as amended) regardless of location. The Company may at its discretion, sell Shares to US Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Company which are intended to satisfy the requirements imposed by US law on the Company, which limit the number of its Investors who are US Persons, and which ensure that the Company is not engaged in a public offering of its Shares in the United States. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended and Investors will not be entitled to the benefit of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the Company has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act.

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

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

References in this Prospectus to "EUR" refer to the legal currency respectively of the Grand Duchy of Luxembourg and to the countries participating in the Economic and Monetary Union

The reference currency of the Company and of all Sub-Funds is the "EUR".

All references in the Prospectus to "Business Day" refer to any day on which banks are open for business in Luxembourg.

The Board of Directors (hereafter the "Board") may decide to issue further Sub-Funds and Classes of Shares. In such case, this Prospectus shall be amended or supplemented by an addendum.

The personal data of the subscriber and/or distributor are handled by KBL European Private Bankers SA, KREDIETRUST Luxembourg S.A. and delegated to EUROPEAN FUND ADMINISTRATION S.A. (« EFA ») to enable them to manage the Company administratively and commercially, to enable operations to be handled pursuant to the stipulations of the Prospectus and the service contracts, to ensure that payments received are correctly assigned, that general meetings are held correctly and Shareholder register correctly drawn up and maintained. The Company will not issue physical Share certificates. The subscriber or distributor has the right to access his/her data

in order to modify, correct or update them.

Whilst using their best endeavours to attain the investment objectives, there can be no assurance that the investment objectives of each of the Sub-Fund's of the Company shall be achieved, and consequently the price of the Shares of any Sub-Fund may go down as well as up.

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MANAGEMENT AND ADMINISTRATION

Promoter

AS LIMESTONE INVESTMENT MANAGEMENT
Vaike-Karja 12
10140 Tallinn Estonia

Board of Directors**Chairman**

Mr Serge D'ORAZIO, Sous-Directeur, Head of Investment Fund and Global Custody , **KBL European Private Bankers S.A.**, 43, Boulevard Royal L-2955 Luxembourg

Mr Stéphane RIES, Head of Business Development, **KBL European Private Bankers S.A.**, 43, Boulevard Royal L-2955 Luxembourg.

Mr Mihkel ÕIM, Managing Director, **AS Limestone Investment Management**, Vaike-Karja 12, 10140 Tallinn, Estonia

Management Company

KREDIETRUST Luxembourg S.A.
11, rue Aldringen
L-2960 Luxembourg

Conducting Officers (“délégés à la gestion journalière”)

Mr Franck SARRE, CEO, KREDIETRUST Luxembourg S.A.

Mr Wouter GESQUIERE, CIO, KREDIETRUST LUXEMBOUG S.A.

Registered Office

11, rue Aldringen
L - 1118 LUXEMBOURG

Custodian Bank and Principal Paying Agent

KBL EUROPEAN PRIVATE BANKERS S.A.
43, Boulevard Royal
L-2955 Luxembourg

Domiciliary, Registrar, Transfer and Administrative Agent

KREDIETRUST Luxembourg S.A.
11, rue Aldringen
L-2960 Luxembourg

Delegated Investment Manager and General Distributor

AS LIMESTONE INVESTMENT MANAGEMENT
Vaike-Karja 12
10140 Tallinn
Estonia

Supervisory Authority

Commission de Surveillance du Secteur Financier (CSSF)
Luxembourg

Auditor of the Company

DELOITTE SA
560, rue de Neudorf
L-2220 Luxembourg

Investment Advisor

GES INVESTMENT SERVICES
Kungsgatan 35
111 56 Stockholm
Sweden

KEY FEATURES

The Company

The Company is organised as a "société d'investissement à capital variable" in the Grand Duchy of Luxembourg. It is organised as a "société anonyme" under the law of 10th August 1915, as amended (the "1915 Law") and qualifies as an Undertaking for Collective Investment in Transferable Securities under the 2002 Law. It was incorporated on 25th June 2008 on for an unlimited period with an initial capital of EUR 31.000,-. The minimum Share-capital of the Company is EUR 1.250.000.00, which must be reached within 6 months as of the official inscription on the UCI list in the Grand Duchy of Luxembourg.

The capital of the Company is represented by Shares of no par value and shall at any time be equal to the total net assets of the Company.

Its Articles of Incorporation were published in the Mémorial Recueil Spécial des Sociétés et des Associations on 28th July 2008. The Company is registered with the R.C.S. of Luxembourg under number B.140.175. The Articles of Incorporation (the "Articles") are available for inspection and a copy thereof may be obtained upon request at the registered office of the Company. The Articles provide that all liabilities, whatever Sub-Fund they are attributable to, shall, unless otherwise agreed upon with the creditors or unless otherwise provided in laws from time to time, only be binding upon the relevant Sub-Fund.

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

The Board of Directors may decide to launch Sub-Funds and Classes of Shares, the investment objectives and policies of which will be conveyed as the occasion arises by the updating of this Prospectus.

The historical performance of the individual Sub-Funds is outlined in the simplified Prospectus relating to the Sub-Funds. Historical performance is not an indication of future performance.

The Company is one single legal entity. However with regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. The debts, engagements and obligations which are not attributable to one Sub-Fund have to be considered for all Sub-Funds on a pro-rata basis. The Company shall maintain for each Sub-Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

INVESTMENT OBJECTIVE AND POLICIES

Each Sub-Fund is managed in accordance with its investment policy considering the investment restrictions (refer to chapter “Investment Restrictions”) and using investment techniques and instruments (refer to Chapter “Investment Techniques and Instruments”).

WARNING:

As the portfolio of each Sub-Fund of the Company is subject to market fluctuations and to the risks inherent in any investment, Share prices may vary as a result and the Company cannot give any guarantee that its objectives will be achieved.

Financial derivatives will be used only for hedging purpose and on an ancillary basis.

Fund invests into number of countries with currencies different from fund currency. As a base scenario currency exposure is left un-hedged. Investment Manager can hedge the currency exposure to fund currency, if expects that gains from limiting impact of currency movements outweigh hedging costs.

SUB-FUND: LIMESTONE FUND – New Europe Socially Responsible Fund

The net asset value (“NAV”) of this Sub-Fund is expressed in EUR.

Investment Objective

This Sub-Fund invests in listed equities of Central Eastern European companies that meet Sub-Fund's social and environmental standards. The Sub-Fund aims to construct an actively managed concentrated high-conviction portfolio, which complies with international norms on Environmental, Social and Governance (ESG) issues in accordance with the UN Principles for Responsible Investments (PRI).

The Sub-Fund applies negative screens to exclude equities of corporations that receive considerable revenues by producing alcoholic beverages, tobacco or tobacco products, gambling equipment or through ownership of gambling businesses. In addition no investment will be conducted into securities of corporations manufacturing military weapons. The remaining investment universe is screened and rated by external partner GES Investment Services, using their GES Risk Rating methodology. The Sub-Fund only invests in those companies, which are better than or at average, within their sector/country, or companies that are improving. In addition the Sub-Fund seeks to engage with companies to encourage positive change.

The “Social Responsible Investment” (“SRI”) overlay is combined with LimeStone's bottom up stock selection process, which will help to determine a comprehensive view of forward thinking and well managed companies in the region. No investment will be made based solely on the qualitative criteria.

Investment Policy

At all times at least two-thirds of its total assets (at the exclusion of liquidities) will be invested in listed equities and equity related securities of companies which have their registered office in those countries approved by the European Council for entry in to the European Union on 1 May 2004, on 1 January 2007, as well as those countries with formal European Union accession programs or exercise the predominant part of their economic activities in such countries.

The countries included in the investment universe are as follows: Czech Republic, Cyprus, Hungary, Estonia, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria, Romania, Croatia, Albania, Bosnia and Herzegovina, Macedonia, Serbia, and Montenegro.

The Sub-Fund may also invest in listed equity related securities of issuers located outside these countries, provided that these issuers receive the predominant portion of their earnings from the countries listed above.

Risk profile of the Sub-Fund

The Sub-Fund's investment style provides investors with actively managed, bottom-up research and stock selection driven portfolios. The management style emphasizes the use of local market knowledge to engage in issue selection, while not constraining overall risk relative to benchmark. The bottom up approach and intimate knowledge on companies in our universe help to obtain the relevant information and implement the SRI screens.

The Sub-Fund will invest substantially all, and in any case, no less than 80% of its assets in companies that satisfy, at the time of investment, the socially responsible guidelines employed by the Sub-Fund. Pursuant to these guidelines, the Sub-Fund will not invest in defense/weapons contractors or in companies that derive more than 5% of their revenues from the following areas: Tobacco, Alcohol, Gaming, defense/weapons production.

Prospective investors should consider, amongst others, the following factors before subscribing for Shares of the Sub-Fund:

Socially Responsible Investment Risk. The Sub-Fund invests substantially all of its assets in the securities of companies that meet its social guidelines. As a result, the Sub-Fund may forego opportunities to buy certain securities when it might otherwise be advantageous for it to do so, or may sell securities for social reasons when it might be otherwise disadvantageous for it to do so.

The Fund's social guidelines may cause it to pass up opportunities to buy securities that may be attractive in the short term or cause it to sell securities for social reasons at times or under circumstances that might be unfavorable to the Sub-Fund.

As the Sub-Fund invests in equities, investors are exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio. • Therefore, investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.

Also, investors should be aware that the Sub-Fund is invested in Central Eastern European Markets, which may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial risks.

However, the volatility of the Sub-Fund is limited by its diversification across a large number of companies and industry groups.

Risk profile of the typical investor

Considering the investment objectives, as stated above, the Sub-Fund may appeal to investors looking to:

- Gain exposure to converging European equity markets;
- Achieve capital growth without compromising the future generations ability to meet their own needs;
- Make an investment for the medium to long term.

The value of a Share can decrease or increase and the investor may not get back the amount initially invested.

Investment Manager is entitled to Management Fee and also to Performance Fee in the amount of 20% in excess of the performance of STOXX EU ENLARGED TMI® INDEX (ISIN: CH0019767745 Symbol: EUETMR) as Hurdle Rate as specified in Section "The Shares" of this Prospectus.

SUB-FUND: LIMESTONE FUND –Eastern Europe Real Estate Equity Fund

The NAV of this Sub-Fund is expressed in EUR.

Investment Objective

The objective of this Sub-Fund's active equity management is to provide investors with diversified, stock selection driven and growth-oriented portfolios. This management style emphasizes the use of fundamental research and local market knowledge to engage in issue selection, while not constraining overall risk relative to a benchmark.

Investment Policy

To achieve these objectives, the Sub-Fund invests its assets in a diversified manner in the securities related to real estate, i.e. in the equities of the issuers investing in real estate and being engaged in the real estate development in the Eastern European countries that benefit from the processes of political and economic convergence in Europe.

The Sub-Fund may also invest in the companies listed or domiciled outside Eastern Europe, provided the essential business interest of those issuers are related to the real estate market of Eastern Europe.

The countries included in the investment universe are as follows:

New EU member states: Czech Republic, Cyprus, Hungary, Estonia, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria, Romania;

Applicant countries: Croatia, Turkey, Albania, Bosnia and Herzegovina, Macedonia, Serbia, Montenegro;

Other Eastern Europe: Russia, Ukraine, Kazakstan.

The investments made in Russian equities will be made on the Russian Trading System (or RTS) or on the Moscow Interbank Currency Exchange (or MICEX).

Risk profile of the Sub-Fund

The objective of the Sub-Fund is long-term growth of the value of its assets. The Sub-Fund's assets are invested in the equities providing exposure to the real estate of Eastern Europe and engaged in the real estate development.

At least two-thirds of the Sub-Fund's total assets will at all times on a consolidated basis be invested in listed equity related securities of companies that are domiciled in or carrying out a predominant part of their business activities and that derive the majority of their income from the ownership, management or development of real estate located in Eastern Europe.

There are special risks associated with investments in listed equity related securities of companies engaged in property markets. These include the cyclical nature of property values, increases in property taxes, changing in zoning laws, regulatory limits on rents, environmental risks, depreciation in the value of buildings over time, and increases in interest rates.

The Sub-Fund invests in a small market sector and, as such, is likely to carry higher risks than a more widely invested fund.

As Sub-Fund does not invest into direct property the value of the fund is not directly correlated to changes in property values.

Risk profile of the typical investor

Considering the investment objectives, as stated above, the Sub-Fund may appeal to investors looking to:

- Gain exposure to converging European real estate markets;

- Achieve capital growth;
- Make an investment for the medium to long term.

The value of a Share can decrease or increase and the investor may not get back the amount initially invested.

Investment Manager is entitled to Management Fee in the amount of 2,0% per annum and also to Performance Fee in the amount of 20% in excess of the performance of 10% annually as Hurdle Rate as specified in Section “The Shares” of this Prospectus.

RISK FACTORS

Investments in emerging and Eastern European Countries

Investors should recognise that the potential social, political and economical instability of some of the emerging and Eastern European countries certain Sub-funds intend to invest in, could impact the value and liquidity of the investments of these Sub-Funds. Furthermore, investments in some countries may be subject to currency risk as currencies have often experienced periods of weakness or repeated devaluations.

In addition to the above risks generic to all emerging and Eastern European countries, there are specific risks linked to investing in Eastern Europe and Russia. These risks are outlined more specifically in relation to Russia hereafter. Investors should be aware that the Russian market presents specific risks in relation to the settlement and safekeeping of securities as well as in the registration of assets, where registrars are not always subject to effective government supervision. Russian securities are not on physical deposit with the Custodian or its local agents in Russia. Therefore, neither the Custodian nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The Custodian's liability only extends to its own negligence and wilful default and to negligence or wilful misconduct of its local agents in Russia and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the Company will have to pursue its rights directly against the issuer and/or its appointed registrar.

Currently certain markets in Russia and other Eastern European countries do not qualify as Regulated Markets under the investment restrictions and therefore, investments in securities dealt on such markets are subject to the 10% limit set forth in Article 1. Section II of the Chapter "Investment Restrictions". The Luxembourg supervisory authority has confirmed that they consider that the Russian Trading System Stock Exchange (RTS Stock Exchange) and Moscow Interbank Currency Exchange (MICEX) as Regulated Markets. Accordingly, the 10% limit generally applicable to securities which are listed or traded on markets in Russia will not apply to investments in securities listed or traded on the RTS Stock Exchange or MICEX. However, the risk warnings regarding investments in Russia will continue to apply to all investments in Russia.

Value of Shares

The value of Shares and the return derived from them can fluctuate. Furthermore, investors should be aware that redemptions of Shares may be subject to limitations or suspension in certain circumstances described in Chapter "Subscription of Shares" and "Redemption of Shares".

Potential Conflicts of Interest

In the course of their business, the Investment Manager and the Investment Adviser may have potential conflicts of interest with the Company. They may, for example, make investments for other clients (including other investment funds they manage or advise) or on their own behalf without making the same available to the Company. They will, in such event, have regard to their obligations under the agreements pursuant to which they are appointed and, in particular, to their obligations to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients when undertaking any investments where potential conflicts of interest may arise.

The Investment Manager will not, in relation to any investment or proposed investment of the Company, deal with the Company as principal or representative, except in circumstances where it is able to show that the terms of the operation are no less beneficial to the Company than they would be according to the "at arm's length" principle, or, if the circumstances do not make it practicable to show that, where the Board gives its consent.

MANAGEMENT

Board of Directors of the Company

The Board is responsible for the Company's overall management and control including the determination of the investment policy of each Sub-Fund.

MANAGEMENT COMPANY

The Board of LIMESTONE FUND appointed KREDIETRUST LUXEMBOURG S.A. as Management Company (hereinafter "Management Company") by means of the Management Company Agreement dated 25th June 2008 to provide management , administration and marketing services.

The Management Company was appointed Domiciliary Agent, Registrar and Transfer and Administrative Agent by agreement concluded on 25th June 2008

The KREDIETRUST LUXEMBOURG S.A. was incorporated in Luxembourg as a société anonyme on 16th February 1973 with its registered office at 11, rue Aldringen, Luxembourg. It was legitimately changed into a Management Company under Chapter 13 of the 2002 Law by decision of the General Meeting of Shareholders on 27 April 2006. It has been set up for an indefinite period.

The list of the other funds managed by the Management Company may be checked in the annual and semi-annual reports of the Management Company.

The Board of Directors of the Management Company is composed as follows:

Mr Jean-Paul LOOS, Président du Conseil d'Administration
Mr Franck SARRE Administrateur-Délégué
Mr Olivier de JAMBLINNE de MEUX, Administrateur
Mr Rafik FISCHER, Administrateur.

Mr Jean-Paul LOOS is also a member of the Executive Committee of KBL European Private Bankers S.A..
Mr Rafik FISCHER is the Head of Global Investor Services within KBL European Private Bankers S.A..
Mr Olivier de JAMBLINNE de MEUX is General Manager Private Banking of KBL European Private Bankers S.A..
Mr Franck SARRE is Administrateur-Délégué within KREDIETRUST LUXEMBOURG S.A

The subscribed capital and the paid-up capital of the Management Company is EUR 2.300.000,-.

The Management Company delegates , on its own responsibility and under its own control, the functions of registrar , transfer and administrative agent to the European Fund Administration ("EFA") S.A. ,2,rue d'Alsace, L-1017 Luxembourg The conducting officers, appointed by the Board of Directors of the Management Company, are Mr Franck SARRE and Mr Wouter GESQUIERE.

KREDIETRUST LUXEMBOURG S.A. is a wholly owned subsidiary of KBL European Private Bankers S.A.

As remuneration for the services of Management Company, there is a fee of 0.03% p.a of the net assets of the SICAV. with an annual minimum of EUR 20,000.- per Sub-Fund

ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT AND DOMICILIARY AGENT

The Company has, by means of the following agreements, the Administrative Agency Agreement, the Registrar and Transfer Agency Agreement and the Domiciliary Agreement, all dated 25th June 2008, appointed KREDIETRUST LUXEMBOURG S.A. as its administrative, registrar and transfer and domiciliary agencies functions. Those agreements may be terminated by either party upon giving 90 calendar days' prior written notice.

KREDIETRUST LUXEMBOURG S.A has delegated under its entire responsibility the execution of its duties as Administrative Agent and as Registrar and Transfer Agent to European Fund Administration in Luxembourg ("EFA").

The Administrative Agent shall receive for the accomplishment of his functions the following fee (monthly payable) for the Sub-Fund

- LIMESTONE FUND - New Europe Socially Responsible Fund a maximum 0,14% p.a. of the average net assets of the preceding month with a minimum of EUR 35.000,- per annum.
- LIMESTONE FUND - Eastern Europe Real Estate Equity Fund a maximum 0,13% p.a. of the average net assets of the preceding month with a minimum of EUR 32.500,- per annum.

In addition, the Administrative Agent is entitled to be reimbursed by the Company its reasonable out-of-pocket expenses.

CUSTODIAN BANK and PRINCIPAL PAYING AGENT

The Company has, by means of the following agreements, the Custodian Agreement and the Principal Paying Agency Agreement, both dated 25th June 2008, appointed KBL European Private Bankers S.A. as Custodian of the assets of the Company and Principal Paying Agency. These Agreements have no fixed duration and may be terminated by either party upon giving 90 calendar days' prior written notice.

The Custodian and Principal Paying Agent is a bank organised as a société anonyme under the laws of the Grand Duchy of Luxembourg for an unlimited duration. Its registered office is at 43, Boulevard Royal, L-2955 Luxembourg.

At 31st December 2007, its capital and reserves amounted at EUR 1.372.871.269.

In consideration of its custodian services and in accordance with usual practice in Luxembourg, the Custodian will be entitled to a monthly fee which shall not exceed 0,050% p.a. (with a annual minimum of EUR 10.000,- for the whole Company) of the net assets for the whole Company (at the end of the relevant month). Furthermore, the Custodian charges a fee per transaction on transferable securities. In addition, the Custodian is entitled to be reimbursed by the Company its reasonable out-of-pocket expenses and the fees charged to it by any correspondent bank or other agent (including any clearing system).

The Custodian Agreement provides that all securities and other permitted assets of the Company are to be held by or to the order of the Custodian. The Custodian will also be responsible for the collection of principal and income on, and the payment for and collection of proceeds of, securities bought and sold by the Company. The responsibilities of the Custodian shall be as laid down in the 2002 Law.

THE INVESTMENT MANAGER

The Management Company has, by means of the Investment Management Agreement dated 25th June 2008, appointed **AS Limestone Investment Management** as the Investment Manager of the assets of the Company. This Agreement has no fixed duration and may be terminated by either party upon giving '3 months prior written notice.

The Investment Manager is entitled to receive from each Sub-Fund annual Management Fee calculated and accrued daily and paid monthly as a percentage of the Net Asset Value of Sub-Fund. This Management Fee will be payable whether or not the management of the Sub-Fund is profitable.

In addition, within some of the Sub-Funds, the Investment Manager is entitled to Performance Fee. If the Sub-Fund's NAV per Share of a given Sub-Fund appreciates during a given financial period (starting from the Sub-Fund's NAV per Share of a given Class as per the end of the preceding Financial Year) for more than Hurdle Rate, Investment Manager is entitled to receive 20 % of the excess increase of appreciation. The Hurdle Rate will be calculated anew at the beginning of each Financial Year.

The performance fee will only be payable if the Sub-Fund's NAV per Share of a given Sub-Fund during the current Financial Year has reached a new maximum value and at the same time has surpassed the Hurdle Rate ("High Water Mark system").

The period for which such performance fee is calculated will be based on the Financial Year of the Sub-Fund. The performance fee will be payable on the outstanding Shares of the Sub-Fund at the end of the relevant Financial Year.

For the purpose of calculating the performance fee, the Sub-Fund's NAV per Share will be calculated by the Administrative Agent on the relevant day by determining the NAV of each Sub-Fund by the method outlined in section "Net Asset Value", divided by the number of Shares in issue on that day.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per Share against the reference NAV until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the reference NAV adjusted by the Hurdle Rate at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

If any Shares are redeemed or converted to Shares of another Sub-Fund during the calculation period, the cumulative performance fee accrued during the calculation period in respect of those Shares shall be crystallized and become payable to the Investment Manager even if no accrual for performance fees is done at the date of the payment.

For distribution Shares, if a dividend was distributed during the relevant year, this dividend per Shares is added to the current NAV per Share in order to determine the variation to be taken in consideration.

The Management Fee, and if applicable also the Performance Fee and Hurdle Rate, are specified for each Sub-Fund separately in the relevant section of this prospectus.

The Investment Manager may pay a portion of its fee to distributors authorised by the Management Company.

AS Limestone Investment Management is a fund management company, licensed by the Estonian Financial Supervision Authority on 20 February 2008. The license grants AS Limestone Investment Management the right to manage collective investment schemes (i.e. investment funds, including UCITS funds) and to provide fund management services in the course of outsourcing. The license granted to AS Limestone Investment Management also provides for an authorization to provide portfolio management services on a discretionary client-by-client basis in accordance with mandates given by clients.

Under the Investment Manager Agreement, the Investment Manager provides investment management to the Company and continuously supervises the investment and reinvestment of cash, securities and other property composing the assets of the Sub-Funds. The Investment Manager provides the Company with investment research, data and advice necessary to implement the Company's investment policy, which includes determining what securities should be purchased or sold by the Sub-Funds and what portion of the assets of the Sub-Funds should be held un-invested, subject always to the provisions of the Articles of the Company and this Prospectus. The Sub-

Fund's fundamental investment policies and portfolio is subject to regular review by the Board of the Company.

INVESTMENT ADVISOR

The Company has, appointed **GES Investment Services** as the Investment Advisor to the New Europe Socially Responsible Fund. This Agreement has no fixed duration and may be terminated by either party upon giving 90 calendar days' prior written notice.

GES Investment Services (GES) was founded in 1992 and is today one of the leading research and service providers for Responsible Investments (RI) based on Environmental, Social and Governance (ESG) issues. Their clients are pension funds, banks, foundations, trade unions and other actors on the financial market. The assets under management on which GES Investment Services gives investment advice is approximately EUR 130 bn. GES has offices in Sweden, Denmark and Poland.

GES provides Limestone New Europe Socially Responsible Fund with SRI research according to their methodology Global Ethical Standard and GES Risk Rating. Also analysis for active Engagement.

GES Global Ethical Standard – a tool for engaging or avoiding investments in companies which are to conduct business in manner contrary to well-established international norms on ESG issues. Research is based on a systematic screening of international conventions and guidelines on environment, human rights and corruption.

GES Risk Rating – an analysis of risks in the companies' methods of dealing with the environment, human rights and corporate governance. The analysis is based on international norms on ESG issues in accordance with the UN Principles for Responsible Investments (PRI)

Analysis for Active Engagement – holistic view of the risk aspects, relevant both to the industry and the company. This approach gives the opportunity to identify risk areas that might be of future concern or more generally what the challenges are in the respective industries.

GES Global Ethical Standard and GES Risk Rating are registered trademarks of GES Investment Services.

The annual fee of GES Investment Services is 0.05% of the assets under management with a annual minimum of EUR 22,000

GENERAL DISTRIBUTOR

The Management Company has, by means of the General Distribution Agreement dated 25th June 2008, appointed AS Limestone Investment Management as the General Distributor of the Shares of the Company.

The General Distribution Agreement permits the General Distributor to appoint other distributors (each a sub-distributor) for the distribution of Shares.

The duties of the General Distributor and the sub-distributors shall be limited to passing the subscription and redemption orders to the Company's Registrar and Transfer Agent in Luxembourg. The General Distributor and the sub-distributors may not offset the orders received or carry out any duties connected to the individual processing of the subscription and redemption orders. In addition, any investor may deal directly with the Company in order to subscribe, redeem or convert Shares, on the same terms as if the investor had subscribed through the General Distributor or a sub-distributor.

Placing Commission

The General Distributor may be entitled to a subscription fee ("Subscription Fee") up to 5% of the subscription monies in respect of Shares issued and/or redemption fee ("redemption fee") up to the 1% of the redemption monies in respect of Shares redeemed .

Anti Money-laundering

Measures aimed at the prevention of money laundering and the financing of terrorism require detailed verification of an investor's identity in accordance with the laws and regulations applicable in Luxembourg in relation to these acts. The Company (and the Administrator acting on behalf of the Company) reserves the right to request such information as is necessary to verify the identity of an investor in conformity with the abovementioned laws and regulations. In the event of delay or failure by the investor to produce the information required for verification purposes, the Company (and the Intermediary or Administrator acting on behalf of the Company) may refuse to accept the application and any subscription monies or may block the redemption of the Shares which have been subscribed.

DIVIDEND POLICY

On the recommendation of the Board, the General Meeting may determine each year which part of the investment profits of any Sub-Fund - including the net investment incomes and any realized and unrealized capital gains (after deduction of realized and unrealized capital losses) - may be distributed to the holders of distribution Shares, if any. Dividends may be distributed to the extent that the capital of the Company is maintained at the minimum level as foreseen by law.

Payments of dividends will be made in the relevant currency corresponding to the relevant Class of Shares of the concerned Sub-Fund.

Payment of dividends for registered Shares will be made to the concerned Shareholders on the cash account provided to the Transfer Agent.

Dividends of each Sub-Fund not collected within five years will lapse and accrue for the benefit of that Sub-Fund in accordance with Luxembourg law.

No interest will be paid on dividends kept by the Company at the disposal of its beneficiary.

Currently only capitalization Shares will be issued.

THE SHARES

Within each Sub-Fund the Company may further decide to create different Classes and Categories of Shares whose assets will be commonly invested pursuant to the specific policy of the Sub-Fund concerned but where a specific sales redemption charge structure a specific distribution policy or other specific features may apply.

The Sub-Funds are for the time being, only offering capitalisation Shares expressed in EUR.

The Sub-Fund New Europe Socially Responsible Fund is offering shares described below:

	Management fee	Performance fee	Min. investment	Description
A-Class	2.5%	NO	n/a	Are available to all investors
I-Class	1.25%	YES	EUR 2,000,000	Are restricted to institutional investors within the meaning of article 129 of the 2002 Law

Sub-Fund Eastern Europe Real Estate Equity Fund is offering shares described below:

	Management fee	Performance fee	Min. investment	Description
A-Class	2.0%	YES	n/a	Are available to all investors
I-Class	1.25%	YES	EUR 2,000,000	Are restricted to institutional investors within the meaning of article 129 of the 2002 Law

Shares in the Company will only be issued in registered form and held on the Share Register of the Transfer Agent. No physical Share certificates will be issued. Investors may hold a fraction of a Share. Fractions of a Share may be expressed by a number rounded to three places after the decimal point. Such fractions will, on a pro rata basis, entitle Shareholders to proceeds of liquidation, but shall not confer any voting rights.

Shares may also be held and transferred through accounts maintained with clearing systems.

The NAV per Share and the Subscription and Redemption Prices of each Sub-Fund shall be available at the registered office of the Company. The Subscription/Redemption Price shall be expressed in the reference currency of each Sub-Fund as determined by the Administrative Agent.

The NAV per Shares will be published on a daily basis in European newspapers or on other medias like Reuters or Bloomberg as determined from time to time by the Board of Directors.

The Board is free to express and publish the NAV per Share in one or more currencies different from the reference currency of a Sub-Fund.

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

Market Timing

Shares of the Company are not offered, nor is the Company managed, or intended to serve as, a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the concerned securities markets. This type of trading activity is often referred to as “market timing” and could result in actual or potential harm to the Shareholders of the Company.

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

Accordingly, the Board may, whenever it deems it appropriate, instruct the Registrar and Transfer Agent to reject an application for subscription and/or switching of Shares from investors whom the Board consider market timer and

may, if necessary, take appropriate measures in order to protect the interests of the other investors. For these purposes, the Board may consider an investor's trading history and the Registrar and Transfer Agent may combine Shares which are under common ownership or control.

Late Trading

In general, Late Trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the NAV applicable to such same day. The Board shall not allow the Registrar and Transfer Agent to accept orders after the cut-off time.

SUBSCRIPTION OF SHARES

For each Sub-Fund, the Board is authorized to issue fully paid up Shares at any time and without any limit.

No Shares of any Sub-Fund or Class of Shares will be issued or redeemed by the Company during any period when the determination of the NAV of Shares of that Sub-Fund is suspended by the Company pursuant to the power reserved to it by the Articles of Incorporation and described under the section hereafter "Suspension of the Determination of the NAV".

Initial subscription period of the Sub-Fund LIMESTONE FUND – NEW EUROPE SOCIALLY RESPONSIBLE will be from 2nd to 29th of July 2008 at an initial subscription price of EUR 100,- per Share.

The payment date of the initial subscription price was fixed at 31st of July 2008.

Subsequent subscription of Shares

After the initial subscription period, Shares of the Company will be issued at a price corresponding to the NAV per Share of the relevant Sub-Fund plus a subscription fee of up to 5% in favour of the General Distributor.

All subscription applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day.

The NAV as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the chapter "NAV".

Requests for subscription received after such deadline will be deferred to the next Valuation Day.

In the case of a suspension of the calculation of the NAV or a deferral of subscriptions, subscription orders for a Valuation Day falling during the period of such suspension or deferral will be accepted at the NAV per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

Payment procedure

Payment of the Subscription Price must be made in cleared funds on the second Business Day following the relevant Calculation Day.

Any taxes and duties levied in connection with the subscription of Shares of the Company in certain countries (if any) shall be charged to the Shareholder concerned.

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

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

REDEMPTION OF SHARES

Shareholders' requests for redemption of Shares must be made in writing to the Company.

All redemption applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day.

The NAV as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the chapter "NAV".

Requests for redemptions received after such deadline will be deferred to the next Valuation Day.

A request duly made shall be irrevocable, except in case of and during any period of suspension or deferral of redemptions.

A maximum redemptions fee of 1% may be charged for any Sub-Fund in favour of the General Distributor.

In the case of redemption requests exceeding 10% of the NAV of the relevant Sub-Fund on any Valuation Day, the Company may decide to defer on a pro rata basis redemptions to the next Valuation Day. In case of a deferral of redemptions, the relevant Shares shall be redeemed at the NAV per Share prevailing on the Valuation Day on which the redemption is performed. On such Valuation Day such requests shall be complied with by giving priority to the earliest request.

In the case of a suspension of the calculation of the NAV or a deferral of redemptions, Shares to be redeemed on Valuation Days falling during the period of such suspension or deferral will be redeemed at the NAV per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

Payment procedure

Payment of the Redemption Price must be made in cleared funds on the second Business Day from the relevant Calculation Day.

Any taxes, duties levied and bank transfer fees in connection with the redemption of Shares of the Company shall be charged to the Shareholder concerned.

The value of Shares at the time of their redemption may be more or less than their acquisition cost, depending on the market value of the assets held by the relevant Sub-Fund at the time of acquisition and redemption.

Any Shares redeemed shall be cancelled and removed from the Shareholders register maintained by the Transfer Agent.

CONVERSION OF SHARES

Shareholders' request for conversion of Shares must be made in writing to the Company.

All conversion applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day.

Conversions applications received after such deadlines will be deferred to the next Valuation Day.

The NAV of the applicable Valuation Day will be calculated on each Calculation Day as defined in the Chapter "NAV".

A maximum conversion fee of 1 % may be charged in favour of the General Distributor.

The rate at which the Shares in a given Sub-Fund (the "original Sub-Fund") are converted into Shares of another Sub-Fund (the "new Sub-Fund") will be determined in accordance with the following formula:

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

Where:

- A is the number of Shares of the new Sub-Fund to be allotted;
- B is the number of Shares of the original Sub-Fund to be converted;
- C is the NAV of Shares of the original Sub-Fund to be converted;
- D is the rate of exchange between the currency of the Sub-Fund's Shares to be converted and the currency of the Sub-Fund to be allotted, when the original and the new Sub-Fund are not expressed in the same currency;
- E is the NAV of the Shares in the new Sub-Fund ruling on the applicable Valuation Day.

In the case of conversion requests in excess of 10% of the NAV of the original Sub-Fund on any Valuation Day, the Company may decide to defer on a pro rata basis conversions to the next Valuation Day. In case of a deferral of conversions, the relevant Shares shall be converted at the NAV per Share prevailing on the Valuation Day on which the conversion is effected. On such Valuation Day such requests shall be complied with by giving priority to the earliest request.

In the case of a suspension of the calculation of the NAV or a deferral of conversion orders, Shares to be converted on Valuation Days falling during the period of such suspension or deferral will be converted at the NAV per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

The cash transfer between the concerned Sub-Funds will be instructed on the second Business Day in Luxembourg following the applicable Calculation Day.

Any taxes and duties levied in connection with the conversion of Shares of the Company shall be charged to the Shareholder concerned.

CHARGES AND EXPENSES

Fees and expenses to be borne by the Company will include, without limitation, the fees to the Management Company, , to the Investment Manager and to the Custodian (including fees and expenses of its correspondents abroad) and all other expenses incurred in the operation of the Company, taxes, expenses for legal, auditing and other professional services, costs of printing proxies, Shareholders' reports, Prospectuses and other reasonable promotional and marketing expenses, expenses of issue, redemption and conversion of Shares and payment of dividend, if any, expenses of the Domiciliary, the Registrar and Transfer Agent, Administrative Agent, registration fees and other expenses due or incurred in connection with the authorization by and reporting to supervisory authorities in various jurisdictions, cost of translation of the full and simplified Prospectus and other documents which may be required in various jurisdictions where the Company is registered, the fees and out-of-pocket expenses of the Board of the Company and of the Conducting Officers, reports provided to the Conducting Officers , insurance, interest, listing and brokerage costs, taxes and costs relating to the transfer and deposit of securities or cash, out-of-pocket disbursements of the Custodian and of all other agents of the Company and the costs of computation and publication of the NAV per Share of each Sub-Fund.

All fees, costs and expenses to be borne by the Company will be charged initially against the investment income and thereafter against capital. The costs and expenses of organisation and for registering the Company as a UCITS in Luxembourg will be borne by the Company, and will be amortised in equal amounts over a period of five years from the date on which they are incurred. Costs in relation to the subsequent launching of new Sub-Funds are amortised on the net assets of these new Sub-Funds over five years. New Sub-Funds will also bear not yet amortised incorporation costs of the Company.

MEETINGS, REPORTS AND NOTICES

Meetings

The annual general meeting of Shareholders of the Company will be held in Luxembourg on the second Friday of the month of October at 4 p.m. Other general meetings or special meetings of Shareholders of one or more Sub-Funds may be held at such time and place as are indicated in the notices of such meetings. Notices of general meetings and other notices are given in accordance with Luxembourg law. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements.

Reports

Financial years will end on June 30 in each year. The annual report containing the audited consolidated financial accounts expressed in EUR of the Company in respect of the preceding financial period and the accounts of the Company will be made available at its registered office at least 15 calendar days before the annual general meeting. Unaudited semi-annual reports will be made available within 2 months of the relevant date. Copies of all financial reports will be available at the registered office of the Company. The first financial year will end on 30th June 2009 with a first semi-annual unaudited report dated 31st December 08

Notices

Notices and relevant communications to Shareholders will be published in a national newspapers with large diffusion of the countries where the Company is registered in addition to publications required under Luxembourg law.

TAXATION

Luxembourg

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

The Company

The Company is not liable to any Luxembourg income tax nor are dividends paid by the Company (if any) liable to any Luxembourg withholding tax. The Company is, however, liable in Luxembourg to a subscription tax of 0.05 % per annum of its net assets, payable quarterly on the basis of the value of the net assets of ordinary Shares of the Company, and 0.01 % per annum of its net assets, payable quarterly on the basis of the value of the net assets of institutional Shares of the Company at the end of each quarter except for the portion of assets already submitted to that tax. Except for an initial capital duty of EUR 1.250 which was paid upon incorporation, no stamp or other tax is payable in Luxembourg on the issue of Shares.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Company.

Dividends and/or interest received by the Company on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

The Shareholders

Distributions made by the Company and income, dividends, other distributions and capital gains received by a Shareholder resident in Luxembourg or abroad are not subject to a Luxembourg withholding tax.

Taxation of resident Shareholders

In certain cases and under certain conditions, the capital gains made by a Shareholder, an individual resident in Luxembourg holding or having held, directly or indirectly, more than 10% of the capital of the Company or holding the Shares for six months or less before the transfer of a Share, the dividends received by a Shareholder and the proceeds made or received by a corporate body resident may be subject to taxation in Luxembourg unless a tax allowance or exemption applies.

A resident Shareholder is also subject to taxation on donations made in Luxembourg and to inheritance tax.

Taxation of non-resident Shareholders

In certain cases and under certain conditions a non-resident Shareholder holding or having held, directly or indirectly, more than 10% of the capital of the Company or a Shareholder having a permanent business establishment in Luxembourg to which the Share is linked may be subject to taxation in Luxembourg unless a tax treaty limiting taxation in Luxembourg, a tax allowance or exemption applies.

A non-resident Shareholder is not subject to taxation on donations not made in Luxembourg nor to inheritance tax.

Income received by an individual, resident in a country of the European Union or certain dependent or associated territories, may, depending on the investment strategy of the Sub-Fund of the Company in which this Shareholder holds Shares fall within the scope of Directive 2003/48/EC of the Council of Ministers of 3 June 2003 on taxation of income in the form of interest payments and be subject to a 15% withholding tax (20% from 1 July 2008 and 35% from 1 July 2011).

The Shareholder may also be subject to taxation in his country of residence under the laws and regulations applicable to him and with which he must comply. Potential investors are advised to check the tax obligations in force in their country of residence.

INVESTMENT RESTRICTIONS

All these regulations are common to all present and future Sub-Funds. The transferable securities and money-market instruments shall in the main be officially listed on a stock exchange or traded on a regulated market operating regularly, recognised and open to the public (a "regulated market") in a country in Europe, in Asia, Africa, the Americas or Oceania.

SECTION I

As well as transferable securities and money market instruments the Sicav may invest in:

1. shares / units of UCITS pursuant to Directive 85/611/EEC and / or UCI in the sense of Article 1 (2), first and second indents, of Directive 85/611/EEC, whether or not located in a Member State of the European Union, provided that:

these other UCI are authorised pursuant to legislation providing that these undertakings are subject to monitoring which is considered by the CSSF to be equivalent to that stipulated in Community legislation and that co-operation between the authorities is sufficiently guaranteed;

the level of protection guaranteed to holders of units in these other UCI is equivalent to that provided for holders of unites in UCITS and, in particular, that the rules on the division of assets, loans, borrowings, short sales of securities and money-market instruments are equivalent to those of Directive 85/611/EEC;

the activities of the other UCI are subject to half-yearly and annual reports allowing valuation of assets and liabilities, profits and operations during the period under consideration;

the proportion of assets of the UCITS or other UCI whose acquisition is envisaged, which, pursuant to their articles of association, may be invested in the units of other UCITS or other UCI does not exceed 10%.

2. deposits with another credit institution repayable on demand or capable of being withdrawn and having a maturity of less than 12 months, on condition that the credit institution has its registered office in a Member State of the EU or if the registered office of the credit institution is in a third country, are subject to prudent regulation considered by the CSSF as equivalent to those stipulated in Community legislation.

3. financial derivatives, including similar instruments giving a cash settlement which are traded on a regulated market and/or financial derivatives traded on the OTC market (OTC derivatives) provided that:

- the underlying consists of instruments relating to the investments described above, financial indices, interest rates, exchange rates or currencies in which the Company may invest pursuant to its investment aims, as laid down in the Company's Articles of Association of the present prospectus,
- the counterparties to OTC derivative transactions are institutions subject prudential supervision and belonging to categories authorised by the CSSF and
- the OTC derivatives are subject to a reliable evaluation on a daily basis and may, on the initiative of the Company, be sold, liquidated or closed on a symmetrical transaction, at any time and at their fair value.

The Company manager uses a method of risk management which makes it possible to check and measure at any time the risk linked to positions and the contribution of these to the Sub-Fund's general risk profile. For OTC derivatives, it uses a method which allows precise and independent valuation.

The Company manager will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of each Sub-Fund.

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

Overall, the risks to which the underlying assets are exposed may not exceed the investment limits stipulated in Section II (3) below.

4. money-market instruments other than those traded on a regulated market and referred to in Article 1 of the Law, insofar as the issuer of these instruments is subject itself or themselves to regulations aimed at protecting investors and savings and that these instrument are:

- issued or guaranteed by a central, regional or local administration, by a central bank of a Member State, by the European Central Bank, the European Union or by the European Investment Bank, by a third State or, in the case of a Federal State, by one of the members comprising the federation or by a public international body of which one or more Member States is a member, or
- issued by a company whose stocks are traded on regulated markets, or
- issued or guaranteed by an institution subject to prudential supervision according to the criteria defined by Community law or by an institution which is subject and conforms to prudential regulations considered by the CSSF as at least as strict as those laid down in Community legislation, or
- issued by other bodies belonging to the categories approved by the CSSF inasmuch as investments in these instruments are subject to investor protection rules which are equivalent to those laid down in the first, second and third indents and that the issuer is a company with capital and reserves amounting to at least ten million euro (EUR 10 000 000) and which presents and publishes its annual accounts pursuant to the fourth directive 78/660/EEC or a body which, within a group of companies including one or more listed companies, is dedicated to the financing of the group or a body which is dedicated financing securitisation vehicles benefiting from a bank line of finance.

SECTION II

Within the framework of its activities, the Company may not:

1. invest more than 10% of the net assets of each Sub-Fund in transferable securities and money-market instruments other than those mentioned in Section I:
2. hold cash except secondarily;
3. (a) invest more than 10% of the net assets of each Sub-Fund in transferable securities or money-market instruments issued by the same issuing body. Deposits with the same body may not exceed 20% of the net assets of each Sub-Fund. The counterparty risk for each Sub-Fund in an OTC derivative transaction may not exceed 10% of the assets when the counterparty is a credit institution mentioned in point 2 of Section I or 5% of the assets in other cases.

Moreover, the total value of the transferable securities and money market instruments held by each Sub-Fund in issuers in which it invests more than 5% of its assets may not exceed 40% of the value of the its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision and OTC derivative transactions with these institutions.

Notwithstanding the individual limits fixed in paragraph (a), no Sub-Fund may combine:

- investments in transferable securities or money-market instruments issued by one issuing body,
- deposits with a single body and / or,
- risks from OTC derivative transactions which account for more than 20% of its assets with a single body.

(b) The limit of 10% mentioned under (a) above may be extended to 35% maximum when the transferable securities or money market instruments are issued or guaranteed by an EU Member State, by its public territorial authorities, by a non-EU country or by international public institutions to which one or more EU Member States belong.

(c) The limit of 10% mentioned under (a) above may be extended to 25% maximum in the case of certain bonds if they are issued by a financial institution having its registered office in an EU Member State and which is subject to a specific public supervision imposed by law, to protect the holders of these bonds.

Where the Company invests more than 5% of the assets of each Sub-Fund in such bonds issued by one and the same issuer, the total value of these investments should not exceed 80% of the value of the net assets of this Sub-Fund.

(d) The transferable securities and money market instruments referred to under (b) and (c) shall not be taken into account for the limit of 40% fixed under (a).

The limits provided for under (a), (b) and (c) may not be cumulative and, for that reason, the investments in transferable securities or money market instruments of one and the same issuer made in accordance with paragraphs (a), (b) and (c) may under no circumstances exceed 35% of the net assets of each Sub-Fund.

(e) The Board of Directors of the Company is authorised, in accordance with the principle of the spreading of risks, decide to invest up to 100% of the net assets of any Sub-Fund in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, by its public territorial bodies, by a Member State of the Organisation for Economic Co-operation and Development (OECD), or by international organisations of a public character of which one or more Member States of the European Union are part, on the condition that such securities belong to at least six different issues, without the securities belonging to a single issue exceeding 30% of the total amount.

4. invest more than 20% of the net assets of each Sub-Fund in shares/units of the same undertaking for collective investment in transferable securities (UCITS) or the same UCI as described above (and in Article 41 (e) of the Law). In application of this investment limit, each sub-fund of a multiple sub-fund UCI is to be considered as a distinct issuing body, on condition that the principle of segregating the liabilities of the various sub-funds with regard to third parties is adhered to. Investments in shares or units of UCI other than UCITS may not exceed a total of 30% of the net assets of each Sub-Fund.

No issuing, acquisition, repayment or redemption fee will be charged to the Company if the transactions relate to shares/units of a UCI with which the Company is linked in an investment or managing capacity. Further, no management or advisory fee may be charged on the portion of the assets invested in such UCI;

5. acquire shares with voting rights enabling the Company to exert a significant influence upon the management of an issuer;
6. acquire more than
 - 10% of the non-voting shares of any single issuing body;
 - 10% of the bonds of any single issuing body;

- 25% of the shares or units issued by the same UCITS and/or other UCI;
- 10% of money-market instruments issued by any single issuing body.

The limits mentioned under paragraphs 5 and 6 do not apply to:

- a) transferable securities and money-market instruments issued or guaranteed by an EU Member State or its territorial authorities;
 - b) transferable securities and money-market instruments issued or guaranteed by a non-EU Member State;
 - c) transferable securities and money-market instruments issued by international public institutions to which one or more EU Member States belong;
 - d) shares held by the Company in the capital of a company of a non-EU country, which invests its assets essentially in securities of issuing bodies who are nationals of this country, when, pursuant to this country's legislation, such participation is the only possibility for the Company to invest in securities of issuing bodies of that country. This exception however is only applicable when the company of the non-EU Member State respects the limits in paragraphs 3, 4 and 6;
 - e) shares held by the Company the capital of subsidiaries which carry out exclusively for the Company certain management, advisory or marketing activities;
7. borrow more than 10% of the net assets of each Sub-Fund for non-temporary loans which can only be used for redemption transactions.

Moreover the Company may borrow up to 10% of its net assets for the acquisition of fixed property indispensable to the direct pursuit of its activities. The aggregate of the two loans may in no case exceed 15% of the assets of the Company;

8. grant credits or act as a guarantor for third parties and operate short sales of transferable securities, money-market instruments. Or other financial instruments referred to in Section I, paragraphs 1,3 and 4.

If the abovementioned limits are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must regularise that situation, as a priority for its sales transactions, taking into account the interests of its Shareholders.

Risk Warning

As the portfolio of each Sub-Fund is subject to market fluctuations and to the risks inherent in any investment, Share prices may vary as a result and the Company cannot give any guarantee that its objectives will be achieved.

INVESTMENT TECHNIQUES AND INSTRUMENTS

In addition to the use of derivatives as set forth above, the Company may employ the following techniques and instruments for each Sub-Fund provided these are employed in the interests of safeguarding and orderly management of the respective Sub-Fund and to protect against foreign exchange risks.

The Company will ensure that the overall risk entailed by derivatives does not exceed the value of the net assets. The Company will assess the market risk entailed by derivatives by using the commitment approach. The following are taken into account in computing risk: the market value of the underlying instruments, the risk of default, future foreseeable market developments and the period within which the positions are to be liquidated. This also applies to the following two points:

- **In the case of investments in derivatives that fall within the limits set forth below, the overall risk for the underlying instruments may not exceed the investment limits set forth under 2. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth under 2.**
- **If a derivative has a security or money market instrument as the underlying, it has to be taken into account with regard to compliance with the rules set forth under this Chapter.**

1. Transactions relating to options on transferable securities and money market instruments.

Each Sub-Fund may buy or write call and put options, provided the options are traded on a regulated market, which is in continuous operation and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the OTC market in options.

1.1. Rules applicable when buying options

The value of the premiums paid for buying put and unexercised call options referred to under point 1 may not exceed 15% of the NAV of each Sub-Fund.

1.2. Rules designed to ensure that the commitments resulting from option transactions can be covered

At the time of writing a call option, the relevant Sub-Fund must hold either the underlying securities or, the corresponding call options or other instruments capable of guaranteeing coverage of the obligations assumed under the contracts in question, such as warrants.

The securities underlying written call options cannot be sold so long as such options are outstanding if they are not hedged by corresponding call options or other instruments which may be used for the same purpose.

The same applies to corresponding call options or other instruments that the relevant Sub-Fund is required to hold if it does not own the underlying securities at the time the related option is written.

As an exception to this rule, each Sub-Fund may write call options relating to securities which it does not own at the time the option agreement is concluded under the following conditions:

- the exercise price of the call options being written must not exceed 25% of the total net assets of the relevant Sub-Fund.
- the relevant Sub-Fund must be at all time capable of hedging the positions taken in the context of the writing of such options.

When writing put options, the relevant Sub-Fund must maintain an amount of cash during the entire term of the option agreement sufficient to cover payment for the securities which may be delivered to it in the event the counterparty exercises its option.

When the Company writes uncovered call options it exposes itself to a risk of loss that in theory is unlimited.

1.3. Conditions and limitations on the writing of call and put options

The sum of the commitments resulting from the writing of put and call options (excluding the writing of call options for which the relevant Sub-Fund has adequate coverage) may not, at any time, exceed the net assets of the relevant Sub-Fund.

For such purposes, the commitment for written call and put options corresponds to the total sum of exercise prices for these options.

2. Transactions relating to financial futures contracts, swaps and option contracts on financial instruments

Except for transactions by mutual agreements (swap transactions and OTC contracts) referred to under point 2.2 here below, futures and options on financial instruments must only be based on contracts which are traded on a regulated market, which is in continuous operation, and which is recognised and open to the public. In the context of options, each Sub-Fund may however enter into transactions with leading financial institutions, as stipulated in the “Investment Restrictions” above. Specialising in this type of transaction and participating to the OTC market in options. Subject to the conditions set forth hereafter, these transactions may be engaged in for hedging or other purposes.

2.1 Transactions to hedge risks linked to stock market developments

To hedge against unfavourable developments on the financial markets (including bond, equity and forex markets), the Company may sell call options and futures for each Sub-Fund, buy put options and conclude swap contracts, where all named instruments are aimed at bond-equity indices or currencies as well as other financial instruments and indices pursuant to the chapter “Investment Restrictions” here above .

In doing so there must be an adequate correlation between the underlying base value of the instrument used (option, futures and swaps) as well as individual securities and/or the structure of the securities portfolio to be hedged. The liabilities arising from these transactions may not exceed the value of the securities to be hedged and/or the structure of the securities portfolio to be hedged.

2.2 Transactions to hedge interest rate risks

For each Sub-Fund, the Company may sell futures and call options on interest rates or buy put options on interest rates and conclude interest rate swaps and forward rate agreements on interest rates and swap transactions with first class financial institutions, as stipulated in the “Investment Restrictions” above, specialised in this type of transaction, within the framework of OTC transactions. The sum of the liabilities arising from this may not exceed the value of the assets to be hedged in the currency of the contract.

2.3 Transactions aimed at hedging risks related to changes to the exchange risks

The Company may enter into forward currency contracts as well as writing call options and buying put options on currencies. Such transactions are limited to agreements which are traded on a regulated market, which is in continuous operation and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the OTC market in options.

For the same purpose, the Company may enter into forward sales of currencies or currency swaps in the context of transactions by mutual agreements dealing with leading financial institutions, as stipulated above in the “Investment Restrictions” above, specialising in these sorts of transactions.

If there is a sufficient correlation, the currency risk can also be hedged by selling a currency which closely correlates with the currency in which the assets are denominated, if the company incurs lower costs in doing so or if the transactions in the correlating currency are more marketable. In this case the volume of the transactions in a specific currency may not exceed the total value of the Company in all currencies which closely correlates to the currency concerned.

The objective of the above-mentioned transactions, namely the hedging of the assets of the Company, presupposes the existence of a direct link between such transactions and the assets to be hedged, which implies that transactions involving a currency must generally not exceed in amount the aggregate estimated value of the assets expressed in such currency nor extend beyond the holding period for such assets. Excess hedging not exceeding 10% may occur from time to time on a transitory basis.

3. Securities lending transactions

The Company may engage in transactions related to securities lending provided that it complies with the following rules:

3.1 Rules aimed at ensuring the successful execution of lending transactions

The Company may only lend securities within the context of a standardised lending system organised by a recognised securities clearing house or by a leading financial institution specialising in this sort of transaction.

In the context of its lending operations, each Sub-Fund must generally receive a guarantee at the time of entering into the lending agreement in an amount at least equal to the estimated global value of the securities lent.

This guarantee must be backed by cash or other liquid assets and/or securities issued or guaranteed by member states of the OECD, by their local authorities or supranational bodies of the EU, regional or world-wide level and held in the name of the Company until termination of the lending agreement.

3.2 Conditions and limitations on lending transactions

Lending transactions must not exceed 50% of the global estimated value of the securities in the portfolio of the relevant Sub-Fund. This limitation is not applicable where the Sub-Fund is entitled to terminate the agreement at any time and to receive back the securities lent.

Lending transactions may not extend beyond a period in excess of 30 days.

4. Repurchase agreements

The Company may enter into repurchase agreements consisting of the purchase and sale of securities the terms of which allow the seller the right to repurchase the securities sold from the buyer at a price and at a date specified between both parties when entering into the agreement.

Temporarily the company may enter into repurchase agreements.

The Company may act either as purchaser or as seller. Its participation in these transactions is, however, subject to the following rules:

4.1 Rules aimed at ensuring the successful execution of repurchase agreements

The Company may only participate as a purchaser or seller in such transactions if the counterparty is a leading financial institution specialising in this sort of transaction.

4.2 Conditions and limitations on repurchase agreements

As long as the repurchase agreement is in effect, the Company must not sell the securities covered by such agreement before the seller of the securities has exercised its right to repurchase the securities or the time period for such repurchase has expired.

The Company must take care to ensure that the number of repurchase agreements be maintained at a level that allows it at all times to meet any redemption obligations.

NET ASSET VALUE

NAV Determination

The NAV of the Company's assets in each Sub-Fund (the "NAV") is calculated on each Business Day ("Calculation Day"), dated as of the preceding Business Day ("Valuation Day"), based on the last prices as of such Valuation Day.

The NAV per Share of a Class of Shares shall be expressed in the reference currency of the relevant Sub-Fund. The NAV per Share will be determined by dividing the net assets of the Sub-Fund by the total number of Shares of that Sub-Fund then outstanding taking into account the allocation of the net assets between classes and/or categories of Shares and shall be rounded up or down to the nearest whole hundredth.

The valuation of the assets of the various Sub-Funds will be determined as follows:

- 1) The value of cash and deposits, drafts and bills payable on demand, receivables, expenditures paid in advance, dividends and interests announced or due but not yet received, will be constituted by the nominal value of these assets, unless it appears unlikely that this value can be realized. In this case the value will be determined by subtracting an amount deemed to be appropriate by the Company to reflect the real value of these assets.
- 2) The valuation of any transferable securities or money market instruments or derivatives traded or listed on a stock exchange shall be made on the basis of the last price as at the Valuation Day unless such price is not representative.
- 3) The value of any transferable securities or money market instruments traded on another regulated market shall be determined on the basis of the last price as at the Valuation Day.
- 4) In as much as transferable securities and money market instruments on a dedicated Valuation Day are neither officially traded nor listed on an exchange or regulated market, or in the case where, for securities and money market instruments officially listed or traded on a stock exchange or another regulated market, the price as determined pursuant to paragraphs 2 and 3 hereabove is not representative of the true value of such transferable securities or money market instruments, the valuation shall be made on the basis of their likely value of realisation, estimated with due care and good faith by the Board.
- 5) Money market instruments with a residual maturity of less than 12 month are valued as follows (linear valuation): the determining rate for these investments will be gradually adapted during repayment starting from the net acquisition price and keeping the resulting return constant. If there are notable changes in market conditions, the basis for evaluating money market instruments will be adapted to new market returns.
- 6) Shares/units of UCITS and other UCI's will be valued on the basis of their last available NAV at the Valuation Day.
- 7) The valuation of swaps will be based on their market value, which itself depends on various factors (e.g. level and volatility of the underlying asset, market interest rates, residual term of the swap). Any adjustments required as a result of issues and redemptions are carried out by means of an increase or decrease in the nominal of the swaps, traded at their market value;
- 8) The valuation of derivatives traded over-the-counter (OTC), such as futures, forward or option contracts not traded on exchanges, or on other recognized markets, will be based on their net liquidating value determined, pursuant to the policies established by the Company on the basis of recognized financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealized profit/loss with respect to the relevant position;

If due to special circumstances a valuation made on the basis of the above rules should prove impossible or inaccurate, other generally accepted and verifiable valuation shall be applied criteria to obtain a fair valuation.

Any asset that may not be expressed in the reference currency of the Sub-Fund to which it belongs will be converted into the reference currency of this Sub-Fund at the exchange rate applicable on the Valuation Day or at the exchange rate fixed in the forward contracts.

During the existence of any state of affairs which, in the opinion of the Board, makes the determination of the NAV of a Sub-Fund in its reference currency either not reasonably practical or prejudicial to the Shareholders of the Company, the NAV and the Subscription Price and Redemption Price may temporarily be determined in such other currency as the Board may determine.

Suspension of Calculation of the NAV and of Issue and Redemption of Shares

The Board of the Company may suspend the calculation of the NAV of any Sub-Fund and may suspend the issue and redemption of Shares of the relevant Sub-Fund, in the interests of the Shareholders, due to any of the following situations or a combination thereof:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the Company's investments attributable to any Sub-Fund for the time being are quoted, is closed, (otherwise than for ordinary holidays), or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs which in the opinion of the Board constitutes an emergency as a result of which disposals or valuations of assets owned by the Company attributable to any Sub-Fund would be impracticable;
- c) during any breakdown in, or restriction in the use of the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-Fund or the current prices on any market or stock exchange;
- d) during any period when the Company is unable to repatriate moneys for the purpose of making payments on the redemption of its Shares or during which any transfer of moneys involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board be effected at normal rates of exchange;
- e) during any period when, in the opinion of the Board, there exists unusual circumstances which make it impracticable or unfair towards the Shareholders to continue dealing with Shares of any Sub-Fund of the Company;
- f) in case of a decision to liquidate the Company, on or after the day of publication of the first notice convening the general meeting of Shareholders for this purpose.
- g) when there is a suspension of redemption or withdrawal rights by several investment funds in which the Company or the relevant Sub-Fund is invested.

Shareholders having requested issue, redemption of their Shares will be notified in writing of any such suspension within seven calendar days of their request and will be promptly notified in writing of the termination of such suspension.

The suspension affecting any Sub-Fund will have no effect on the calculation of NAV, Subscription Price and Redemption Price or the issue and redemption of the Shares of any other Sub-Fund.

LIQUIDATION, TERMINATION AND AMALGAMATION

Liquidation

The Company has been established for an unlimited period of time. However, the Company may be dissolved and liquidated at any time by a resolution of the general meeting of Shareholders.

In the event of a dissolution of the Company, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the meeting of Shareholders effecting such dissolution and which shall determine their powers and their compensation.

In the event of dissolution, the liquidator(s) appointed by the Shareholders of the Company in accordance with the CSSF will realise the assets of the Company in the best interests of the Shareholders, and the Custodian, upon instruction given by the liquidator(s), will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the Shareholders in proportion to their respective rights.

As provided for by Luxembourg law, at the close of liquidation, the proceeds of liquidation corresponding to Shares not surrendered for repayment will be kept in safe custody at the “*Caisse de Consignations*” until the statute of limitation has lapsed.

If the capital of the Company falls below two-thirds of the minimum capital as required by the law, the Board must submit a resolution for approval by a simple majority of expressed votes to consider dissolution of the Company to a general meeting of Shareholders convened to be held within 40 days and for which no quorum shall be prescribed.

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

In addition, the Company shall inform holders of Shares by sending a redemption notice to all Shareholders at their address in the Share register.

All the decisions taken by the General Meeting or the Board regarding the liquidation of the Company will be published according to the Luxembourg law.

Termination of Sub-Funds

If the net assets of any Sub-Fund:

- has not reached or has decreased to a minimum amount, to be the minimum level for such a Sub-Fund to be operated in an economically efficient manner as determined by the Board, or
- in case the Board deems that it is appropriate because of changes in the economical or political situation affecting the relevant Sub-Fund.
- and if an economic rationalization is needed

The Board may decide to terminate a Sub-Fund.

The Company may continue to redeem, until the decision to liquidate is executed, continue to redeem or convert the Shares of the Sub-Fund which it has been decided to liquidate, taking account of liquidation costs but without deducting any redemption fee as stated in the Prospectus. The formation expenses will be fully amortized.

Termination of a Sub-Fund for other reasons than those mentioned here above may be effected only upon prior approval by the Shareholders of the Sub-Fund to be terminated at a duly convened meeting which may be validly held without quorum and decide at the simple majority of expressed votes.

Amounts unclaimed by Shareholders on the closure of liquidation of the relevant Sub-Fund shall be deposited with the custodian bank for a period not exceeding six months from the date of closure. After such period the amounts will be deposited with the “*Caisse de Consignation*”.

Merger of Sub-Funds

Merger of a Sub-Fund with another Sub-Fund of the Company or with another Luxembourg UCITS, for other reasons than those mentioned here above may be effected only upon prior approval by the Shareholders of the Sub-Fund to be merged at a duly convened meeting which may be validly held without quorum and decide at the simple majority of

expressed votes.

A merger decided by the Board or approved by the Shareholders of the Sub-Fund concerned will be binding the Shareholders of the relevant Sub-Fund after a 1 month notice, during which period they may redeem part or all their Shares without any redemption fee as stated in the current Prospectus.

All the decisions taken by the Shareholders of the Sub-Fund concerned or the Board regarding the merger of the Sub-Fund will be published according to the Luxembourg law.

In the case of a merger with a “*fonds commun de placement*”, the decision will be binding only those Shareholders having voted in favour of the merger. The Company shall inform holders of the relevant Shares by notice sent to their address in the Share register.

DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during usual business hours on any Business Days at the registered office of the Company:

- (a) Investment Management Agreement;
- (b) Management Company Agreement
- (c) General Distribution Agreement;
- (d) Custodian Agreement;
- (e) Domiciliary Agency Agreement;
- (f) Registrar and Transfer Agency Agreement;
- (g) Administrative Agency Agreement;
- (h) Principal Paying Agency Agreement.

A copy of the Articles of Incorporation of the Company may be obtained free of charge at the registered office of the Company.