



VAM MANAGED FUNDS (LUX)

(a Luxembourg domiciled open-ended investment company)

PROSPECTUS

November 2009

IMPORTANT INFORMATION

Reliance on Prospectus

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or the Directors. Neither the delivery of this Prospectus nor the issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

The information contained in this Prospectus will be supplemented by the financial statements and further information contained in the latest annual and semi-annual reports of the Company, copies of which may be obtained free of charge from the registered office of the Company.

Registration in Luxembourg

The Company is registered under Part II of the list of undertakings for collective investment provided by the Luxembourg Law of 20th December 2002 relating to undertakings for collective investment. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the investments held by the Company. Any representation to the contrary is unauthorised and unlawful.

Disclosure of Information

Investors must be aware that personal information given on the application form or otherwise in connection with an application to subscribe for Shares and details of their shareholding may be disclosed to the Investment Manager and any other companies affiliated to the Investment Manager for the purpose of developing and processing the business relationship with the Shareholders.

Restrictions on Distribution

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus may come are required by the Company to inform themselves of and to observe any such restrictions.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

The sale of the Company's Shares will not be promoted to the public in the European Union or any part thereof.

United States: The Shares have not been and will not be registered under the Securities Act of 1933 of the United States, as amended ("the 1933 Act") or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(2) thereof.

The Company will not be registered under the United States Investment Company Act of 1940 (as amended) (the "1940 Act") since Shares will only be sold to US Persons who are "qualified purchasers", as defined in the 1940 Act.

The Shares are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Company does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Company's investment program. The Company's investment practices, by their nature, may be considered to involve a substantial degree of risk. The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

There will be no public offering of the Shares in the United States.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company, and should not be reproduced or used for any other purpose.

Switzerland: The Company has not been registered with the Swiss Federal Banking Commission as a foreign mutual fund pursuant to Article 45 of the Swiss Mutual Fund Act of 18th March 1994. Accordingly, the Company's shares may not be offered or distributed on a professional basis in or from Switzerland, and neither this Prospectus nor any other offering materials relating to the Company's shares may be distributed in connection with such offering or distribution. The Company's shares may only be offered and this Prospectus may only be distributed in or from Switzerland to institutional investors or without any public offering.

Generally: the above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make an application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Risk Factors

Investment in the Company carries substantial risk. There can be no assurance that the Company's investment objective will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable to them in light of their circumstances and financial resources (see further under "Risk of Investment").

TABLE OF CONTENTS

	Page
DEFINITIONS	5
ADMINISTRATION	7
THE COMPANY	8
1.1 STRUCTURE	8
1.2 INVESTMENT OBJECTIVES AND POLICIES.....	8
1.3 INVESTMENT RESTRICTIONS	8
1.4 CLASSES OF SHARES	12
SHARE DEALING	13
2.1 SUBSCRIPTION FOR SHARES	13
2.2 REDEMPTION OF SHARES.....	16
2.3 CONVERSION OF SHARES.....	18
2.4 CALCULATION OF NET ASSET VALUE.....	19
2.5 SUSPENSIONS OR DEFERRALS.....	21
2.6 MARKET TIMING AND FREQUENT TRADING POLICY	22
GENERAL INFORMATION	22
3.1 ADMINISTRATION DETAILS, CHARGES AND EXPENSES	22
3.2 COMPANY INFORMATION	25
3.3 DIVIDEND POLICY	26
3.4 TAXATION	26
3.5 MEETINGS AND REPORTS.....	27
3.6 DETAILS OF SHARES.....	27
<i>APPENDIX I</i>	30
<i>APPENDIX II</i>	33

DEFINITIONS

"Accumulation Share"	a Share which accumulates the income arising in respect of a Share so that it is reflected in the price of that Share
"Administrator"	VPB Finance S.A. acting as Administrative, Corporate and Domiciliary Agent as well as Registrar and Transfer Agent
"Appendix"	an appendix to this Prospectus containing information with respect to the Company specifically and/ or particular Funds
"Articles"	the Articles of Incorporation of the Company as amended from time to time
"Business Day"	a week day on which banks are normally open for business in Luxembourg and New York
"Class"	a class of Shares with a specific fee structure, reference currency, dividend policy or other specific feature
"Closed-ended Investment Fund"	as defined under Section 1.3.1
"Company"	VAM MANAGED FUNDS (LUX)
"Custodian"	VP Bank (Luxembourg) S.A. as custodian of the Company
"Directors"	the Board of Directors of the Company
"Distributor"	an entity duly appointed from time to time by the Company to distribute or arrange for the distribution of Shares
"Eligible State"	includes any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Directors deem appropriate with regard to the investment objective of each Fund.
"EU"	European Union
"EUR"	the European currency unit (also referred to as the Euro)
"Foreign Regulated Investment Fund"	as defined under Section 1.3.1
"Foreign Unregulated Investment Fund"	as defined under Section 1.3.1
"Fund"	a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Class or Classes of Shares
"Fund Currency"	the reference currency of a Fund
"Investment Fund"	as defined under Section 1.3.1

"Investment Manager"	as disclosed in Appendix II in relation to the relevant Fund
"Investor"	a subscriber for Shares
"Luxembourg Investment Fund"	as defined under Section 1.3.1
"Net Asset Value per Share"	the value per Share of any Class of Share determined in accordance with the relevant provisions described under the heading "Calculation of Net Asset Value" as set out in Section 2.4
"Non-Fund Currency Share Class"	Class of Shares denominated in a currency other than the Fund Currency
"Open-ended Investment Fund"	as defined under Section 1.3.1
"Regulated Market"	a market which is regulated, operates regularly and is recognised and open to the public in an Eligible State
"Share"	a Share of no par value in any one Class in the capital of the Company
"Share Class Currency"	the reference currency of a Class of Shares
"Shareholder"	a holder of Shares
"United States Person"	a citizen or resident of the United States, a corporation, partnership or other entity created in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the 1933 Act
"United States"	the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdictions
"USD" or "\$"	United States Dollars
"Valuation Day"	as defined in Appendix II in relation to the relevant Fund.

All references herein to time are to Central European Time (CET) unless otherwise indicated.

Words importing the singular shall, where the context permits, include the plural and vice versa.

ADMINISTRATION

Registered Office:

26, avenue de la Liberté, L-1930 Luxembourg

Board of Directors:

Chairman:

Mr. Peter John de Putron, Chairman, VAM Advisory S.A., Luxembourg

Directors:

Mr. Hans Gerner, Financial Consultant, VPB Finance S.A., Luxembourg

Mr. Yves de Vos, Managing Director, VP Bank (Luxembourg) S.A., Luxembourg

Mr. Romain Moebus, Managing Director, VPB Finance S.A., Luxembourg

Mr. Michael Hunt, Director, VAM Advisory S.A., Luxembourg

Mr. Benoni Dufour, Civil Engineer, Luxembourg

Advisory Company:

VAM Advisory S.A., 26, avenue de la Liberté, L-1930 Luxembourg

Custodian and Principal Paying Agent:

VP Bank (Luxembourg) S.A., 26, avenue de la Liberté, L-1930 Luxembourg

Administrative, Corporate and Domiciliary Agent, Registrar and Transfer Agent:

VPB Finance S.A., 26, avenue de la Liberté, L-1930 Luxembourg

Auditors:

Ernst & Young, 7, parc d'Activités Syrdall, L-5365 Munsbach

Principal Legal Advisers:

Elvinger, Hoss & Prussen, 2, place Winston Churchill, L-2014 Luxembourg

THE COMPANY

1.1 STRUCTURE

The Company was initially incorporated in the Isle of Man on 7th March 2005. It transferred its registered office to Luxembourg on 2nd July 2007.

The Company is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("SICAV"). The Company operates separate Funds, each of which is represented by one or more Classes of Shares. The Funds are distinguished by their specific investment policy or any other specific features.

The Company constitutes a single legal entity, but the assets of each Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Fund and the assets of a specific Fund are solely accountable for the liabilities, commitments and obligations of that Fund.

The Shares may be listed on the Luxembourg Stock Exchange. The Directors may decide to make an application to list such Shares on any other recognised stock exchange.

The Directors may at any time resolve to set up new Funds and/or create within each Fund one or more Classes of Shares and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Fund, or one or more classes of Shares within a Fund to further subscriptions.

1.2 INVESTMENT OBJECTIVES AND POLICIES

The exclusive objective of the Company is to place the funds available to it in assets of any kind with the purpose of affording its Shareholders the results of the management of its portfolios.

The specific investment objective and policy of each Fund is described in Appendix II.

Investors should, prior to any investment being made, take due account of the risks of investment set out in Appendix I.

1.3 INVESTMENT RESTRICTIONS

The Company is subject to and will conduct its investment operations in compliance with the following investment restrictions. Subject to the approval of the Board and other regulatory approvals or requirements, the investment policy of any Fund may be subject to different investment restrictions than those provided below, in which case such different restrictions are disclosed in Appendix II.

1.3.1 Investments in other investment funds

As used in this section, the capitalised terms below shall have the following meanings:

"Investment Fund" shall mean any undertaking the sole objective of which is the collective investment in securities, financial instruments and other assets, including, without limitation, any Luxembourg Investment Fund, Foreign Regulated Investment Fund and Foreign Unregulated Investment Fund.

"Luxembourg Investment Fund" shall mean any Open-ended Investment Fund or Closed-ended Investment Fund registered under Luxembourg law.

"Foreign Regulated Investment Fund" shall mean any Open-ended Investment Fund or Closed-ended Investment Fund which (i) is subject to risk spreading requirements comparable to those applicable to Luxembourg Investment Funds and (ii) has been formed or organised under the laws of Canada, Hong Kong, Japan, Norway, Switzerland, the United States or of any member-State of the European Union ("EU").

"Foreign Unregulated Investment Fund" shall mean any Open-ended Investment Fund or Closed-ended Investment Fund other than a Foreign Regulated Investment Fund.

"Open-ended Investment Fund" shall mean an Investment Fund the securities of which are, at the request of holders, repurchased or redeemed directly or indirectly out of the assets of such Investment Fund on a quarterly or more frequent basis (actions taken by such Investment Fund to ensure that the stock exchange or market value of its securities does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption).

"Closed-ended Investment Fund" shall mean an Investment Fund which does not qualify as an Open-ended Investment Fund.

1.3.1.1. No Fund may invest more than 20% of its net assets in shares or units issued by any single Investment Fund.

For the purpose of this 20% limit, each compartment of an Investment Fund with multiple compartments is to be considered as a distinct Investment Fund, provided that the principle of segregation of the commitments of the different compartments vis-à-vis third parties is ensured.

This restriction does not apply to shares or units issued by any open-ended Foreign Regulated Investment Fund or by any open-ended Luxembourg Fund (provided, however, that such investment does not, in the judgement of the Board, lead to an excessive concentration in any such Investment Fund).

1.3.1.2. In principle, no Fund may acquire more than 20% of the shares or units of any Investment Fund. This restriction is not applicable in relation to newly created Investment Funds nor to the acquisition of shares or units in Luxembourg Investment Funds or Foreign Regulated Investment Funds. If a Fund acquires a percentage of shares or units of newly created Investments Funds exceeding 20%, it will use its best endeavours to reduce such holding so as to represent no more than 20% within one year from the acquisition. If the Investment Fund is a multiple compartment structure, the Fund's investment into the Investment Fund must represent less than 50% of the Fund's total net assets. This restriction is applicable to the Company as a whole.

1.3.1.3. A Fund may not invest more than 20% of its net assets in Investment Funds the investment policy of which is the investment in other funds.

The foregoing paragraph shall not apply to Luxembourg Investment Funds nor to Feeder Funds. Feeder Funds are Investment Funds that invest substantially all their assets (except cash) in one other Investment Fund (a Master Fund). In relation to a Master-Feeder structure, the 20% limits referred to in 1.3.1.1. and 1.3.1.2. above do not apply at the level of the Feeder Fund but shall apply at the level of the Master Fund if investments by the Fund in the Master Fund can only be made through one or more Feeder Funds. However, the Company may not acquire shares or units carrying voting rights that would enable it to exercise a significant influence over the management of a Feeder Fund. The Fund shall only invest in Master-Feeder structures that would not cause a duplication of fees between the Master and the Feeder.

1.3.1.4. No Fund will invest more than 20% of its net assets in Closed-ended Investment Funds that are not listed on a stock exchange or dealt in on another Regulated Market.

1.3.2. Investments in securities

Each Fund of the Company may invest in securities of issuers (other than Investments Funds), provided that the Company shall not:

1.3.2.1. invest more than 20% of the net assets of any Fund in the securities of a single issuer;

1.3.2.2. acquire any securities if, as a result, the Company or any Fund would then own more than 20% of securities of the same issuer;

1.3.2.3. invest more than 20% of the net assets of any Fund in securities (including Closed-ended Investment Funds under section 1.3.1.4. above) which are not listed on a stock exchange or dealt in on another Regulated Market. This restriction is not applicable to regularly negotiated money market instruments.

The above restrictions are not applicable to securities issued or guaranteed by member-States of the Organisation of Economic Co-operation and Development ("OECD") or their local authorities or public international bodies with EU, regional or world-wide scope.

When the Company invests its net assets in structured products, restrictions 1.3.2.1 to 1.3.2.3 above apply to both the issuer of the relevant structured product and to the relevant structured product final debtor risk (i.e. the issuer of the "underlying").

1.3.3. Additional investment restrictions

1.3.3.1 Unless specifically provided otherwise in Appendix II, each Fund may borrow up to 20% of its net assets for investment purposes or to bridge short term liabilities.

1.3.3.2 Unless specifically provided otherwise in Appendix II, the Funds may not invest through the use of managed accounts.

1.3.3.3 Each Fund may acquire any foreign currency by means of a back-to-back loan.

1.3.3.4 No Fund may make any investment which exposes the Company to unlimited liability.

1.3.3.5 No Fund may issue warrants or other rights to subscribe for Shares in such Fund.

1.3.3.6 No Fund may acquire or sell real estate, provided however that a Fund may invest in securities secured by real estate or interests therein or issued by companies such as real estate investment trusts which invest in real estate or interests therein.

1.3.3.7 No Fund may effect short sales, provided however that any Investment Fund in which a Fund invests may effect such sales.

1.3.3.8 No Fund may invest in physical commodities, precious metals or other physical assets (such as art, antiques etc), provided however that any Investment Fund in which a Fund invests may effect such sales.

1.3.3.9 No Fund may grant loans or guarantees in favour of a third party.

1.3.4. Restrictions applicable to derivative financial instruments

1.3.4.1 Derivative financial instruments must be quoted on an exchange, dealt in on a regulated market or constitute private agreements with Eligible Counterparties (as defined

hereafter). The counterparties with whom a Fund enters into forward, option and swap contracts and any other derivative contracts by private agreement must be highly rated financial institutions based in OECD countries and specialising in the relevant type of transaction ("Eligible Counterparties").

1.3.4.2. Margin deposits in relation to derivative financial instruments dealt on an organised market, premiums paid for the acquisition of options outstanding as well as the commitments arising from derivative financial instruments contracted by private agreement may not exceed, in aggregate, 50% of the Net Asset Value. The commitment in relation to a transaction on a derivative financial instrument entered into by private agreement by the relevant Fund corresponds to any non-realised loss resulting, at that time, from the relevant transaction.

1.3.4.3. Each Fund must maintain a reserve of liquid assets in an amount at least equal to the margin deposits made by the relevant Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with European, regional or worldwide scope as well as bonds listed on a stock exchange or dealt on a regulated market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid.

1.3.4.4. A Fund may not enter into contracts relating to commodities other than commodity futures contracts. Any futures or options contracts on securities that call for physical delivery of the underlying security will be liquidated prior to delivery unless otherwise required by applicable law or exchange rules or regulations.

1.3.4.5. Each Fund will ensure an adequate spread of investment risks by sufficient diversification.

1.3.4.6. A Fund may not hold an open position in any one single contract relating to a derivative financial instrument, for which the aggregate margin requirement represents 5% or more of the assets of such Fund.

1.3.4.7. Premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the net assets of any Fund.

1.3.4.8. A Fund may not hold an open position in derivative financial instruments relating to a single commodity or a single category of financial futures for which the required margin (in relation to derivative financial instruments dealt in on a Regulated Market) as well as the commitment (in relation to derivative financial instruments entered into by private agreement) represent 20% or more of the assets of such Fund. In relation to this restriction, the commitment of a Fund in relation to a transaction on a derivative financial instrument entered into by private agreement corresponds to the non-realised loss resulting for that Fund, at that time, from the relevant transaction.

1.3.4.9. The Fund may not use monies borrowed to finance margin deposits for derivative financial instruments.

Restrictions 1.3.4.6. and 1.3.4.8 above are not applicable in relation to currency transactions.

The Company will ensure that the global exposure relating to derivative financial instruments does not exceed 100 % of the Net Asset Value of the Fund to which they apply.

The Fund will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests.

1.3.5. Restrictions applicable to lending and repurchase transactions

1.3.5.1. The Company may engage in securities lending transactions subject to the following conditions and restrictions:

- (i) the Company may only participate in securities lending transactions within a standardised lending system organised by a recognised securities clearing institution or by an Eligible Counterparty;
- (ii) the Company must receive collateral in cash and/or in the form of securities issued or guaranteed by member-States of the OECD or by their local authorities or by supranational institutions and organisations with EU, regional or world-wide scope which is blocked in favour of the Company until termination of the lending contract and the value of which must be at least equal to the total value of the securities lent;
- (iii) lending transactions may not be carried out on more than 50% of the aggregate market value of the securities in the portfolio of each Fund, provided, however, that this restriction does not apply if the Company has the right to terminate the contract at any time and obtain restitution of the securities lent; and
- (iv) lending transactions may not have a term in excess of 30 days. This condition does not apply if the Company has the right to terminate the contract at any time and obtain restitution of the securities lent.

1.3.5.2. The Company may enter, either as purchaser or seller, into repurchase agreements with Eligible Counterparties. During the term of the repurchase agreements, the Company may not sell the securities which are the object of the agreement either before (i) the repurchase of the securities by the counterparty or (ii) the repurchase period has expired. The Company must ensure it restricts the value of purchased securities subject to repurchase obligations at such a level that it is able, at all times, to meet its obligations to redeem its own Shares.

1.3.6. Excess of ceilings

1.3.6.1. The Company need not comply with the investment limit percentages above when exercising subscription rights attaching to securities, which form part of the assets of the Company.

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

1.4 CLASSES OF SHARES

The Directors may decide to create within each Fund different classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

A Shares are available to all investors.

I Shares will only be offered to Investors who are institutional investors, as may be defined from time to time by the guidelines or recommendations issued by the Luxembourg supervisory authority.

The Company will not issue, or effect any conversion of, I Shares to any Investor who is not considered an institutional investor within the meaning of article 129 of the Law of 2002. The Directors of the Company may, at their discretion, delay the acceptance of any subscription for I Shares restricted to institutional investors until such date as the Administrator has received sufficient evidence on the qualification of the relevant Investor as an institutional investor. If it appears at any time that a holder of I Shares is not an institutional investor, the Directors of the Company will instruct the Administrator to propose that the said holder convert their Shares into Shares of a class within the relevant Fund which is not restricted to institutional investors (provided that there exists such a class with similar characteristics). In the event that the Shareholder refuses such conversion, the Directors of the Company will, at their discretion, instruct the Administrator to redeem the relevant Shares in accordance with the provisions under "Redemption of Shares".

SHARE DEALING

2.1 SUBSCRIPTION FOR SHARES

Initial Offer Period

Applications for subscription may be made during the Initial Offer Period specified for each Class in Appendix II.

Initial Issue Price

During any Initial Offer Period, the issue price per Share of each Class is the price specified in Appendix II plus any applicable subscription charge.

Minimum Initial Subscription and Holding Amounts

The Directors will set and waive in their discretion a minimum initial subscription amount and a minimum ongoing holding amount per Class in each Fund for each registered Shareholder, to be specified in Appendix II.

Subsequent Subscriptions

If the Directors determine that it is in the interest of Shareholders of a Fund to accept subscriptions after the Initial Offer Period, applications for subscription may be made on or prior to any day that is a Valuation Day for the Fund or Class concerned (or on such other days as the Directors may from time to time determine), subject to any prior notice requirements specified in Appendix II. The Directors may discontinue the issue of new Shares in any Fund or Class at any time in their discretion.

Minimum Subsequent Subscription Amount

The Directors will set and waive in their discretion a minimum subsequent subscription amount, to be specified in Appendix II.

Prior Notice Requirements

The Directors may in their discretion refuse to accept any application for subscription received after the first day of any prior notice period specified for each Class in Appendix II.

Subscription Price Per Share

After any Initial Offer Period, the Subscription Price per Share of each Class is the Net Asset Value per Share of such Class determined as at the Valuation Day on which the application has been accepted, increased by any applicable subscription charge. This Subscription Price may also be increased to cover any duties, taxes and stamp duties which may have to be paid.

Subscription Charge

The Distributors and other financial intermediaries are entitled to the subscription charge, which can be partly or fully waived at the discretion of the Advisory Company, the relevant Distributor or other financial intermediary. The subscription charge attributed to each class of Share is specified in Appendix II.

Payment of Subscription Price

The full purchase price of the Shares subscribed must be received in immediately available funds by the Custodian or its agent in the reference currency of the Class concerned not later than the date specified in Appendix II. Unless otherwise specified in Appendix II, no interest will be paid on payments received prior to the closing date of any Initial Offer Period or prior to any Valuation Day.

Acceptance of Subscriptions

The Directors reserve the right to accept or refuse any application to subscribe Shares in whole or in part.

The Directors may decide at any time to close any Fund to further subscriptions when the assets under management are deemed to have reached their optimal size.

Suspension of Subscriptions

The Directors will suspend the issue of Shares of any Fund whenever the determination of the Net Asset Value of such Fund or Class is suspended.

Price Information

The Net Asset Value per Share of one or more Share Classes is published in such newspapers or other electronic services as determined from time to time by the Directors. It is available from the registered office of the Company. Neither the Company nor the Distributors accept responsibility for any error in publication or for non-publication of the Net Asset Value per Share.

Types of Share

Shares will be issued in registered form. Registered Shares are in non-certificated form. Fractional entitlements to registered Shares will be rounded downwards to three decimal places. Fractions of Shares do not confer voting rights at any meeting of Shareholders but entitle the holder thereof to a correspondent amount in case of payment of dividend distribution or liquidation proceeds.

Anti Money Laundering Procedures

A number of Luxembourg laws and regulations impose obligations on those working in the financial sector to prevent the use of investment funds for money-laundering purposes. As a result, the identity of subscribers (and, where appropriate, that of the beneficial owners) must be

revealed to the Company by means of a certified copy of the passport or identity card for natural persons and/or the Articles of Incorporation for legal persons, accompanied by a recent original extract from the Registre de Commerce et des Sociétés (Registrar of Companies), an original or a certified copy of the list of authorised signatories and, where applicable, a certified copy of the authorisation to operate issued by the competent authority. Such information shall be collected for verification purposes only and shall be covered by the professional secrecy imposed on the Company and the Administrator. The Administrator shall be entitled to request any such other information as it deems necessary in order to establish the identity of the investor or the beneficial owner, in line with Luxembourg laws and regulations.

Nevertheless, as a rule, subscribers need normally not provide all the above information and documents if their application for subscription is filed through a regulated financial agent based in one of the countries or territories which are considered to have implemented, in accordance with Luxembourg laws and regulations, equivalent measures in the fight against money laundering and the financing of terrorism.

The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption.

Ineligible Investors

Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to any United States Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a United States Person provided that:

- (a) such United States Person certifies that it is an "accredited investor" and a "qualified purchaser", in each case as defined under applicable US federal securities laws;
- (b) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the States of the United States;
- (c) such issue or transfer will not require the Company to register under the 1940 Act or to file a prospectus with the US Commodity Futures Trading Commission or the US National Futures Association pursuant to regulations under the US Commodity Exchange Act, as amended;
- (d) such issue or transfer will not cause any assets of the Company to be "plan assets" for the purposes of ERISA; and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Company or its Shareholders as a whole.

Each applicant for, and transferee of, Shares who is a United States Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue, or the registration of any, transfer of Shares. Based on such representations, warranties and documentation, the Directors will make a determination whether to authorise the issue or transfer of Shares to or for the account of a United States Person. If the transferee is not already a Shareholder, he will be required to complete the appropriate application form.

The Directors may require the compulsory redemption of shares owned by investors in breach of the restrictions of this section.

2.2 REDEMPTION OF SHARES

Redemption Procedure

Subject to the restrictions provided in this document and Appendix II, any Shareholder may apply for the redemption of some or all of his Shares or of a fixed amount. Shares will be redeemed at the Net Asset Value per Share determined as at the Valuation Day on which the redemption application has been accepted. If the value of a Shareholder's holding on the relevant Valuation Day is less than the fixed amount which the Shareholder has applied to redeem, the Shareholder will be deemed to have requested the redemption of all of his Shares.

Prior Notice Requirements

The Directors may in their discretion refuse to accept any application for redemption received after the first day of any prior notice period specified in Appendix II. Such applications will be dealt with as of the next Valuation Day.

Minimum Holding Amount

If as a result of a redemption, the value of a Shareholder's holding would become less than the minimum holding amount specified for each Class in Appendix II, the Directors may decide that the redeeming Shareholder shall be deemed to have requested the conversion of the rest of his Shares into Shares of the Class of the same Fund with a lower minimum holding amount (subject to the fulfilment of any requirements imposed on such Class) and, if the redeeming Shareholder was holding Shares of the Class with the lowest minimum holding amount, the Directors may decide that the redeeming Shareholder shall be deemed to have requested the redemption of all of his Shares. The Directors may also at any time decide to compulsorily redeem all Shares from any Shareholder whose holding is less than the minimum holding amount specified for each Class in Appendix II. Before any such compulsory redemption or conversion, each Shareholder concerned will receive one month's prior notice to increase his holding above the applicable minimum holding amount at the applicable Net Asset Value per Share.

Redemption Charge

In each Class of each Fund, a redemption charge may be charged or waived in whole or in part, as specified in Appendix II.

Redemption Price per Share

The Redemption Price per Share of each Class is the Net Asset Value per Share of such Class determined as at the Valuation Day on which the redemption application has been accepted, reduced by any applicable redemption charge.

Payment of Redemption Proceeds

Redemption proceeds, net of any applicable redemption charge and any cash transfer charges, are paid in the reference currency of the relevant Fund or Class by or on behalf of the Custodian on the date specified in Appendix II.

Redemptions in kind

In exceptional circumstances the Directors may request in accordance with the provisions of the Articles, that a Shareholder accepts 'redemption in kind' i.e. receives a portfolio of stock from the relevant Class of equivalent value to the appropriate cash redemption payment. In such circumstances the Shareholder must specifically accept the redemption in kind. He may always request a cash redemption payment in the reference currency of the Class. Where the

Shareholder agrees to accept redemption in kind he will, as far as possible, receive a representative selection of the Class' holdings pro rata to the number of Shares redeemed and the Directors will make sure that the remaining Shareholders do not suffer any loss therefrom. The value of the redemption in kind will be certified by a certificate drawn up by the auditors of the Company in accordance with the requirements of Luxembourg law.

Compulsory Redemption of Shares

If the Directors become aware that a Shareholder of record is holding Shares for the account of a person who does not meet the Shareholder eligibility requirements specified in this Prospectus, or is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or a majority of its Shareholders, or otherwise be detrimental to the interests of the Company, the Directors may compulsorily redeem such Shares in accordance with the provisions of the Articles. Shareholders are required to notify the Company and the Administrator immediately if they cease to meet the Shareholder eligibility requirements specified in "Subscriptions" above or in Appendix II, or hold Shares for the account or benefit of any person who does not or has ceased to meet such requirements, or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may either have adverse regulatory, tax or fiscal consequences for the Company or be detrimental to the interests of the Company.

If the Directors become aware that a Shareholder has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors may compulsorily redeem the relevant Shares in accordance with the provisions of the Articles.

Large Redemptions

If applications for the redemption of more than 10% of the total number of Shares outstanding of any Fund are received in respect of any Valuation Day, the Directors may decide to defer redemption requests so that the 10% limit is not exceeded. Under these circumstances, redemptions may be deferred to a next following Valuation Day, as the Directors may decide. Any redemption requests in respect of the relevant Valuation Day so reduced will be given priority over subsequent redemption requests received for the succeeding Valuation Day, subject always to the 10% limit. The above limitations will be applied pro rata to all Shareholders who have requested redemptions to be effected on or as at such Valuation Day so that the proportion redeemed of each holding so requested is the same for all such Shareholders.

Suspension of Redemptions

Redemption of Shares of any Fund or Class will be suspended whenever the determination of the Net Asset Value of such Fund or Class is suspended.

Revocability of Redemption Requests

In normal circumstances, except in the event of a suspension of the determination of the Net Asset Value of the relevant Fund, applications for redemptions of Shares are irrevocable and may not be withdrawn by any Shareholder. In the event of such a suspension, the Shareholders of the relevant Fund, who have made an application for redemption of their Shares, may give written notice to the Company that they wish to withdraw their application. Further, the Directors may at their discretion, taking due account of the principle of equal treatment between Shareholders and the interest of the relevant Fund, decide to accept any withdrawal of an application for redemption.

2.3 CONVERSION OF SHARES

No conversion of Shares into Shares of another existing Class within the same or a different Fund may be made at any time when issues and redemptions of Shares in either or both of the relevant Classes are suspended.

Irrevocability of Conversion Requests

Any request for conversions shall be irrevocable and may not be withdrawn by any Shareholder in any circumstances, except in the event of a suspension of the determination of the Net Asset Value of the relevant Fund or Class. In the event of a suspension, the Company will process the conversion requests on the first applicable Valuation Day following the end of the period of suspension.

Conditions

Acceptance of any application for conversion is contingent upon the satisfaction of any conditions (including any minimum subscription and prior notice requirements) applicable to the Class into which the conversion is to be effected. If as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than any minimum holding amount specified in Appendix II, the Directors may decide not to accept the conversion request. If as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the minimum subscription amount specified for each Class in Appendix II, the Directors may decide that such Shareholder shall be deemed to have requested the conversion of all of his Shares.

Prior Notice Requirements

Unless specifically otherwise provided, the prior notice requirements for redemptions as specified for a given Fund in Appendix II shall be applicable to conversion requests.

Conversion Value

The number of full and fractional Shares issued upon conversion is determined on the basis of the Net Asset Value per Share of each Class concerned on the common Valuation Day on which the conversion request is effected. If there is no common Valuation Day for any two Classes, the conversion is made on the basis of the Net Asset Value calculated on the next following Valuation Day of the Class of Shares to be converted and on the following Valuation Day of the Class into which conversion is requested, or on such other days as the Directors may reasonably determine.

Compulsory Conversions

If the Shareholder of a given Class accumulates a number of Shares of that Class with an aggregate Net Asset Value equal to or in excess of the minimum subscription amount of a parallel Class within the same Fund and such parallel Class is subject to a lower fee structure, the Directors may in their discretion convert the Shareholder's Shares into Shares of the parallel Class with such lower fee structure. A "parallel class" within a Fund is a Class that is identical in all material respects (including investment objective and policy) save for the minimum subscription amount and fee structure applicable to it.

Conversion Fee

To cover any transaction costs which may arise from the conversion, the Directors may charge, for the benefit of the original Fund, a conversion fee of up to the amount of the redemption charge applicable to the Shares to be converted.

In addition, the subscription charge of the Class or Fund in which the conversion is effected may be levied as if the investor were subscribing in that Class or Fund.

The same charge will be applied in respect of all conversions effected in the same common Valuation Day.

2.4 CALCULATION OF NET ASSET VALUE

Calculation of the Net Asset Value per Share

- (A) The Net Asset Value per Share of each Class will be calculated as of each Valuation Day (and in any case at least once per month) in the currency of the relevant Class. It will be calculated by dividing the net asset value attributable to each Class, being the proportionate value of its assets less its liabilities, by the number of Shares of such Class then in issue. The resulting sum shall be rounded downwards to the nearest two decimal places.
- (B) The Directors reserve the right to allow the Net Asset Value per Share of each Class of Shares to be calculated more frequently, or to otherwise alter dealing arrangements on a permanent or a temporary basis, for example, where the Directors consider that a material change to the market value of the investments in one or more Funds so demands. The Prospectus will be amended, following any such permanent alteration, and Shareholders will be informed accordingly.
- (C) In valuing total assets, the following rules will apply:
- (1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.
 - (2) The value of any securities (including shares or units in Closed-ended Investment Funds), money market instruments and derivative instruments will be determined on the basis of the last available price on the stock exchange or any other Regulated Market as aforesaid on which these securities, money market instruments or derivative instruments are traded or admitted for trading unless otherwise mentioned in Appendix II. Where such securities, money market instruments or derivative instruments are quoted or dealt in one or by more than one stock exchange or any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provision of prices of securities, assets or derivative instruments.
 - (3) If a security, money market instrument or derivative instrument is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities, money market instruments and derivative instruments so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.
 - (4) Swaps contracts will be valued at the market value fixed in good faith by the Directors and according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows.

- (5) Each share or unit in an Open-ended Investment Fund will be valued at the last available net asset value (or bid price for dual priced Investment Funds) whether estimated or final, which is computed for such unit or shares on the same Valuation Day, failing which, it shall be the last net asset value (or bid price for dual priced Investment Funds) computed prior to the Valuation Day on which the Net Asset Value of the Shares in the Company is determined.
- (6) In respect of shares or units of an Investment Fund held by the Company, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Directors may decide to value such shares or units in line with the prices so established.
- (7) If, since the day on which the latest net asset value was calculated, events have occurred which may have resulted in a material change of the net asset value of shares or units in other Investment Funds held by the Company, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change of value.
- (8) The value of any security which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price.
- (9) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.
- (10) Any assets or liabilities in currencies other than the reference currency of the Funds will be converted using the relevant spot rate quoted by a bank or other responsible financial institution.
- (11) In circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets, as further described below under 2.6 "Market Timing and Frequent Trading Policy".

Any Fund investing in Investment Funds will determine its Net Asset Value primarily on the basis of the value of its interests in such Investment Funds, as reported or provided by such Investment Funds, their respective administrators, Submanagers, market-makers, or other sources believed to be reliable. The calculation of the Net Asset Value may be based upon an estimate of the net asset value of one or more Investment Funds as calculated by the relevant Investment Fund(s) or their agents. The Company and its Administrator, acting upon the recommendations provided by the relevant Investment Manager and under the supervision of the Directors, will make all reasonable efforts to correctly assess the value of all portfolio securities based on the information made available to them, and such valuations will be binding upon the Company and its Shareholders in the absence of manifest error. Neither the Company, nor its Administrator, nor the Investment Manager have any control over the valuation methods and accounting rules adopted by the Investment Funds in which a Fund may invest and no assurance can be given that such methods and rules will at all times allow the Company to correctly assess the value of its assets and investments. If the value of a Fund's assets is adjusted after any Valuation Day (as a consequence, for instance, of any adjustment made by an Investment Fund to the value of its own assets), the Directors will not be required to revise or recalculate the Net Asset Value on the basis of which subscriptions, redemptions or

conversions of Shares of that Fund may have been previously accepted. In any Fund, the Directors may determine to establish reserves which may be caused by revaluation of assets and make provisions for contingencies.

The Net Asset Value per Share of each Class and the issue and redemption prices thereof are available at the registered office of the Company and the Luxembourg office of the Administrator. The Directors may from time to time in their discretion publish the Net Asset Value per Share of certain Classes and Funds in newspapers of international circulation.

2.5 SUSPENSIONS OR DEFERRALS

- (A) The Company reserves the right not to accept instructions to redeem or convert on any one Valuation Day more than 10% of the total value of Shares in issue of any Fund. In these circumstances, the Directors may declare that the redemption of part or all Shares in excess of 10% for which a redemption or convert has been requested will be deferred until the next Valuation Day and will be valued at the Net Asset Value per Share prevailing on that Valuation Day. On such Valuation Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Administrator.
- (B) The Company reserves the right to extend the period of payment of redemption proceeds to such period as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Company are invested or in exceptional circumstances where the liquidity of the Company is not sufficient to meet the redemption requests.
- (C) The Company may suspend or defer the calculation of the Net Asset Value of any Class of Shares in any Fund and the issue and redemption of any Class of Shares in such Fund, as well as the right to convert Shares of any Class in any Fund into Shares of the same Class of the same Fund or any other Fund:
 - (a) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Company's investments of the relevant class for the time being are quoted, is closed (otherwise than for ordinary holidays), or during which dealings are restricted or suspended; or
 - (b) any period when the Net Asset Value of one or more Investment Funds, in which the Company will have invested and the units or the shares of which constitute a significant part of the assets of the Company, cannot be determined accurately so as to reflect their fair market value as at the Valuation Day; or
 - (c) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Fund by the Company is impracticable; or
 - (d) during any breakdown in the means of communication normally employed in determining the price or value of any of the Company's investments or the current prices or values on any market or stock exchange; or
 - (e) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or

- (f) if the Company or the relevant Fund is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Company or the Fund is proposed; or
- (g) if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to a particular Class of Shares in the preparation or use of a valuation or the carrying out of a later or subsequent valuation.
- (h) during any other circumstance or circumstances where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Company or its Shareholders might so otherwise have suffered.

(D) The suspension of the calculation of the Net Asset Value of any Fund or Class shall not affect the valuation of other Funds or Classes, unless these Funds or Classes are also affected.

(E) During a period of suspension or deferral, a Shareholder may withdraw his request in respect of any Shares not redeemed or converted, by notice in writing received by the Administrator before the end of such period.

Shareholders and applicants for Shares will be informed of any suspension or deferral as appropriate.

2.6 MARKET TIMING AND FREQUENT TRADING POLICY

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

For the purposes of this section, market timing is held to mean subscriptions into, conversions between or redemptions from the various classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, conversions between or redemptions from the various classes of Shares (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Fund's other shareholders.

GENERAL INFORMATION

3.1 ADMINISTRATION DETAILS, CHARGES AND EXPENSES

Directors

Each of the Directors of the Company is entitled to remuneration for his services at a rate determined by the Company from time to time in the general meetings. In addition, each Director may be paid reasonable expenses incurred while attending meetings of the Board of Directors or general meetings of the Company.

The Advisory Company

The Company has appointed VAM Advisory S.A. as its adviser (the "Advisory Company") to be responsible for providing advisory and administration services to the Company and assisting it in the marketing of its shares.

The Advisory Company was organised as a société anonyme under the laws of the Grand-Duchy of Luxembourg by notarial deed dated 8th April 2005, published in the Mémorial on 20th April 2005. The Articles of the Advisory Company are deposited with the Registre de Commerce et des Sociétés of Luxembourg (where they may be inspected and copies may be obtained). The Advisory Company has been incorporated for an undetermined period. Its registered and principal office is at 26, avenue de la Liberté, L-1930 Luxembourg. The Advisory Company is registered with the Registre de Commerce et des Sociétés of Luxembourg under number B 107 143.

The issued and fully paid capital of the Advisory Company is 31,000 Euros represented by 3,100 Shares of a par value of 10 Euros each.

The Advisory Company is entitled to fees, payable on a monthly basis at a total annual rate which could vary for each Fund, but which shall not exceed 2.5% of the average net asset value of the relevant Fund, as determined during the relevant month.

The Advisory Company may also be entitled to a performance fee to the extent described in Appendix II.

The Investment Managers

The Directors have delegated the investment management of each Fund to the Investment Manager(s) disclosed in Appendix II in relation to the relevant Fund.

The Investment Manager(s) shall be remunerated by the Advisory Company.

Administrator

The Directors have appointed VPB Finance S.A. as its Administrator, to act as administrative, corporate and domiciliary agent as well as registrar and transfer agent. As such, VPB Finance S.A. is responsible for performing the general administrative functions required by Luxembourg law, processing the issue and redemption of Shares, calculating the Net Asset Value of the Classes and the Net Asset Value per Share and for maintaining the accounting records of the Company.

VPB Finance S.A. is a public limited company ("société anonyme"). It was incorporated in Luxembourg under the denomination "De Maertelaere Luxembourg S.A." on 28th January 1993. Its articles have been amended on 20th June 2006 in order to allow it to act as a management company under Chapter 13 of the law of 20th December 2002. Its registered office is at 26 avenue de la Liberté, L-1930 Luxembourg in the Grand Duchy of Luxembourg. Its fully paid-up share capital amounted to CHF 5.000.000 as at 31st December 2005.

VPB Finance S.A. has been set up with the main object of creating and administering UCITS as well as other types of Luxembourg and foreign investment funds. It may manage the portfolio of such investment funds and perform all the functions enumerated in Annex II of the law of 20th December 2002. In addition, it may distribute in Luxembourg and/or third countries the parts and shares of investment funds. It can also manage portfolios on a discretionary basis provided these consist of the instruments set out in section B of Annex II of the law dated 5th April 1993 on the financial sector. It can provide auxiliary services consisting of the keeping and administration of units of investment funds and the giving of investment advice. Finally, it may delegate all or part only of its activities in accordance with Luxembourg law.

The Administrator will have no decision-making discretion relating to the Company's investments.

The Administrator is a service provider to the Company and is not responsible for the preparation of this document and therefore accepts no responsibility for the accuracy of any information contained in this document.

The Administrator will receive from the Company such fees and commissions as are in accordance with usual practice in Luxembourg. They will be composed of a fee calculated as a percentage of the relevant Fund's net assets and of transaction-based commissions.

Custodian

VP Bank (Luxembourg) S.A. was incorporated as "société anonyme" (limited company) under Luxembourg law on 16th November 1988 for an indefinite period. Its fully paid-up capital, as at 31st December 2005, amounts to 20 Million Swiss Francs.

The Custodian is responsible for the custody of cash, securities deposits and any other assets of the Fund. The Custodian will further, in accordance with the law ensure that: (i) the sale, issue, redemption and cancellation of Shares effected by the Fund or on its behalf are carried out in accordance with the law and the Articles; (ii) in any transactions involving the assets of the Fund, any consideration is remitted to it within the customary settlement dates; (iii) the income of the Fund is applied in accordance with the Articles.

The Custodian may entrust all or part of the assets of the Fund to such agents, delegates or correspondents (together "Correspondents") as may be determined by the Custodian from time to time. The Custodian's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a Correspondent except that the Custodian is not liable for any loss directly or indirectly arising as a result of the acts or omissions of its Correspondents, nor as a result of the liquidation, bankruptcy or insolvency of any of its Correspondents provided it shall have been sufficiently careful in the selection of the Correspondents. The Custodian is not responsible for the safekeeping of assets deposited with brokers either as margin for trading activities or temporarily deposited with brokers in order to settle a trade provided it shall have been sufficiently careful in the selection of the said brokers.

The Custodian shall also act as principal paying agent.

The Custodian will receive from the Company such fees and commissions as are in accordance with usual practice in Luxembourg. They will be composed of a fee calculated as a percentage of the relevant Fund's net assets and of transaction-based commissions.

Other Charges and Expenses

The Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, settlement costs and bank charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

The Company shall bear its redomiciliation expenses, including the costs of drawing up and printing the Prospectus, notary public fees, the filing costs with administrative and stock exchange authorities.

These expenses, estimated at approximately USD 50,000 will be borne by the Funds existing upon redomiciliation of the Company. These expenses may, at the discretion of the Directors, be amortised on a straight line basis over 5 years from the date on which the Company redomiciled to Luxembourg. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised.

The expenses incurred by the Company in relation to the launch of additional Funds will be borne by, and payable out of the assets of, those Funds and will be amortised on a straight line basis over 5 years from the launch date.

3.2 COMPANY INFORMATION

1. The Company is an umbrella open-ended investment company with limited liability, organised as a "société anonyme" and qualifies as a "Société d'Investissement à Capital Variable" ("SICAV") under part II of the Law on Collective Investment Undertakings dated 20th December 2002 (the "Law of 2002"). The Company was initially incorporated in the Isle of Man on 7th March 2005. It transferred its registered office to Luxembourg on 2nd July 2007. Its Articles were published in the Mémorial on 26th July 2007.

The Company is registered under Number B 129.579 with the Registre de Commerce et des Sociétés, where the Articles of the Company have been filed and are available for inspection. The Company exists for an indefinite period.

2. The minimum capital of the Company required by Luxembourg law is the USD equivalent of EUR 1,250,000. The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to its Net Asset Value. Should the capital of the Company fall below two thirds of the minimum capital, an Extraordinary Meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by a majority of the Shares present or represented at the meeting. Where the share capital falls below one quarter of the minimum capital, the Directors must convene an Extraordinary Meeting of Shareholders to decide upon the liquidation of the Company. At that Meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the Shares present or represented.

For consolidation purposes, the reference currency of the Company is the USD.

3. The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into:
 - a) Investment Management Agreements between the Company and the relevant Investment Managers pursuant to which the Investment Managers have agreed to manage the investment and reinvestment of the assets of the relevant Fund on a discretionary basis in a manner consistent with the Fund's investment objective, strategies, restrictions and guidelines, as described in this Prospectus. The Investment Management Agreements may be terminated by either party up to upon 3 months' notice in writing.
 - b) A Custodian Bank and Paying Agent Agreement dated as of 2nd July 2007 between the Company and the Custodian pursuant to which the latter was appointed as custodian of the assets of the Company. The Agreement may be terminated by either party on three months' notice in writing.
 - c) An Administrative Services Agreement dated as of 2nd July 2007 between the Company and the Administrator pursuant to which the latter was appointed as the Company's administrative, corporate and domiciliary agent as well as registrar and transfer agent. The Agreement may be terminated by either party on three months' notice in writing.

- d) An Investment Advisory Agreement between the Company and the Advisory Company. The Agreement may be terminated by either party on three months' notice in writing.

Any of the above Agreements may be amended by mutual consent of the parties, consent on behalf of the Company being given by the Directors.

Documents of the Company

Copies of the Articles, Prospectus and financial reports may be obtained free of charge and upon request, from the registered office of the Company. The material contracts referred to above are available for inspection during normal business hours, at the registered office of the Company.

3.3 DIVIDEND POLICY

Unless otherwise stated in Appendix II, the Directors have the option, in any given accounting year, to propose to the Shareholders of any Fund or Class the payment of a dividend out of all or part of that Fund's or Class's net income, capital gains or capital.

Dividend payments are restricted by law in that they may not reduce the net assets of the Company below the required minimum capital imposed by Luxembourg law.

In the event that a dividend is declared and remains unclaimed after a period of five years from the date of declaration, such dividend will be forfeited and will revert to the Fund or Class in relation to which it was declared.

3.4 TAXATION

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

Taxation of the Company

The Company is not subject to any taxes in Luxembourg on income or capital gains. The only tax to which the Company in Luxembourg is subject, is the "taxe d'abonnement" at a rate of up to 0.05% per annum based on the Net Asset Value of each Fund at the end of the relevant quarter, calculated and paid quarterly. In respect of any class of Shares which comprises only institutional investors (within the meaning of article 129 of the Law of 2002), the tax levied will be at the rate of 0.01% per annum.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

Taxation of Shareholders

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, and except for certain former residents of Luxembourg and non-residents if owning more than 10% of the share capital of the Company, disposing of it in whole or part within six months of acquisition.

EU Tax Considerations

The Council of the EU has adopted on 3rd June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Directive"). Under the Directive, EU member states will be required to provide the tax authorities of another EU member state with

details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other EU member state. Luxembourg has opted instead for a withholding tax system for a transitional period in relation to such payments. From 1st July 2008 until 30th June 2011 the applicable withholding tax rate will be 20%, rising to 35% from 1st July 2011. Because of the Company's structure and the investment policy it pursues, it is presently expected that dividends distributed by a Fund and capital gains realised by Shareholders on the disposal of Shares in a Fund will not be subject to such reporting or withholding tax.

The foregoing is only a summary of the implications of the Directive and the Luxembourg law having implemented the Directive, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Directive and the related Luxembourg law.

General

The foregoing is based on the Directors' understanding of the law and practice in force at the date of this document and applies to Investors acquiring Shares in the Company as an investment. Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, converting, redeeming or otherwise dealing in the Company's Shares under the laws of their countries of citizenship, residence and domicile.

3.5 MEETINGS AND REPORTS

Meetings

The Annual General Meeting of Shareholders of the Company is held in Luxembourg on the third Wednesday of October at 11 a.m. (Luxembourg time) in each year or, if such day is not a business day in Luxembourg, on the next business day. For all General Meetings of Shareholders notices are sent to registered Shareholders by post at least 8 days prior to the meeting. Notices will be published in the Mémorial and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Directors may decide. Such notices will include the agenda and specify the place of the meeting. The legal requirements as to notice, quorum and voting at all General and Fund or class Meetings are included in the Articles. Meetings of Shareholders of any given Fund or class shall decide upon matters relating to that Fund or class only.

Reports

The financial year of the Company ends on 30th June each year. The unaudited semi-annual report and the full version of the audited annual report will also be prepared and made available.

Copies of the annual and semi-annual reports and financial statements are available free of charge from the registered office of the Company. Such reports form an integral part of this Prospectus.

3.6 DETAILS OF SHARES

Shareholder rights

The Shares issued by the Company are freely transferable and entitled to participate equally in the profits, and, if any, dividends of the Classes to which they relate, and in the net assets of such Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

Voting

At General Meetings, each Shareholder has the right to one vote for each whole Share held.

A Shareholder of any particular Fund or Class will be entitled at any separate meeting of the Shareholders of that Fund or Class to one vote for each whole Share of that Fund or Class held.

In the case of a joint holding, only the first named Shareholder may vote.

Compulsory redemption

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Company including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold.

If it shall come to the attention of the Directors at any time that Shares are beneficially owned by a United States Person who is an ineligible investor, the Company at its sole discretion reserves the right to instruct the Administrator to compulsorily redeem such Shares.

Transfers

The transfer of registered Shares may be effected by delivery to the Administrator of a duly signed stock transfer form. Any new investors in receipt of stock transfers need to comply with section 2.1 under Subscription of Shares.

Rights on a winding-up

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an Extraordinary Meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Fund shall be distributed by the liquidators to the Shareholders of the relevant Fund in proportion to the value of their holding of Shares.

If and when the net assets of all Classes in a Fund are less than USD 1,000,000 or its equivalent, or if any economic or political situation would constitute a compelling reason therefor, or if required in the interest of the Shareholders of the relevant Fund, the Directors may decide to redeem all the Shares of that Fund. In any such event Shareholders will be notified by redemption notice published in such newspapers determined by the Directors in accordance with Luxembourg law at least one calendar month prior to compulsory redemption, and will be paid the Net Asset Value of the Shares of the relevant Class held as at the redemption date.

Under the same circumstances as described above, the Directors may decide to merge any Fund with one or more other Funds or merge any Fund into other Luxembourg Investment Funds or reorganise the Shares of a Fund into two or more classes or combine two or more Classes of Shares into a single Class providing in each case it is in the interests of Shareholders of the relevant Funds. Publication of the decision will be made as described above including details of the merger and will be made at least one calendar month prior to the merger taking effect during which time Shareholders of the Fund or Classes of Shares to be merged may request redemption of their Shares free of charge. The decision to merge or liquidate a Fund may also be made at a meeting of Shareholders of the particular Fund concerned. When the merger is to be

implemented with a Luxembourg Investment Fund of the contractual type ("fonds commun de placement"), the decision shall be binding only on the shareholders of the contributing Fund who have approved such merger.

Under the same circumstances as described above, the Directors may also decide upon the reorganisation of any Fund by means of a division into two or more separate Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more separate Funds resulting from the reorganisation. Such publication will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption of or convert their Shares, free of charge, before the reorganisation becomes effective.

Any liquidation proceeds remaining unclaimed after a period of six months will be deposited in escrow at the "Caisse de Consignations". Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

APPENDIX I

RISKS OF INVESTMENT

The nature of the Company's investments involves certain risks and the Company may utilise investment techniques (such as leverage and the use of derivatives) which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares:

Suspension of Share dealings

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see Section 2.4, "Suspensions or Deferrals").

Business Risk

There can be no assurance that the Company or any Fund will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Company or any Fund are reliant upon the success of the Investment Managers and the performance of the markets the Funds invest in.

Concentration of Investments

Although it will be the policy of the Company to diversify its investment portfolio, the Company may at certain times hold relatively few investments. The Company could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Borrowing

The Company may use borrowings for the purpose of making investments. The use of borrowing creates special risks and may significantly increase the Company's investment risk. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the Company's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

Fee Structure

The Company incurs the costs of its management and the fees paid to the Investment Managers and the Custodian and other service providers as well as a prorata portion of the fees paid by the Investment Funds in which the Company invests to their Sub-Managers or other service providers. As a result the operating expenses of the Company may constitute a higher percentage of the net asset value than could be found in other investment schemes. Further, some of the strategies employed at the level of the Investment Funds require frequent changes in trading positions and a consequent portfolio turnover. This may involve brokerage commission expenses to exceed significantly those of other investment schemes of comparable size.

Potential investors should be aware that the fees payable to the Investment Managers are in addition to the fees paid by the Investment Funds to the Sub-Managers and that there may be a duplication of fees. There may also be a duplication of subscription and/or redemption fees. It

should be noted that any investment in Investments Funds the investment policy of which is the investment in other funds might cause a triplication of certain fees.

When the Company invests in shares or units of other Investment Funds, which are managed by the Investment Managers or affiliates thereof, there may be a duplication of the annual management and advisory fees but there will be no duplication of subscription and redemption fees.

Debt Securities

The Company may invest in fixed income securities which may be unrated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Company may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Company may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Company will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Warrants

When the Company invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

Liquidity and Market Characteristics

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Company's ability to respond to market movements may be impaired and the Company may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Counterparty Risk

The Company will be subject to the risk of the inability of any counterparty (including the Clearing Broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Company's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

Currency Exposure

The Shares may be denominated in different currencies and Shares will be issued and redeemed in those currencies. Certain of the assets of the Company may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company will be subject to foreign exchange risks. The Company may engage in currency

hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the USD and such other currencies.

Profit Sharing

In addition to receiving management and advisory fees, the Investment Managers may also receive a performance fee based on the appreciation in the Net Asset Value per Share and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a performance fee may be paid on unrealised gains which may subsequently never be realised.

APPENDIX II

VAM MANAGED FUNDS (LUX) – MULTI-ASSET STRATEGY FUND

Investment Objective and Policy:

The objective of the Fund is primarily to achieve long term capital growth, whilst simultaneously retaining a focus on capital preservation.

In order to achieve this, the Fund may invest directly or indirectly in assets giving exposure to equities, bonds and “alternatives” (including but not limited to precious metals, commodities, real estate and private equity). The Fund will aim further to enhance the return to Shareholders by actively managing the currency exposure of its investments.

Investment in equities may be implemented by investing in listed and unlisted securities, equity index futures, equity options and exchange traded funds (ETFs).

Investments in bonds may be implemented in government bonds, corporate bonds, bond market index futures, bond market options, exchange traded funds (ETFs) and in securities or listed or OTC financial derivative instruments that track a particular country bond index.

The Fund may invest in futures and options on precious metals and commodities, commodity-related exchange traded funds (ETFs) and exchange traded commodities (ETCs), other Investment Funds that give an exposure to commodity-related investments as well as in instruments and/or Investment Funds giving an exposure to real estate and private equity. Investments in alternatives such as precious metals or commodities will be made in such a manner that no physical delivery will take place.

The Fund may also implement its investment policy through the use of Investment Funds.

The Fund may also invest in hedge funds and funds of hedge funds, such investment not to exceed 10% of the Fund’s net asset value.

The Fund may hold ancillary liquid assets including cash, deposits with credit institutions and money market instruments, generally not exceeding 15% of the Fund’s net asset value. In exceptional market circumstances and on a temporary basis only, this limit may be increased to 100% with due regard to the principle of risk spreading.

The Fund will not borrow for investment purposes.

Investment Manager

The Directors have appointed Valu-Trac Investment Management Limited (“Valu-Trac”) as Investment Manager.

Valu-Trac Investment Management Limited was incorporated in England in 1989 as a private company limited by shares. Its registered office is Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DA. It also has an office in Moray, Scotland.

Valu-Trac has a distinct investment process based on the fundamental concept of Intrinsic Value. Its principal activities are the provision of investment management, investment advisory and third party administration services. It is authorized and regulated in the United Kingdom by the Financial Services Authority.

Valu-Trac may only delegate its discretionary investment management powers in relation to the Fund upon receipt of the Luxembourg supervisory authority's prior consent. This prospectus would be amended to reflect any such delegation.

Valu-Trac is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus.

Fund Currency

The reference currency of the Fund is USD.

Multiple Classes of Shares

This Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

USD A Class	EUR A Class	GBP A Class
USD I Class	EUR I Class	GBP I Class

All Classes of Shares of the Fund will be invested in the same underlying portfolio.

It should be noted that the Non-Fund Currency Share Classes may, at the discretion of the Board of Directors, be specifically hedged whether the Share Class Currency is declining or increasing in value relative to the Fund Currency. Whilst holding hedged Shares may substantially protect the investor against unfavourable movements of the Share Class Currency relative to the Fund Currency, holding such Shares may also substantially limit the benefits of the investor if there is a favourable movement of the Share Class Currency relative to the Fund Currency. Investors should note that, should any hedging activities be undertaken at the discretion of the Board of Directors, the aforementioned hedging may be imperfect. The Net Asset Value per Share of the Non-Fund Currency Share Classes does therefore not necessarily develop in the same way as that of the Shares in the reference currency of the Fund. It is not the intention of the Fund to use the hedging arrangements to generate a further profit for the relevant Non-Fund Currency Share Classes.

Eligible Shareholders

Class A Shares may be subscribed by Institutional and non-Institutional Investors, subject to the Minimum Initial Subscription and Holding requirements set forth below.

Class I Shares shall be reserved for investments made by investors qualifying as institutional investors as defined under section 1.4 Classes of Shares of this Prospectus.

Minimum Initial Subscription and Holding Amounts

The minimum initial subscription amount for each Class of Shares in the Fund is as follows:

➤ Class A Shares

Investments in Shares of Class A shall be subject to the following minima:

Minimum Initial Subscription Amount: USD 10,000 / EUR 8,000 / GBP 5,000

Minimum Subsequent Subscription Amount: USD 1,000 / EUR 800 / GBP 500

Minimum Holding Amount: USD 10,000 / EUR 8,000 / GBP 5,000

➤ Class I Shares

Investments in Shares of Class I shall be subject to the following minima:

Minimum Initial Subscription Amount:	USD 5,000,000 / EUR 4,000,000 / GBP 2,500,000
Minimum Subsequent Subscription Amount:	USD 500,000 / EUR 400,000 / GBP 250,000
Minimum Holding Amount:	USD 5,000,000 / EUR 4,000,000 / GBP 2,500,000

Class I Share will be launched at a later date and price as determined by the Board of Directors.

Valuation Day

Until 31 October 2009, the Net Asset Value per Share of each Class shall be determined as of the last Business Day of each month. The Net Asset Value per Share determined as of 31 October 2009 shall be the last Net Asset Value per Share determined on a monthly basis.

As of 30 November 2009, the Net Asset Value per Share of each Class shall be determined as of each Business Day (a "Valuation Day").

Subscriptions

The Directors may in their discretion accept Subsequent Subscriptions as of each Valuation Day.

Prior Notice for Subscriptions

All applications for subscription shall be deemed to be received at the time they are received by the Administrator in Luxembourg.

No application for subscription will be accepted unless the application is received on or prior to the 3rd Business Day before the relevant Valuation Day. Applications for subscriptions received thereafter will be dealt with on the next following Valuation Day. The Directors may in their discretion waive this requirement.

Subscription Charge

A subscription charge of up to 5% of the subscription proceeds (representing up to 5.26% of the Net Asset Value of the Share being subscribed) may be charged for the benefit of distributors and other financial intermediaries.

Payment of Subscription Price

The full Subscription Price, including any applicable subscription charge, must be received in immediately available funds by the Custodian or its agent no later than the 3rd Business Day before the applicable Valuation Day.

Redemptions

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed amount as of each Valuation Day at the Net Asset Value per Share determined as at such Valuation Day. If the value of a Shareholder's holding on the relevant Valuation Day is less than the specified minimum holding amount, the Shareholder will be deemed to have requested the redemption of all of his Shares.

Prior Notice for Redemptions

No application for redemption will be accepted unless the application is received on or prior to the 3rd Business Day prior to the applicable Valuation Day. Applications for redemption received after such deadline will be dealt with on the next following Valuation Day. The Directors may in their discretion waive this requirement provided that the principle of equal treatment between shareholders be complied with.

Payment of Redemption Proceeds

Redemption proceeds, net of any applicable redemption charge and any cash transfer charges, will be paid as soon as reasonably practicable and normally 5 Business Days after the relevant Valuation Day.

Redemption Charge

A redemption charge of up to 2% of the Net Asset Value per Share may be charged or waived in whole or in part at the discretion of the Directors. The redemption charge may be paid at the discretion of the Directors to any entity involved in management, advisory or distribution services provided to the Fund.

Advisory Fees

The Advisory Company will receive from the Fund advisory fees of 2.25% per annum in relation to Class A Shares and of 1.50% in relation to Class I Shares, calculated on the Net Asset Value of the Fund on the relevant Valuation Day.

These fees will be accrued on each Valuation Day and are payable monthly in arrears.

Performance Fee

In addition to the Advisory Fee, a Performance Fee may be paid to the Advisory Company on a quarterly basis in relation to Class A Shares, with the amount based on the relative performance of this Fund to the Benchmark (as defined below) as of the last Valuation Day of the quarter, subject to a high water mark provision. Relative performance is defined as the Fund's return, after advisory fees and other fees and expenses, but with the exception of any performance fee accruals attributable to the Fund for the quarter less the return of the Benchmark for the quarter. The high water mark is defined as the largest positive cumulative relative performance percentage figure for the Fund as of the end of the most recent quarterly period when a performance fee became payable. The Benchmark for the Fund shall be the US T-bill one month rate +2% per annum.

A performance-based fee will only be paid in quarters where the cumulative relative performance at the end of the quarter exceeds the high water mark and where the quarter-end Net Asset Value per Share is equal or higher to the Net Asset Value per Share of the previous quarter-end. In such instances, the Performance Fee is computed as 20% of the difference between the cumulative relative performance at the end of the current quarter and the high water mark.

No performance fee is due in relation to Class I Shares.

The Performance Fee calculation period for the third quarter of 2009 shall include the month of October 2009. As a consequence, the Performance Fee calculation period for the fourth quarter of 2009 shall only cover the months of November and December 2009.

The high water mark and cumulative relative performance shall be reset to 0% following the NAV calculation as of 31 October 2009.

VAM MANAGED FUNDS (LUX) – DRIEHAUS FUND

Investment Objective and Policy:

The objective of the Fund is to provide long term capital appreciation over the full investment cycle through the aggressive growth investment style of the Investment Manager. The Fund will allocate substantially all of its assets to various compartments of VAM Funds (Lux), a Luxembourg Investment Fund qualifying as a UCITS, that are also managed by the Investment Manager. Not more than 50% of the Fund's net assets will be allocated to a single compartment of VAM Funds (Lux) with the Fund being at all times invested in at least 4 compartments of VAM Funds (Lux). The current prospectus and the annual and semi-annual reports of VAM Funds (Lux) are available upon request.

The Fund may hold ancillary liquid assets. These may be composed of interest-bearing assets such as debt securities, treasury bills, other money-market instruments and deposits with credit institutions.

Investment Manager

Driehaus Capital Management LLC ("Driehaus") has been appointed as Investment Manager to determine the allocation of the assets of the Fund among the various compartments of VAM Funds (Lux), a Luxembourg Investment Fund, for which Driehaus acts as investment manager.

Driehaus is a limited liability company formed in the state of Delaware, United States of America. Driehaus' principal place of business is at 25 East Erie Street, Chicago, Illinois 60611, U.S.A. Richard H. Driehaus is Driehaus' chief investment officer, with overall responsibility for the review of all portfolios. The principal activity of Driehaus is the provision of investment management and advisory services. It is regulated in the United States of America by the Securities and Exchange Commission.

For the avoidance of doubt, Driehaus is not acting as promoter or co-promoter of the Fund, the Company or VAM Funds (Lux) and should not be considered to be acting in such capacity by investors in the Fund.

Fund Currency

The reference currency of the Fund is USD.

Multiple Classes of Shares

This Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

USD A Class	EUR A Class	GBP A Class
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All Classes of Shares of the Fund will be invested in the same underlying portfolio.

It should be noted that the Non-Fund Currency Share Classes may, at the discretion of the Board of Directors, be specifically hedged whether the Share Class Currency is declining or increasing in value relative to the Fund Currency. Whilst holding hedged Shares may substantially protect the investor against unfavourable movements of the Share Class Currency relative to the Fund Currency, holding such Shares may also substantially limit the benefits of the investor if there is a favourable movement of the Share Class Currency relative to the Fund Currency. Investors should note that, should any hedging activities be undertaken at the discretion of the Board of Directors, the aforementioned hedging may be imperfect. The Net Asset Value per Share of the Non-Fund

Currency Share Classes does therefore not necessarily develop in the same way as that of the Shares in the reference currency of the Fund. It is not the intention of the Fund to use the hedging arrangements to generate a further profit for the relevant Non-Fund Currency Share Classes.

Eligible Shareholders

Class A Shares may be subscribed by Institutional and non-Institutional Investors, subject to the Minimum Initial Subscription and Holding requirements set forth below.

Minimum Initial Subscription and Holding Amounts

The minimum initial subscription amount for each Class of Shares in the Fund is as follows:

➤ **Class A Shares**

Investments in Shares of Class A shall be subject to the following minima:

Minimum Initial Subscription Amount: USD 10,000 / EUR 8,000 / GBP 5,000

Minimum Subsequent Subscription Amount: USD 1,000 / EUR 800 / GBP 500

Minimum Holding Amount: USD 10,000 / EUR 8,000 / GBP 5,000

Valuation Day

The Net Asset Value per Share of each Class shall be determined as of each Business Day (a "Valuation Day").

Subscriptions

The Directors may in their discretion accept Subsequent Subscriptions as of each Valuation Day.

Prior Notice for Subscriptions

All applications for subscription shall be deemed to be received at the time they are received by the Administrator in Luxembourg.

No application for subscription will be accepted unless the application is received on or prior to the 3rd Business Day before the relevant Valuation Day. Applications for subscriptions received thereafter will be dealt with on the next following Valuation Day. The Directors may in their discretion waive this requirement.

Subscription Charge

A subscription charge of up to 5% of the subscription proceeds (representing up to 5.26% of the Net Asset Value of the Share being subscribed) may be charged for the benefit of distributors and other financial intermediaries.

Payment of Subscription Price

The full Subscription Price, including any applicable subscription charge, must be received in immediately available funds by the Custodian or its agent no later than the 3rd Business Day before the applicable Valuation Day.

Redemptions

Each Shareholder may apply for the redemption of all or part of his Shares or of a fixed amount as of each Valuation Day at the Net Asset Value per Share determined as at such Valuation Day. If the value of a Shareholder's holding on the relevant Valuation Day is less than the specified

minimum holding amount, the Shareholder will be deemed to have requested the redemption of all of his Shares.

Prior Notice for Redemptions

No application for redemption will be accepted unless the application is received on or prior to the 3rd Business Day before the applicable Valuation Day. Applications for redemption received after such deadline will be dealt with on the next following Valuation Day. The Directors may in their discretion waive this requirement provided that the principle of equal treatment between shareholders be complied with.

Payment of Redemption Proceeds

Redemption proceeds, net of any applicable redemption charge and any cash transfer charges, will be paid as soon as reasonably practicable and normally within 7 Business Days after the relevant Valuation Day.

Redemption Charge

A redemption charge of up to 2% of the Net Asset Value per Share may be charged or waived in whole or in part at the discretion of the Directors. The redemption charge may be paid at the discretion of the Directors to any entity involved in management, advisory or distribution services provided to the Fund.

Advisory Fees

The Advisory Company will receive from the Fund advisory fees of 1.75% per annum, calculated on the Net Asset Value of the Fund on the relevant Valuation Day.

These fees will be accrued on each Valuation Day and are payable monthly in arrears.