

The Notes outlined in this Prospectus are being offered in a manner which does not constitute an "offer of securities to the public" pursuant to the Directive 2003/71/EC "Prospectus Directive". The Notes have at the date of this Prospectus been approved for issue by the AFM.



PROSPECTUS

EUR10,000,000 ABN AMRO Pan - European Principal Protected Notes II (Series D) - due 2015, ISIN: XS0285703764

This document constitutes the Prospectus relating to the issue of Notes described herein and should be read and construed in accordance with the Registration Document for ABN AMRO Holding N.V. and ABN AMRO Bank N.V. dated 30 June 2006, as supplemented on 8 August 2006 and 1 November 2006 (as defined in "*Documents Incorporated by Reference*"). Full information on the Notes and the Issuer is only available on the basis of the combination of this Prospectus and the Registration Document. As set out in "*Documents Incorporated by Reference*", the Registration Document is deemed to be incorporated in and forms a part of this Prospectus. Any Notes (as defined below) issued on or after the date of this Prospectus are issued on the basis of the provisions described herein.

The Notes will be in bearer form and in the denomination of EUR1.00 each. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons attached, which will be deposited on or around the Issue Date with a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking ("**Clearstream**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of EUR1.00 each and without interest coupons attached. See "*Summary of Provisions Relating to the Notes in Global Form*".

PROSPECTIVE PURCHASERS OF THE NOTES DESCRIBED IN THIS DOCUMENT SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE NOTES AND THE EXTENT OF THEIR EXPOSURE TO THE RISKS ASSOCIATED WITH THE NOTES. THE MARKET PRICE AND / OR VALUE OF THE NOTES MAY BE VOLATILE AND HOLDERS OF THE NOTES MAY NOT RECEIVE ANY RETURN ON THE VALUE OF THEIR INVESTMENT. PROSPECTIVE PURCHASERS NEED TO CONSIDER THE SUITABILITY OF AN INVESTMENT IN THE NOTES IN LIGHT OF THEIR OWN FINANCIAL, FISCAL, REGULATORY AND OTHER CIRCUMSTANCES.

POTENTIAL INVESTORS AND HOLDERS SHOULD CAREFULLY READ THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

Issue Price: 110% ISIN: XS0285703764

ABN AMRO BANK N.V.

19 February 2007

ABN AMRO Bank N.V., acting through its London Branch (the "**Issuer**") has determined to issue up to EUR10,000,000 ABN AMRO Pan-European Principal Protected Notes II (Series D) due 2015 (the "**Notes**") as described in this preliminary Prospectus (the "**Prospectus**"). Pursuant to a declaration under Article 2:403 of The Netherlands Civil Code, ABN AMRO Holding N.V. ("**Holding**") is jointly and severally liable with the Issuer for all of the Issuer's liabilities. The Notes are issued upon the terms and subject to the terms and conditions of the Notes (the "**Conditions**") set out in this Prospectus.

The Notes may be sold by the Issuer at such times and at such prices as the Issuer may select. There is no obligation on the Issuer to sell all of the Notes. The Notes may be offered or sold in one or more transactions at the discretion of the Issuer.

This Prospectus is for the confidential use of only those persons to whom it has been transmitted in connection with this invitation and is not to be reproduced for any other purpose or distributed to, or used by, any other person. By accepting delivery of this Prospectus each prospective investor agrees to treat the contents hereof as confidential. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. A discussion of certain risk factors that could affect Noteholders is contained in the section headed "*Risk Factors Relating to the Notes*" but this Prospectus does not describe all of the risks of an investment in the Notes.

THE CONTENTS OF THIS PROSPECTUS ARE NOT INTENDED TO CONTAIN AND SHOULD NOT BE REGARDED AS CONTAINING ADVICE RELATING TO LEGAL, TAXATION, INVESTMENT OR ANY OTHER MATTERS AND PROSPECTIVE INVESTORS ARE RECOMMENDED TO CONSULT THEIR OWN PROFESSIONAL ADVISERS FOR ANY ADVICE CONCERNING THE ACQUISITION, HOLDING OR DISPOSAL OF ANY NOTES.

AN INVESTMENT IN THE NOTES IS ONLY SUITABLE FOR INVESTORS WHO (EITHER ALONE OR IN CONJUNCTION WITH AN APPROPRIATE FINANCIAL OR OTHER ADVISER) ARE CAPABLE OF EVALUATING THE MERITS AND RISKS OF SUCH AN INVESTMENT AND WHO HAVE SUFFICIENT RESOURCES TO BE ABLE TO BEAR ANY LOSSES THAT MAY RESULT THEREFROM.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Neither the Issuer nor Holding has authorised the making or provision of any representation or information regarding the Issuer, Holding, or any Notes other than as set out in the terms of this Prospectus or the Registration Document. Neither the delivery of this document nor any information provided in the course of a transaction in the Notes shall, in any circumstances, be construed as a recommendation by the Issuer or Holding to enter into any transaction with respect to any Notes. Each prospective investor contemplating a purchase of Notes should make its own independent investigation of the risks associated with a transaction involving any Notes and of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer, and should consult its professional independent financial adviser and legal, accounting, tax and other advisers with respect to any investment in the Notes.

The distribution of this document and the offer or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. For a further description of certain

restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and Sale*" below.

This Prospectus constitutes, when read together with the Registration Document, a prospectus for the purposes of Article 5.3 of the Prospectus Directive.

The Netherlands Authority for Financial Markets (*Stichting Autoriteit Financiële Markten*) has approved this Prospectus further to article 5:6 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to trading and have been listed on Eurolist by Euronext Amsterdam N.V. Euronext Amsterdam N.V. is a regulated market for the purposes of Directive 93/22/EC.

All references in this Prospectus to "**USD**" and "**US Dollars**" are references to the lawful currency of the United States of America and all references to "**Euro**", "**EUR**" and "**€**" are references to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended.

Words and expressions defined in the Conditions have the same meanings when used in this Prospectus.

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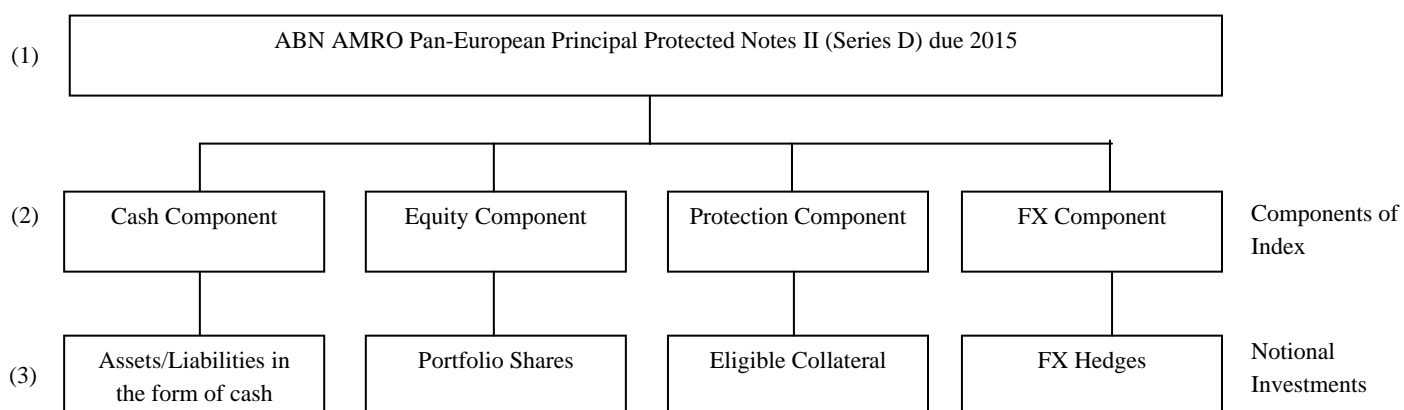
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SUMMARY

This summary has been prepared in accordance with Article 5(2) of the Prospectus Directive (Directive 2003/71/EC) and must be read as an introduction to the Registration Document as supplemented or amended from time to time and this Prospectus prepared by the Issuer relating to the Notes referred to below. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. No civil liability will attach to the Issuer solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Words and expressions defined in the section headed "Terms and Conditions of the Notes" or the section headed "Definitions" have the same meanings in this summary.

THE NOTES



Commentary on Diagram

- (1) ABN AMRO Bank N.V., acting through its London Branch issues the ABN AMRO Pan-European Principal Protected Notes II (Series D) due 2015, ISIN: XS0285703764.
- (2) The price of the Notes is directly related to the value of the Index, which is comprised of the Cash Component, the Equity Component, the Protection Component and the FX Component.
- (3) The Cash Component represents the Index's notional cash balances per Note.

The Equity Component represents the Index's notional exposure per Note to the performance of the Funds and it comprises a notional investment in the Portfolio Shares.

The Protection Component represents the Index's notional exposure per Note to Eligible Collateral held with ABN AMRO Bank N.V., denominated in EUR. Each such deposit matures with a minimum value of EUR 1.00 on, or by, the Scheduled Maturity Date of the Notes and is not interest bearing.

The FX Component represents the Index's notional exposure per Note to long EUR / short USD currency FX hedges, with a maximum tenor of 3 months.

In this Prospectus, "notional" shall mean that there is no obligation on the Issuer to make an actual investment in any of the specific components of the Index.

Essential characteristics of the Notes

Issuer	ABN AMRO Bank N.V., acting through its London Branch The Issuer is a member of the ABN AMRO group (" The ABN AMRO Group "). The ABN AMRO Group is a prominent international banking group offering a wide range of banking products and financial services on a global basis through a network of 3,557 offices and branches in 58 countries and territories as of year-end 2005. The ABN AMRO Group is one of the largest banking groups in the world, with total consolidated assets of €880.8 billion as at 31 December 2005. The ABN AMRO Group is the largest banking group in The Netherlands and has a substantial presence in Italy, Brazil and the Midwestern United States. It is one of the largest foreign banking groups in the United States, based on total assets held as of 31 December 2005. The Issuer is listed on Euronext and the New York Stock Exchange. For detailed information concerning the Issuer please see the Registration Document as supplemented or amended from time to time.
Paying Agent	ABN AMRO Bank N.V.
Calculation Agent	ABN AMRO Bank N.V., acting through its London Branch
Issue Date	19 February 2007, unless otherwise extended by the Issuer in its sole and absolute discretion.
Maturity Date	19 February 2015 (the Scheduled Maturity Date), or where such day is not a Business Day, the immediately preceding Business Day. In the event that a Suspension Event has occurred and is continuing on the Terminal Allocation Date (as defined in the Conditions), the Maturity Date may be extended by up to 12 months at the discretion of the Issuer. Each outstanding Note will be redeemed on the Maturity Date.
Issue Price	110% of Face Value
Face Value	EUR1.00 per Note
Minimum Subscription	Each investor must subscribe for a minimum of 10,000,000 Notes, (or such lower amount as the Issuer may determine), and thereafter in multiples of 10,000 Notes. The denomination of each Note is EUR1.00.
Final Redemption	A Note entitles the Noteholder to receive the Final Redemption Amount in respect of the Note from the Issuer on the Maturity Date. The Final Redemption Amount is determined by reference to the performance of the Index, and in particular, to the performance of the Equity Component. The minimum amount payable per Note on the Maturity Date is EUR1.10.
Status of the Notes	The Notes will constitute unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and, with the exception of certain obligations given priority by applicable law, will rank <i>pari passu</i> with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer.
The Index	The Index is comprised of four components, being notional investments which are subject to a dynamic allocation process. The objective of the Index is to deliver

capital growth over the duration of the Notes. The four Index components are:

- (a) *Equity Component:* The Equity Component comprises a notional investment per Note in a number of Class F shares in the Kenmar Global Resource Fund SPC Limited (the "**KGRF Fund**") and Class B shares in the Kenmar Global Managed Futures Fund SPC Limited (the "**KGMF Fund**") and together with the KGRF Fund the "**Funds**") (the "**Portfolio Shares**"). The Calculation Agent reserves the right to swap the notional investments in the Funds for notional investments in such other classes of shares or funds that may from time to time become available and that, at the discretion of the Calculation Agent, offer equivalent or enhanced liquidity, and/or any other advantages to notional investments in the Funds.
- (b) *Protection Component:* The Protection Component represents a notional investment per Note in non-interest bearing cash deposits (the "**Eligible Collateral**") each constituting a primary payment obligation of the Issuer. Its value prior to the Maturity Date is determined by reference to the EUR value of the Eligible Collateral multiplied by the number of units of Eligible Collateral, calculated by reference to a mid-market EUR swaps curve adjusted to reflect the Issuer's then current spread for short-term funding, as determined by the Calculation Agent. The Notes are principal protected only if they are redeemed on the fifth anniversary of the Issue Date or the Maturity Date. Any payments made on other dates, including any payments to be made on a mandatory or other early redemption of the Notes, are not principal protected and may be less than the Minimum Redemption Amount;
- (c) *Cash Component:* The Cash Component represents a notional cash balance per Note which may be positive or negative. When the notional cash balance is negative, the Cash Component represents a notional borrowing from the Issuer, which may allow more than 100% of the Face Value to be invested in the Equity Component; and
- (d) *FX Component:* The FX Component represents the Index's notional exposure per Note to long EUR / short USD currency FX hedges, with a maximum tenor of 3 months. The FX hedges will be notionally adjusted as needed to minimize the USD currency risk of the USD-denominated Portfolio Shares, so that the value of the notional short USD FX position in the Index is roughly equal to the value of the notionally held Portfolio Shares in the Index. The value of the FX Component shall be adjusted by the Calculation Agent, in its sole and absolute discretion, to take into account any gains or losses associated with the notional exposure to the FX hedges, including, but not limited to, notional transaction costs, notional interest income and notional funding.

The sum of the value of each Index component constitutes the Index Value (expressed in EUR) and is used solely as the reference basis for determining the amounts payable in connection with the Notes.

**Allocation
between Index
Components**

The initial and subsequent allocations to each of the Index components will be determined by the Calculation Agent acting in good faith.

The Index Value on the Issue Date will be EUR1.10 per Note.

Subsequent to the Issue Date there are many factors which may cause the amount notionally invested in the Index components to change, including changes in the Value of Equity Component, changes in the Value of FX Component and changes in the Value of Protection Component. When the Value of Equity Component is increasing relative to the Bond Floor Value, the amount notionally invested in the Equity Component is likely to increase. Conversely, when the Value of Equity Component is decreasing relative to the Bond Floor Value, the amount notionally invested in the Equity Component is likely to decrease.

Variations in interest rates may also have an impact as such variations will also affect the Protection Component and thus the Index Value, as well as the Bond Floor Value.

Profit Lock-In Feature On each Profit Lock-In Date, the Calculation Agent may raise the Additional Guaranteed Amount by an amount equal to the Excess Buffer. The Calculation Agent will then determine if a Rebalancing Event occurs as a result of such exercise of the Profit Lock-In.

Bond Floor On any Calculation Date: (a) from the Issue Date up to the fifth anniversary of the Issue Date, the Bond Floor Value is an amount in EUR per Note determined by the Calculation Agent as the greater of the present value on such Calculation Date (calculated using a EUR mid-market swaps curve adjusted to reflect the Issuer's then current spread for short-term funding) of: (i) the repayment of the 5 Year Minimum Redemption Amount on the fifth anniversary of the Issue Date; and (ii) the Minimum Redemption Amount of each Note on the Scheduled Maturity Date; and (b) from the fifth anniversary of the Issue Date up to the Maturity Date, the Bond Floor Value is an amount in EUR determined by the Calculation Agent as the greater of: (i) the Face Value; and (ii) the present value on such Calculation Date (calculated using a EUR mid-market swaps curve adjusted to reflect the Issuer's then current spread for short-term funding) of the Minimum Redemption Amount of each Note on the Maturity Date.

Rebalancing The Calculation Agent will initiate a rebalancing of the Index when the Rebalancing Factor and/or the Leverage Ratio and/or the Cash Component touch certain barriers, or if the notional investment in the Funds differs from the intended ratio of 70% in the KGRF Fund and 30% in the KGMF Fund by more than 5% in either direction, as set out and described more fully in Conditions 4 (*The Index*) to 9 (*Multiplier*).

Early Redemption There are provisions for the redemption of the Notes prior to the Maturity Date at either the election of the Issuer (following a change in tax rules affecting the Issuer which would result in the Issuer having to make additional payments in respect of the Notes, if it becomes unlawful for the Issuer to perform any of its obligations in respect of the Notes, if the aggregate Face Value of the remaining outstanding Notes is less than or equal to EUR 5,000,000, if a Cash-Out Event has occurred at any time, if any Noteholder holds less than the Minimum Holding of 50,000 Notes or if, in the opinion of the Issuer, the Notes are held directly or beneficially by a Non-Qualified Person (as defined in the Conditions)) or at the election of the Noteholders. In such circumstances Noteholders will receive an amount per Note equal to the Index Value on the date of redemption, adjusted to reflect the notional redemption proceeds which would be received by a holder of shares in the Funds

in respect of a redemption of shares in respect of such date (or a commercially reasonable estimate of such redemption proceeds), less any Early Redemption Adjustment, less any costs or expenses associated with any funding arrangements in respect of the period from the date of payment of the Early Redemption Amount to Noteholders to the date on which the Issuer is able to unwind its hedging arrangements in respect of the Notes redeemed, as determined by the Calculation Agent in its sole and absolute discretion; provided, however, that if the Notes are redeemed on the fifth anniversary of the Issue Date, the Noteholders will receive an amount per Note equal to the 5 Year Redemption Amount. It is therefore possible that the amount paid following an early redemption will be less than the Face Value of the Note. Noteholders will receive such amount no later than five Business Days after the funds would notionally have been received from the Investment Manager.

**Minimum
Number of Notes
to be redeemed**

The minimum number of Notes which a Noteholder may elect to redeem is 10,000 Notes and thereafter in increments of 10,000 Notes. A Noteholder may not redeem part only of its Notes if, as a result of such redemption, the relevant Noteholder would hold less than the Minimum Holding.

**Suspension
Event**

A Suspension Event is, in the determination of the Calculation Agent, any Potential Portfolio Event that is sufficiently material to be a Suspension Event, any suspension or limitation on the calculation and/or publication of the Index Value and/or the net asset value per Portfolio Share for any reason, or any suspension of or unusual limitation on the trading of any number of Portfolio Shares for any reason including, but not limited to, a postponement of part or all of the redemption orders received by the Investment Manager in relation to a given dealing date, the late receipt of any notional redemption proceeds arising from a notional realisation of any of the Portfolio Shares, or any suspension or limitation on the trading of relevant currencies. Any such Suspension Event shall continue until the Calculation Agent has determined in its sole and absolute discretion that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's satisfaction.

If the Calculation Agent determines that a Suspension Event has occurred and is continuing on any Valuation Date (as defined in the Conditions) the Issuer may (but is not obliged to) either: (i) postpone the occurrence of the valuation until as soon as practicable following the termination of such Suspension Event and suspend payment of, as the case may be, the Final Redemption Amount or the Early Redemption Amount until a date no more than 15 Business Days following the postponed occurrence of such valuation or (ii) make its own determination of the Index Value for the relevant valuation and use such Index Value for the purposes of any calculation made or to be made in respect of the Notes for such redemption.

Cash-Out Events

There will be a Cash-Out Event if, in respect of any Calculation Date, the Calculation Agent determines that: (i) the Value of Equity Component is less than EUR0.03; (ii) the Value of Equity Component would, as a result of any proposed rebalancing, be less than EUR 0.03; (iii) the Equity Gap is less than or equal to EUR 0.02; or (iv) a Portfolio Event has occurred.

If a Cash-Out Event occurs the Value of Equity Component and the FX Component will be entirely allocated to the Protection Component and the Cash Component. In such case, amounts payable in connection with the Notes will no

longer be determined by reference to the Equity Component or the FX Component and, accordingly, from that time, the Notes will no longer provide Noteholders with exposure to the performance of the Funds.

Equity Gap	The Equity Gap represents an amount in EUR, determined by the Calculation Agent, equal to the difference in value between: (i) the Index Value; and (ii) the Bond Floor Value plus the Bond Floor Margin Value.
Fees	<p>There is a per Note Principal Protection Premium of 1.00% per annum of the Face Value of such Note which accrues daily on an actual/360 basis and is determined by the Calculation Agent and deducted from the Cash Component on a daily basis from (but excluding) the Issue Date up to and including the Maturity Date.</p> <p>The Principal Protection Premium will be reduced to 0.00% per annum of the Face Value in the event of a Cash-Out Event from (and including) the date on which the Cash-Out Event has occurred. Please refer to the Conditions for further information regarding the Principal Protection Premium.</p> <p>There is a per Note Non-Contingent Fee of 0.25% per annum of the Face Value of such Note which accrues daily on an actual/360 basis and is determined by the Calculation Agent and deducted from the Cash Component on a daily basis from (but excluding) the Issue Date up to and including the Maturity Date. Please refer to the Conditions for further information regarding the Non-Contingent Fee.</p>
Other Fees	Certain other fees costs and expenses will be paid in respect of the Funds. For further information on these, please refer to the section titled " <i>Fees, Costs and Expenses</i> ".
Potential Portfolio Events, Substitution Events and Portfolio Events	Potential Portfolio Events are certain events affecting the Funds and/or the Investment Manager. Substitution Events are Potential Portfolio Events that the Calculation Agent, in its sole and absolute discretion and acting in good faith, determines to be sufficiently material as to require substituting the relevant Fund with another applicable fund that has a similar risk profile. Portfolio Events are Potential Portfolio Events that the Calculation Agent, in its sole and absolute discretion and acting in good faith, determines to be sufficiently material as to require reducing the Equity Component to zero. Please see Condition 22 (<i>Definitions</i>) for further detail on Potential Portfolio Events, Substitution Events and Portfolio Events.
Taxation	Investors should note that payments in respect of the Notes may be subject to deduction or withholding for or on account of tax. In the event that the Issuer or the Paying Agent is required to make any deduction or withholding for or on account of tax from a payment in respect of the Notes, neither the Issuer nor the Paying Agent nor any other person will be obliged to pay any additional amounts to the Noteholders in respect of such deduction or withholding. Please see Condition 12 (<i>Taxation</i>) for further detail.
Listing	Application will be made for the listing of the Notes on Eurolist.
Governing Law	The Notes will be created under and governed by English Law.
Selling Restrictions	There are restrictions on the sale of the Notes and the distribution of the offering material in certain jurisdictions including the United States, the European Economic Area, the United Kingdom, The Netherlands, the Peoples' Republic of

China, Taiwan, Singapore, Korea, Hong Kong, Slovenia, Jordan and Saudi Arabia (see "*Selling Restrictions applicable to the Notes*" below).

Risk Factors

There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. These include the fact that the Issuer's results can be adversely affected by: (i) general economic conditions; (ii) competition; (iii) regulatory change; and (iv) standard banking risks, including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risk. For further details, see the section headed "*Risk Factors*" in the Registration Document as supplemented or amended from time to time.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes. These include: (i) interest and currency exchange rate risks; (ii) the potential volatility in the value of the Notes and/or the components of the Index; and (iii) the fact that the Notes are a medium term investment and that there is no guarantee of a positive return on investment for Noteholders, particularly if Noteholders redeem, or the Notes are redeemed, early. The Notes are complex investments and prospective purchasers need to consider the suitability of an investment in the Notes in light of their own financial, fiscal, regulatory circumstances, with such independent, professional advice as they consider necessary to understand fully the nature of their investment and the associated risks. For further details, see the section headed "*Risk Factors Relating to the Notes*" in this Prospectus.

Furthermore, there are certain factors which are material for the purpose of assessing the market now associated with the Funds. For further details, see the section headed "*Risk Factors Relating to the Notes*" in this Prospectus.

Essential Characteristics of the Funds and the Investment Manager

This information has been sourced from the Confidential Private Placement Memorandum relating to the Class F Shares in Kenmar Global Resource Fund SPC Limited dated December 2006 and the Confidential Private Placement Memorandum relating to the Class B Shares in Kenmar Global Managed Futures Fund SPC Limited dated December 2006. The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

KGRF

Kenmar Global Resource Fund SPC Limited ("**KGRF**"), was incorporated as a segregated portfolio company (an "**SPC**") in January 2005 under the provisions of the Companies Law of the Cayman Islands, as amended. Its registered office is at the offices of Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands, British West Indies. KGRF commenced investment operations on or about 1 April 2005.

As an SPC, KGRF can issue shares in segregated portfolios (the Class F Shares being issued through Segregated Portfolio 1), each of which may have, for example, a different investment objective or strategy or leverage policy, and operate such segregated portfolios with the benefit of statutory segregation under Cayman Islands law of assets and liabilities between each segregated portfolio. An SPC is a single legal entity and no segregated portfolio constitutes a legal entity separate from the company.

The KGRF Fund is a "fund of funds" whose investment objective is capital appreciation through investment in global commodities markets. To achieve this, the KGRF Fund will engage, directly and/or indirectly, as described in the Confidential Private Placement Memorandum relating to the Class F Shares, in the speculative trading of commodity interests, securities and any other investment transaction that the underlying alternative investment managers (the "**KGRF Underlying Managers**") deem to be consistent with the objectives of their trading methods through certain fund vehicles and/or managed accounts managed by such KGRF Underlying Managers that, in the opinion of the Investment Manager, can be successful within the context of the objectives set for the KGRF Fund's entire portfolio of KGRF Underlying Managers.

To achieve its investment objective, the KGRF Fund allocates its assets to KGRF Underlying Managers with diverse investment or trading strategies that are applied, directly or indirectly, to the global commodity and natural resource markets. Such markets may include, but are not limited to, precious and industrial metals, energies, grains, softs/agriculturals, livestock, water, and forestry; and they may be accessed through the direct or indirect purchase or sale of securities, futures, fixed income, cash and/or any other investment instruments.

Actual investment decisions will be made on behalf of the KGRF Fund by the KGRF Underlying Managers, and not by the KGRF Fund or the Investment Manager.

The Investment Manager may change the portfolio of KGRF Underlying Managers, or reallocate the KGRF Fund's assets, at any time in its sole discretion. The KGRF Fund seeks to produce a better risk-adjusted return over the medium to long-term than an outright long strategy by employing a trading oriented, long and short approach to investing in the hard assets sector.

KGMF

Kenmar Global Managed Futures Fund SPC Limited ("**KGMF**") was incorporated as a segregated portfolio company (an "**SPC**") in January 2004 under the provisions of the Companies Law of the Cayman Islands, as amended. Its registered office is at the offices of Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands, British West Indies. KGMF commenced investment operations in February 2005 and commenced the offering of Class B Shares in or about December 2006.

As an SPC, KGMF can issue shares in segregated portfolios (the Class B Shares being issued through Segregated Portfolio 1), each of which may have, for example, a different investment objective or strategy or leverage policy, and operate such segregated portfolios with the benefit of statutory segregation under Cayman Islands law of assets and liabilities between each segregated portfolio. An SPC is a single legal entity and no segregated portfolio constitutes a legal entity separate from the company.

The objective of the KGMF Fund is capital appreciation through investment with a diverse group of managed futures managers ("**KGMF Underlying Managers**"). The KGMF Fund is a multi-manager investment vehicle that allocates its assets to certain KGMF Underlying Managers, each with its own unique investment strategy that is generally applied to the futures and foreign exchange markets. The Investment Manager analyses KGMF Underlying Managers and then constructs a portfolio that comprises a diversity of investment strategies applied across a wide spectrum of global markets including, but not limited to, grains, metals, energies, global interest rates, stock indices and currencies. Based upon its continuing analysis of individual KGMF Underlying Managers, the portfolio of KGMF Underlying Managers, markets and/or the global market environment, the Investment Manager may, in its sole discretion, change the portfolio of KGMF Underlying Managers at any time by removing and/or adding KGMF Underlying Managers or reallocating the KGMF Fund's assets among the KGMF Underlying Managers. The KGMF Fund accesses the KGMF Underlying Managers directly and/or indirectly through the purchase of interests in one or more underlying portfolio funds (many or all of which are or may be sponsored and/or promoted by the Investment Manager and/or its affiliates).

Actual investment decisions will be made on behalf of the KGMF Fund by the KGMF Underlying Managers, and not by the KGMF Fund or the Investment Manager.

The KGMF Underlying Managers selected to trade the KGMF Fund's assets are generally categorised as "Managed Futures" managers or "Tactical Traders". Most, but not all, of the KGMF Underlying Managers ("**CTAs**") will be regulated by the U.S. regulatory authorities (i.e. registered with the Commodity Futures Trading Commission and members of the National Futures Association) as Commodity Trading Advisors.

The strategies employed by CTAs are generally implemented through organized futures exchanges and, in the case of foreign exchange, through global banks.

The Calculation Agent reserves the right to swap the notional investments in the Funds for notional investments in such other classes of shares or funds that may from time to time become available and that, at the discretion of the Calculation Agent, offer equivalent or enhanced liquidity, and/or any other advantages to notional investments in the Funds.

The Investment Manager

Kenmar Global Investment Management LLC (the "**Investment Manager**"), a Delaware limited liability company, is the investment manager of the Funds and has full discretion over the investment operations and business of the Funds.

The Investment Manager was formed in October 2005 and has its registered office at 900 King Street, Suite 100, Rye Brook, New York 10573. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission ("**SEC**") under the Investment Advisers Act of 1940, as

amended (the "**Advisers Act**"). The Investment Manager is registered as a commodity pool operator with the U.S. Commodity Futures Trading Commission ("**CFTC**") and is a commodity pool operator member of the U.S. National Futures Association ("**NFA**"), although the Investment Manager has claimed an exemption from certain commodity pool operator requirements with respect to its operation of the Funds pursuant to Rule 4.13(a)(4) of the U.S. Commodity Exchange Act ("**CEA**"), as further set forth on the disclosure appearing on the cover page to the Confidential Private Placement Memorandum relating to each of the KGRF Fund and the KGMF Fund.

The Investment Manager is wholly-owned by Kenmar GIM Inc. (formerly known as Kenmar Global Investment Management Inc.), which was formed in March 1999 and which, from the Funds' inception through December 31, 2005, served as KGRF/KGMF and the Funds' investment manager.

The Investment Manager is a part of the Kenmar group of companies ("**Kenmar**"), an international specialist in alternative investment products. Founded in 1983, Kenmar meets the investment needs of a growing and sophisticated international clientele, including institutional and individual investors, through private and public funds and accounts. Known for its emphasis on detailed research and in-depth analysis, Kenmar makes no trading decisions directly, rather Kenmar employs a "manager of managers" approach, evaluating managers, constructing portfolios of managers and monitoring portfolios and managers on an on-going basis, allocating and reallocating the portfolio's assets in an effort to maximize performance within controlled risk parameters.

The Issuer and Holding

ABN AMRO Holding N.V. ("**Holding**") is incorporated as a limited liability company under Dutch law by deed of 30 May 1990. As the holding company of ABN AMRO Bank N.V., Holding's main purpose is to own ABN AMRO Bank N.V. and its subsidiaries. Holding owns 100 per cent. of the shares of ABN AMRO Bank N.V. and is jointly and severally liable for all liabilities of ABN AMRO Bank N.V.. ABN AMRO Bank N.V. is registered in the Commercial Register of Amsterdam under number 33002587. The registered office of ABN AMRO Bank N.V. is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

The ABN AMRO group ("**ABN AMRO**"), which consists of Holding and its subsidiaries (including ABN AMRO Bank N.V.), is a prominent international banking group offering a wide range of banking products and financial services on a global basis through its network of 3,557 offices and branches in 58 countries and territories as of year-end 2005. ABN AMRO is one of the largest banking groups in the world with total consolidated assets of EUR 880.8 billion as at 31 December 2005.

ABN AMRO is the largest banking group in The Netherlands and it has a substantial presence in Italy, Brazil and the MidWestern United States. ABN AMRO is one of the largest foreign banking groups in the United States, based on total assets held as of 31 December 2005. ABN AMRO is listed on Euronext and the New York Stock Exchange.

The long-term, unsecured, unsubordinated and unguaranteed debt obligations of ABN AMRO Bank, N.V. are currently rated "AA-" by S&P, "Aa3" by Moody's Investors Service Inc. ("Moody's") and "AA-" by Fitch. The short-term, unsecured, unsubordinated and unguaranteed debt obligations of ABN AMRO Bank, N.V. are currently rated "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Any press releases issued by ABN AMRO can be obtained from the ABN AMRO website at <http://www.abnamro.com/pressroom>.

RISK FACTORS RELATING TO THE NOTES

The Issuer disclaims any responsibility to advise prospective investors regarding any matters arising under the laws of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments on the Notes. Prospective investors should consult their own legal and financial advisors concerning these matters. This section describes in general terms the most significant risks involved with an investment in the Notes. Each prospective investor should carefully consider whether the Notes, as described herein, are suited to its particular circumstances before deciding to purchase any Notes.

Prospective investors should read this Prospectus and the Registration Document. Words and expressions defined elsewhere in this Prospectus have the same meaning when used in this section. Prospective investors should consider, among other things, the following:

Part A - General risk factors

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

Each potential investor in the Notes should refer to the section entitled "*Risk Factors*" in the Registration Document for a description of those factors which may affect the Issuer's ability to fulfil its obligations under the Notes.

Factors which are material for the purpose of assessing the market risks associated with the Notes

The Notes may not be a suitable investment for all investors

The purchase of the Notes involves substantial risks. Each potential investor in the Notes must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information and/or documents contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or any currency risk associated with circumstances where the currency for payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment in the Notes and its ability to bear the applicable risks.

The Notes are complex financial instruments. A prospective investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the prospective investor's overall investment portfolio.

Modification, waivers and substitution

Condition 18.1 (*Meetings of Noteholders*) contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined Noteholder majorities

to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Condition 18.2 (*Modification*) also provides that the Notes and the Conditions may be amended without the consent of the Noteholders either:

- (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest error or any other defective provision contained therein; or
- (ii) in any other manner which is not materially prejudicial to the interests of the Noteholders.

Notes held in global form

The Notes will initially be held by a common depository on behalf of Euroclear and Clearstream, in the form of a global Note which will be exchangeable for definitive Notes in limited circumstances as more fully described in the section headed "*Summary of Provisions Relating to the Notes while in Global Form*" below. For as long as any Notes are represented by a global Note held by a common depository on behalf of Euroclear and Clearstream, payments of principal and any other amounts on a global Note will be made through Euroclear and Clearstream, (as the case may be) against presentation or surrender (as the case may be) of the relevant global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depository for Euroclear and Clearstream, shall be treated by the Issuer and any Paying Agent, as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal and any other amounts payable in respect of the Notes.

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, as the case may be.

Nominee Arrangements

Where a nominee service provider is used by an investor to hold the relevant Notes or such investor holds interests in the Notes through accounts with a clearing system (such as Euroclear or Clearstream), such investor will receive payments in respect of principal or any other amounts due, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or clearing system, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or clearing system to distribute all payments attributable to the relevant Notes which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or clearing system, as well as the Issuer.

For the purposes of: (i) distributing any notices to Noteholders; and (ii) recognising Noteholders for the purposes of attending and/or voting at any meetings of Noteholders, the Issuer will recognise as Noteholders only those persons who are at any time shown as accountholders in the records of Euroclear and/or Clearstream as persons holding a principal amount of the Notes. Accordingly, an investor must rely upon the nominee service provider which is the accountholder with the relevant clearing system through which the investor made arrangements to invest in the Notes (and, if applicable, the domestic clearing system through which the Notes are held), to forward notices received by it from Euroclear and/or Clearstream and to return the investor's voting instructions or voting certificate application to Euroclear and/or Clearstream. Accordingly, such an investor will be exposed to the risk that the relevant nominee service provider or clearing system may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor.

In addition, such a Noteholder will only be able to sell or redeem any Note held by it prior to its stated maturity date with the assistance of the relevant nominee service provider.

Neither the Issuer nor any Paying Agent shall be responsible for the acts or omissions of any relevant nominee service provider or clearing system nor makes any representation or warranty, express or implied, as to the services provided by any relevant nominee service provider or clearing system.

Change of law and jurisdiction

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law or administrative practice after the date of this Prospectus.

Prospective investors should note that the courts of England and Wales shall have jurisdiction in respect of any disputes involving the Notes. Noteholders may, however, take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. English law may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. An illiquid secondary market may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will make payments on the Notes in Euro (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. An investor may receive, in the Investor's Currency, less principal than expected, or no principal.

In addition, any notional distribution proceeds in respect of the Portfolio Shares may be in a non-EUR base currency and thus will be converted into EUR at the FX rate applicable at the time of receipt of such distributions, as provided by ABN AMRO Bank N.V. traders with reference to the prevailing market rates, by the Calculation Agent and received into the Cash Component.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Issuer and Holding credit risk

The risk that the Issuer will be unable to pay amounts due under the Notes is known as credit risk. The Notes will constitute unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer (other than obligations preferred by mandatory provisions of law). Pursuant to a declaration under Article 2: 403 of The Netherlands Civil Code, Holding is jointly and severally liable with the Issuer for all of the Issuer's

liabilities. If you purchase Notes, you are relying on the creditworthiness of the Issuer and Holding and no other person. If either the Issuer or Holding becomes unable for any reason to fulfil its obligations then the Noteholder may suffer a total loss of principal.

Volatility of the value of the Notes

The Notes entitle the Noteholder to receive the Final Redemption Amount from the Issuer on the Maturity Date. In order to receive the Final Redemption Amount, Noteholders need to hold the Notes until the Maturity Date. Accordingly, only those persons who could sustain a loss in their investment due to early redemption should make an investment.

The extent to which, if any, the Final Redemption Amount exceeds the Minimum Redemption Amount will be determined by reference to changes in the values of the Index components. The return on the Notes may vary significantly over the life of the Notes, and may decrease as well as increase.

The Issuer makes no representation as to any return that investors will earn on the Notes or as to the correlation of the Notes with other instruments in the future. Several factors beyond the control of the Issuer may influence the value of the Notes, including:

- the value of the Portfolio Shares;
- the volatility (i.e. the frequency and magnitude of changes) in the price of the Index components;
- currency exchange rates, interest rates and yields in the market generally. The Index entails the calculation of an amount in Euro which is reflective of the Equity Component, the Protection Component, the Cash Component and the FX Component, the value of each of which may be affected by these factors; and
- economic, financial, political and regulatory or judicial events that affect the financial markets generally and which may affect the market price of the Index components.

Some or all of these factors will influence the price that Noteholders will receive if they sell the Notes.

The price at which a Noteholder will be able to sell or redeem the Notes prior to the Maturity Date may be at a discount to the value of those Notes at the Issue Date, due to the foregoing factors.

Cash-Out Event

On the occurrence of a Cash-Out Event, the entire notional holding of Portfolio Shares attributable to the Index (if such Portfolio Shares have not already been redeemed) shall be notionally realised and the FX Component shall be notionally liquidated.

On the occurrence of any Cash-Out Event the notional proceeds of such realisation together with the proceeds of the FX Component and the Cash Component will be used notionally to purchase Eligible Collateral which shall increase the allocation to the Protection Component.

Therefore, following a Cash-Out Event, the Index will only consist of the Protection Component and/or the Cash Component and accordingly, from that time, the Notes will no longer provide Noteholders with exposure to the performance of the Portfolio Shares. If this happens then, on the Maturity Date, Noteholders will receive no less than the Minimum Redemption Amount.

Terminal Allocation

On the Terminal Allocation Date the entire notional holding of Portfolio Shares attributable to the Index (if such Portfolio Shares have not already been redeemed) shall be notionally realised. Once the notional proceeds of such notional realisation have been received, the FX Component shall be notionally liquidated. The notional proceeds of such realisation and liquidation will be used to increase the allocation to the Cash Component.

Return on an investment in the Notes will be affected by charges incurred by investors

An investor's total return on an investment in the Notes will be affected by the fees outlined in the section headed "*Fees, Costs and Expenses*" and the level of any fees charged by the selling agent, nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments on the Notes. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

Tax consequence of holding the Notes

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation. For a summary of the principal tax consequences of the acquisition, holding, redemption and disposal of Notes please see "*Taxation*" below.

No tax gross-up

If payments on the Notes are or become subject to a withholding or deduction required by law on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will make the required withholding or deduction, as the case may be, and neither the Issuer nor the Paying agent nor any other person shall pay any additional amounts to the Noteholders in respect of such withholding or deduction. See Condition 12 (*Taxation*) of the Notes.

Notes are a medium-term investment

Investment in the Notes may not be suitable for all investors. The difference at any one time between the price paid for a Note (its Face Value of EUR1.00) and the price at which a Note may be sold or otherwise redeemed, means that investment in the Notes should be viewed as a medium-term investment.

Early Redemption at the option of the Issuer may result in Noteholders receiving less than the Face Value

The Notes may be redeemed at the option of the Issuer in whole, but not in part if: (i) there is a change in the applicable tax laws affecting the Issuer which would result in the Issuer having to make additional payments in respect of the Notes; (ii) it becomes unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations in respect of the Notes; or (iii) if the aggregate Face Value of the remaining outstanding Notes is less than or equal to EUR5,000,000; (iv) if a Cash-Out Event has occurred at any time; and in part if: (v) any Noteholder holds less than the Minimum Holding; or (vi) if in the opinion of the Issuer, the Notes are held directly or beneficially by a Non-Qualified Person (as defined in the Conditions). In such circumstances Noteholders will receive an amount per Note equal to the Index Value on the date of redemption, adjusted to reflect the notional redemption proceeds which would be received by a holder of shares in the Funds in respect of a redemption of shares in respect of such date (or a commercially reasonable estimate of such redemption proceeds) (such determination of the Index Value including, for the avoidance of doubt, a reduction in respect of any additional amounts attributable to any fees, expenses redemption charges or penalties enforced by the underlying fund managers in respect of the Funds), less any Early Redemption Adjustment, less any costs or expenses associated with any funding arrangements in respect of the period from the date of payment of the Early Redemption Amount to Noteholders to the date on which the Issuer is able to unwind its hedging arrangements in respect of the Notes redeemed, as determined by the Calculation Agent in its sole and absolute discretion. It is possible that the amount paid in such circumstances will be less than the Face Value of the Note.

Early Redemption by Noteholders may result in Noteholders receiving less than the Face Value

Subject to the Paying Agent having received a redemption request from a Noteholder in respect of an aggregate amount of at least 10,000 Notes (and thereafter in increments of 10,000 Notes), a Noteholder may elect, on any Early Redemption Day, to redeem its Notes prior to the Maturity Date in accordance with the Conditions provided that a Noteholder may not elect to redeem part only of its holding of Notes

if, as a result of such redemption, such Noteholder would hold less than the Minimum Holding. In such circumstances Noteholders will receive an amount per Note equal to the Index Value on the date of redemption, adjusted to reflect the notional redemption proceeds which would be received by a holder of shares in the Funds in respect of a redemption of shares in respect of such date (or a commercially reasonable estimate of such redemption proceeds) (such determination of the Index Value including, for the avoidance of doubt, a reduction in respect of any additional amounts attributable to any fees, expenses redemption charges or penalties enforced by the underlying fund managers in respect of the Funds), less any Early Redemption Adjustment, less any costs or expenses associated with any funding arrangements in respect of the period from the date of payment of the Early Redemption Amount to Noteholders to the date on which the Issuer is able to unwind its hedging arrangements in respect of the Notes redeemed, as determined by the Calculation Agent in its sole and absolute discretion; provided, however, that if the Notes are redeemed on the fifth anniversary of the Issue Date, the Noteholders will receive an amount per Note equal to the 5 Year Redemption Amount. It is therefore possible that the amount paid following an early redemption will be less than the Face Value of the Note. Noteholders will receive such amount as soon as reasonably practicable after the Early Redemption of the relevant Notes and, in any event, no later than 5 Business Days after the necessary funds would notionally have been received from the Investment Manager. In the event that the Paying Agent receives a redemption request in respect of an aggregate amount of less than 10,000 Notes, such redemption request will lapse (and the Paying Agent will notify the relevant Noteholder). Any such Noteholder will be required to re-submit a further redemption request if it still wishes to redeem any Notes.

Early Redemption by Noteholders may result in the Index's relative notional exposure to each of the Funds differing temporarily from Portfolio Allocation Ratio

The Calculation Agent may, in connection with the Early Redemption of any Notes, notionally redeem the shares of that Fund which has the better liquidity for redemptions other than in a manner consistent with the Portfolio Allocation Ratio, provided that this does not result in any material prejudice to Noteholders and provided further that the Portfolio Allocation Ratio shall be restored as soon as practicable after such redemption. This may have the effect that, on or after an Early Redemption, the Index's relative notional exposure to each of the Funds temporarily differs from the Portfolio Allocation Ratio and therefore Noteholders may not obtain the same benefit of any performance of the Fund which has a lower allocation than it would have if the allocation to the Funds was in accordance with the Portfolio Allocation Ratio. For the avoidance of doubt, any such breach of the Portfolio Allocation Ratio shall not constitute a Rebalancing Event.

Suspension Event

A Suspension Event is, in the determination of the Calculation Agent, any Potential Portfolio Event that is sufficiently material to be a Suspension Event, any suspension or limitation on the calculation and/or publication of the Index Value and/or the net asset value per Portfolio Share for any reason, or any suspension of or unusual limitation on the trading of any number of Portfolio Shares for any reason including, but not limited to a postponement of part or all of the redemption orders received by the Investment Manager in relation to a given dealing date, the late receipt of any notional redemption proceeds arising from a notional realisation of any of the Portfolio Shares, or any suspension or limitation on the trading of relevant currencies. Any such Suspension Event shall continue until the Calculation Agent has determined in its sole and absolute discretion that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's satisfaction.

If the Calculation Agent determines that a Suspension Event has occurred and is continuing on any Valuation Date, the Issuer may (but is not obliged to) either: (i) postpone the occurrence of the valuation until as soon as practicable following the end of such Suspension Event and suspend payment of, as the case may be, the Final Redemption Amount or the Early Redemption Amount until a date no more than 15 Business Days following the postponed occurrence of such valuation; or (ii) make its own determination of the Index Value for the relevant valuation and use such Index Value for the purposes of any calculation made or to be made in respect of the Notes for such redemption.

In the event that a Suspension Event has occurred and is continuing on the Terminal Allocation Date, the Maturity Date may be postponed by up to 12 months at the discretion of the Issuer. In the event that such Suspension Event is continuing 12 months after the Scheduled Maturity Date, the Maturity Index Value shall be adjusted to reflect such sums as would have been received from the realisation of a notional investment in the Portfolio Shares by such date. In such circumstances, Noteholders may receive no more than the Minimum Redemption Amount on the final redemption of the Notes.

Noteholders may be exposed to interest rate risk

Noteholders may have exposure to interest rate risk. To the extent that prevailing interest rates change, this could negatively affect the value of the Notes.

Notes are unsecured obligations - no shareholder or equivalent rights

The Notes represent general contractual obligations of the Issuer. The Notes will not be secured by any property of the Issuer and, with the exception of certain obligations given priority by applicable law, will rank equally with all other unsecured and unsubordinated obligations of the Issuer. Neither the Calculation Agent nor the Issuer is required to purchase any of the Index components and consequently the assets comprising the Index components may not actually be held by the Issuer. Noteholders will not have voting rights nor rights to receive dividends or other distributions nor any other rights in the Index components, and will not be entitled to receive physical delivery of any of the Index components at any time.

Limited Information

No representation or warranty, whether implied or otherwise, is given by the Issuer as to the future performance of the Portfolio Shares.

The Issuer is not a source of advice, information or credit analysis with respect to the Index, the Funds, the Portfolio Shares, the assets notionally comprised in the Index or the underlying assets of the Funds. In particular, this Prospectus does not constitute investment advice. The Issuer does not assume any obligation to or relationship of agency or trust with any Noteholder or prospective investor in the Notes.

Part B - Risk factors relating to the Investment Manager and the Funds

The performance of the Notes is dependent upon the performance of the Portfolio Shares which in turn is dependant on the Investment Manager's skills in making appropriate investments. As a result, the Portfolio Shares may underperform the stock or fixed income market. Also, the Funds could fail to meet their investment objectives. No assurance can be given with respect to the performance of the Investment Manager or the Funds and neither the Issuer nor the Investment Manager shall have any liability to Noteholders in the event that the Index performs poorly. An investment in the Funds involves a high degree of risk and is subject to a number of risk factors inherent in the investment strategies that will be deployed by the underlying investment managers.

Part C - Risk Factors relating to the Index

The Index is a newly created index and has no operating history. Therefore, there is no way to evaluate the past performance of the Index. No assurance can be given with respect to the performance of the Index and neither the Issuer nor the Calculation Agent shall have any liability to Noteholders in the event that the Index performs poorly. No assurance is given as to what extent (if any) the Final Redemption Amount will exceed the Minimum Redemption Amount.

Part D - Conflicts of interest

Conflicts of interest with respect to the Notes

ABN AMRO Bank N.V. as the Issuer, Calculation Agent, Paying Agent and Listing Agent is acting in more than one capacity with respect to the Notes and in its role as Calculation Agent could make determinations that influence the amount that Noteholders receive in respect of the Notes on the Maturity Date, as well as any adjustments to the Index made to reflect certain events. In doing so it is not necessarily obliged to act in the interests of Noteholders.

Potential conflicts of interest may exist between the interests of ABN AMRO and the Noteholders with respect to the Notes and with respect to the other businesses of ABN AMRO. ABN AMRO or its respective affiliates may enter into other business dealings from which they may derive revenues and profits in addition to the fees described herein, and none of those parties has any duty to account to the Noteholders for such other revenues and profits. In addition, ABN AMRO or its respective affiliates may invest, for their own accounts (whether for hedging purposes or otherwise) or for the accounts of their affiliates or clients, in Portfolio Shares and in making such investments, neither ABN AMRO nor any such affiliate has any duty to do so in a way that is favourable to the Noteholders. ABN AMRO may, from time to time, negotiate, for its own account (and not for the account of the Noteholders), any discount or rebate with respect to the fees and costs associated with an investment in the Portfolio Shares. At any time, ABN AMRO may sell or buy Portfolio Shares for its own account, or the account of its affiliates or clients, and at the same time notionally take the opposite position with respect to such assets for the Index. All of such market activities may, but are not intended to, affect the prices of the Index components and, possibly, the payments that Noteholders will receive on the Maturity Date or any day on which they sell their Notes. ABN AMRO may also introduce products that compete with the Notes in the marketplace (which may or may not be linked to or track any of the Index components or components thereof), and the related market activity with respect to such products could adversely affect the value of the Notes.

While the Calculation Agent currently employs the methodology described in the Conditions to make determinations in relation to the Index, no assurance can be given that no market, regulatory, juridical, or fiscal circumstances will arise that would, in the view of the Calculation Agent, necessitate a modification or change of such methodology. The Calculation Agent will use reasonable efforts to ensure that any such modification or change will result in a treatment that is consistent with the methodology described in Condition 6 (*Rebalancing Methodology*).

Conflicts of interest with respect to the Funds

ABN AMRO or any of its affiliates may presently or from time to time engage in business with the Investment Manager or any other company involved in or connected with the Funds, including making loans to, making equity investments in or providing advisory services to, including mergers and acquisitions advisory services, such entities. In conducting such activities, ABN AMRO and its affiliates may earn fees or commissions and have no duty to act in the interests of Noteholders.

There may be potential conflicts of interest between the activities of the Investment Manager and the activities of others using the same investment manager. In order to deal with these conflicts of interest, investment opportunities will be allocated by the Investment Manager in a non-discretionary manner designed to treat each client equally and fairly, but the Investment Manager cannot guarantee equality between all clients.

The Investment Manager or its affiliates may invest in the same investments as the Funds or may take the same, different or opposite positions to that of the Funds (as principal or agent) in respect of any instrument or any market.

The Investment Manager may engage for its own account, or for the account of others, in other business ventures of any nature, and the Funds will not be entitled to any interest therein.

The Investment Manager currently advises and intends to advise additional investment companies and customer accounts in the future. Trading orders for accounts similar to those of the Funds may occur contemporaneously.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream. Interests in the Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note following the expiration of 40 days after the later of the commencement of the offering and the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of EUR1.00 at the request of the bearer of the Permanent Global Note (acting on the instructions of a Noteholder in the case of (a) below, or on the instructions of the Issuer in the case of (b) below) against presentation and surrender of the Permanent Global Note to the Principal Agent if any of the following events (each, an "**Exchange Event**") occurs: (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) a change occurs in the practice of Euroclear and/or Clearstream as a result of which the Issuer would suffer a disadvantage which would not be suffered if the Notes were in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated in an aggregate principal amount equal to the principal amount of the Permanent Global Note outstanding at such time to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Agent within 30 days of the occurrence of the relevant Exchange Event.

If:

- (a) Definitive Notes have not been delivered by 17:00 hours (London time) on the forty-fifth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 17:00 hours (London time) on such forty-fifth day (in the case of (a) above) or at 17:00 hours (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under an instrument dated on or about the Issue Date (the "**Instrument**") executed by the Issuer). Under the Instrument, persons shown in the records of Euroclear and Clearstream as being entitled to an interest in the Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and Clearstream.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes ("**Conditions**") and will be incorporated by reference into each Global Note representing the Notes in bearer form and Notes in definitive form (if any) issued in exchange for the Global Note(s) representing Notes in bearer form.

The EUR10,000,000 ABN AMRO Pan-European Principal Protected Notes II (Series D) due 2015, ISIN: XS0285703764 and Common Code: 028570376 (the "**Notes**"), issued by ABN AMRO Bank N.V., acting through its London Branch (the "**Issuer**") are the subject of a fiscal agency agreement dated on or about the Issue Date (as amended or supplemented from time to time, the "**Paying Agency Agreement**") between the Issuer, ABN AMRO Bank N.V. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the Paying Agent named therein (together with the Fiscal Agent, the "**Agents**" and each, an "**Agent**", which expression includes, as appropriate, any successor or additional Agent appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Paying Agency Agreement and subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of the Paying Agency Agreement applicable to them. Copies of the Paying Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices. Unless otherwise defined elsewhere in these Conditions, defined terms used in these Conditions shall be construed in accordance with Condition 22 (*Definitions*).

1. **Form, Denomination and Title**

The Notes are in bearer form in the denomination of EUR 1.00. Title to the Notes will pass by delivery in accordance with the Securities Giro Transfer Act (*Wet Giraal Effectenverkeer*) (as amended). The holder of any Note shall (except as otherwise ordered by a court of competent jurisdiction or as required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2. **Status**

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3. **Redemption and Purchase**

3.1 **Final Redemption**

3.1.1 Unless previously redeemed, or purchased and cancelled, each Note will be redeemed on the Maturity Date at an amount (the "**Final Redemption Amount**") equal to the higher of:

- (a) the Maturity Index Value; and
- (b) the Minimum Redemption Amount,

subject as provided in Condition 3.1.2 below and Condition 10 (*Payments*).

3.1.2 In the event that a Suspension Event has occurred and is continuing on the Terminal Allocation Date, the Maturity Date may be postponed by up to 12 months at the discretion of the Issuer. In the event that such Suspension Event is continuing 12 months after the Scheduled Maturity Date, the Maturity Index Value shall be adjusted

by the Calculation Agent, in its sole and absolute discretion, to reflect such sums as would have been received from the realisation of a notional investment in the Portfolio Shares by such date.

3.2 **Mandatory Redemption at the option of the Issuer**

3.2.1 The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on such date as the Issuer shall designate (such date the "**Mandatory Redemption Date**") by giving not less than 10 Business Days' notice to the Noteholders (which notice shall be irrevocable), at a price equal to the Early Redemption Amount as of the relevant Mandatory Redemption Date, if:

- (a) Tax Reasons: the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) or as a result of any change in, or amendment to, the laws or regulations of any jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date;
- (b) Illegality: it becomes unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations in respect of the Notes;
- (c) Clean-Up Call: the aggregate Face Value of Notes not redeemed and cancelled is less than or equal to EUR 5,000,000; or
- (d) Cash-Out Event: a Cash-Out Event has occurred at any time.

3.2.2 A Mandatory Redemption Date shall be deemed to be the Terminal Allocation Date for the purposes of Condition 7 (*Terminal Allocation*).

3.2.3 Following the designation of a Mandatory Redemption Date, the Issuer shall redeem the Notes on the Mandatory Redemption Date and shall pay to the relevant Noteholders an amount in respect of each such Note equal to the Early Redemption Amount, such payment to be made on the Mandatory Redemption Payment Date.

3.3 **Compulsory Redemption at the option of the Issuer**

3.3.1 A Noteholder's holding of Notes may be redeemed at the option of the Issuer in whole or in part, at any time, on such date as the Issuer shall designate (such date the "**Compulsory Redemption Date**") by giving not less than 10 Business Days' notice to the relevant Noteholder (which notice shall be irrevocable), at a price equal to the Early Redemption Amount as of the relevant Compulsory Redemption Date, if:

- (a) a Noteholder holds less than the Minimum Holding; or
- (b) in the opinion of the Issuer such Notes are held directly or beneficially by a Non-Qualified Person and/or in circumstances where a Direct Participant objects to disclosing its identity and/or such a redemption would eliminate or reduce the exposure of the Issuer or of Noteholders to adverse taxation consequences under the laws of any country.

3.3.2 A Compulsory Redemption Date shall be deemed to be the Terminal Allocation Date in respect of the relevant Notes for the purposes of Condition 7 (*Terminal Allocation*).

3.3.3 Following the designation of a Compulsory Redemption Date, the Issuer shall redeem the relevant Notes on such Compulsory Redemption Date and shall pay to the relevant

Noteholder(s) an amount in respect of each such Note equal to the Early Redemption Amount, such payment to be made on the relevant Compulsory Redemption Payment Date.

- 3.3.4 The Calculation Agent may, in connection with the Compulsory Redemption of any Notes, notionally redeem the shares of that Fund which has the better liquidity for redemptions other than in a manner consistent with the "**Portfolio Allocation Ratio**" (being a 70% allocation of the notional investments comprising the Equity Component to shares in KGRF and a 30% allocation of the notional investments comprising the Equity Component to shares in KGMF), provided that this does not result in any material prejudice to Noteholders and provided further that the Portfolio Allocation Ratio shall be restored as soon as practicable after such redemption. For the avoidance of doubt, any such breach of the Portfolio Allocation Ratio shall not constitute a Rebalancing Event.

3.4 **Early Redemption at the option of a Noteholder**

- 3.4.1 The Issuer shall, at the option of any Noteholder, redeem some or all of the Notes held by such Noteholder on the last Business Day of each month commencing March 2007 up to, but not including, the Maturity Date (each such day being an "**Early Redemption Day**"), at a price equal to the Early Redemption Amount as of the relevant Early Redemption Day, provided that:

- (a) the Paying Agent must have received an Early Redemption Notice from the relevant Noteholder by 0900 London time, 65 calendar days prior to the relevant Early Redemption Day (the "**Early Redemption Notice Period**"), (unless the Issuer, in its sole and absolute discretion, waives the Early Redemption Notice Period);
- (b) the minimum number of Notes in respect of which any Early Redemption Notice has been submitted by any Noteholder is in aggregate equal to or greater than 10,000 Notes and thereafter in increments of 10,000 Notes;
- (c) a Noteholder may not redeem part only of its holding of Notes if, as a result of such redemption, such Noteholder would hold less than the Minimum Holding;
- (d) the Issuer shall be permitted to delay the execution of any Early Redemption Notice on any given Early Redemption Day where the execution of such Early Redemption Notice on that Early Redemption Day would result in the Issuer breaching any internal limits regarding, without limitation, exposure to a particular fund, FX conversion limits or any other relevant limit as may be set from time to time;
- (e) the administrator of the Funds does not fail to calculate and publish the net asset value per Portfolio Share on any Calculation Date;
- (f) the Calculation Agent reasonably considers that the net asset value of the Portfolio Shares reflects the net asset value of the Portfolio Shares as they would have been determined by independent auditors acceptable to the Calculation Agent using recognised accounting standards, and, if not, the Calculation Agent is able to establish a value for the net asset value of the Portfolio Shares;
- (g) no circumstances exist as a result of which a notional disposal by the Issuer of any of its notional investments attributable to the Index would not be practical;

- (h) no circumstances exist as a result of which the proceeds of any notional realisation of Portfolio Shares cannot be notionally transmitted to or from the accounts of either of the Funds; and
 - (i) normal market conditions exist from the date of the relevant Early Redemption Notice until such Early Redemption Day (as determined by the Calculation Agent in its sole and absolute discretion).
- 3.4.2 In the event that the Paying Agent has received an Early Redemption Notice in respect of an aggregate amount of less than 10,000 Notes, such Early Redemption Notice will lapse (and the Paying Agent will notify the relevant Noteholder). Any such Noteholder will be required to re-submit a further Early Redemption Notice if it still wishes to redeem any Notes.
- 3.4.3 An Early Redemption Day shall be deemed to be the Terminal Allocation Date in respect of the relevant Notes for the purposes of Condition 7 (*Terminal Allocation*).
- 3.4.4 Following the designation of an Early Redemption Day, the Issuer shall redeem the relevant Notes on such Early Redemption Day and shall pay to the relevant Noteholder(s) an amount in respect of each such Note equal to the Early Redemption Amount, such payment to be made on the relevant Early Redemption Payment Date.
- 3.4.5 The Calculation Agent may, in connection with the Early Redemption of any Notes, notionally redeem the shares of that Fund which has the better liquidity for redemptions other than in a manner consistent with the Portfolio Allocation Ratio provided that this does not result in any material prejudice to Noteholders and provided further that the Portfolio Allocation Ratio shall be restored as soon as practicable after such redemption. For the avoidance of doubt, any such breach of the Portfolio Allocation Ratio shall not constitute a Rebalancing Event.

3.5 **Suspension Events**

- 3.5.1 Notwithstanding any other provision of these Conditions, if the Calculation Agent determines that a Suspension Event has occurred and is continuing on any day as of which the Maturity Index Value, the Final Redemption Amount or any Early Redemption Amount would otherwise be calculated (each of such dates a "**Valuation Date**"), the Issuer may (but is not obliged to) either: (a) postpone the occurrence of such Valuation Date until as soon as practicable following the end of such Suspension Event and suspend payment of the Final Redemption Amount or the Early Redemption Amount, as applicable, until a date no more than 15 Business Days following the postponed occurrence of such Valuation Date; or (b) make its own determination of the Index Value for the relevant Valuation Date and use such Index Value for the purposes of any calculation made or to be made in respect of the Notes on such Valuation Date.
- 3.5.2 In the event that a Suspension Event has occurred and is continuing on the Terminal Allocation Date, the Maturity Date may be postponed by up to 12 months at the discretion of the Issuer.

3.6 **Purchase**

The Issuer may at any time purchase Notes in the open market or otherwise and at any price.

3.7 **Unsold Notes**

Any Notes issued but not settled by the last Business Day in June 2007 (and therefore held by the Issuer) may (at the sole discretion of the Issuer) be redeemed and cancelled.

3.8 Cancellation

All Notes redeemed pursuant to Condition 3.1 (*Final Redemption*), Condition 3.2 (*Mandatory Redemption at the option of the Issuer*), Condition 3.3 (*Compulsory Redemption at the option of the Issuer*) and Condition 3.7 (*Unsold Notes*) shall be cancelled and may not be reissued or resold. All Notes redeemed or purchased by the Issuer pursuant to Condition 3.4 (*Early Redemption at the option of a Noteholder*) or Condition 3.6 (*Purchase*) may (at the sole discretion of the Issuer) be held, surrendered for cancellation or resold, and Notes so resold shall for all purposes be deemed to form part of the original series of Notes. Rights under the Notes will continue to accrue for the benefit of the then Noteholder until they are cancelled.

3.9 No other redemption

The Notes shall not be redeemed otherwise than as provided in Condition 3.1 (*Final Redemption*), Condition 3.2 (*Mandatory Redemption at the option of the Issuer*), Condition 3.3 (*Compulsory Redemption at the option of the Issuer*), Condition 3.4 (*Early Redemption at the option of a Noteholder*) and Condition 3.7 (*Unsold Notes*).

4. The Index

4.1 Definition of the Index

The index to which the performance of the Notes is linked (the "**Index**") is comprised of the Equity Component, the Protection Component, the Cash Component and the FX Component.

4.2 Index Value

The value in EUR of the Index (the "**Index Value**") is determined by the Calculation Agent on each Calculation Date (or on such other day(s) as may be determined by the Calculation Agent in its sole and absolute discretion). The Index Value on a Calculation Date is:

$$I(t) = EC(t) + PC(t) + CC(t) + FX(t)$$

where:

$EC(t)$ = Value of Equity Component on Calculation Date $CD(t)$;

$PC(t)$ = Value of Protection Component on Calculation Date $CD(t)$;

$CC(t)$ = Value of Cash Component on Calculation Date $CD(t)$; and

$FX(t)$ = Value of FX Component on Calculation Date $CD(t)$.

In these Conditions, a reference to " (t) " is a reference to the position as of a Calculation Date(t) i.e. the formula above refers to the Index Value and the value of each of the Index components on such Calculation Date (such Calculation Date is hereinafter referred to as "**CD(t)**").

A reference to "**(t-1)**" relates to a Calculation Date which is the Calculation Date immediately preceding $CD(t)$ (such Calculation Date preceding immediately $CD(t)$ shall be hereinafter referred to as "**CD(t-1)**") and references to a value at $(t-1)$ is a reference to the Index Value and/or the value of each of the components, in each case, on $CD(t-1)$.

If $CD(t)$ is the very first Calculation Date occurring after the Issue Date, then in such case a reference to a value at $(t-1)$ is a reference to the Index Value and/or to the value of its components, in each case, on the Issue Date.

4.3 Initial Allocation

The initial allocation to the Equity Component is expected to be approximately 105% but will be determined by the Calculation Agent on or about the Issue Date (or as soon as reasonably practicable thereafter) in accordance with the Index rules as set out and described more fully in Conditions 4 (*The Index*) to 9 (*Multiplier*).

The Index Value per Note on the Issue Date is expected to be approximately EUR 1.10 but will be determined by the Calculation Agent on or about the Issue Date (or as soon as reasonably practicable thereafter).

4.4 **Substitution Event**

On the occurrence of a Substitution Event in respect of either or both Funds (each such Fund being a "**Considered Fund**"), the Calculation Agent shall: (i) notionally substitute the Considered Fund with another applicable fund or funds with a similar risk profile as determined by the Calculation Agent (provided, however that: (a) in the event that no appropriate alternative fund is available then such occurrence shall constitute a Portfolio Event; and (b) in the event that there are two Considered Funds, the Calculation Agent may notionally substitute them with one single alternative fund); and (ii) make appropriate adjustments to the calculation methodology of the Index and the Central Multiplier as the Calculation Agent in its sole and absolute discretion considers suitable.

5. **Rebalancing**

5.1 If, on any Calculation Date after the Issue Date, but prior to or on the Terminal Allocation Date, a Rebalancing Event occurs, the Calculation Agent will initiate a rebalancing of the Index by adjusting the Equity Component. The Calculation Agent will, using the net asset values of the Funds as determined by the Calculation Agent, calculate the adjustment to the number of Portfolio Shares notionally allocated per Note to the Equity Component required such that the new Value of Equity Component (EC) will be set to or as close as possible to the lesser of:

- (a) $M(t) * EG(t)$;
- (b) $I(t) * \text{Central Leverage Limit}$; and
- (c) $I(t) - PC(t) - (0.9 * \text{Absolute Leverage Limit})$.

where:

$M(t)$ = Multiplier on Calculation Date $CD(t)$;

$EG(t)$ = Equity Gap on Calculation Date $CD(t)$;

$I(t)$ = Index Value on Calculation Date $CD(t)$; and

$PC(t)$ = Value of Protection Component on Calculation Date $CD(t)$.

As the net asset value at which a Portfolio Share can be bought or sold will fluctuate, the resulting new allocation may be different from the target number calculated in accordance with the formula above.

5.2 As the net asset values of the Funds will be uncertain at the moment the fund orders are placed, the Calculation Agent will have to rely on estimated prices to determine the Rebalancing Factor and the new Index allocation. Consequently there may be occasions where the Note temporarily holds an allocation differing from that intended. In such an event a further Rebalancing Event may occur. Due to such timing considerations, liquidity constraints, notice periods, process requirements and other matters that would, in the opinion of the Calculation Agent, be relevant in relation to the implementation of asset allocation models, the Calculation Agent may need to make appropriate adjustments as it considers necessary, always acting in good faith. For the

avoidance of doubt, the Calculation Agent will have the right to place fund orders as necessary in order to manage the risk of the Note.

- 5.3 If, at any time, a Cash-Out Event occurs, the Calculation Agent shall reduce the Equity Component and the FX Component to zero as soon as reasonably practicable after the occurrence of such Cash-Out Event and thereafter shall use the notional proceeds of liquidation of the Equity Component and the FX Component (together with the Cash Component) to increase the Protection Component.
- 5.4 Any adjustment to the allocation among the Index components to be made pursuant to this Condition 5 (*Rebalancing*) shall be determined by the Calculation Agent by reference to the index rebalancing methodology set out in Condition 6 (*Rebalancing Methodology*) below or such other methodology as the Calculation Agent may determine if market, regulatory, juridical or fiscal circumstances arise that, in the view of the Calculation Agent, necessitate a modification or change of such methodology. The Calculation Agent will use reasonable efforts to ensure that any such modifications or changes will result in a treatment that is consistent with the methodology described in Condition 6 (*Rebalancing Methodology*) below.

6. **Rebalancing Methodology**

- 6.1 Once the new allocation to the Equity Component for a given Calculation Date has been calculated, the Calculation Agent will determine the new allocations to the Protection Component, the Cash Component and the FX Component, based on the following criteria:
- 6.1.1 All allocation adjustments shall be effected as soon as practicable;
- 6.1.2 The Value of Cash Component shall not at any time exceed the Absolute Leverage Limit and any calculation of the new allocation to the Equity Component in accordance with Condition 5 (*Rebalancing*) above shall be adjusted to ensure that this criteria is met;
- 6.1.3 The FX Component shall be adjusted such that the short USD FX position offsets the USD FX exposure of the notionally held Portfolio Shares and the absolute value of the short USD FX position matches the value of the long EUR FX position;
- 6.1.4 The new allocation to the Protection Component shall be Max [0%, 100% less the allocation to the Equity Component]; and
- 6.1.5 The new allocation to the Cash Component shall be determined such that the Index Value on the given Calculation Date remains unchanged as a result of any other allocation adjustments, other than as a result of any transaction costs.
- 6.2 The Calculation Agent may, in connection with adjusting the allocation to the Equity Component, redeem the shares of that Fund which has the better liquidity for redemptions other than in a manner consistent with the Portfolio Allocation Ratio, provided that the Portfolio Allocation Ratio shall be restored as soon as practicable after such redemption. For the avoidance of doubt, any such breach of the Portfolio Allocation Ratio shall not constitute a Rebalancing Event.
- 6.3 If any information required by the Calculation Agent in order for it to effect a rebalancing of the Index is not made available to the Calculation Agent in sufficient time for the Calculation Agent to effect a rebalancing of the Index in good time, the Calculation Agent shall be entitled to make its own determination of such information for the purposes of these Conditions.

7. **Terminal Allocation**

On the Terminal Allocation Date, the Equity Component shall be notionally redeemed and, upon receipt of the notional proceeds of such notional redemption, the Number of Portfolio Shares

Notionally Allocated to Equity Component shall be set to zero. Upon receipt of all other relevant information, the Calculation Agent will calculate the value of the notional proceeds which would result from the redemption of the Number of Portfolio Shares Notionally Allocated to Equity Component on the Terminal Allocation Date. This action shall constitute a Rebalancing Event which shall be executed in accordance with Condition 5 (*Rebalancing*) and Condition 6 (*Rebalancing Methodology*).

8. **Profit Lock-In Feature**

8.1 On the Calculation Date immediately preceding any Profit Lock-In Date the Calculation Agent will reduce the allocation to the Cash Component and apply the value of such reduction to notionally invest in Eligible Collateral (and, correspondingly raise the Additional Guaranteed Amount) by an amount of Eligible Collateral per Note equal to the Excess Buffer provided that the Note is still in issue and has not been redeemed early.

8.2 After the occurrence of a Profit Lock-In the Calculation Agent shall determine whether a Rebalancing Event has occurred as a consequence of such Profit Lock-In and, if so, shall effect a rebalancing of the Index in accordance with Condition 5 (*Rebalancing*) and Condition 6 (*Rebalancing Methodology*).

8.3 If a Suspension Event has occurred and/or is continuing on a Profit Lock-In Date, the Issuer shall postpone the occurrence of the Profit Lock-In Date until as soon as practicable following the end of the Suspension Event.

8.4 As the net asset values of the Funds will be uncertain at the moment that the Value of Profit Lock-In is determined, the Calculation Agent will have to rely on estimated prices to determine the Value of Profit Lock-In. Consequently there may be occasions where the Note temporarily holds an allocation or Additional Guaranteed Amount differing from that intended. Due to such timing considerations, liquidity constraints, notice periods, process requirements and other matters that would, in the opinion of the Calculation Agent, be relevant in relation to the implementation of the Profit Lock-In, the Calculation Agent may need to make appropriate adjustments as it considers necessary, always acting in good faith.

9. **Multiplier**

9.1 The multiplier (the "**Multiplier**") is a risk based multiplier calculated according to the following formula:

$$M(t) = \text{Central Multiplier} * HR(t)$$

where:

$$HR(t) = \text{Haircut Ratio (as defined in the Appendix) on Calculation Date } CD(t).$$

9.2 The Multiplier is determined by the Calculation Agent on each Calculation Date (or on such other day(s) as may be determined by the Calculation Agent in its sole and absolute discretion) and may be reduced by a haircut process as set out in the Appendix.

10. **Payments**

10.1 **Principal**

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of the Global Note or Definitive Note (as applicable), if any, representing the Notes previously held by such person, at the Specified Office of any Agent outside the United States by transfer to a EUR account (or other account to which EUR may be credited or

transferred) maintained by the payee or as otherwise agreed between the Issuer and the Noteholder.

10.2 **Payments subject to fiscal laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 **Payments on Business Days**

If the due date for payment of any amount in respect of any Note is not a Business Day in the place of presentation, the Noteholder shall not be entitled to payment in such place of the amount due until the following Business Day in such place and shall not be entitled to any further payment in respect of any such delay.

10.4 **Partial payments**

If any Agent makes a partial payment in respect of any Note presented to it for payment, such Agent will endorse thereon a statement indicating the amount and date of such payment.

11. **Note Fees**

11.1 The Calculation Agent shall determine the Principal Protection Premium on every Calculation Date from (but excluding) the Issue Date up to (and including) the Maturity Date and shall deduct such amount from the Cash Component on a daily basis.

11.2 The Calculation Agent shall determine the Non-Contingent Fee on every Calculation Date from (but excluding) the Issue Date up to (and including) the Maturity Date and shall deduct such amount from the Cash Component on a daily basis.

12. **Taxation**

All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatsoever nature unless such withholding or deduction is required by law. In that event, the Issuer shall account to the relevant authorities for the amount to be withheld or deducted and shall make such payment in respect of the Notes after such withholding or deduction has been made. The Issuer shall not be obliged to make any additional payments to Noteholders in respect of any such withholding or deduction.

13. **Issuer Events of Default**

If any of the following events occurs and is continuing:

13.1.1 default is made for more than 30 days in the payment of any amounts due in respect of the Notes; or

13.1.2 the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or

13.1.3 the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under Paragraph 3.5.5 of the Dutch Financial Markets Supervision Act; or

13.1.4 an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of

combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes,

then any Note may, by written notice addressed by the relevant Noteholder to the Issuer and delivered to the Issuer or to the Specified Office of any Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable without further action or formality as if a redemption of Notes as set out in Condition 3.2 (*Mandatory Redemption at the option of the Issuer*) or Condition 3.3 (*Compulsory Redemption at the option of the Issuer*) had occurred as of the date of such event of default.

14. Prescription

Claims for any payments under the Notes shall become void unless the relevant Notes are presented for payment within ten years of the date on which payment first became due (or would have if the Notes were presented).

15. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent having its Specified Office in the Netherlands, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

16. Agents

16.1 In acting under the Paying Agency Agreement and in connection with the Notes, the Fiscal Agent and the Paying Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

16.2 The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or the Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain: (a) a fiscal agent; (b) a paying agent in The Netherlands; and (c) to the extent not provided for by the foregoing provisions of this Condition, a paying agent in an EU Member State that will not be required to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to comply with, such Directive.

16.3 Notice of any change in the Fiscal Agent or the Paying Agent or in their Specified Offices shall promptly be given to the Noteholders.

16.4 Calculation Agent

16.4.1 In making any determinations in respect of the Notes, the Calculation Agent will employ the methodology described in Condition 6 (*Rebalancing Methodology*). Any determination by the Calculation Agent in relation to the application of any described methodology will be in its sole and absolute discretion and will be conclusive and binding on all parties, except in the case of manifest error.

16.4.2 While the Calculation Agent currently employs the methodology described in Condition 6 (*Rebalancing Methodology*) to make determinations in relation to the Index, no assurance can be given that market, Force Majeure, regulatory, juridical, fiscal, or operational circumstances will not arise that would, in the view of the Calculation Agent, necessitate a modification or change of such methodology. The Calculation Agent will use reasonable efforts to ensure that such modifications or changes will

result in a treatment that is consistent with the methodology as set out in Condition 6 (*Rebalancing Methodology*).

17. **Amendment of Conditions**

17.1 **Amendment of Conditions for the purposes of listing the Notes**

These Conditions may be amended at the discretion of the Issuer and without the consent of the Noteholders for the purposes of obtaining a listing of the Notes on a stock exchange *provided that* the Issuer may not:

- 17.1.1 change any date fixed for a payment in respect of the Notes, including the Maturity Date, or alter the method of calculating the amount of any payment in respect of Notes on redemption prior to the Maturity Date or on the Maturity Date;
- 17.1.2 change the currency in which amounts due in respect of the Notes are payable; or
- 17.1.3 effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, notes or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed.

17.2 **Amendment of Conditions at the discretion of the Issuer**

The Issuer may decide, in its sole discretion and without the consent of the Noteholders, to modify any of these Conditions either:

- 17.2.1 for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest error or any other defective provision contained herein or therein; or
- 17.2.2 for the purpose of giving effect to any notional substitution(s) made by the Calculation Agent pursuant to Condition 4.4 (*Substitution Event*); or
- 17.2.3 in any other manner which is not materially prejudicial to the interests of the Noteholders.

Any such modification shall be binding on the Noteholders and, unless the Issuer decides otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

18. **Meetings of Noteholders**

The Paying Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an extraordinary resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate Face Value of the outstanding Notes. The quorum at any meeting convened to vote on an extraordinary resolution will be two or more persons holding or representing one more than half of the aggregate Face Value of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the Face Value of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal in respect of the Notes, to reduce the amount of principal payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to modify the provisions of the Instrument or to change the quorum requirements relating to meetings or the majority required to pass an extraordinary resolution (each, a "**Reserved Matter**")) may only be sanctioned by an extraordinary resolution passed at a meeting of Noteholders at which two or

more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate Face Value of the outstanding Notes form a quorum. Any extraordinary resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an extraordinary resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

19. Notices

19.1 All notices to the Noteholders will be delivered to Euroclear, Clearstream and any other relevant clearing system. Any such notice delivered to Euroclear or Clearstream shall be deemed to be effective on the day following its delivery to the clearing agent (and, if delivered to more than one clearing agent, on the date first delivered to a clearing agent).

19.2 Notices with regard to the Notes will, so long as the Notes are listed on Eurolist and Euronext Amsterdam N.V. so requires, be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in one daily newspaper of wide circulation in The Netherlands (which is expected to be *Het Financieele Dagblad* or *De Telegraaf*).

20. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

21. Governing Law and Jurisdiction

21.1 Governing law

The Notes and all matters arising from or connected with the Notes are governed by, and shall be construed in accordance with, English law.

21.2 English courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Notes.

21.3 Appropriate forum

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

21.4 Rights of the Noteholders to take proceedings outside England

Condition 21.2 (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 21 (*Governing Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

21.5 Service of process

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to ABN AMRO Bank N.V., acting through its London Branch at 250 Bishopsgate, London EC2M 4AA or at any address of the ABN AMRO Bank N.V. in Great Britain at which service of process

may be served on it in accordance with Part XXIII of the Companies Act 1985. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

22. Definitions

In these Conditions, unless the context otherwise requires, capitalised terms shall have the meanings set out below or as set out in the Appendix to these Conditions:

"5 Year Index Value" means the Index Value five Business Days prior to the fifth anniversary of the Issue Date, adjusted (if necessary) to reflect notional redemption proceeds which would be received by a holder of shares in the Funds in respect of a redemption of shares in respect of such date, or a commercially reasonable estimate of such proceeds;

"5 Year Minimum Redemption Amount" means EUR1.00 in respect of each Note;

"5 Year Redemption Amount" or **"5RA"** means an amount in EUR per Note determined by the Calculation Agent in accordance with the following formula:

$$5RA = \text{Max} (MRA5, I_5)$$

where:

MRA5 = the 5 Year Minimum Redemption Amount; and

I₅ = the 5 Year Index Value;

"Absolute Leverage Limit" means minus EUR 2.00 per Note;

"actual/360" means the actual number of days in the relevant period divided by 360;

"Additional Guaranteed Amount" means a per Note amount of Eligible Collateral purchased by the Issuer as a result of any exercises of the Profit Lock-In;

"AFM" means the Netherlands Authority for Financial Markets (*Stichting Autoriteit Financiële Markten*);

"Agents" means the Paying Agent and Fiscal Agent;

"Bond Floor Margin Value" or **"BFM(t)"** means, in respect of each Note, a fixed margin determined on the Issue Date and equal to the value of a set of cash flows equivalent to the present value of the sum of 0.25% per annum of the Face Value of such Note, accruing daily on an actual/360 basis from the Issue Date and assumed to be payable on a quarterly basis on the last Business Day of March, June, September and December of each year with the first such payment assumed to be in March 2007 and the last such payment assumed to be paid on the Scheduled Maturity Date;

"Bond Floor Value" or **"BF(t)"** means, in respect of any Calculation Date: (a) from the Issue Date up to the fifth anniversary of the Issue Date, an amount in EUR per Note determined by the Calculation Agent as the greater of: (i) the present value on such Calculation Date (calculated using a EUR mid-market swaps curve adjusted to reflect the Issuer's then current spread for short-term funding) of the repayment of the 5 Year Minimum Redemption Amount on the fifth anniversary of the Issue Date; and (ii) the Minimum Redemption Amount of each Note on the Scheduled Maturity Date; and (b) from the fifth anniversary of the Issue Date up to the Maturity Date an amount in EUR determined by the Calculation Agent as the greater of: (i) the Face Value; and (ii) the present value on such Calculation Date (calculated using a EUR mid-market swaps curve adjusted to reflect the Issuer's then current spread for short-term funding) of the Minimum Redemption Amount of each Note on the Maturity Date;

"Business Day" for the purposes of these Conditions means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York and a day on which each of Euroclear and Clearstream and such further or alternative clearing agent(s) or clearing system(s) as may be approved by the Issuer from time to time as is open for business;

"Calculation Agent" means ABN AMRO Bank N.V., acting through its London Branch of 250 Bishopsgate, London, EC2M 4AA, United Kingdom;

"Calculation Date" means the last Business Day of each month and such other days as may be selected by the Calculation Agent in its sole and absolute discretion, in the period from and including the Issue Date up to and including the Maturity Date. The reference to **"CD(t)"** is a reference to a Calculation Date "t". A reference to **"CD(t-1)"** is a reference to a Calculation Date which is the Calculation Date immediately preceding CD(t);

"Cash Component" means the component of the Index to which a notional cash balance (either positive or negative) is allocated per Note;

"Cash Component Adjustment on Calculation Date CD(t)" or **"NCC(t)"** means in respect of any Calculation Date, an amount in EUR per Note determined by the Calculation Agent in accordance with the following formula:

$$NCC(t) = (CC(t-1)) * CCA \text{ Rate on } CD(t-1) * \text{ number of days from } CD(t-1) \text{ to } CD(t)/360 + NRCC(t) - PA(t)$$

where:

$$CC(t-1) = \text{Value of Cash Component on Calculation Date } CD(t-1);$$

CCA Rate on on CD(t-1) = EURIBOR in respect of Calculation Date CD(t-1) plus Current Spread;

NRCC(t) = Other Cash Component Adjustment on Calculation Date CD(t); and

PA(t) = in respect of Calculation Date CD(t), the accrued amount of the Note Fees from Calculation Date CD(t-1) to such Calculation Date CD(t);

"Cash-Out Event" means, in respect of any Calculation Date the occurrence of any one or more of the following on such Calculation Date:

- (a) the Value of Equity Component on Calculation Date CD(t) is strictly less than EUR0.03;
- (b) the Value of Equity Component on Calculation Date CD(t) would, as a result of any proposed rebalancing, be strictly less than EUR0.03;
- (c) the Equity Gap on Calculation Date CD(t) is less than or equal to EUR0.02; or
- (d) the declaration of a Portfolio Event;

"Central Leverage Limit" means 1.90;

"Central Multiplier" means 4;

"Clearing System" means either or both of Clearstream or Euroclear (together the **"Clearing Systems"**);

"Clearstream" means Clearstream Banking, S.A.;

"**Common Depository**" means the common depository for the Clearing Systems;

"**Compulsory Redemption**" means the compulsory redemption of any of the Notes in accordance with Condition 3.3;

"**Compulsory Redemption Date**" has the meaning given to it in Condition 3.3.1;

"**Compulsory Redemption Payment Date**" means as soon as reasonably practicable after the relevant Compulsory Redemption Date and, in any event, no later than 5 Business Days after the necessary funds would notionally have been received from the Investment Manager;

"**Current Spread**" means 0.75% provided that if, in respect of any Calculation Date, the Value of Cash Component is zero or has a positive value, the Current Spread for such Calculation Date shall be minus 0.125% (- 0.125%);

"**Direct Participant**" means a Noteholder: (i) having its own account with one or more of the Clearing Systems; and (ii) wishing its Notes to be credited to such accounts;

"**Early Redemption**" means the early redemption of any of the Notes in accordance with Condition 3.4;

"**Early Redemption Adjustment**" means a penalty fee on the early redemption of any Notes in respect of each such Note, to be determined as follows:

- (a) from the Issue Date to and including the first anniversary of the Issue Date, 1.00% of the Face Value;
- (b) from and excluding the first anniversary of the Issue Date to and including the second anniversary of the Issue Date, 0.50% of the Face Value; and
- (c) from and excluding the second anniversary of the Note, 0.00% of the Face Value;

"**Early Redemption Amount**" means, in respect of the relevant Mandatory Redemption Date, Compulsory Redemption Date or Early Redemption Day (as applicable), an amount equal to:

- (a) the Index Value in respect of such Note, as adjusted by the Calculation Agent, in its sole and absolute discretion to reflect the notional redemption proceeds which would be received by a holder of shares in the Funds in respect of a redemption of shares in respect of such date, or a commercially reasonable estimate of such redemption proceeds; less
- (b) any Early Redemption Adjustment; less
- (c) any costs or expenses associated with any funding arrangements in respect of the period from the date of payment of the Early Redemption Amount to Noteholders to the date on which the Issuer is able to unwind its hedging arrangements in respect of the Notes redeemed, as determined by the Calculation Agent in its sole and absolute discretion,

provided that, in respect of a redemption of Notes pursuant to the provisions of Condition 3.4 (*Early Redemption at the option of a Noteholder*), if the Early Redemption Day is the fifth anniversary of the Issue Date, the Early Redemption Amount shall mean the 5 Year Redemption Amount;

"**Early Redemption Day**" has the meaning given to it in Condition 3.4.1;

"**Early Redemption Notice**" means the form of notice appearing at Schedule 2 (*Early Redemption Notice*) of the Prospectus;

"Early Redemption Payment Date" means as soon as reasonably practicable after the relevant Early Redemption Day and, in any event, no later than 5 Business Days after the necessary funds would notionally have been received from the Investment Manager.

"Eligible Collateral" or **"B(t)"** means one or more notional non-interest bearing cash deposits placed with the Issuer, denominated in EUR, with each such deposit initially maturing with a value of EUR1.00 on the fifth anniversary of the Issue Date, and thereafter maturing with a value of EUR1.00 on the Scheduled Maturity Date;

"Eligible Collateral Adjustment" or **"NNB(t)"** means, in respect of any Calculation Date, the notional adjustment (if any) made to the number of units of Eligible Collateral contained within the Index as a consequence of a Rebalancing Event, Cash-Out Event or a change in the maturity date of the notional deposit associated with the Eligible Collateral. In the last case, the Eligible Collateral Adjustment will be determined such that, ceteris paribus, the Value of the Protection Component is unaffected, except for any applicable deduction in respect of hedging costs;

"Equity Adjustment" or **"NNA(t)"** means in respect of any Calculation Date, the adjustment (if any) made to the Number of Portfolio Shares Notionally Allocated to Equity Component as a consequence of a Rebalancing Event or Cash-Out Event;

"Equity Component" means the component of the Index to which a notional EUR denominated investment per Note in a number of Portfolio Shares is allocated. The value of the Equity Component may be positive or zero;

"Equity Gap" or **"EG(t)"** means, in respect of any Calculation Date, an amount in EUR determined by the Calculation Agent equal to:

$$EG(t) = I(t) - (BF(t) + BFM(t));$$

where:

$I(t)$ = Index Value on Calculation Date $CD(t)$;

$BF(t)$ = Bond Floor Value on Calculation Date $CD(t)$; and

$BFM(t)$ = Bond Floor Margin Value on Calculation Date $CD(t)$;

"EURIBOR" means, in respect of any Calculation Date, the rate for 1 month deposits in Euros as calculated by the European Banking Federation and appearing at or around 1100 (Central European Time) on such date on Telerate pages 248-249 in respect of such date;

"Euroclear" means Euroclear Bank S.A. as operator of the Euroclear System;

"Eurolist" means Eurolist by Euronext Amsterdam N.V.;

"Excess Buffer" means, in respect of any Calculation Date, an amount equal to the Equity Gap minus the Minimum Theoretical Equity Gap;

"Exchange Event" means either or both of:

- (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) a change occurs in the practice of Euroclear or Clearstream as a result of which the Issuer would suffer a disadvantage which would not be suffered if the Notes were in definitive form.

"Extraordinary Resolution" means a resolution passed at a Noteholder meeting duly convened and held by a majority of not less than three quarters of the votes cast;

"Face Value" means EUR1.00 in respect of each Note;

"Final Redemption Amount" has the meaning given to it in Condition 3.1;

"Fiscal Agent" means ABN AMRO Bank N.V.;

"Force Majeure" means any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the sole and absolute discretion of the Calculation Agent, be likely to prejudice materially the operation of the Notes;

"Fund" means each of Kenmar Global Resource Fund SPC Limited ("**KGRF**") and Kenmar Global Managed Futures Fund SPC Limited ("**KGMF**") (and together the "**Funds**");

"FX Component" means the component of the Index representing the Index's notional exposure per Note to long EUR/short USD currency FX hedges, with a maximum duration of 3 months. The value of the FX Component may be negative, positive or zero;

"Global Note" means either the Temporary Global Note or the Permanent Global Note;

"Index Value" has the meaning given to it in Condition 4.2 (*Index Value*);

"Instrument" means the instrument dated the Issue Date whereby the Notes are to be constituted and pursuant to which they are issued or are to be issued;

"Investment Manager" means Kenmar Global Investment Management LLC;

"Issue Date" means 19 February 2007, unless extended by the Issuer in its sole and absolute discretion;

"Leverage Ratio" means, in respect of any Calculation Date, the ratio of the Value of Equity Component on such Calculation Date over the Index Value on such Calculation Date;

"Lower Leverage Limit" means 1.80;

"Mandatory Redemption Date" has the meaning given to it in Condition 3.2.1;

"Mandatory Redemption Payment Date" means as soon as reasonably practicable after the relevant Mandatory Redemption Date and, in any event, no later than 5 Business Days after the necessary funds would notionally have been received from the Investment Manager;

"Maturity Date" means the Scheduled Maturity Date, or where such day is not a Business Day, the previous Business Day subject to there not being a continuing Suspension Event on such date (see Condition 3.1.2 (*Final Redemption*) for further details);

"Maturity Index Value" means the Index Value five Business Days prior to the Maturity Date adjusted (if necessary) to reflect notional redemption proceeds which would be received by a holder of shares in the Funds in respect of a redemption of shares in respect of such date, or a commercially reasonable estimate of such proceeds;

"Minimum Holding" means, in respect of each Noteholder, 50,000 Notes;

"Minimum Redemption Amount" means, in respect of each Note, an amount equal to the sum of:

- (a) EUR1.10; and

(b) the Additional Guaranteed Amount (if any);

"Minimum Theoretical Equity Gap" or **"EG_{MinT}"** means an amount determined by the Calculation Agent in accordance with the formula below:

$$EG_{\text{MinT}} = \frac{\text{Upper Leverage Limit} * \text{Index Value}}{M(t)}$$

"Minimum Trading Size" means 10,000 Notes;

"Multiplier" has the meaning given in Condition 9.1 (*Multiplier*);

"Non-Contingent Fee" means, in respect of each Note, an amount equal to 0.25% per annum of Face Value of such Note calculated on every Calculation Date from (but excluding) the Issue Date up to and including the Maturity Date, expressed in EUR and accrued daily on an actual/360 basis.

"Non-Qualified Person" means: (a) any person who by acquiring and/or holding Notes would be in breach of the law or requirements of any country or governmental authority; (b) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Issuer to be relevant) which, in the opinion of the Issuer, might result in the Issuer incurring any liability to taxation, suffering any other pecuniary or commercial disadvantage that the Issuer might not otherwise have incurred or suffered, or being in violation of any applicable laws, statutes, regulations or requirements; (c) any person under 21 years of age; or (d) any US Person;

"Note Fees" means together the Principal Protection Premium and the Non-Contingent Fee;

"Noteholder" means the person or persons who are for the time being recorded by either of the Clearing Systems as a Noteholder of all or any of the Notes and **"Noteholders"** shall be construed accordingly;

"Notes" means the ABN AMRO Pan-European Principal Protected Notes II (Series D), due 2015 ISIN: XS0285703764 issued by the Issuer pursuant to the Instrument and the term **"Note"** shall be construed accordingly;

"Number of Portfolio Shares Notionally Allocated to Equity Component" or **"NA(t)"** is, in respect of any Calculation Date CD(t), the number of Portfolio Shares notionally allocated to the Equity Component on such Calculation Date, being the sum of: (a) the Number of Portfolio Shares Notionally Allocated to Equity Component as of the previous Calculation Date; and (b) the Equity Adjustment for such Calculation Date;

"Number of Units of Eligible Collateral Notionally Allocated to Protection Component" or **"NB(t)"** means, in respect of any Calculation Date CD(t), an amount equal to the sum of:

- (a) Number of Units of Eligible Collateral Notionally Allocated to Protection Component on the previous Calculation Date; and
- (b) NNB(t),

where:

$$NNB(t) = \text{Eligible Collateral Adjustment on Calculation Date CD}(t);$$

"Other Cash Component Adjustment" or **"NRCC(t)"** means, in respect of any Calculation Date CD(t), other notional adjustments to the Cash Component on such Calculation Date including, but not limited to:

- (a) the notional costs and/or proceeds of any adjustment to the Equity Component associated with a Rebalancing Event or a Cash-Out Event;
- (b) the notional costs and/or proceeds of any adjustment to the Protection Component associated with a Rebalancing Event or a Cash-Out Event; and
- (c) the notional costs and/or proceeds of any adjustment to the FX Component associated with a Rebalancing Event or a Cash-Out Event;

"Paying Agent" means ABN AMRO Bank N.V.;

"Permanent Global Note" means the permanent global note issued on the Issue Date, deposited with the Common Depository and representing the Notes;

"Portfolio Allocation Ratio" has the meaning given to it in Condition 3.3.4;

"Portfolio Basket" means the notional investments comprising the Equity Component made in each Fund, being 70% in KGRF, and 30% in KGMF;

"Portfolio Event" means a Potential Portfolio Event which the Calculation Agent, in its sole and absolute discretion, determines sufficiently material to be a Portfolio Event;

"Potential Portfolio Event" means any of the following events which the Calculation Agent, in its sole and absolute discretion, determines to be material:

- (a) *Cessation*: The Investment Manager and/or either of the Funds cease to exist or trade or a petition is made for the winding up, dissolution, or liquidation of either of the Funds;
- (b) *Investment Manager*: The Investment Manager is no longer the investment manager with respect to either of the Funds;
- (c) *Due Diligence*: The Issuer forms the view in relation to the review of its due diligence on the Investment Manager, that the Investment Manager is no longer acceptable to it;
- (d) *Changes*: There is a change in the identity of, or in the ownership of the administrator, or the custodian, or the directors of either of the Funds that the Issuer does not pre-approve in writing, or if any such party gives notice to terminate its role, or is bankrupt, insolvent, wound up, liquidated, dissolved, ceases to exist, or otherwise ceases to continue to perform its duties;
- (e) *Breach*: There is determined by the Calculation Agent in its sole and absolute discretion to be a material breach or material deviation from the documentation of either of the Funds;
- (f) *Amendment*: There is any amendment to the documentation of either of the Funds that could be detrimental to an investor in such Fund;
- (g) *Regulatory*: The activities of the Investment Manager and/or either of the Funds are the subject of a formal investigation by any regulatory body to whose rules they are subject for reasons of alleged wrongdoing or breach of regulation, or the Investment Manager and/or either of the Funds has any relevant licence withdrawn or has any regulatory approval or registration revoked or removed for whatever reason;
- (h) *Reporting 1*: The Calculation Agent has not received from the Investment Manager any reports, including but not limited to, risk reporting and/or financial

reporting and/or audit reporting, required by it within any agreed time scale or has received, in the opinion of the Calculation Agent, erroneous reporting, unless cured within such period as may be agreed from time to time between the Calculation Agent and the Investment Manager;

- (i) *Reporting 2:* The Investment Manager, administrator, custodian, or the directors of either of the Funds fail to provide the Calculation Agent with adequate information as may be required to determine the occurrence of a Potential Portfolio Event or a Cash-Out Event;
- (j) *Net asset Value:* The Calculation Agent considers that the net asset value of KGRF or KGMF or of any sub-fund held by either Fund, in respect of any Calculation Date, as provided by that Fund's administrator, does not reflect the net asset value of such fund as it would have been determined by the independent auditors of that fund using generally accepted accounting standards in the appropriate jurisdiction, unless the Calculation Agent receives the net asset value information in satisfactory form within 10 Business Days of the date it was originally due;
- (k) *Fraud:* The Investment Manager and/or any of their affiliates and/or any of their senior employees is investigated by any law enforcement authority for alleged engagement in fraudulent activities;
- (l) *Register Fraud:* There is a reduction in the number of Portfolio Shares held for the account of any investor in either of the Funds for reasons beyond the control of that investor;
- (m) *Illiquidity:* The non-execution or partial execution by either of the Funds, for any reason other than the agreed liquidity limits, of a valid subscription or redemption order given by any investor in such Fund, (including failure to pay redemption proceeds in full within 10 Business Days of the expected payment date);
- (n) *Hedging:* Any circumstances affecting the availability to any actual holder of shares of either of the Funds as a result of which the Calculation Agent determines that if the Issuer were such holder, it would be unable to hedge its position with respect to the Notes on terms comparable to those applicable on the Issue Date;
- (o) *Tax Change:* Any change in taxation which would adversely affect any payment by either of the Funds to the Issuer, if the Issuer were an investor in such Fund;
- (p) *Non-compliance:* Any event occurs which causes or will, with the passage of time, cause the failure of the Investment Manager and/or either of the Funds to meet or maintain any material obligation or undertaking under such Fund's statutory and operating documents;
- (q) *Increased risk:* Any material change in the underlying nature, strategy or risk of a Fund's portfolio, over and above that expected with respect to the trading strategies employed;
- (r) *Investment terms:* Any significant change to the terms of the investment in the Portfolio that has not been previously agreed with the Calculation Agent;
- (s) *Limit Breaches:* Any rule, condition or limit within the Appendix is breached or unresolved within a short period of time;

- (t) *Redemptions*: It is not possible to effect redemptions in sub-funds held by KGRF or KGMF for more than 5% of the Portfolio Basket; or
- (u) *Exposure of Funds*: The exposure of either of the Funds to a fund of funds is over 10%;

"Portfolio Shares" means the Class F Shares in the KGRF Fund (the **"Class F Shares"**) and the Class B Shares in the KGMF Fund (the **"Class B Shares"**);

"Principal Protection Premium" means in respect of each Note, an amount equal to 1.00% per annum of the Face Value of such Note, to be reduced to an amount equal to 0.00% per annum of the Face Value of each Note upon the occurrence of a Cash-Out Event, from (and including) the date on which such Cash-Out Event occurs, expressed in EUR and accrued daily on an actual/360 basis from (but excluding) the Issue Date up to and including the Maturity Date;

"Profit Lock-In" means the profit lock-in feature set out in Condition 8.1;

"Profit Lock-In Date" means the last Business Day of each month, with the first Profit Lock-In Date being in March 2007 and the last Profit Lock-In Date being in January 2015;

"Prospectus" means the prospectus issued in relation to the Notes and dated 19 February 2007;

"Protection Component" means the component of the Index representing the Index's notional exposure per Note to Eligible Collateral which matures on the Scheduled Maturity Date. The value of the Protection Component may be positive or zero;

"Rebalancing Event" means the occurrence on any Calculation Date of any of the following events:

- (a) the Rebalancing Factor as of such Calculation Date is greater than or equal to $1.1 * \text{Multiplier}$ as of such Calculation Date;
- (b) the Rebalancing Factor as of such Calculation Date is less than or equal to $0.9 * \text{Multiplier}$, and the Leverage Ratio as of such Calculation Date is less than the Lower Leverage Limit, and the Cash Component minus $(0.9 * \text{Absolute Leverage Limit as of such Calculation Date})$ is greater than 0 (zero);
- (c) the Leverage Ratio as of such Calculation Date exceeds the Upper Leverage Limit;
- (d) the Value of Cash Component as of such Calculation Date is less than the Absolute Leverage Limit; or
- (e) the ratio of the notional investments made in KGRF to the notional investments made in KGMR is more than 5% higher or lower than 70%;

"Rebalancing Factor" means:

- (a) in respect of any Calculation Date on which the Equity Gap is greater than zero, the Value of Equity Component as of such Calculation Date divided by the Equity Gap as of such Calculation Date ; and
- (b) in respect of any Calculation Date on which the Equity Gap is less than or equal to zero, zero;

"Scheduled Maturity Date" means 19 February 2015;

"Specified Office" means, in relation to any Agent:

- (a) ABN AMRO Bank N.V., Kemelstede 2, P.O. Box 3200, 4800 DE Breda, The Netherlands; or
- (b) any such other office as the Paying Agent may specify to the Issuer from time to time;

"Substitution Event" means any Potential Portfolio Event which the Calculation Agent, in its sole and absolute discretion, determines sufficiently material to be a Substitution Event;

"Suspension Event" means, in the sole and absolute determination of the Calculation Agent, any Potential Portfolio Event that is sufficiently material to be a Suspension Event, any suspension of or limitation on the calculation and/or publication of the Index Value and/or the net asset value per Portfolio Share for any reason, or any suspension of or unusual limitation on the trading of any number of Portfolio Shares, for any reason including but not limited to a postponement of part of all of the redemption orders received by the Investment Manager in relation to a given dealing date, the late receipt of any notional redemption proceeds arising from a notional realisation of any of the Portfolio Shares, or any suspension or limitation on the trading of relevant currencies. Any such Suspension Event shall continue until the Calculation Agent determines, in its sole and absolute discretion, that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's satisfaction;

"Temporary Global Note" means the temporary global note issued on the Issue Date, deposited with the Common Depository and representing the Notes;

"Terminal Allocation Date" means the latest opportunity to redeem interests in the Funds, at least 45 days prior to the Scheduled Maturity Date;

"United States" means the United States of America and its territories and possessions including any state thereof and the District of Columbia;

"Upper Leverage Limit" means 2.00;

"US Person" or **"United States person"** means (i) any natural person resident in the United States; (ii) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States; (iii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (y) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of estate and (z) the estate is governed by foreign law; (iv) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no operator if the trust is revocable) is a U.S. Person; (v) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (vi) any agency or branch of a U.S. Person located outside the United States if (y) the agency or branch operates for valid business reasons, and (z) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; (vii) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans; (viii) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction; (ix) an estate or trust, the income of which is not subject to United States income tax regardless of source; (x) an entity organised principally for passive investment such as a pool, investment company or other similar entity provided, that units of

participation in the entity held by persons who do not qualify as non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by United States persons in the Fund who do not qualify as non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the commodity Futures Trading commission's regulations by virtue of its participants being non-United States persons; or (xi) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States;

"Value of Cash Component" or **"CC(t)"** in respect of any Calculation Date CD(t) is an amount in EUR per Note and is calculated according to the following formula:

$$CC(t) = CC(t-1) + NCC(t);$$

where:

$$CC(t-1) = \text{Value of Cash Component on Calculation Date CD}(t-1);$$

$$NCC(t) = \text{Cash Component Adjustment on Calculation Date CD}(t);$$

"Value of Equity Component" or **"EC(t)"** in respect of any Calculation Date is calculated according to the following formula:

$$EC(t) = (A1(t) * NA1(t) + A2(t) * NA2(t)) * FXR$$

where:

A1(t) = USD denominated notional net asset value per Portfolio Share in respect of KGRF on such Calculation Date CD(t) as determined by the Calculation Agent in its sole and absolute discretion;

A2(t) = USD denominated notional net asset value per Portfolio Share in respect of KGMF on such Calculation Date CD(t) as determined by the Calculation Agent in its sole and absolute discretion;

NA1(t) = the Number of Portfolio Shares Notionally Allocated to Equity Component in respect of KGRF on Calculation Date CD(t);

NA2(t) = the Number of Portfolio Shares Notionally Allocated to Equity Component in respect of KGMF on Calculation Date CD(t); and

FXR = the appropriate spot rate for converting USD into EUR on Calculation Date CD(t), as determined by the Calculation Agent in its sole and absolute discretion.

"Value of FX Component" or **"FX(t)"** in respect of any Calculation Date is an amount in EUR per Note, determined by the Calculation Agent, of the net asset value of the FX hedges comprising the FX Component, adjusted, in the sole and absolute discretion of the Calculation Agent, to take into account any gains or losses associated with the notional exposure to the FX hedges, including, but not limited to, notional transaction costs, notional interest income and notional funding;

"Value of Profit Lock-In" means the present value of Eligible Collateral per Note purchased by the Bank after one or more exercises of the Profit Lock-In;

"Value of Protection Component" or **"PC(t)"** in respect of any Calculation Date CD(t) is a EUR amount per Note and is calculated by the Calculation Agent according to the following formula,

based on a mid-market EUR swaps curve adjusted to reflect the Issuer's then current spread for short-term funding, as determined by the Calculation Agent:

$$PC(t) = B(t) * NB(t)$$

where:

B(t) = value in EUR of Eligible Collateral on Calculation Date CD(t); and

NB(t) = Number of Units of Eligible Collateral Notionally Allocated to Protection Component on Calculation Date CD(t).

APPENDIX
CALCULATION OF HAIRCUT RATIO

Volatility Cap Limit ("VCL")	The annualised volatility of the Portfolio Basket shall not exceed 11% (using monthly returns) as determined by the Calculation Agent. It is calculated on a rolling 6 months period basis.
Volatility Cap Ratio ("VCR")	$VCR = 11\% / \text{Max}[11\%, \text{historic 6-month Portfolio Basket annualised volatility}]$
Minimum Number of Sub-Funds Limit	The minimum number of Sub-Funds in the Portfolio Basket to which allocations are made shall not be less than 25.
Sub-Funds	A fund in which the assets of a Fund are invested.
Number of Sub-Funds Penalty	4% multiplied by the excess, if any, of the Minimum Number of Sub-Funds Limit minus the actual number of Managers in the Portfolio Basket.
Sub-Funds Concentration Limit	<p>Allocations to each Sub-Fund within the Portfolio Basket should not exceed 7.5%. Subject to prior approval by the Calculation Agent (such approval not to be unreasonably withheld) following notice from the Investment Manager, this limit may be temporarily increased to 10% in respect of individual Sub-Funds and shall be reviewed on an ongoing basis.</p> <p>In deciding whether or not to give such approval, the Calculation Agent may take into account that the Investment Manager normally expects to be within the 7.5% limit but in some circumstances may seek approval to exceed it, for example: a) where a Sub-Fund is very conservative and itself very broadly diversified; or b) where a higher allocation is made to a Sub-Fund to capture capacity that becomes immediately available; or c) where a Sub-Fund makes significantly greater gains relative to the rest of the portfolio resulting in a higher allocation to that Sub-Fund.</p>
Sub-Funds Concentration Penalty	This is equal to the sum of the excess, if any, of the Allocation to each Sub-Fund minus the Sub-Fund Concentration Limit multiplied by 2%.
Allocation	The relevant % weight within the Portfolio Basket allocated to a strategy, Fund or Sub-Fund (as the context requires).
Liquidity Limits	<p>Monthly Tenor Limit: At least 55% of the Allocation to the Sub-Funds within the Portfolio Basket shall have Monthly Liquidity or better; for this purpose, a Sub-Fund will be considered to have Monthly Liquidity if its redemption period divided by 2 plus its notice period is less than 62 days.</p> <p>Quarterly Tenor Limit: At least 85% of the Allocation to the Sub-Funds within the Portfolio Basket shall have Quarterly Liquidity or better; for this purpose a Sub-Fund will be considered to have Quarterly Liquidity if its redemption period divided by 2 plus its notice period is less than 77 days.</p> <p>Annual Tenor Limit: 95% of the Allocation to the Sub-Funds within the Portfolio Basket shall have Annual Liquidity or better; for this purpose a Sub-Fund will be considered to have Annual Liquidity if its redemption period divided by 2 plus its notice period is less than 231 days.</p> <p>Beyond Annual Tenor Limit: 100% of the Allocation to the Sub-Funds within the</p>

Portfolio Basket shall be to Sub-Funds whose redemption period divided by 2 plus their notice period is less than 410 days.

Tenor Liquidity Penalty The Monthly Liquidity Penalty associated to Sub-Funds with Monthly Liquidity is equal to the greater of (i) zero and (ii) the Monthly Tenor Limit minus the Allocation to Sub-Funds with Monthly Liquidity;

The Quarterly Liquidity Penalty associated to Sub-Funds with Quarterly Liquidity is equal to the greater of (i) zero and (ii) the Quarterly Tenor Limit minus the Allocation to Sub-Funds with Quarterly Liquidity;

The Annual Liquidity Penalty associated to Sub-Funds with Annual Liquidity is equal to the greater of (i) zero and (ii) the Annual Tenor Limit minus the Allocation to Sub-Funds with Annual Liquidity.

The Beyond Annual Liquidity Penalty associated to Sub-Funds with Beyond Annual Liquidity is equal to the greater of (i) zero and (ii) the Beyond Annual Tenor Limit minus the Allocation to Sub-Funds with Beyond Annual Liquidity.

Borrowing Limit Borrowing is permitted via a liquidity facility on up to 20% of the assets under management. This should be used to facilitate short-term cash requirements for redemptions, funding new investments whilst awaiting the receipt of cash from Sub-Fund redemptions, and occasionally, to take advantage of additional offered capacity in Sub-Funds otherwise closed to new investments. Borrowing will not be used to provide leverage as part of the normal long-term running of the Funds.

Borrowing The amount of borrowings undertaken by a Fund,

Borrowing Penalty This shall be the excess, if any, of the percentage Borrowing in use over the Borrowing Limit, multiplied by 3.

Investment Management Group Maximum Holding Limits The following limits apply to the holdings into individual Investment Management Groups:

Largest Single Management Group	10%
Largest 2 Management Groups	15%
Largest 3 Management Groups	20%
Largest 4 Management Groups	25%
Largest 5 Management Groups	27.5%

Subject to prior notice to the Calculation Agent that these limits will be exceeded, the Calculation Agent may approve a temporary limit increase (such approval not to be unreasonably withheld), but the Calculation Agent will review any such increase on an ongoing basis and may at any time reduce the limits back to those shown above.

Investment Management Group A group of affiliated entities undertaking investment management activities.

Investment Management Group Maximum This shall be equal to the total sum of all excess allocations over the corresponding Investment Management Group Maximum Holding Limits,

Holding Penalty multiplied by 2.5.

Strategy Concentration Limits The following strategy concentration limits shall be observed across the Portfolio Basket:

Strategy	Minimum Allocation	Maximum Allocation
Energy (Ex-Equities)		20%
Energy Equities		30%
Energy Total		40%
Forestry		15%
Grain / Meat		20%
Metals		20%
Shipping		10%
Water		20%
Alternative Energy		10%
Diversified Global Commodities		40%
Other Commodities Equities		10%
Other Non-Commodities Equities		25%
FX	10%	30%
Fixed Income		30%
Macro	10%	30%

Strategy Classifications The Calculation Agent may determine the appropriate mapping for each Sub-Fund in its sole and absolute discretion, having regard to each Sub-Fund's portfolio and area of expertise. It may well be that the Investment Manager will have a different opinion as the classification process is not clear-cut and frequently relies on subjective decisions.

No Sub-Fund may take significant exposure outside its area of expertise.

Overall Strategy Concentration Penalty The total sum of each excess of the Allocation over the Maximum Allocation (if any), plus the excess of the Minimum Allocation over the Allocation (if any), in respect of the Strategy Concentration Limits.

Total Haircut Penalty This is equal to the sum of the following penalties:

- (a) the Number of Sub-Funds Penalty;
- (b) the Sub-Fund Concentration Penalty;
- (c) the sum of the Monthly Liquidity Penalty, the Quarterly Liquidity

Penalty, the Annual Liquidity Penalty, and the Beyond Annual Liquidity Penalty;

- (d) the Borrowing Penalty;
- (e) Investment Management Group Maximum Holding Penalty; and
- (f) the Overall Strategy Concentration Penalty.

The Calculation Agent may in its sole discretion at any time amend the terms of the Total Haircut Penalty calculations.

Haircut Ratio **Amendments** The greater of (i) zero; and (ii) 100% *multiplied* by VCR less the Total Haircut Penalty.

Due to the delay in publishing Sub-Fund NAVs there will be a degree of uncertainty as to the exact Sub-Fund allocation weights. Accordingly, the Calculation Agent may make appropriate assumptions, estimations and adjustments as it considers necessary.

The Calculation Agent may increase, decrease, insert new limit criteria, or otherwise amend these limits in the light of market developments and market conditions over the life of the Notes. In particular, it should be noted that additional strategies and limits are very likely to be added in the future.

Where the Investment Manager gives prior written notice of a limit breach with reasons and justification for such a limit breach, then the Calculation Agent may temporarily amend the related Penalty terms, either to increase or decrease their severity.

USE OF PROCEEDS

The proceeds of the issue of the Notes will be used by the Issuer for general corporate purposes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the Articles of Association (*statuten*) of the Issuer;
- (b) the publicly available audited annual financial statements for the 2003, 2004 and 2005 financial years and the most recently published consolidated and unaudited interim financial statement of ABN AMRO Holding N.V.;
- (c) the Annual Report on Form 20-F of ABN AMRO Holding N.V. for the year ended 31st December, 2005, filed with the United States Securities and Exchange Commission (the SEC), as amended;
- (d) the Issuer's registration document dated 30 June 2006 prepared in accordance with Article 5(3) of the Prospectus Directive, together with the supplements to such registration document dated 8 August 2006 and 1 November 2006, as it may be amended, varied, supplemented or substituted from time to time (the "**Registration Document**"); and
- (e) the Paying Agency Agreement,

save that any statement contained in any document deemed to be incorporated in, and to form part of this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any subsequent document (including this Prospectus) differs from such earlier statement in a manner which modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus.

TAXATION

THE NETHERLANDS

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Save as otherwise indicated, this summary only addresses the position of investors who do not have any connection with The Netherlands other than the holding of the Notes. Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Notes under the laws of their country of citizenship, residence, domicile or incorporation.

1. Withholding Tax

All payments by the Issuer of principal under the Notes can be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

2. Taxes on Income and Capital Gains

A holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gains unless:

- (i) the holder is, or is deemed to be, resident in The Netherlands, or, where the holder is an individual, such holder has elected to be treated as a resident of The Netherlands; or
- (ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (iii) the holder is not an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer and such interest does not form part of the assets of an enterprise; or
- (iv) the holder is an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) in the Issuer or such income or gain otherwise qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

3. Gift, Estate or Inheritance Taxes

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder, unless:

- (i) the holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or as a gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or

- (iii) such Note is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands.

4. **Value Added Tax**

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue of the Notes or in respect of the payment of principal under the Notes, or the transfer of the Notes.

5. **Other Taxes and Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of a Note in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

6. **Residence**

A holder of a Note will not be treated as resident of The Netherlands by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

UNITED KINGDOM

1. **United Kingdom Taxation**

- 1.1 The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to Bonus Payments and payments on redemption of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

2. **UK Withholding Tax**

Interest

- 2.1 The comments below are made on the assumption that any amount payable to a Noteholder in respect of a Note on the redemption of such Note that exceeds the Face Value of such Note (the "**Premium**") will be treated as interest for the purposes of United Kingdom tax law. If the Premium were to be treated in any other way for United Kingdom tax purposes, a different withholding tax treatment would apply.
- 2.2 The Notes will constitute "quoted Eurobonds" if they carry a right to interest and provided they are and continue to be listed on a recognised stock exchange. On the basis of the United Kingdom HM Revenue and Customs' ("**HMRC**") published interpretation of the relevant legislation, securities which are to be listed on a stock exchange in a country which is a member state of the European Union or which is part of the European Economic Area will satisfy this requirement if they are listed by a competent authority in that country and are admitted to trading

on a recognised stock exchange in that country; securities which are to be listed on a stock exchange in any other country will satisfy this requirement if they are admitted to trading on a recognised stock exchange in that country. The Issuer understands that Eurolist is a recognised stock exchange for these purposes. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

2.3 In addition to the exemption set out in 2.2 above, interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 349 of the Income and Corporation Taxes Act 1988 and so long as such payments are made by the Issuer in the ordinary course of its business. In accordance with the published practice of HMRC, such payments will be accepted as being made by the Issuer in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Services Authority whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

2.4 Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax if and for so long as the Issuer is authorised for the purposes of the Financial Services and Markets Act 2000 and its business consists wholly or mainly of dealing in financial instruments (as defined by section 349(5) of the Income and Corporation Taxes Act 1988) as principal if and for so long as such payments are made by the Issuer in the ordinary course of its business.

2.5 In all cases falling outside the exemptions described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the lower rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

3. **Provision of Information**

3.1 Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by the Issuer or any person in the United Kingdom acting on behalf of the Issuer (a "**paying agent**"), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a "**collecting agent**"), then the Issuer, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to HMRC may, in certain cases, be passed by HMRC to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

3.2 The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes where the amount payable on redemption is greater than the issue price of the Notes.

4. **Other Rules Relating to United Kingdom Withholding Tax**

- 4.1 Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
- 4.2 The references to "interest" in the paragraphs above mean "interest" as understood in United Kingdom tax law. The statements in the paragraphs above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Conditions or any related documentation.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about the Issuer's beliefs and expectations. Any statement in this Prospectus that expresses or implies the Issuer's intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections, as they are currently available to the management of the Issuer. Forward-looking statements therefore speak only as of the date they are made, and the Issuer takes no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual future results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, without limitation, the conditions of the financial markets in Europe, the United States, Brazil and elsewhere from which the Issuer derives a substantial portion of its trading revenues; potential defaults of borrowers or trading counterparties; the implementation of the Issuer's restructuring including the envisaged reduction in headcount; the reliability of the Issuer's risk management policies, procedures and methods; and other risks referenced in the Issuer's filings with the U.S. Securities and Exchange Commission and/or with The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "AFM"). For more information on these and other factors, please refer to the Issuer's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission and/or the Issuer's Registration Document filed with the AFM and to any subsequent reports furnished or filed by the Issuer with the U.S. Securities and Exchange Commission and/or the AFM.

The forward-looking statements contained in this Prospectus are made as of the date hereof, and the Issuer assumes no obligation to update any of the forward-looking statements contained in this announcement.

EUROPEAN UNION SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

SELLING RESTRICTIONS APPLICABLE TO THE NOTES

Terms of the offer

There is no dealer or manager, and no underwriting arrangements have been made, in respect of this issue of Notes.

The Notes have not been authorised for public offering or marketing. However, the Prospectus was approved by the AFM on 19 February 2007 in accordance with the Prospectus Directive. This Prospectus has been sent to prospective investors at their request. This document is personal and confidential and may not be distributed to anyone, or in any jurisdiction, that would make such distribution unlawful. This Prospectus does not constitute either an offer or commitment, or advice, or a recommendation to make a purchase of Notes.

The information contained in this Prospectus has been obtained from sources believed to be reliable but has not been independently verified by the Issuer or by any of its affiliated companies.

The Issuer does not guarantee that all risks associated with an investment in the Notes have been identified, nor does it provide advice to prospective investors as to whether they should make a subscription for Notes.

The Issuer does not make any representation as to the merits, suitability, expected success, or profitability of the Notes.

Prospective investors must make their own assessment of an investment in the Notes and the risks and benefits associated with the Notes and of all the matters referred to above. The Issuer recommends that prospective investors make a subscription for Notes only after having considered, with the assistance of external advisers, the specific risks of any such subscription.

Past performance is not necessarily indicative of future results.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Issuer will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each investor has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each investor has represented and agreed that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the

Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Hong Kong

No action has been taken to permit the distribution of any marketing materials or this Offer Circular (together, the "**Offering Documents**") in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of the Offering Documents in any territory may treat the same as constituting an invitation or offer to him to acquire the Notes should he in any event use such Offering Documents unless in the relevant territory such an invitation or offer could lawfully be used without compliance with any registration or other legal requirement. In particular, and without limitation, the Offer Documents do not constitute an offer or invitation to the public within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) or the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). This document has not been delivered for registration to the Registrar of Companies in Hong Kong, nor have its contents been reviewed by any regulatory authority in Hong Kong. Accordingly: (i) the Notes may not be offered or sold in Hong Kong by means of any document other than to persons who are "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and the Securities and Futures (Professional Investor) Rules made thereunder or in any event in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and (ii) no person may issue any invitation, advertisement or other document relating to the Notes whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571) of Hong Kong and the Securities and Futures (Professional Investor) Rules made thereunder. You are advised to exercise caution in relation to the offer contained in this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

Taiwan

The Notes are not intended to be offered or sold in the territory of the Republic of China (Taiwan) ("**ROC**"). As such, the Notes and this Prospectus have not been and will not be registered or approved by the ROC competent authorities. Any sale, resale, or distribution of the Notes or circulation of the Prospectus by the Issuer, its agents, distributors, potential subscribers or investors or holders of the Notes, as the case may be, in the territory of the ROC would be prohibited or subject to certain restrictions and policies imposed by the ROC competent authorities, and the agent, distributor, potential subscribers or investors or holders of the Notes, as the case may be, should consult with attorney or financial consultant before the sale or resale.

Indonesia

The Notes are not being offered and sold and will not be offered and sold in the Republic of Indonesia and/or to Indonesian nationals or entities in any manner which constitutes a public offer as defined under Law of the Republic of Indonesia No. 8 of 1995 regarding Capital Market and its implementing regulations.

Peoples' Republic of China

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "**PRC**") to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Korea

The Notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Indirect Investment Asset Management Business Law, the Securities and Exchange Law of Korea and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder. The Notes have not been registered with the Financial Supervisory Commission of Korea for public offering in Korea nor have been registered with the Financial Supervisory Commission for distribution to non-qualified investors in Korea. The Notes may only be sold in Korea in compliance with the Securities and Exchange Law and the Indirect Investment Asset Management Business Law. Furthermore, the sale of the Notes shall comply with the requirements under the Foreign Exchange Transaction Law applicable to the Korean resident's purchase of the Notes.

Slovenia

This document has not been examined by the competent authority and does not constitute a prospectus under the Securities Market Act ("**SMA**"). The notes are offered in Slovenia to a limited number of well-informed investors within the meaning of art.10b/2, paragraph 1 and point 1 to 4 paragraph 2 of SMA which have been approached on individual basis only. Any offering of the Notes to investors who are not well-informed within the meaning of SMA in Slovenia is not permitted.

Jordan

The Notes are being offered in Jordan on a cross border basis to no more than thirty (30) investors and accordingly the Notes will not be registered and a prospectus will not be filed with the Jordanian Securities Commission.

Saudi Arabia

This Prospectus includes information given in compliance with the Offer of Securities Regulations (the "**Regulations**"). This Prospectus may not be distributed in the Kingdom except to such persons as are permitted under the Regulations. It should not be distributed to any other person, or relied upon by any other person.

The Capital Market Authority does not take any responsibility for the contents of the Prospectus, does not make any representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this memorandum. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

NO OWNERSHIP BY U.S. PERSONS

The Notes may not be legally or beneficially owned by U.S. Persons at any time. Each holder and each beneficial owner of a Note hereby represents, as a condition to purchasing or owning the Note or any beneficial interest therein, that neither it nor any person for whose account or benefit the Notes are being purchased is located in the United States, is a U.S. Person or was solicited to purchase the Notes while present in the United States. Each holder and each beneficial owner of a Note hereby agrees not to offer, sell or deliver any of the Notes, at any time, directly or indirectly in the U.S. or to any U.S. Person. The term "U.S. Person" will have the meaning ascribed to it in both Regulation S under the Securities Act and the Code.

OFFER PERIOD AND SUBSCRIPTION FOR NOTES

Minimum application amount

Investors are required to subscribe for a minimum of 10,000,000 Notes and multiples of 10,000 Notes thereafter.

Offer period

The period during which applications may be made for the Notes is as follows:

Offer opens	Offer closes	Trade Date	Notes are issued and settlement occurs
16 February 2007, 0900 hours (London time).	16 February 2007, 1500 hours (London time) (unless extended at the sole and absolute discretion of the Issuer).	16 February 2007 (unless extended at the sole and absolute discretion of the Issuer).	19 February 2007 (unless extended at the sole and absolute discretion of the Issuer without prior notice to investors).

The Issuer reserves the right, in its sole and absolute discretion to terminate the Offer Period in respect of the Notes at any time prior to the advertised end of the Offer Period or to extend the same. Furthermore, the Issuer shall be under no obligation to issue the Notes until the Issue Date.

The Issuer in its sole and absolute discretion may cancel any Notes issued but not settled by the last Business Day in June 2007.

Aggregate Face Value of Notes to be issued

The aggregate Face Value of Notes to be issued is the equivalent of EUR10,000,000 (or such higher or lower amount as the Issuer may determine).

Acceptance of applications

The Issuer reserves the right, in its sole and absolute discretion, to accept offers to purchase Notes and may reject any offer to purchase Notes in whole or in part. A prospective investor submitting an offer to purchase Notes will be notified of the acceptance or otherwise of such application prior to the Issue Date.

Cancellation of offer of Notes

The Issuer may withdraw, cancel or modify the offer of the Notes without notice and will notify prospective investors of such withdrawal, cancellation or modification after such withdrawal, cancellation or modification has occurred. In the event that the Notes are not issued, no subscription monies shall be payable by prospective investors to the Issuer (either directly or indirectly through a Selling Agent (as defined below)) in respect of the Notes. Prospective investors should contact their Selling Agent of choice for details of the arrangements for the return of application monies in such circumstances. The Issuer shall have no responsibility for, or liability arising out of, the relationship between prospective investors and their respective Selling Agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

Application procedure

Applications for Notes may be made by a prospective purchaser through any broker, financial adviser, banker, financial intermediary or other agent acting in such a capacity (each a "Selling Agent") which has a relationship with the Issuer governing the sale of the Notes. Applications should be made by

completing and signing the Application Form. Pursuant to anti-money laundering regulations, prospective purchasers who are not an existing client of a Selling Agent may be required by their Selling Agent of choice to complete an anti-money laundering form and to provide further evidence of identification in advance of applying for any Notes.

Each prospective purchaser should ascertain from its Selling Agent of choice when that Selling Agent will require receipt of cleared funds from its clients in respect of applications for Notes and the manner in which payment should be made to the Selling Agent. Each Selling Agent may impose different arrangements relating to the purchase of Notes and prospective investors should contact the Selling Agents directly for information concerning such arrangements. Applicants for Notes who arrange to purchase the Notes through a Selling Agent should note that in doing so they are assuming the credit risk of the relevant Selling Agent and that such arrangements will be subject to the applicable conditions of the relevant Selling Agent.

Scaling back arrangements

It may be necessary to scale back applications for the Notes. The Issuer therefore reserves the right, in its absolute discretion to decline in whole or in part an application for Notes. Accordingly, an applicant for Notes may, in certain circumstances, not be issued the number of (or any) Notes for which it has applied.

GENERAL INFORMATION

1. **Authorisation**

The issue of the Notes was duly authorised by the Group Asset and Liability Committee pursuant to a resolution of the Supervisory Board of the Issuer dated 17 January 2007.

2. **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream. The International Securities Identification Number and the Common Code in respect of the Notes are as follows:

ISIN: XS0285703764

Common Code: 028570376

Fondscodex: 15997

3. **No significant change**

There has been no significant change in the financial or trading position of the Issuer since 31 December 2005 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2005.

4. **Litigation**

In several jurisdictions legal proceedings have been initiated against the Issuer or its group companies whose financial statements have been included in the consolidated annual accounts dated 31 December 2005 of ABN AMRO Holding N.V. Neither the Issuer nor ABN AMRO Holding N.V. is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or ABN AMRO Holding N.V. are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or ABN AMRO Holding N.V.

5. **Accounts**

The auditors of the Issuer are Ernst & Young who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in the Netherlands for each of the three financial years ended on 31 December 2005.

6. **US tax**

The Notes will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

7. **Documents**

Copies of the following documents will be available free of charge from the registered office of the Issuer and from the Specified Office of the Fiscal Agent so long as any of the Notes remains outstanding:

- (a) the Articles of Association of the Issuer (with an English translation thereof);

- (b) the annual report of ABN AMRO Holding N.V. for the two most recent financial years and the most recently available published semi-annual interim financial statements of ABN AMRO Holding N.V. (with an English translation thereof) - the Issuer's consolidated financial statements form part of the annual report of ABN AMRO Holding N.V. and the Issuer does not publish separate accounts; and
- (c) the Registration Document, as amended and supplemented from time to time.

8. **Application Forms**

The Issuer reserves the right, in its sole and absolute discretion, to accept Application Forms and may reject any application for Notes in whole or in part. The Issuer may withdraw, cancel or modify the offer of the Notes without notice. In the event that the Notes are not issued, no subscription monies shall be payable by prospective investors to the Issuer (either directly or indirectly through a selling agent) in respect of the Notes. The Issuer shall have no responsibility for or liability arising out of the relationship between prospective investors and their respective selling agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

9. **Index Value**

The Issuer will make the Index Value (including the historical performance of the Notes as well as the volatility of the Index Value) available on Bloomberg page XS0285703764 <Corp>.

FEES, COSTS AND EXPENSES

Fees, costs and expenses deducted from the Index

The following is an extract from the Conditions, which describes the fees, costs and expenses which are deducted prior to the determination of the Index Value. This is set out here for ease of reference, and Noteholders should refer to the Conditions for complete details.

Principal Protection Premium A per Note amount of 1.00% per annum of the Face Value, calculated on every Calculation Date from (but excluding) the Issue Date of Notes up to and including the Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis. If a Cash-Out Event occurs, the Principal Protection Premium will be reduced to 0.00% from (and including) the date on which the Cash-Out Event has occurred

Deduction of Principal Protection Premium from Index The Principal Protection Premium will be deducted from the Index on a daily basis by pro rata adjustment to the number of units of the Cash Component.

Non-Contingent Fee A per Note amount of 0.25% per annum of Face Value calculated on every Calculation Date from (but excluding) the Issue Date up to and including the Maturity Date, expressed in EUR and accrued daily on an actual/360 basis.

Deduction of Non-Contingent Fee from Index The Non-Contingent Fee will be deducted from the Index on a daily basis by pro rata adjustment to the number of units of the Cash Component.

Fees, costs and expenses of the Funds

The following is a description of the fees, costs and expenses which the Funds shall pay, prior to the determination of the Value of Equity Component. This information has been sourced from the Confidential Private Placement Memorandums relating to each of the Funds, each dated December 2006.

Payment of Management Fee Each of the Funds will pay a management fee (the "**Management Fee**") calculated as of the first calendar day of each month equal to 0.125% (1.5% per annum) of the cumulative net asset value of, in the case of the KGRF Fund, the Class F Shares, and in the case of the KGMF Fund, the Class B Shares, taking into consideration any subscriptions for such month. The Management Fee shall be paid whether or not the relevant Fund is profitable in a given month. If a shareholder of the Class F Shares or the Class B Shares, as the case may be, redeems any Class F Share or Class B Share other than on the last business day of a month, the Management Fee for such partial month shall be prorated.

Payment of Performance Fee Each Class F Share and each Class B Share will also be charged a performance fee (the "**Performance Fee**") calculated and accrued monthly and paid quarterly in an amount equal to 5% of any New Net Profits (as defined below) with respect to such Portfolio Share.

"**New Net Profits**" are recognized only to the extent that cumulative "Net Profits" (as defined below) exceed the highest level of cumulative Net Profits as of the last Business Day of any prior quarter for which a Performance Fee

was paid (or if no Performance Fee was earned previously, from the commencement of trading) (the "**High Water Mark**") for each Portfolio Share. "**Net Profits**" include all forms of realised and unrealised gains, as well as interest income, and are reduced by all transactional and other expenses and the Management Fee paid or accrued with respect to each Class F Share or Class B Share, other than the current period's Performance Fee amount payable. New Net Profits are calculated separately with respect to each series of Class F or Class B Shares (i.e., separately with respect to each investment by each shareholder on different subscription days) and consequently, Class F or Class B Shares of a different series will have different High Water Marks and different Net Asset Values per Class F Share or Class B Share. In the event that Class F Shares or Class B Shares of a series are redeemed at a time when Net Profits are below the High Water Mark, the amount of such shortfall shall be reduced by multiplying such shortfall by the fraction the numerator of which is the number of Class F Shares or Class B Shares outstanding immediately after such redemption and the denominator of which is the number of Class F Shares or Class B Shares of such series outstanding immediately prior to such redemption, and the High Water Mark for such series shall be correspondingly reduced for purposes of calculating whether New Net Profits have subsequently been achieved.

Solely for purposes of calculating the net asset value of each of the Funds and the net asset value per Class B Share/Class F Share, as the case may be, on each Valuation Day, the Portfolio will accrue the Performance Fee attributable to Class F Shares or Class B Shares as of each valuation day, measuring the New Net Profits, if any, from the start of the quarter period through the relevant valuation day. At the end of each quarter, the overall New Net Profits for the quarter will be calculated and the Performance Fee shall be due and payable with respect to any such overall New Net Profits earned for such quarter. To the extent that there are no overall New Net Profits earned for such quarter, any accrual of a Performance Fee as of any previous valuation day during such quarter will be adjusted accordingly.

Performance Fees will not be repayable to the holders of Class F or Class B Shares if the net asset value per Class F Share or Class B Share for which any such Performance Fee has been paid subsequently declines. This could result in substantial Performance Fees being paid despite the fact that a decline in net asset value per Class F or Class B Share has occurred. Performance Fees are paid with regard not only to realized profits, but unrealized profits as well. Note that Net Profits are not reduced by Performance Fees previously paid for purposes of calculating the Performance Fee.

Manager Advisory Fees

Each Fund will incur its pro-rata share of the management fees and performance fees owed to managers of underlying funds and managed accounts in which such Fund invests. The managers have their own fee structure and all fees and charges of the underlying funds and managed accounts are reflected in their own net asset values. This Prospectus does not contain information about the fees and charges of the underlying managers. Generally, managers charge a 1% - 3% management fee per annum and a 20% - 30% performance fee per annum, although such fees may be higher or lower. However, any management fees or performance fees which would otherwise be owed to an affiliate of the Investment Manager, for its services as a manager, will be waived as they

pertain to the Funds' investments with such manager.

Investment Expenses As an investor in underlying fund, each Fund shall bear its pro rata portion of all expenses related to such investments (other than as set forth immediately above) and related to the managers' investment and trading activities on behalf of such Fund, including but not limited to brokerage commissions, "bid-ask" spreads, mark-ups and other transactional charges and clearing fees. Each Fund shall bear all of the expenses related to the managers' investment and trading activities on behalf of any managed account of such Fund, including but not limited to brokerage commissions, "bid-ask" spreads, mark-ups and other transactional charges and clearing fees.

Administrator's Fees (KGRF Fund) The administrator of the KGRF Fund is compensated for its services performed based on the KGRF Fund's net asset value. Such fees are based on a diminishing fee schedule (based on assets under management) but do not exceed 0.17% annually of the KGRF Fund's net asset value. The fees of the administrator are calculated monthly, based on the net asset value as of the last day of each month, pro-rated for any subscriptions and/or redemptions, The KGRF Fund will also reimburse the administrator for all reasonable out-of-pocket expenses and any extraordinary expenses.

Administrator's Fees (KGMF Fund) The administrator of the KGMF Fund is compensated for its services performed pursuant to the Administration Agreement as agreed between the KGMF Fund and the administrator, based on the net asset value of the KGMF Fund. The KGMF Fund will also reimburse the administrator for all reasonable out-of-pocket expenses and any extraordinary expenses.

Custodian's Fees (KGRF Fund only) Pursuant to the Custodian Agreement, the KGRF Fund pays the custodian a fee in the amount of 0.075% per annum of the KGRF Fund's net asset value, payable quarterly in arrears, The custodian is compensated for its services performed pursuant to the Custodian Agreement, in an amount equal to a percentage of the net asset value of the KGRF Fund, plus a fee of US\$200 for each transfer, subscription, purchase, sale or redemption of underlying funds and managed accounts. The KGRF Fund will also reimburse the custodian for all reasonable out-of-pocket expenses and any extraordinary expenses.

Organisational and Offering Expenses All costs and expenses associated with the organization and initial offering of each of the SPCs and Funds, including government incorporation charges and professional fees and expenses, have been or will be advanced by the Investment Manager and are being reimbursed by each of the Funds to the Investment Manager in equal monthly instalments over the first thirty-six months of the Funds. All expenses related to the ongoing offering of shares in each of the Funds will similarly be advanced by the Investment Manager and reimbursed by each of the Funds in equal monthly instalments over the thirty-six month period following the date such expenses are incurred. In the event that the relevant Fund terminates operations prior to the expiration of any such thirty-six month reimbursement period, neither that Fund or its shareholders will be responsible for reimbursement of the remaining unreimbursed amount(s).

All costs and expenses associated with the launch and initial offering of the Class F Shares or the Class B Shares, including government charges and professional fees and expenses in connection with the preparation of the

prospectuses relating to the Funds and the agreements referred to herein, and any ongoing offering expenses, will be paid by the Fund or the Class B Shares/Class F Shares, as applicable.

Other Fees and Expenses

Each Fund will bear its own ongoing costs and expenses and its pro rata share of the relevant SPC's expenses including all transactional costs including brokerage, banking, sales and purchase commissions and charges and exchange fees, fees and charges of custodians and clearing agencies, interest and commitment fees on loans and debit balances, income taxes, withholding taxes, transfer taxes and other governmental charges and duties, any costs incurred with respect to meetings of the directors (including its committees) and meetings, if any, of shareholders, fees and expenses of the relevant SPC's legal advisers, auditors, and expenses, the costs of maintaining the SPC's registered office in the Cayman Islands and the SPC's registration as a mutual fund with the Cayman Islands Monetary Authority and the costs of printing and distributing any offering materials and any reports and notices to shareholders.

The Portfolio Shares shall bear proportionately all Manager advisory fees, investment expenses, and operating and administrative fees and expenses of the Funds described above. The Investment Manager's advisory fees are charged to the Portfolio Shares as described above.

The Investment Manager and the administrator are responsible for providing and paying for all office personnel, office space and office facilities required for the performance of their respective services to the Funds and the SPCs. However, the Investment Manager shall be reimbursed, on a reasonable time-spent basis, for certain legal, accounting and administrative work performed by certain of its personnel for and on behalf of the Funds and the SPCs.

DEFINITIONS

Defined terms used in this Prospectus shall have the meaning given to them in the section headed "*Conditions of the Notes*" and as follows hereafter:

AA- This is a Standard & Poors rating indicating that the obligor's capacity to meet the financial commitment on the obligation is very strong. The "-" indicates the relative standing within the major ratings category.

Aa3 This is a Moodys rating, Banks rated Aa for deposits offer excellent credit quality, but are rated lower than Aaa banks because their susceptibility to long-term risks appears somewhat greater. The margins of protection may not be as great as with Aaa-rated banks, or fluctuations of protective elements may be of greater amplitude, the modifier 3 indicates that the bank is in the lower end of its letter-rating category.

Listing Agent means ABN AMRO Bank N.V.

Registration Document means the Issuer's registration document dated 30 June 2006 prepared in accordance with Article 5(3) of the Prospectus Directive, together with the supplements to such registration document dated 8 August 2006 and 1 November 2006, as it may be amended, varied, supplemented or substituted from time to time.

SCHEDULE 1
APPLICATION FORM

For EUR 10,000,000 ABN AMRO Pan-European Principal Protected Notes II (Series D) due 2015 ISIN: XS0285703764 issued by ABN AMRO Bank N.V., acting through its London Branch, pursuant to the Prospectus dated on or around 19 February 2007 relating to the Notes (the "**Prospectus**") as may be amended, varied, supplemented or modified from time to time.

Terms defined in the Prospectus shall bear the same meaning herein.

Please type or write application information below in BLOCK CAPITALS.

Part One - Purchase of Notes

1. Please accept this application to purchase:

.....Notes at EUR 1.10 each for a total sum of EUR

(Minimum subscription per investor 10,000,000 Notes and thereafter in integral multiples of 10,000 Notes)

Client Reference No. (if known):

Part Two

Important: Please complete full corporate name and place of incorporation, together with a contact person and a list of authorised signatories.

2. Full name of corporation

3. Street Name/Number (corporates, note registered office here)

4. Town/City Postcode

5. State/County

6. Country

7. Contact Telephone

8. Contact e-mail

9. Telefax Number

10. Country of incorporation

Part Three – Euroclear/Clearstream

11. Please credit the Notes allocated pursuant to this Application Form to:

Euroclear /Clearstream account number

in the name of

with sub-account name (if any)

Part Four – Payment Details / Bank Instructions

12. DVP applicants: please note the following settlement information:

Euroclear Account no:	92496
Delivering Counterparty:	ABN AMRO Bank N.V., London Branch
Trade Date:	16 February 2007
Settlement Date:	19 February 2007
ISIN Code:	XS0285703764

Part Five – Details for mailing Application Form

Please make sure that you send this Application Form to fax no.: +44 20 7678 1051 or scanned and sent by email to simon.white@uk.abnamro.com or joanne.miller@uk.abnamro.com by not later than 1500 hours (Amsterdam time) on 16 February 2007 (unless extended at the sole and absolute discretion of the Issuer without prior notice to investors), couriering the originals to ABN AMRO Bank N.V., 250 Bishopsgate, London, EC2M 4AA.

Part Six – Anti-Money Laundering Regulation

To ensure compliance with statutory and other generally accepted principles relating to anti-money laundering, the Issuer may require verification of identity from any person delivering a completed Application Form.

Depending upon the circumstances of each application, a detailed verification may not be required if:

- the investor is a recognised financial institution; and
- the investor makes the payment from an account held in the investor's name at a recognised financial institution.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised as having sufficient anti-money laundering regulations such as a member state of the European Union which is subject to the EC Money Laundering Directive or one of the countries which make up the Financial Action Task Force ("FATF") and which is subject to the FATF Recommendations.

An individual may be required to produce a copy of a passport or identification card certified by a notary public. In the case of corporate applications, they may be required to produce a certified copy of the certificate of incorporation (and any change of name); Master Company articles of association (or equivalent); and the names, occupations, dates of birth, residential and business addresses, and a copy of a passport or identification card certified by a notary public, of all directors or ultimate beneficiaries.

The Issuer reserves the right to request such information as is necessary to verify the identity of an applicant. If, within a reasonable period of time following a request for verification of identity, the Issuer has not received evidence satisfactory to it as mentioned above, it may, in its absolute discretion, refuse to allot the Notes applied for, in which event the subscription proceeds will be returned without interest to the account from which such proceeds were originally debited.

Part Seven – Signature(s) of Applicant(s)

13. By signing below I:

- confirm that I have read the final version of the Prospectus in full, including the section headed "*Risk Factors Relating to the Notes*";
- agree to the terms of the Prospectus;
- acknowledge that this application is subject to the provisions of the Notes;
- acknowledge that the Notes are offered for subscription on the basis of the information contained in the final version of the Prospectus and that any further information given or representations made by any person may not be relied upon as having been authorised by the Issuer;
- acknowledge that the Issuer reserves the right to refuse any application (in its absolute discretion);
- acknowledge that the Issuer reserves the right to accept any application in whole or in part (in its absolute discretion);
- understand that the Issuer will be relying on the confirmations set out in this Application Form and authorise the Issuer to produce such Application Form in connection with any applicable legal or administrative proceedings;
- confirm that the Issuer (or its delegates) is allowed to process any order either in original, by email or by facsimile and I will indemnify the Issuer (or its delegates) against any losses, costs or claims the Issuer (or its delegates) may incur as a result of acting on such email or faxed orders. The Issuer (or its delegates) does not have any obligation to authenticate any such orders or verify the identity of any person giving such order when the Issuer (or its delegates) believes, in good faith, the order is genuine;
- confirm that I am aware that an investment in the Notes involves substantial risks not associated with a conventional debt or equity security and I have determined that an investment in the Notes is suitable to me, at this time, as I have the financial ability to bear the economic risk of my investment, have adequate means for providing for my current needs and possible contingencies, have no need for liquidity with respect to my investment in the Notes and I could bear a complete loss of my investment therein;
- confirm that I have such knowledge and experience in financial and business matters as to be capable of evaluating and understanding the merits of an investment in the Notes, confirm that I have independently evaluated and I understand the merits and risks connected with my investment in the Notes and confirm that I have made such consultations with my investment, legal, accounting, tax and other advisers as I consider necessary;
- confirm that I am in compliance with the legal requirements applicable to me in the jurisdiction in which I am established and resident and that the Notes have not been offered or promoted to me in violation of any securities laws applicable to me;
- confirm that I am not a U.S. Person nor am I acting for the benefit or account of U.S. Persons (as such terms are defined in the final version of the Prospectus);
- confirm that I am not investing in reliance upon any representation, warranty or guarantee as to the performance to be achieved by the Notes;

- confirm that I am either a corporation, partnership, limited liability company, trust or other entity, and I am duly authorised and qualified to become a Noteholder, and authorised to subscribe for Notes and the individual or individuals signing this Application Form and giving these warranties, as the case may be, on my behalf have been duly authorised by me to do so and this application is, and upon acceptance by the Issuer will be, my legal, valid and binding obligations, enforceable against me in accordance with their respective terms; and
- confirm that the execution of this Application Form and my acquisition of Notes will not conflict with, or result in any violation of or default under, any provision of any governing instrument applicable to me, or any material agreement or other instrument to which I am a party or by which I or any of my properties are bound, or any permit, franchise, judgement, decree, statute, rule or regulation applicable to me or my properties.

Application Forms must be signed by an authorised officer or be completed otherwise in accordance with your constituent documents. Please provide an official authorised signatories list.

By signing below I further agree that data provided by me may be passed on to any company in the ABN AMRO group (and where necessary to third party service providers to such companies) (herein collectively referred to as the "**Data Recipients**"). The Data Recipients shall use the data provided by me exclusively for the administration of my/our investment and for marketing purposes and shall not make the data available to any other parties for any other purposes save in response to an administrative or juridical order directing them to do so. I have the right to receive a copy of all data provided by me that has been stored and I have the right to request corrections should any of the data stored be incorrect. The Data Recipients have undertaken adequate organisational and technical measures to ensure adequate protection of the data provided by me, in accordance with the applicable laws.

By signing below I consent to the recording of any telephone calls I make to the Issuer.

14. Date

15. Signature(s)

16. As a result of this investment, your name has been included in the ABN AMRO Client Database for administrative purposes. If you do not wish to be included in this database please tick this box

The value of the Notes may go down as well as up.

Intermediary Name (if applicable)

Intermediary Code

SCHEDULE 2
EARLY REDEMPTION NOTICE

To: ABN AMRO Bank N.V.
250 Bishopsgate
London
EC2M 4AA

Fax: +44 (0)20 7678 1051

Attention: Simon White / Joanne Miller

Subject EUR10,000,000 ABN AMRO Pan-European Principal Protected Notes II (Series D) due 2015 –
Early Redemption Notice

From: _____

This Redemption Request Form should be faxed to the above number, with the original following immediately by post to the above address.

We being the Noteholder of _____ EUR10,000,000 Pan-European Principal Protected Notes II (Series D) due 2015 (the "**Notes**") hereby give notice that we require repayment and redemption of _____¹ such Notes in accordance with the Conditions of the Notes as soon as practicable after the Early Redemption Day, which is the next Early Redemption Day falling at least 65 calendar days after receipt by you of this Early Redemption Notice. Terms used in this form shall have the meaning ascribed to them in the Conditions.

We request you to pay us the monies to which we become entitled pursuant to this Early Redemption Notice by telegraphic transfer in EUR to the credit of my designated bank account as detailed below.

Name of Bank: EUROCLEAR /Clearstream Lux

Address: N/A

For the credit of: _____

Account Name: _____

Account No.: _____

We specifically acknowledge that the amount we receive pursuant to this Early Redemption Notice may be subject to an Early Redemption Adjustment and certain other adjustments in accordance with the Conditions of the Notes.

We specifically confirm that we will hold more than 50,000 Notes following this redemption OR (if redeeming less than 50,000 Notes) that we are redeeming our entire holding of Notes.

We acknowledge that the payment of the monies in the manner hereby authorised shall be in full and final satisfaction of the monies to which we become entitled as aforesaid. I/We hereby authorise the despatch

¹ Redemptions are subject to a minimum redemption of 10,000 Notes and thereafter in integral multiples of 10,000 Notes.

of a contract note for the balance (if any) of the Notes represented by this contract note by post at my/our own risk:

.....
.....
.....

Signature(s) of the holder(s)

.....

Print Name:

Telephone contact number _____

Email details _____

Fax number _____

In case of a joint holding ALL Noteholders /transferors must sign. A corporation must sign in accordance with the terms of its condition affixing, where appropriate, its seal, but with a minimum of one director or authorised signatory signing.

Settlement of the above order is on delivery versus payment basis only with ABN AMRO Bank London's ICSD account (currently Euroclear account 92496).

Date

Acknowledged and approved

Signed:

Name:

Signed:

Name:

for and on behalf of

ABN AMRO BANK N.V., LONDON BRANCH

THE ISSUER

ABN AMRO Bank N.V.

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Issuing out of its London branch at

250 Bishopsgate
London EC2M 4AA
United Kingdom

FISCAL AGENT, PAYING AGENT

ABN AMRO Bank N.V.

MF 2020 Kemelstede 2
P.O. Box 3200
4800 DE Breda
The Netherlands

CALCULATION AGENT, LISTING AGENT

ABN AMRO Bank N.V., London Branch

250 Bishopsgate
London EC2M 4AA
United Kingdom

LEGAL ADVISERS

To the Issuer as to English law

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

AUDITORS

Ernst & Young Accountants

Drenterstraat 20
1083 HK Amsterdam
The Netherlands