

The Securities 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 (the "**Prospectus Directive**"). This Prospectus has, however, been approved by the AFM and application has been made for listing on Eurolist.

PROSPECTUS DATED 20 SEPTEMBER 2007



ABN AMRO Bank N.V., London Branch

(incorporated in the Netherlands with its statutory seat in Amsterdam)

EUR 50,000,000

ABN AMRO FX Linked Principal Protected Notes I (Series LL) due 2015

ISIN: XS0307590447

Issue price: 100 per cent.

The issue price of the EUR 50,000,000 ABN AMRO FX Linked Principal Protected Notes I (Series LL) due 2015 (the "**Notes**") issued by ABN AMRO Bank N.V., acting through its London Branch (the "**Issuer**") is 100 per cent. of their principal amount.

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.

PROSPECTIVE INVESTORS 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 NOTEHOLDERS MAY RECEIVE LESS THAN THE AMOUNT PAID FOR THE NOTES IF THEY SELL THEIR NOTES OR THEIR NOTES ARE REDEEMED PRIOR TO THE MATURITY DATE. NOTEHOLDERS WILL RECEIVE NOT LESS THAN THE FACE VALUE OF THE NOTES ON THE MATURITY DATE. PROSPECTIVE PURCHASERS NEED TO CONSIDER THE SUITABILITY OF AN INVESTMENT IN THE NOTES IN LIGHT OF THEIR OWN FINANCIAL, FISCAL, REGULATORY AND OTHER CIRCUMSTANCES.

PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THE INFORMATION CONTAINED IN THIS DOCUMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

References in this Prospectus to the Notes being "listed" (and all related references) shall mean that application will be made for the Notes to be admitted for trading. At the time of issue of this

Prospectus, the Notes have not been admitted for listing on any exchange, although the Issuer has applied for listing on Eurolist by Euronext Amsterdam N.V.'s stock market ("**Eurolist**"). Eurolist is a regulated market for the purposes of Directive 93/22/EC.

The Notes are in bearer form, in the denomination of EUR 1.00 each. The Notes are initially in the form of the Temporary Global Note, without interest coupons attached, which was deposited on or around 27 July 2007 (the "**Issue Date**") with the Common Depository. The Temporary Global Note will be exchangeable, in whole or in part, for interests in, as applicable, 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 Definitive Notes in the denomination of EUR 1.00 each and without interest coupons attached. See the section headed "*Summary of Provisions Relating to the Notes while in Global Form*".

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. The only information sourced from a third party is contained in the sections entitled "*Summary of the Investment Strategy of the Master Company*", "*Further Information on the Master Company*" and "*Fees, Costs and Expenses of the Master Company*" which have been sourced from the Investment Manager.

Neither the delivery of this document nor any sale of Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. This document does not constitute an offer of, or an invitation by, or in respect of, the Issuer to subscribe for, or purchase, any of the Notes. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

This Prospectus should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase any of the Notes. Each prospective investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*").

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any document incorporated by reference herein or therein, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

The Notes have not been and will not be registered under the U.S. Securities Act of 1993 as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act).

The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same, and does not constitute a representation, warranty or undertaking by the Issuer that this information shall be updated at any time after the date of this Prospectus. Prospective investors should review, amongst other things, the most recent financial statements of the Issuer when deciding whether or not to purchase any of the Notes.

The Issuer does not represent that this document may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus, together with its attachments (if any), nor any advertisement or other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and the Issuer has represented that all offers and sales by them will be made on the same terms.

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 the section headed "*Selling Restrictions Applicable to the Notes*" below.

The Issuer has applied to the AFM to approve this Prospectus in accordance with article 5:6 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*). At the date hereof, approval of this document as a Prospectus in accordance with such legislation has been given.

Pursuant to such approval this Prospectus will constitute a prospectus for the purposes of Article 5.3 of the Prospectus Directive.

ABN AMRO BANK N.V., acting through its London Branch ISIN: XS0307590447

The date of this Prospectus is 20 September 2007

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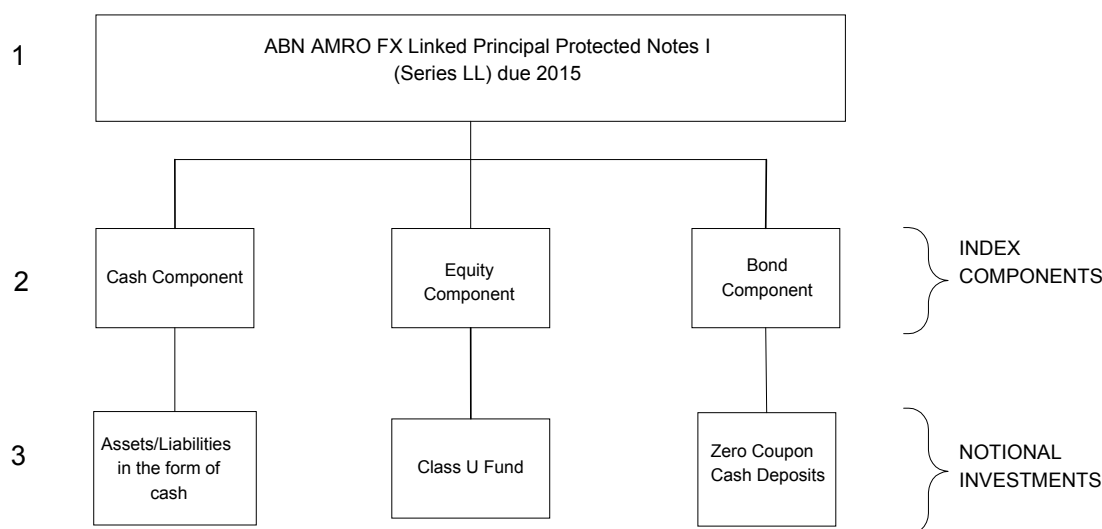
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SUMMARY

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 FX Linked Principal Protected Notes I (Series LL) due 2015 ISIN: XS0307590447.
- (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 and the Bond 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 Master Company and it comprises a notional investment in the Class U Shares.

The Bond 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 value of EUR 1.00 on the Maturity Date of the Notes and is not interest bearing.

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

Essential Characteristics of the Notes

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|---------------------------------|--|
| Issuer | ABN AMRO Bank N.V., 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. The ABN AMRO Group is one of the largest banking groups in the world, with total consolidated assets of €987.1 billion as at 31 December 2006. 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 2006. The Issuer is listed on Euronext and the New York Stock Exchange (among others). 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. |
| The Notes | EUR50,000,000 ABN AMRO FX Linked Principal Protected Notes I (Series LL) due 2015. The Notes are non-interest bearing. The redemption amount payable on the Notes is linked to the performance of the Index (see "Index" below for a description of the Index) and, on the Maturity Date, will be at least equal to the Face Value per Note. |
| Issue Date | 27 July 2007. |
| Maturity Date | The eighth anniversary of the Issue Date or, where such day is not a Business Day, the immediately following Business Day; provided, however, that 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. |
| Terminal Allocation Date | The tenth Business Day prior to the Maturity Date or any Issuer Redemption Date. |
| Issue Price | 100% of Face Value. |
| Face Value | EUR 1.00 per Note. |
| Final Redemption Amount | The Notes entitle the Noteholder to receive the Final Redemption Amount from the Issuer on the Maturity Date. The Final Redemption Amount is an amount per Note equal to the higher of: (i) the Minimum Redemption Amount; and (ii) the Maturity Index Value, subject to adjustments, reasonable costs and expenses and charges or penalties. |
| Minimum Redemption | 100% of Face Value. |

Amount

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 *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer.

Index The Index is comprised of the Index Components. The initial allocation to the Index Components as at the Index Start Date was 100% to the Equity Component.

Index Components The Equity Component, the Bond Component and the Cash Component.

Index Value For any Calculation Date, the sum of the values of the Index Components on such Calculation Date. The Index Value as at the Index Start Date was EUR1.00, being the value of the Equity Component as at the Index Start Date.

Equity Component The Index's exposure per Note to the performance of the Class U Shares as allocated, such allocation being determined in accordance with the Conditions.

Bond Component The component of the Index to which a certain amount of Eligible Collateral is allocated per Note, such allocation being determined in accordance with the Conditions.

Cash Component The component of the Index to which a notional cash balance (either positive or negative) is allocated per Note, such allocation being determined in accordance with the Conditions.

Rebalancing

The Issuer may decrease the allocation to the Equity Component (the amount in EUR of such decrease, the "**Relevant Amount**"), and increase the allocation to the Cash Component and/or the Bond Component by an amount in aggregate equal to the Relevant Amount, in situations where there has been a breach of the Transaction Documents and such breach has not been cured in the relevant designated time period, provided that such reduction does not result in a change to the Index Value.

If on a subsequent Calculation Date the Calculation Agent determines that the breach of the relevant Transaction Document no longer exists, then the Calculation Agent may (at its discretion and if it considers such action appropriate) decrease the allocation to the Cash Component and/or the Bond Component by an amount in aggregate equal to the Relevant Amount and increase the allocation to the Equity Component by the Relevant Amount.

Examples of breaches of the Transaction Documents for the purposes of the rebalancing provisions include, but are not limited to, the following:

- (a) the Operating Agreement contains procedures to be followed in the event that certain financial thresholds which, amongst other things, ensure that the Notes are not over exposed to the Equity Component are exceeded - if these procedures are breached, this should trigger a rebalancing under the Notes;
- (b) the Class U Fund Agreement contains certain representations and covenants relating to, amongst other things, the status and operation of the Master Company and the provision of financial and other information, given by the Master Company in connection with the Class U Fund - if these representations and covenants are breached, this should trigger a rebalancing under the Notes.

"Transaction Documents" means the Operating Agreement, the Prime Brokerage Agreement, the Master Company Bye-Laws, the Class U Fund Agreement, the Investment Management Agreement and the Administration Agreement.

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| Calculation Agent Fee | A per Note amount of 0.35% per annum of the Face Value calculated on every Calculation Date from (but excluding) the Index Start Date up to and including the Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis. The Calculation Agent Fee will be deducted from the Index on a daily basis by pro-rata adjustment to the number of units in the Cash Component. |
| Protection Premium | <p>A per Note amount of 0.65% per annum of the Face Value, calculated on every Calculation Date from (but excluding) the Index Start Date up to and including the Maturity Date, expressed in EUR and accrued daily on an actual/360 basis. The Protection Premium will be notionally deducted from the Index on a daily basis by pro rata adjustment to the number of units of the Cash Component.</p> <p>If a Cash-Out Event occurs, the Protection Premium will be reduced to 0.00% from (and including) the date on which the Cash-Out Event has occurred.</p> |
| Index Start Date | 24 July 2007. |
| Other Fees | Certain other fees costs and expenses will be paid by the Master Company. For further information on these, please refer to the section titled " <i>Fees, Costs and Expenses</i> ". |
| Minimum number of Notes to be redeemed on a Noteholder Redemption Day | 100,000 Notes. |
| Early Redemption | There are provisions for redemption of the Notes prior to the Maturity Date either: (i) at the election of the Issuer; or (ii) at the election of the Noteholders. In such circumstances Noteholders will receive an amount per Note equal to the Issuer Redemption Amount or the Noteholder Redemption Amount, as applicable, as of the date fixed for redemption. It is possible that the amount paid to a Noteholder in such circumstances will be less than the Face Value and may even be zero. |
| Suspension Event | <p>This means, in the sole and absolute determination of the Calculation Agent, the following:</p> <ul style="list-style-type: none"> (a) the failure by the Investment Manager (or any party acting on behalf of the Class U Fund) to calculate and publish, on or before the relevant date, the net asset value of the Class U Fund; (b) any suspension or limitation in respect of the calculation and/or publication of the Index Value; (c) (any other event which would render unable an investor in the Class U Fund to redeem any Class U Shares at their net asset value or to subscribe for Class U Shares at their net asset value at the specific redemption and subscription times of the Class U |

Fund;

- (d) any material trading limitation or suspension in respect of the Class U Shares for any reason, including but without limitation any postponement of part or all of the redemption orders received by the Investment Manager in relation to a given dealing date;
- (e) any suspension or limitation on the trading of the relevant currencies in which the Class U Shares are denominated; or
- (f) a Potential Master Company Event, that the Calculation Agent determines to be sufficiently material.

Any such Suspension Event shall continue until the Calculation Agent determines that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's satisfaction.

Cash-Out Events

The occurrence of the Terminal Allocation Date or, in respect of any other Calculation Date, any of the following (unless waived by the Issuer in its sole and absolute discretion):

- (a) the Equity Gap becomes less than or equal to EUR 0.045;
- (b) a Master Company Event has occurred;
- (c) the Aggregate Face Value of outstanding Notes is less than or equal to EUR 5,000,000;
- (d) a breach of, or an inability to perform, by the Investment Manager and/or Administrator of their respective obligations under any agreement entered into by them in relation to the Master Company which is not remedied immediately upon notice of such breach being given to the party in breach, or within any cure period specified in the relevant agreement; or
- (e) a Compulsory Redemption of All Class U Shares is declared by the Master Company.

Actions to be performed if a Cash-Out Event occurs

On the occurrence of a Cash-Out Event on the Terminal Allocation Date the Issuer will immediately arrange for the notional sale of all Class U Shares attributable to the Equity Component (provided such Class U Shares have not already been notionally redeemed pursuant to a Compulsory Redemption of All Class U Shares). The notional proceeds of such a sale together with the value of the Bond Component (if any) will be used in full to increase the Cash Component. *Therefore, following a Cash-Out Event on the Terminal Allocation Date, the Index will only consist of the Cash Component and accordingly, from that time, the Notes will no longer provide Noteholders with exposure to the performance of the Master Company.*

On the occurrence of a Cash-Out Event (other than on the Terminal Allocation Date), the Issuer will immediately arrange for the notional sale of all Class U Shares attributable to the Equity Component (provided such Class U Shares have not already been notionally redeemed pursuant to a Compulsory Redemption of All Class U Shares). The notional proceeds of such a notional sale together with the Value of Cash Component (if any) will be used in full to increase the Bond Component by a notional purchase of Eligible Collateral. *Therefore, following a Cash-Out Event (other than on the Terminal Allocation Date), the Index will only consist of the Bond 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 Master Company.*

Equity Gap

For any Calculation Date, an amount per Note equal to:

- (a) the Index Value; less
- (b) the Bond Floor Value; less
- (c) the Bond Floor Margin Value; less
- (d) the Value of Facilitation Fees.

Bond Floor Value

For any Calculation Date, an amount in EUR determined by the Calculation Agent as the net present value on such Calculation Date (calculated using the EUR interest rate swap curve adjusted to reflect the Issuer's then current spread for short term funding) of the repayment on the Maturity Date of the Minimum Redemption Amount.

Bond Floor Margin Value

For any Calculation Date, the net present value of the remaining Calculation Agent Fees on such Calculation Date, as determined by the Calculation Agent.

Potential Master Company Events and Master Company Events

Potential Master Company Events are certain events affecting the Master Company and/or the Investment Manager. Master Company Events are Potential Master Company Events that the Calculation Agent, in its sole and absolute discretion, determines will constitute a Master Company Event. A Master Company Event constitutes a Cash-Out Event. The consequences of a Cash-Out Event are set out above (*Actions to be*

performed if a Cash-Out Event occurs).

**Compulsory
Redemption of All
Class U Shares**

Any breach of any of the provisions of the Master Company Bye-laws (with the Calculation Agent having sole and absolute responsibility for determining if a particular provision has been breached) not addressed within its applicable cure period may lead to the Calculation Agent exercising its right to ask the Master Company Directors to redeem all outstanding Class U Shares (subject to all relevant conditions relating to redemption of Class U Shares as set out in the Master Company Bye-laws). For the avoidance of doubt, the Calculation Agent is not obliged to call for the Compulsory Redemption of All Class U Shares in the event of a breach of any of the provisions of the Master Company Transaction Documents.

In addition, the Master Company Directors may (subject to the approval of the Calculation Agent) redeem all outstanding Class U Shares at any time (subject to all relevant conditions relating to redemption of Class U Shares as set out in the Master Company Bye-laws).

The Master Company Directors will redeem all outstanding Class U Shares at any time when requested to do so by the Calculation Agent (subject to all relevant conditions relating to redemption of Class U Shares as set out in the Master Company Bye-laws).

A Compulsory Redemption of All Class U Shares constitutes a Cash-Out Event. The consequences of a Cash-Out Event are set out above (*Actions to be performed if a Cash-Out Event occurs*).

Listing

It is the intention of the Issuer that the Notes will be listed on Eurolist. Application has been made for approval for listing on Eurolist at the date of this Prospectus.

Taxation

Investors should also note that payments in respect of the Notes may be subject to deductions or withholding for or on account of tax. In the event that the Issuer or any 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 (see Condition 11 (*Taxation*)).

**Governing
Law**

The Notes will be created under and governed by English Law.

Selling Restrictions

There are restrictions on the sale of Notes and the distribution of the offering material in certain jurisdictions including the United States, the United Kingdom, the European Economic Area, Belgium, Luxembourg and The Netherlands. For further information, please see the section headed "*Selling restrictions applicable to the Notes*".

Risks

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 Index Components; 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 Master Company. For further details, see the section headed "*Risk Factors Relating to the Notes*" in this Prospectus.

Essential Characteristics of the Class U Fund

Master Company Prime Investments Managed Account Master Limited, a company incorporated in Bermuda with limited liability being registered as a segregated accounts company under the SAC Act 2000 of Bermuda and having its registered office at Chancery Hall, 52 Reid Street, Hamilton, HM12, Bermuda in respect of the Class U Fund.

Unless otherwise stated, all references in this document to the Master Company are to Prime Investments Managed Account Master Limited in respect of the Class U Fund.

The Investment Manager The Master Company, on behalf of the Class U Fund, has entered into an Investment Management Agreement to appoint ABN AMRO Asset Management Limited, a company incorporated under the laws of England and Wales with limited liability.

Investment Strategy of the Master Company The primary objective of the Master Company is to achieve medium-term capital gains in the Net Asset Value Of Master Company through the implementation of a quantitatively driven currency investment process or by buying currency fund shares while closely monitoring and controlling risk. The Investment Manager is responsible for allocating the Master Company's assets to implement the above-mentioned strategy.

Summary of the Investment Strategy of the Investment Manager The quantitative currency investment process developed by the Investment Manager's fixed income department will be used with the aim of providing investors with absolute returns. Research has shown that actively managed currencies tend to have a low correlation to traditional asset classes, such as fixed income and equities.

The Master Company will enter into foreign exchange contracts, principally one month contracts (with a maximum maturity of 3 months) in "liquid", fully convertible currencies, including, but not limited to, USD, EUR, GBP, JPY, CHF, CAD, AUD, NZD, NOK and SEK and will invest any cash in overnight deposits. Any other currency which is used in the future will be the currency of a member of the Organisation for Economic Co-operation and Development.

The Master Company will enter into currency forward contracts having regard to the buy/sell signals generated by the Investment Manager's quantitatively driven currency investment process. The investment process currently relies on three types of input to generate a consensus forecast to buy/sell/avoid a currency pair. The inputs currently used in the building of the consensus forecast, chosen for the low correlation of their forecasts, and further details on the investment strategy, are set out in the section headed "*Summary of the Investment Strategy of the Master Company*".

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.

Prospective investors should read the entire Prospectus. Words and expressions defined elsewhere in this Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. 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 prospective investor in the Notes should refer to the section entitled "*Risk Factors*" in the Registration Document as supplemented or amended from time to time 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

Each prospective investor in the Notes must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each prospective investor should:

- (a) 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;
- (b) 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;
- (c) 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 prospective investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) 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 17 (*Meetings of Noteholders*) contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined 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 16 (*Amendment of Conditions*) also provides that the Issuer may decide, without the consent of the Noteholders, to any modification of any of the Conditions either:

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

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Instrument.

Nominee Arrangements

Where a nominee service provider (meaning an accountholder in the Clearing Systems through whom a Noteholder holds its Notes) 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 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 any Note held by it prior to the Maturity Date with the assistance of the relevant nominee service provider.

None of the Issuer, Calculation Agent, Fiscal Agent or the Custodian 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. The Issuer may endeavour to provide a secondary market in the Notes and provide a bid price pursuant to the Conditions however the Issuer will not be obliged to purchase any Note from a Noteholder. In particular, the Issuer will not provide a secondary market in the Notes if certain conditions exist including, but not limited to, any failure by the Administrator to calculate and publish the Net Asset Value per Class U Share on any Calculation Date and any period of market turmoil.

Exchange rate risks and exchange controls

The Issuer will redeem the Notes for EUR. 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 EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR 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 EUR 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 investors may receive, in the Investor's Currency, less principal than expected, or no principal.

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 prospective 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 made 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 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.

Role and duties of Calculation Agent

The Calculation Agent will employ the methodology described in this Prospectus. Any determination by the Calculation Agent in relation to the application of such 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.

While the Calculation Agent currently employs the methodology described in this Prospectus to make determinations in relation to the Index, no assurance can be given that market, regulatory, juridical or fiscal 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 described in this Prospectus.

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 either an early redemption or an early sale of their Notes on Eurolist 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 components of the Index. 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:

- (a) the value of the Class U Shares;
- (b) the volatility (i.e. the frequency and magnitude of changes) in the price of the components of the Index;
- (c) currency exchange rates, interest rates and yields in the market generally. The Index entails the calculation of an amount in EUR which is reflective of the Equity Component, the Bond Component and the Cash Component, the value of each of which may be affected by these factors; and
- (d) 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 or redeem the Notes.

THE PRICE AT WHICH A NOTEHOLDER WILL BE ABLE TO SELL OR REDEEM PRIOR TO THE MATURITY DATE MAY BE AT A DISCOUNT TO THE FACE VALUE OF THE NOTES.

Cash-Out Event

On the occurrence of a Cash-Out Event on the Terminal Allocation Date the Issuer will immediately arrange for the notional sale of all Class U Shares attributable to the Equity Component (provided such Class U Shares have not already been notionally redeemed pursuant to a Compulsory Redemption of All Class U Shares). The notional proceeds of such a sale together with the value of the Bond Component (if any) will be used in full to increase the Cash Component. Therefore, following a Cash-Out Event on the Terminal Allocation Date, the Index will only consist of the Cash Component and accordingly, from that time, the Notes will no longer provide Noteholders with exposure to the performance of the Master Company.

On the occurrence of a Cash-Out Event (other than on the Terminal Allocation Date), the Issuer will immediately arrange for the notional sale of all Class U Shares attributable to the Equity Component (provided such Class U Shares have not already been notionally redeemed pursuant to a Compulsory Redemption of All Class U Shares). The notional proceeds of such a notional sale together with the Value of Cash Component (if any) will be used in full to increase the Bond Component by a notional purchase of Eligible Collateral. Therefore, following a Cash-Out Event (other than on the Terminal Allocation Date), the Index will only consist of the Bond 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 Master Company.

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 any fees charged by a 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 consequences of holding the Notes

Potential investors should consider the tax consequences of investing in holding, transferring and redeeming the Notes and consult their tax adviser about their own tax situation. For a summary of the principal tax consequences of the acquisition, holding or redemption and disposal of Notes, please see the section headed "*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 11 (*Taxation*)).

Notes are a medium to long-term investment

Investment in the Notes may not be suitable for all investors. The value of the Notes may fluctuate. The difference at any one time between the price paid for a Note (its Face Value) and the price at which a Note may be sold or otherwise redeemed may therefore fluctuate. **Consequently, Noteholders may not receive the Face Value of the Note if they redeem or sell their Notes prior to the Maturity Date.** Noteholders should therefore have the intention of holding the Notes to the Maturity Date and an investment in the Notes should be viewed as a medium-term to long-term investment. Investment in the Notes may not be suitable for all investors.

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

The Notes may be redeemed prior to the Maturity Date at the option of the Issuer:

- (a) 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;
- (b) if it becomes unlawful for the Issuer to perform any of its obligations in respect of the Notes; or
- (c) in certain other circumstances.

See Condition 3.2 (*Redemption at option of Issuer*) for further details of these events.

In such circumstances Noteholders will receive an amount in respect of each Note redeemed equal to the Issuer Redemption Amount on the date fixed for redemption. It is therefore possible that the amount paid to a Noteholder in such circumstances will be less than the Face Value.

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

Noteholders may elect to redeem their Notes on a Noteholder Redemption Day (subject to the Minimum Redemption and thereafter in integral multiples of 10,000 Notes) prior to the Maturity Date. In such circumstances Noteholders will receive the Noteholder Redemption Amount per Note. It is therefore possible that the amount paid to a Noteholder in such circumstances will be less than the Face Value.

Suspension Event

A Suspension Event is, in the determination of the Calculation Agent, any suspension or limitation on the calculation and/or publication of the Index Value and/or the Net Asset Value per Class U Share for any reason, or any suspension of or limitation on the trading of Class U Shares. Any such Suspension

Event shall continue until the Calculation Agent has determined that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's satisfaction.

If a Suspension Event has occurred and is continuing on the Terminal Allocation Date or any day as of which the Index Value, the Final Redemption Amount, the Issuer Redemption Amount or the Noteholder Redemption Amount would otherwise be calculated (each of such dates a "**Valuation Date**"), the Issuer may (but is not obliged to): (a) postpone the occurrence of such Valuation Date until as soon as practicable following the end of such Suspension Event and suspend payment of, as the case may be, the relevant amount; and/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.

Early Redemption by Noteholders may cause a Cash-Out Event

If the number of outstanding Notes, following requests for early redemption or at any other time, is less than or equal to 5,000,000, then the Issuer may declare a Cash-Out Event and the Notes may be redeemed prior to maturity at the election of the Issuer. In such circumstances Noteholders will receive an amount per Note equal to the Issuer Redemption Amount on the date fixed for redemption and it is therefore possible that the amount paid in such circumstances will be less than the Face Value.

Noteholders may be exposed to interest rate risk

Noteholders may have exposure to interest rate risk. To the extent that prevailing interest rates change, it 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. The Issuer is not required to purchase any of the components of the Index and consequently the assets comprising the components of the Index 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 components of the Index, and will not be entitled to receive physical delivery of any of the components of the Index 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 Notes.

The Issuer is not a source of advice or credit analysis with respect to the Index or the assets notionally comprised in the Index.

The Issuer is not a source of advice, information or credit analysis with respect to the Class U Fund, the Class U Shares or the underlying assets of the Class U Fund.

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 purchaser or prospective purchaser of the Notes.

Part B - Risk factors relating to the Master Company

Master Company may invest in volatile markets

The risk involved in this type of investment is greater than that normally associated with other types of investment, as the forward foreign exchange contracts in which the Master Company proposes to invest can be subject to sudden, unexpected and substantial price movements. Consequently, the trading of forward foreign exchange contracts can lead to substantial losses as well as gains in the Net Asset Value per Class U Share within a short period of time. Accordingly, an investment should be made only by those investors who could sustain a loss in their investment.

The Master Company may make investments in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive for the Master Company to liquidate positions against which the market is moving. Alternatively it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise). These risks may be accentuated where the Master Company is required to liquidate positions to meet margin calls or other funding requirements.

Investors should carefully consider the investment objectives of the Master Company

Investors should carefully consider the investment objectives of the Master Company as set out in the section titled "*Investment Strategy of the Master Company*" and in the Master Company Bye-laws. There can be no guarantee that the Master Company or the Investment Manager will realise the investment objectives.

The Master Company has a limited operating history

The Master Company has a limited operating history. Consequently, there are limited means to evaluate the past performance of the Master Company. No assurance can be given with respect to the performance of the Master Company or the Index and no assurance can be given as to whether, or to what extent, the Final Redemption Amount will exceed the Minimum Redemption Amount.

Master Company may use leverage

In order to implement the investment objective, the Master Company will own the Managed Account which may use certain forms of leverage. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of a position in the Managed Account would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss, which would be greater than if leverage were not used.

Generally, most leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices which could be disadvantageous to the Managed Account and could result in substantial losses. The investment objective may require the use of considerable leverage. There can be no assurance that the leverage facilities will always be available and a loss of, or reduction in, the leverage facilities is likely to have the effect of causing the Master Company to reduce its overall investment exposure. Terms upon which leverage facilities are available may be subject to change.

To the extent that margin monies of the Master Company held by the Prime Broker are placed with a market counterparty of the Prime Broker, such margin monies may be pooled with margin monies of

other customers of both the Prime Broker and the market counterparty and may be exposed to loss through netting in the event of the market counterparty's insolvency.

Investments made by the Investment Manager on behalf of the Master Company may be concentrated

Pursuant to the Investment Management Agreement, the Investment Manager invests, manages and provides advice with respect to the investments made by the Master Company.

Investments made by the Investment Manager on behalf of the Master Company may be concentrated and a significant proportion of the Master Company's assets may be denominated in a single currency. To the extent that there is a concentration in a single currency, the overall impact of adverse developments in the currency could be considerably greater than if there had not been such a concentration in that currency.

The performance of the Notes will be affected by charges related to the investments of the Master Company.

The Master Company may be engaged in a high level of portfolio turnover. Typically, high portfolio turnover may result in correspondingly high transaction costs and the exact amount of brokerage and related transaction costs that will be incurred will depend upon a number of factors including the nature and frequency of the market opportunities presented, the size of transactions and the transaction rates in effect from time to time. To the extent transaction costs are incurred by the Master Company, these will reduce the Base Net Asset Value of the Class U Shares and accordingly the Index Value.

An Investment Management Fee is payable, and a Performance Fee may be payable, by the Master Company to the Investment Manager. Payment of those fees will reduce the Net Asset Value Of Master Company accordingly.

The Master Company may rely on the Investment Manager's analytical investment processes

The Master Company may employ certain strategies, that depend upon the reliability and accuracy of the Investment Manager's analytical investment processes. To the extent such investment processes (or the assumptions underlying them) do not prove to be correct, the Master Company may not perform as anticipated, which could result in Noteholders only receiving the Minimum Redemption Amount on the Maturity Date.

Identification and exploitation of the investment objective to be pursued by the Investment Manager involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the allocated assets.

No assurance can be given that the strategies employed by the Investment Manager in the past to achieve attractive returns will continue to be successful or that the return on the Master Company's investments will be similar to that achieved by the Investment Manager in the past.

Tax treatment of the Master Company

The Master Company Directors intend to manage and conduct the affairs of the Master Company in such a way that it should not be deemed to be engaged in a trade or business in the United States and will not therefore be liable to US Federal Taxes. If any of the activities were deemed to constitute a trade or business in the US, then US Federal income taxes may apply. Any such taxes would adversely affect the investment performance of the Notes.

The Master Company Directors intend to manage and conduct the affairs of the Master Company in such a way that it will be treated as neither resident in the United Kingdom ("UK") for UK tax purposes nor carrying on a trade in the UK, and thus not be subject to tax in the UK on their profits (other than in respect of tax deducted at source). However, if the Master Company were deemed to be either resident in the UK for tax purposes or carrying on a trade in the UK it would be subject to UK tax. Any such UK tax exposure would adversely affect the investment performance of the Notes.

Regulatory/political/economic risk

Changes in regulatory practices and requirements, economic, tax or foreign investment policies, or other political, governmental or economic actions can adversely affect the value of the securities held by the Master Company.

Material factors for assessing the market risks associated with the Master Company

Please note that the return on the Notes is **not** calculated by reference to the value of the Class U Shares, but is calculated by reference to the Index Value only. However you should be aware of the risks associated with the Master Company (and therefore the Class U Shares) as this may affect the Index Value.

As at the date of this Prospectus the Master Company has a relatively short operating history, and the past performance of the Master Company is no guarantee of future results.

Risk factors associated with the SAC Act

Prime Investments Managed Account Master Limited has been registered as a segregated accounts company under the SAC Act (as defined in the section headed "*Definitions*"). As a segregated accounts company it is permitted to create segregated accounts in order to segregate the assets and liabilities attributable to a particular class or series of securities from the assets and liabilities attributable to each other class or series of securities, and from its general assets and liabilities. Segregated account assets are only intended to be used to meet liabilities to creditors in respect of a particular segregated account and are not intended to be available to meet liabilities to creditors in respect of other segregated accounts or, except where otherwise agreed, to general creditors of the company. However, to the knowledge of Prime Investments Managed Account Master Limited, the SAC Act has not yet been considered by the courts of Bermuda or any other jurisdiction. It is possible that the SAC Act will not be recognised in some jurisdictions or will be construed in a manner which is contrary to the intent of the legislation.

If any assets of Prime Investments Managed Account Master Limited attributable to a segregated account are located in a jurisdiction other than Bermuda and proceedings are brought in respect of them in that jurisdiction, it is possible that the courts of that jurisdiction may disregard the structure contemplated by the SAC Act. More specifically, courts in jurisdictions other than Bermuda may not be prepared to accept that creditors in respect of a particular segregated account are prevented from gaining recourse to the assets of other segregated accounts, or that general creditors of the company as a whole do not have recourse to those assets specifically designated as segregated account assets. If a liability (e.g. a fine or tax) is imposed on Prime Investments Managed Account Master Limited by any authority, it is possible that courts of Bermuda or other jurisdictions would impose or distribute that liability as among the general account of the company and the various segregated accounts. See also "Legal issues relating to segregated accounts" in the section headed "*Further Information on the Master Company*".

Part C - Conflicts of interest

Conflicts of interest with respect to the Notes

ABN AMRO Bank N.V. as the Issuer, Calculation Agent, Paying Agents 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 upon the Maturity Date of the Notes, 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 Group and the Noteholders with respect to the Notes and with respect to the other businesses of ABN AMRO Group. ABN AMRO Group 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 Group 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 Class U Shares or in debt instruments issued by ABN AMRO Group economically equivalent to the Eligible Collateral (or in proxies therefor or components thereof) and in making such investments, neither ABN AMRO Group nor any such affiliate has any duty to do so in a way that is favourable to the Noteholders. At any time, ABN AMRO Group may sell or buy Class U Shares or debt instruments issued by ABN AMRO Group economically equivalent to the Eligible Collateral (or proxies therefore or components thereof) for its own account, or 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 components of the Index and, possibly, the payments that Noteholders will receive on the Maturity Date or any day on which they sell their Notes. ABN AMRO Group may also introduce products that compete with the Notes in the marketplace (which may or may not be listed to or track any of the components of the Index 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 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 any such modification or change will result in a treatment that is consistent with the methodology described in the Conditions.

Conflicts of interest with respect to the Master Company

ABN AMRO Group 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 Master Company, including making loans to, making equity investments in or providing advisory services to, including mergers and acquisitions advisory services, such entities. In particular, as at the date of this Prospectus, ABN AMRO Asset Management Limited is the Investment Manager. In conducting such activities, ABN AMRO Group and its affiliates may earn fees or commissions and have no duty to act in the interests of Noteholders.

The Investment Manager, the Issuer, the Calculation Agent, the Paying Agents and the Listing Agent are all affiliated companies in the ABN AMRO Group and certain conflicts of interest in connection with the Investment Manager may arise due to such affiliation as well as the other activities in which

the Investment Manager and its affiliates engage. In conducting such other activities, the Investment Manager and its affiliates will have no obligation to act in the interests of the Master Company.

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 Master Company or may take the same, different or opposite positions to that of the Master Company (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 Master Company 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 Master Company may occur contemporaneously.

Prime Investments Managed Account Master Limited (or particular segregated accounts of Prime Investments Managed Account Master Limited) may engage for its, or their, own account, or for the account of others, in other business ventures of any nature, and the Issuer, and the other segregated accounts of Prime Investments Managed Account Master Limited (as applicable) will not be entitled to any interest therein.

SUMMARY OF THE INVESTMENT STRATEGY OF THE MASTER COMPANY

What is the Investment Manager's Investment Strategy?

The primary objective of the Master Company is to achieve medium-term capital gains in the Net Asset Value Of Master Company through the implementation of a quantitatively driven currency investment process or by buying currency fund shares, while closely monitoring and controlling risk. The Investment Manager will be responsible for allocating the Master Company's assets to implement the abovementioned strategy.

The quantitative currency investment process developed by the Investment Manager's fixed income department will be used with the aim of providing investors with absolute returns. Research has shown that actively managed currencies tend to have a low correlation to traditional asset classes, such as fixed income and equities.¹

The Master Company will enter into foreign exchange contracts, principally one month contracts (with a maximum maturity of 3 months) in "liquid", fully convertible currencies (a currency upon which all restrictions on currency flows for current account and investment purposes as well as discriminatory currency practices are removed), including, but not limited to, USD, EUR, GBP, JPY, CHF, CAD, AUD, NZD, NOK and SEK and will invest any cash in overnight deposits. Any other currency which is used in the future will be the currency of a member of the Organisation for Economic Co-operation and Development.

The Master Company will enter into currency forward contracts having regard to the buy/sell signals generated by the Investment Manager's quantitatively driven currency investment process. The inputs currently used in the building of the consensus forecast, chosen for the low correlation of their forecasts, are set out below:

Yield curve

The slope of a yield curve is an important indicator of inflation expectations, monetary policy stance and confidence in the appropriateness of monetary policy. The steepness of the yield slope can be an indication of the expected inflation and monetary policy. This is used as a principle to generate sell/buy signals. It will generally position long currency positions on flat to inverted yield curves and short currency positions on steep yield curves.

Interest rate differentials

Academics have generated much research on the "forward bias" effect. The general conclusion is that forward foreign exchange rates have systematically and significantly overestimated the subsequent change in the spot rate. This part of the investment process attempts to generate returns out of this inefficiency by favouring high yielding currencies over low yielding currencies.

¹ Mark Kritzman "The Optimal Currency Hedging Policy with Biased Forward Rates" Journal of Portfolio Management - Summer 1993.

"A Dynamic Index for Managed Currency Funds Using CME Currency Contracts", European Journal of Finance 4 (1998), Pierre Lequeux & Emmanuel Acar and "Alternative Investments: Managed Currencies" (2001). Pierre Lequeux is currently the head of currency management for ABN AMRO Asset Management Limited.

Price trend

Currency exchange rates have tended to exhibit positive serial correlations (trends) over long time periods. The profitability of trend following strategies to capture these has been well documented. Accordingly, the system attempts to capture medium to long term trends in currency markets. To do so, it uses a statistically weighted set of moving averages positioned at "optimal time of the day" to generate a buy/sell signal.

It is recognised that some extreme events such as central bank interventions or financial failures such as those events related to Long Term Capital Management in 1998 cannot be factored into any investment process. It is also recognised that intraday exchange rates variations offer significant opportunities that may affect the performance of the Notes. To account for this from time to time the investment process will be flexible and opportunistic with the aim of maximising the return for the risk undertaken by the Master Company and attributable to the Class U Fund.

The Investment Manager's quantitative currency investment process is constantly tested and researched to ensure the validity of its assumptions. Therefore, there can be no assurance that the investment process will always rely on the inputs outlined above. The Investment Manager may, on the basis of research, add, remove or alter the assumptions behind the inputs based on its stringent research processes.

Information on the Class U Fund

Fuller information on the Class U Fund, including its past and further performance and its volatility can be obtained at <http://www.abnamrofunds.com/downloadlibrary/default.asp> and Bloomberg page AAGLEMB LX <Equity> .

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes are initially in the form of the Temporary Global Note, which was deposited on or around the Issue Date with the Common Depository. 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.

While the Notes are represented by the Temporary Global Note and/or Permanent Global Note, the Notes may be bought or sold through Euroclear or Clearstream by a Direct Participant in Euroclear or Clearstream in accordance with the terms and conditions of the relevant Clearing System without the need to transfer the Temporary and/or Permanent Global Note to another Noteholder.

Upon the issuance of the Temporary Global Note and/or Permanent Global Note, appropriate book entries will be made by Euroclear and Clearstream. In accordance with instructions received from their participants, Euroclear and Clearstream will credit to the accounts of such participants the respective principal amount of the beneficial interest represented by the Temporary Global Note and/or Permanent Global Note which has been allocated to them. Ownership of beneficial interests in the Temporary Global Note and/or Permanent Global Note will be limited to participants in Euroclear and Clearstream and will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear and Clearstream. Settlement will follow the settlement procedures applicable to conventional Eurobonds.

For as long as any Notes are represented by a Global Note held by the Common Depository, payments of principal and any other amounts on a Global Note will be made through Euroclear and/or 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, 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.

Securities clearance accounts and cash accounts with both Euroclear and Clearstream are subject to the terms and conditions governing their use, the related operating procedures of each Clearing System and applicable law. All securities in Euroclear and Clearstream are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

The Permanent Global Note will become exchangeable in whole, but not in part, for Definitive Notes in the denomination of EUR 1.00 at the request of the bearer of the Permanent Global Note (acting on the instructions of a Noteholder in the case of (i) below, or on the instructions of the Issuer in the case of (ii) below) against presentation and surrender of the Permanent Global Note to the Fiscal Agent if an Exchange Event occurs.

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 Fiscal Agent within 30 days of the occurrence of the relevant Exchange Event.

If:

- (i) 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
- (ii) 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 the Instrument). Under the Instrument, persons shown in the records of Euroclear and/or 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/or Clearstream.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the "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 EUR 50,000,000 ABN AMRO FX Linked Principal Protected Notes I Series LL due 2015 ISIN: XS0307590447 (the "Notes", which expression includes any further notes issued pursuant to Condition 18 (*Further Issues*) and forming a single series therewith) of 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. 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.

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*

The Issuer shall redeem all Notes not previously redeemed, or purchased and cancelled, on the Maturity Date and shall pay to the relevant Noteholders an amount in respect of each such Note equal to the Final Redemption Amount, such payment to be made on the Redemption Amount Payment Date, subject as provided in Condition 9 (*Payments and Delivery*). Noteholders will receive not less than EUR 1.00 per Note in respect of a redemption of each such Note on the Maturity Date.

3.2 *Redemption at the option of the Issuer*

The Notes may be redeemed at the option of the Issuer in whole or in part, at any time, on an Issuer Redemption Date by giving not less than 20 Business Days' notice to the Noteholders (which notice shall be irrevocable) if in the opinion of the Issuer:

Tax Reasons: the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*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;

Illegality: it becomes unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations in respect of the Notes;

Non-Qualified Person: Notes are held directly or beneficially by a Non-Qualified Person; or

Clean-Up Call: the Aggregate Face Value of outstanding Notes is less than or equal to EUR 5,000,000.

Following the designation of an Issuer Redemption Date, the Issuer shall redeem the Notes on the Issuer Redemption Date and shall pay to the relevant Noteholders an amount in respect of each such Note equal to the Redemption Amount, such payment to be made on the Redemption Amount Payment Date, subject as provided in Condition 9 (*Payments and Delivery*).

3.3 *Redemption at option of Noteholders - Early Redemption of Notes*

3.3.1 The Issuer shall, at the option of any Noteholder, redeem some or all of the Notes held by such Noteholder on a Noteholder Redemption Date, or as soon as reasonably practicable as determined by the Calculation Agent in its sole and absolute discretion, provided that:

- (a) the Paying Agent must have received a Noteholder Redemption Notice from the relevant Noteholder by 09:00 hours London time, not less than 1 Business Day prior to the relevant Noteholder Redemption Date unless the Issuer, in its sole and absolute discretion, waives such notice period;
- (b) the minimum number of Notes in respect of which any Noteholder Redemption Notice has been submitted by any Noteholder is in aggregate equal to or greater than 100,000 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 Noteholder Redemption Notice on any given Noteholder Redemption Date where the execution of such Noteholder Redemption Notice on that Noteholder Redemption Date 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) there is no temporary suspension of dealings in Notes pursuant to Condition 3.4 (*Temporary suspension of dealings in Notes*).

- 3.3.2 In the event that the Paying Agent has received a Noteholder Redemption Notice in respect of an aggregate amount of less than 100,000 Notes, such Noteholder Redemption Notice will lapse (and the Paying Agent will notify the relevant Noteholder). Any such Noteholder will be required to re-submit a further Noteholder Redemption Notice if it still wishes to redeem any Notes.
- 3.3.3 Following the designation of a Noteholder Redemption Date, the Issuer shall redeem the relevant Notes on such Noteholder Redemption Date and shall pay to the relevant Noteholder(s) an amount in respect of each such Note equal to the Noteholder Redemption Amount, such payment to be made on the relevant Redemption Amount Payment Date, subject as provided in Condition 11 (*Payments*).
- 3.3.4 Noteholders are entitled to withdraw a request for redemption upon the occurrence of any events as described in Condition 3.4 (*Temporary suspension of dealings of Notes*). Any withdrawal of a request for redemption under the provisions of this subparagraph shall be made in writing (unless otherwise agreed by the Redeeming Noteholder and the Issuer) and shall only be effective if received by the Paying Agent before the end of the period during which there has been a temporary suspension of dealings of Notes. If the request is not withdrawn, the redemption or purchase of the Notes shall be made on the Noteholder Redemption Date next following the end of the temporary suspension of dealings of Notes.

3.4 *Temporary suspension of dealings of Notes*

Circumstances in which the Issuer may not provide an Early Redemption of Notes, a bid price or an offer price in respect of the Notes or settle following the acceptance of a request for Early Redemption of Notes include, but are not limited to, the following:

- 3.4.1 the Administrator fails to calculate and publish the Net Asset Value per Class U Share on any Calculation Date;
- 3.4.2 the Calculation Agent reasonably considers that the Net Asset Value Of Master Company does not reflect the net asset value of the Positions of the Master Company as they would have been determined by independent auditors acceptable to the Calculation Agent using recognised accounting standards, and the Calculation Agent is unable to establish a value for the Net Asset Value Of Master Company;
- 3.4.3 any circumstances exist as a result of which notional disposal by the Issuer of any of its notional investments attributable to the Index is not practical or is detrimental or prejudicial to Noteholders;
- 3.4.4 the proceeds of any realisation of Class U Shares cannot be transmitted to or from the account of the Master Company; or
- 3.4.5 any period of market turmoil (as determined by the Calculation Agent at its sole and absolute discretion).

3.5 *Secondary market for the Notes*

3.5.1 The Issuer will provide a secondary market in the Notes commencing on the Issue Date ("**Secondary Market Commencement Date**"), subject to Condition 3.5.2 below.

3.5.2 Whilst the Issuer will provide a secondary market in the Notes and provide a bid price pursuant to this Condition, the Issuer will not be obliged to purchase any Note from a Noteholder. Circumstances in which the Issuer may not provide a secondary market in respect of the Notes include, but are not limited to, the circumstances specified in Condition 3.4 (*Temporary suspension of dealings in Notes*) above.

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 September 2007 (and therefore held by the Issuer) may (at the sole and absolute discretion of the Issuer) be redeemed and cancelled.

3.8 *Cancellation*

All Notes redeemed pursuant to Condition 3.1 (*Final Redemption*), Condition 3.2 (*Redemption at the option of the Issuer*) or Condition 3.3 (*Redemption at option of the Noteholders – Early Redemption of Notes*) shall be cancelled and may not be reissued or resold. All Notes purchased by the Issuer pursuant to Condition 3.5 (*Secondary Market for the Notes*) or Condition 3.6 (*Purchase*) may (at the sole and absolute 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 Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 3.1 (*Final Redemption*), Condition 3.2 (*Redemption at the option of the Issuer*), Condition 3.3 (*Redemption at option of the Noteholders – Early Redemption of Notes*) or Condition 3.7 (*Unsold Notes*).

4. **Suspension Events**

4.1 Notwithstanding any other provision of these Conditions, if the Calculation Agent determines that a Suspension Event has occurred and is continuing on the Terminal Allocation Date or any day as of which the Index Value, the Final Redemption Amount or a Redemption Amount would otherwise be calculated (each of such dates a "**Valuation Date**"), the Issuer may (but is not obliged to):

4.1.1 postpone the occurrence of such Valuation Date 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 Redemption Amount; and/or

- 4.1.2 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.
- 4.2 Any such Suspension Event shall continue until the Calculation Agent has determined in its absolute discretion that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's satisfaction.
- 4.3 For the avoidance of doubt, whilst any Suspension Event is ongoing the Calculation Agent may continue with any allocation adjustments which the Calculation Agent, in its sole and absolute discretion, deems necessary. In such circumstances, the Calculation Agent shall make its own determination of the Index Value for the relevant Calculation Date and use such Index Value for the purposes of any calculation made or to be made in respect of the Notes on such Calculation Date.
- 4.4 For the avoidance of doubt, a Cash-Out Event may occur whilst a Suspension Event is occurring. In such circumstances, the Calculation Agent shall make its own determination of the Index Value for the relevant Calculation Date and use such Index Value for the purposes of any calculation made or to be made in respect of the Notes on such Calculation Date.
- 4.5 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.

5. **The Index**

5.1 *Index Value*

- 5.1.1 The Index Value shall be 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).
- 5.1.2 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)").
- 5.1.3 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).
- 5.1.4 If CD(t) is the very first Calculation Date occurring after the Index Start 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 Index Start Date.

5.2 *Initial Allocation*

- 5.2.1 The initial allocation on or about the Index Start Date to the Equity Component shall be an amount equal to EUR 1.00. For the purposes of determining the number of Class U Shares allocated to the Equity Component, the price per Class U Share shall be its price on the Index Start Date adjusted for the cost of funding at EURIBOR flat from and including the Index Start Date to but excluding the Issue Date.

5.2.2 The initial allocation on or about the Index Start Date to the Bond Component and the Cash Component shall be zero.

5.2.3 The Index Value on the Index Start Date will be EUR 1.00.

6. **Rebalancing**

6.1 The Issuer may decrease the allocation to the Equity Component, and increase the allocation to the Cash Component and/or the Bond Component by a commensurate amount, in situations where there has been a breach of the Transaction Documents and such breach has not been cured in the relevant designated time period, provided that such reduction does not result in a change to the Index Value.

6.2 If on a subsequent Calculation Date the Calculation Agent determines that the breach of the relevant Transaction Documents no longer exists, then the Issuer may (at its discretion and if it considers such action appropriate) decrease the allocation to the Cash Component and/or the Bond Component by the amount of any increase effected pursuant to Condition 6.1 and increase the allocation to the Equity Component by a commensurate amount.

6.3 On the occurrence of a Cash-Out Event, the Issuer will immediately arrange for the notional sale of all Class U Shares attributable to the Equity Component (provided such Class U Shares have not already been notionally redeemed pursuant to a Compulsory Redemption of All Class U Shares). The notional proceeds of such a notional sale together with the value of the Cash Component (if any) will be used in full to increase the Bond Component by a notional purchase of Eligible Collateral. Therefore, following a Cash-Out Event, the Index will only consist of the Bond 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 Master Company.

6.4 Any adjustment to the allocation among the Index Components to be made pursuant to this Condition 6 (*Rebalancing*) shall be determined by the Calculation Agent by reference to the index rebalancing methodology set out in Condition 7 (*Rebalancing Methodology*) 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 7 (*Rebalancing Methodology*).

7. **Rebalancing Methodology**

7.1 On each Cash Component Rebalancing Date the Issuer will reset the then-existing Value of the Cash Component to as close to zero as possible. Any such rebalancing shall only be effected to the extent that the Calculation Agent considers it appropriate to do so.

7.2 If the Value of Cash Component is to be reduced from a positive number to as close to zero as possible, the Issuer shall increase the Value of Equity Component as soon as practicable following the Cash Component Rebalancing Date by notionally purchasing such number of Class U Shares as could have been purchased using an amount equal to the amount of the reduction to the Value of Cash Component.

7.3 If the Value of Cash Component is to be increased from a negative number to as close to zero as possible, then:

- 7.3.1 the Calculation Agent shall determine the difference between the Cash Component and zero;
- 7.3.2 the Issuer shall reduce the Equity Component by an amount which would be realised by the realisation of a number of Class U Shares, which if notionally realised at the last available Net Asset Value per Class U Share, would realise an amount less than or equal to the absolute value of the value determined in Condition 7.3.1; and
- 7.3.3 the Issuer will increase the Cash Component by an amount equal to the amount by which the Equity Component is decreased pursuant to Condition 7.3.2.

8. **Terminal Allocation**

On the Terminal Allocation Date the Issuer will immediately arrange for the notional sale of all Class U Shares attributable to the Equity Component (provided such Class U Shares have not already been notionally redeemed pursuant to a Compulsory Redemption of All Class U Shares). The notional proceeds of such a sale together with the value of the Bond Component (if any) will be used in full to increase the Cash Component. Therefore, following the Terminal Allocation Date, the Index will only consist of the Cash Component and accordingly, from that time, the Notes will no longer provide Noteholders with exposure to the performance of the Master Company.

9. **Payments and Delivery**

9.1 *Principal*

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of the Notes at the Specified Office of any Paying Agent outside the United States by transfer to an EUR bank account (or another account to which EUR may be credited or transferred) maintained by the payee.

9.2 *Distributions subject to fiscal laws*

All distributions in respect of the Notes, whether payments or deliveries of Class U Shares, are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment or delivery, as applicable, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such distributions.

9.3 *Distributions on Business Days*

If the due date for any distribution, whether payments or deliveries of Class U Shares, in respect of any Note is not a Business Day in the place of presentation, the Noteholder shall not be entitled to such distribution in such place until the following Business Day in such place and shall not be entitled to any further amounts in respect of any such delay.

9.4 *Partial Distributions*

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

10. **Deduction of Protection Premium, Calculation Agent Fee and Facilitation Fee**

10.1 *Deduction of Protection Premium from Index*

The Protection Premium will be notionally deducted from the Index on a daily basis by pro rata adjustment to the number of units of the Cash Component. If a Cash-Out Event occurs, no further Protection Premium will be deducted from the Index from (and including) the date on which the Cash-Out Event has occurred.

10.2 *Deduction of Calculation Agent Fee from Index*

The Calculation Agent Fee will be deducted from the Index on a daily basis by pro rata adjustment to the number of units of the Cash Component.

10.3 *Deduction of Facilitation Fee from Index*

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

11. **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.

12. **Issuer Events of Default**

If at any time an Issuer Event of Default occurs and is continuing, 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 the Fiscal 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 (*Redemption at the option of the Issuer*) had occurred as of the date of such Issuer Event of Default.

13. **Prescription**

Claims for any payments due under the Notes become void unless such claims are presented for payment within ten years of the relevant date.

14. **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, 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.

15. **Agents**

15.1 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.

15.2 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:

15.2.1 a fiscal agent;

15.2.2 a paying agent in The Netherlands; and

15.2.3 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.

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

15.4 Any determination by the Calculation Agent respect of these Notes will be in its sole and absolute discretion and will be conclusive and binding on all parties, except in the case of manifest error.

15.5 While the Calculation Agent currently employs the methodology described in Conditions 5 (*The Index*) to 8 (*Terminal Allocation*) 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 Conditions 5 (*The Index*) to 8 (*Terminal Allocation*).

16. **Amendment of Conditions**

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

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

16.1.1 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

16.1.2 in any other manner which is not materially prejudicial to the interests of the Noteholders (including any amendments or modifications which are necessary in order to obtain a listing of the Notes).

16.2 *Notice of modification*

Any modification effected pursuant to this Condition 16 (*Amendment of Conditions*) 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*).

17. **Meetings of Noteholders**

17.1 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 (other than those amendments which may be effected pursuant to Condition 16 (*Amendment of 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.

17.2 A resolution in writing signed by or on behalf of Noteholders representing not less than three-quarters of the Aggregate Face Value of the outstanding Notes 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.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects so as to form a single series with the Notes.

19. **Notices**

All notices to the Noteholders will be delivered to Euroclear, Clearstream and/or 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).

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, the following defined terms shall have the meanings set out below:

"**Administration Agreement**" means the administration agreement between the Administrator and the Master Company dated on or about 18 April 2006;

"**Administrator**" This means Equity Trust Company (Curaçao) N.V., a limited liability company organised and validly existing under the laws of the Netherlands Antilles having its registered office at Pietermaai 15, Willemstad in Curaçao, Netherlands Antilles, operating under an administrator's licence issued and supervised by the Central Bank of the Netherlands Antilles or any such other person(s) as may be duly appointed as administrator by and for the Master Company from time to time;

"**Aggregate Face Value**" means for any given date an amount in EUR equal to the Face Value multiplied by the number of Notes outstanding on such date;

"**Amount of Eligible Collateral associated with the Bond Component**" or "**NB(t)**" means the number of units of Eligible Collateral allocated to the Bond Component as of CD(t), being NB(t-1), plus or minus any adjustment to the number of units of Eligible Collateral allocated to the Bond Component as of CD(t);

"**Auditors**" means the auditor for the time being of the Master Company, the first auditor being Ernst & Young LLP;

"**Base Net Asset Value Of Master Company**" is comprised of:

- (a) the Net Asset Value Of Managed Account, plus;
- (b) the value of any other assets of the Master Company other than those covered in part (a) above; less
- (c) any liabilities of the Master Company, including any commissions and any accrued but unpaid fees (but, for the avoidance of doubt, excluding any accrued Investment Management Fee and Performance Fee for all outstanding Class U Shares), but excluding the Class U Shares. Such liabilities are those determined by the Administrator to be attributable to the Master Company, upon advice of or in consultation with the Investment Manager and the Calculation Agent.

"**Base Net Asset Value per Class U Share**" means, on any Calculation Date, an amount equal to the Base Net Asset Value Of Master Company divided by the number of outstanding Class U Shares in issue;

"**Bond Component**" means the component of the Index to which a certain amount of Eligible Collateral is allocated per Note, such allocation being determined in accordance with Conditions 5 (*The Index*) to 8 (*Terminal Allocation*);

"**Bond Floor Margin Value**" or "**BFM(t)**" means, in respect of any Calculation Date CD(t), the net present value of the remaining Calculation Agent Fee on that Calculation Date CD(t) as determined by Calculation Agent in its sole and absolute discretion;

"**Bond Floor Value**" or "**BF(t)**" means, in respect of any Calculation Date, an amount in EUR per Note determined by the Calculation Agent as the net present value on such Calculation Date, (calculated using the EUR interest rate swap curve adjusted to reflect the Issuer's then current spread for short term funding), of the repayment of the Minimum Redemption Amount at the Maturity Date;

"**Business Day**" 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 which is also a Trans-European Automated Real-time Gross settlement Express Transfer system settlement day;

"**Calculation Agent**" means ABN AMRO Bank N.V., acting through its London Branch;

"**Calculation Agent Fee**" means a per Note amount of 0.35% per annum of the Face Value, calculated on every Calculation Date from (but excluding) the Index Start Date up to and including the Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis;

"**Calculation Date**" means each Business Day, 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 Index Start Date to and including the Maturity Date;

"**Cash Component**" means the component of the Index to which a notional cash balance (either positive or negative) is allocated per Note, such allocation being determined in accordance with Conditions 5 (*The Index*) to 8 (*Terminal Allocation*);

"**Cash Component Rebalancing Date**" means the last Business Day of each December from and including 31 December 2007 to and including 31 December 2014;

"**Cash-Out Event**" means, in respect of any Calculation Date:

- (a) the Equity Gap becomes less than or equal to EUR 0.045;
- (b) a Master Company Event has occurred;
- (c) the Aggregate Face Value of outstanding Notes is less than or equal to EUR 5,000,000;
- (d) a breach of, or an inability to perform, by the Investment Manager and/or Administrator of their respective obligations under any agreement entered into by them in relation to the Master Company which is not remedied immediately upon notice of such breach being given to the party in breach, or within any cure period specified in the relevant agreement; or
- (e) a Compulsory Redemption of All Class U Shares is declared by the Master Company, unless waived by the Issuer in its sole and absolute discretion;

"**Class U Fund**" means a distinct account within Prime Investments Managed Account Master Limited that is a segregated account for the purposes of the SAC Act, to which the proceeds of the issue of the Class U Shares are credited;

"**Class U Fund Agreement**" means the agreement between the Master Company and the Calculation Agent dated on or about 18 April 2006;

"**Class U Shareholder**" means a holder for the time being of one or more Class U Shares;

"**Class U Shares**" means EUR denominated shares issued by the Master Company;

"**Clearing System**" means either or both of Clearstream or Euroclear;

"**Clearstream**" means Clearstream Banking, société anonyme;

"**Common Depository**" means the common depository for the Clearing Systems. As at the Issue Date the Common Depository is ABN AMRO Bank N.V., London Branch;

"**Current Spread**" means 0.80% 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 -0.10% (minus 0.10%);

"**Compulsory Redemption of All Class U Shares**" means the redemption of all Class U Shares in accordance with the following:

- (a) any breach of any of the conditions in the Master Company Transaction Documents (with the Calculation Agent having sole and absolute responsibility for determining if a particular condition has been breached) not addressed within its applicable cure period may lead to the Calculation Agent exercising its right in (c) below to ask the Master Company Directors to redeem all outstanding Class U Shares (subject to all relevant conditions relating to redemption of Class U Shares as set out in the Master Company Bye-laws). For the avoidance of doubt, the Calculation Agent is not obliged to call for the compulsory redemption of all Class U Shares under the conditions set out in this section (a).
- (b) the Master Company Directors may (subject to the approval of the Calculation Agent) redeem all outstanding Class U Shares at any time (subject to all relevant conditions relating to redemption of Class U Shares as set out in the Master Company Bye-laws).
- (c) the Master Company Directors will redeem all outstanding Class U Shares at any time when requested to do so by the Calculation Agent (subject to all relevant conditions relating to redemption of Class U Shares as set out in the Master Company Bye-laws);

"Conditions" means the conditions to which the Notes will be subject as set out in the Paying Agency Agreement, as the same may from time to time be modified (and **"Condition"** shall be construed accordingly);

"Definitive Note" This means a Note issued in the form of a definitive note as set out in the Paying Agency Agreement;

"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 of Notes" This is the redemption of Notes prior to the Maturity Date (where permitted) at the request of Noteholders in accordance with the provisions of Condition 3.3 (*Redemption at option of Noteholders – Early Redemption of Notes*);

"Eligible Collateral" means one or more notional cash deposits with the Calculation Agent, denominated in EUR, each deposit maturing with a value of EUR 1.00 on the Maturity Date and not interest-bearing;

"EONIA" means, for a given calendar day, the rate quoted on Bloomberg page **"EONIA Index"**;

"Equity Component" or **"EC"** represents the Index's exposure per Note to the performance of the Class U Shares as allocated, such allocation being determined in accordance with Conditions 5 (*The Index*) to 8 (*Terminal Allocation*);

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

$$EG(t) = I(t) - BF(t) - BFM(t) - RFF(t)$$

where:

I(t) = Index Value on such Calculation Date;

BF(t) = Bond Floor Value on such Calculation Date;

BFM(t) = Bond Floor Margin Value on such Calculation Date; and

RFF(t) = Value of Facilitation Fees on such Calculation Date;

"**EUR**" means 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;

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system;

"**Face Value**" means EUR 1.00 per Note;

"**Facilitation Fee**" means a per Note amount of 0.55% per annum of the Face Value, calculated on every Calculation Date from (but excluding) the Index Start Date up to and including 27 July 2009, expressed in EUR, and accrued daily on an actual/360 basis;

"**Final Redemption Amount**" means an amount equal to the higher of:

(a)

(i) the Maturity Index Value; adjusted to reflect the notional redemption proceeds which would be received by a holder of Class U Shares in respect of a redemption of Class U Shares in respect of such date, less:

(ii) any reasonable expenses and costs to the Issuer of notionally unwinding any underlying and/or related hedging and funding arrangements less;

(iii) any further additional discounts resulting from any redemption charges or penalties being enforced by the Investment Manager, and

(b) the Minimum Redemption Amount,

as determined by the Calculation Agent in its sole and absolute discretion;

"**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;

"**Global Note**" means either the Temporary Global Note and/or the Permanent Global Note;

"**Index**" means the notional index to which the performance of the Notes is linked, being comprised of the Index Components;

"**Index Components**" means each one, or a combination of:

(a) the Equity Component;

(b) the Bond Component; and

(c) the Cash Component;

"**Index Start Date**" means 24 July 2007, unless extended by the Issuer in its sole and absolute discretion.

"**Index Value**" means, in respect of any Calculation Date CD(t), an amount in EUR determined by the Calculation Agent and calculated according to the following formula:

$$I(t) = EC(t) + BC(t) + CC(t)$$

where:

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

BC(t) = Value of Bond Component on Calculation Date CD(t); and

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

"**Initial Issue Date of Class U Shares**" this is the date on which Class U Shares are issued for the first time;

"**Instrument**" means the instrument in respect of the Notes dated the Issue Date;

"**Investment Management Agreement**" means the agreement between the Calculation Agent, the Master Company and the Investment Manager dated on or about 18 April 2006;

"**Investment Management Fee**" means a per Class U Share amount of 2% per annum, calculated on every Calculation Date from, but excluding, the Initial Issue Date of Class U Shares (or, for any Class U Shares issued after the Initial Issue Date of Class U Shares, the date on which such Class U Shares were issued) up to and including the day on which such Class U Share is redeemed, expressed in EUR, and accrued daily on an actual/360 basis on the Base Net Asset Value per Class U Share for the relevant Calculation Date, and paid on each Quarterly Calculation Date. For the avoidance of doubt, the Performance Fee will be calculated after the Investment Management Fee has been deducted from the Master Company.

The Investment Management Fee accrual in respect of the period commencing on the Initial Issue Date of Class U Shares until and including the first Quarterly Calculation Date shall be calculated on a pro rata basis.

If the determination of the Base Net Asset Value per Class U Share is suspended and as a result the Investment Management Fee cannot be calculated by the Administrator, then in such case, the Investment Management Fee (or the relevant part thereof) shall accrue on an actual/360 day basis during such suspension using the last reported Base Net Asset Value per Class U Share;

"**Investment Manager**" means ABN AMRO Asset Management Limited, a company incorporated under the laws of England and Wales with limited liability, whose registered office is at 250 Bishopsgate, London, EC2M 4AA, England;

"**Issue Date**" means 27 July 2007, unless extended by the Issuer in its sole and absolute discretion;

"**Issuer Event of Default**" means any of the following events:

- (a) default is made for more than 30 days in the payment of any amounts due in respect of the Notes;
- (b) 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;

- (c) 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
- (d) 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;

"Issuer Redemption Amount" means an amount equal to the higher of:

- (a)
 - (i) the Index Value 5 business days prior to the Issuer Redemption Date; adjusted to reflect the notional redemption proceeds which would be received by a holder of Class U Shares in respect of a redemption of Class U Shares in respect of such date, less:
 - (ii) any reasonable expenses and costs to the Issuer of notionally unwinding any underlying and/or related hedging and funding arrangements; less
 - (iii) any further additional discounts resulting from any redemption charges or penalties being enforced by the Investment Manager,

as determined by the Calculation Agent in its sole and absolute discretion;

"Issuer Redemption Date" means such date as the Issuer shall in its sole and absolute discretion designate;

"Managed Account" means the managed account held with the Prime Broker, with such managed account being owned by the Master Company;

"Master Company" means Prime Investments Managed Account Master Limited, a company incorporated in Bermuda with limited liability under the laws of Bermuda, and registered as a segregated accounts company under the SAC Act and having its registered office at Chancery Hall, 52 Reid Street, Hamilton, HM12, Bermuda, in respect of the Class U Fund;

"Master Company Bye-laws" means the bye-laws of the Master Company;

"Master Company Directors" means the directors (or any alternate directors) for the time being of the Master Company, or a duly empowered committee of such directors;

"Master Company Event" means a Potential Master Company Event which the Calculation Agent determines in its sole and absolute discretion to be a Master Company Event;

"Master Company Transaction Documents" means the Investment Management Agreement, the Prime Brokerage Agreement, the Class U Fund Agreement, the Administration Agreement and the Master Company Bye-laws;

"Maturity Date" means the eighth anniversary of the Issue Date or, where such day is not a Business Day, the immediately following Business Day except, in the event that a Suspension Event has occurred and is continuing on the Terminal Allocation Date, such later date as may be set in accordance with Condition 4 (*Suspension Events*);

"Maturity Index Value" means the Index Value 5 Business Days prior to the Maturity Date;

"**Minimum Holding**" means the minimum number of Notes which a Noteholder must continue to hold, being 100,000 Notes or such lesser amount as the Issuer may determine in its sole and absolute discretion from time to time;

"**Minimum Redemption Amount**" means EUR 1.00 per Note;

"**Net Asset Value Of Managed Account**" this is equal to the value of all Positions held within the Managed Account;

"**Net Asset Value Of Master Company**" means, in respect of a given Calculation Date, an amount equal to the Base Net Asset Value Of Master Company as of such Calculation Date minus accrued Investment Management Fee (with such accrued Investment Management Fee determined for each outstanding Class U Share as of such Calculation Date) and accrued Performance Fee (with such accrued Performance Fee determined for each outstanding Class U Share as of such Calculation Date) (with both the accrued Investment Management Fee and any accrued Performance Fee determined by the Administrator);

"**Net Asset Value per Class U Share**" means, in respect of any Calculation Date, an amount equal to the Net Asset Value Of Master Company for such Calculation Date divided by the total number of Class U Shares outstanding on such Calculation Date;

"**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 Persons;

"**Note Certificate**" means the certificate (if any) sent to Noteholders showing the number of Notes held by each such Noteholder;

"**Note Fees**" means:

- (a) the Calculation Agent Fee;
- (b) the Protection Premium; and
- (c) the Facilitation 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;

"Noteholder Redemption Amount " means an amount equal to the Index Value as of the relevant Noteholder Redemption Date adjusted to reflect the notional redemption proceeds which would be received by a holder of Class U Shares in respect of a redemption of Class U Shares in respect of such date, less:

- (a) any applicable Redemption Penalty;
- (b) any reasonable expenses and costs to the Issuer of notionally unwinding any underlying and/or related hedging and funding arrangements; and
- (c) any further additional discounts resulting from any redemption charges or penalties being enforced by the Investment Manager,

as determined by the Calculation Agent in its sole and absolute discretion;

"Noteholder Redemption Date" means each Business Day from and including 27 July 2007 up to and including 27 July 2015;

"Operating Agreement" means the operating agreement between the Issuer and the Calculation Agent dated on or about the Issue Date;

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

- (a) the notional costs and/or proceeds of any adjustment to the Equity Component as a result of a Cash-Out Event, the occurrence of a re-balancing of the Cash Component or any other adjustment of the index;
- (b) the notional costs and/or proceeds of any adjustment to the Bond Component as a result of a Cash-Out Event, the occurrence of a re-balancing of the Cash Component or any other adjustment of the index;
- (c) an accrued daily adjustment for the notional receipt of Rebate (if any); and
- (d) any notional funding costs incurred by the Issuer in respect of the initial investment in, or rebalancings of, the Index, or redemptions of Notes;

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

"Performance Fee" means:

- (a) in respect of the first Quarterly Calculation Date, an amount equal to 20% of the excess of:
 - (i) the Base Net Asset Value per Class U Share, minus the relevant Investment Management Fee; over
 - (ii) the original issue price of such Class U Share compounded (compounded daily using a rate of EONIA minus Spread) from the date of its issue up to the first Quarterly Calculation Date; and
- (b) in respect of each subsequent Quarterly Calculation Date, an amount equal to 20% of the excess of:

- (i) the Base Net Asset Value per Class U Share as at the given Quarterly Calculation Date, minus the relevant Investment Management Fee as at such given Quarterly Calculation Date; over
- (ii) the PF Threshold Amount,

in each case calculated using the official Base Net Asset Value per Class U Share as determined by the Administrator for a given Quarterly Calculation Date;

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

"PF Threshold Amount" means, for a given Quarterly Calculation Date for a Class U Share, the amount equal to the greater of:

- (a) the compounded result (compounded daily using a rate of EONIA minus Spread) from the last Quarterly Calculation Date in which a Performance Fee was paid up to such given Quarterly Calculation Date of:
 - (i) Base Net Asset Value per Class U Share as at the last Quarterly Calculation Date on which a Performance Fee was paid (and, for the avoidance of doubt, it is understood that the aforementioned date might not be the immediately preceding Quarterly Calculation Date); minus
 - (ii) the Investment Management Fee as at the last Quarterly Calculation Date on which a Performance Fee was paid; and
- (b) the original issue price of such Class U Share compounded (compounded daily using a rate of EONIA minus Spread) from the date of its issue up to the given Quarterly Calculation Date;

"Position" means:

- (a) any instrument other than any currency fund shares held by the Master Company; and
- (b) pro-rata amounts of any instrument held in any currency fund for which the fund shares are held by the Master Company,

and **"Positions"** shall mean all of them.

"Potential Master Company Event" is any of the following:

- (a) the Master Company fails to pay upon demand any sum due or owing by the Master Company under or pursuant to the Master Company Transaction Documents at the time, in the currency and in the manner specified herein and such failure remains unremedied for more than 5 Business Days;
- (b) any representation or statement made by the Master Company in any Master Company Transaction Document or in any notice or other document, certificate or statement delivered by it pursuant thereto or in connection therewith is or proves to have been incorrect or misleading in any material respect when made and, if capable of being remedied, shall not have been remedied within 5 Business Days after the Master Company has become aware of the same where the Calculation Agent reasonably determines that such representation or statement had or would have an effect on its

entering into or complying with its obligations under the Master Company Transaction Documents and otherwise within 21 Business Days after the Master Company has become aware of the same;

- (c) the Master Company fails duly to perform or comply with any other obligation expressed to be assumed by it in any of the Master Company Transaction Documents or to meet its obligations under any agreement to which is a party (other than those referred to in (a) and (b) above) and such failure, if capable of remedy, is not remedied within 5 Business Days of such failure first occurring;
- (d) the Master Company repudiates any of the Master Company Transaction Documents to which it is expressed to be a party or does or causes to be done any act or thing evidencing an intention to repudiate any of the Master Company Transaction Documents to which it is expressed to be a party;
- (e) at any time any act, condition or thing required to be done, fulfilled or performed in order: (i) to enable the Master Company lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it in the Master Company Transaction Documents; (ii) to ensure that the obligations expressed to be assumed by the Master Company in the Master Company Transaction Documents are legal, valid and binding; or (iii) to make the Class U Fund Agreement admissible in evidence in Bermuda is not done, fulfilled or performed and such failure to do, fulfil or perform the same, if capable of remedy, is not remedied within 14 Business Days after the Master Company has become aware of the failure;
- (f) at any time it is or becomes unlawful for the Master Company to perform or comply with any or all of its material obligations under any of the Master Company Transaction Documents or any of the obligations of the Master Company thereunder are not or cease to be legal, valid and binding;
- (g) any indebtedness for borrowed money of the Master Company is not paid when due or within any applicable grace period or any indebtedness for borrowed money of the Master Company is declared to be or otherwise becomes due and payable prior to the specified maturity thereof by reason of any default or event of default (howsoever described);
- (h) the Master Company is unable to pay its debts as they fall due, commences negotiations with its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;
- (i) the Master Company or the Investment Manager ceases to exist or trade or any corporate action or other steps are taken or legal proceedings are started for the winding-up, dissolution, liquidation or re-organisation of the Master Company or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any or all of its revenues and assets or it is not possible to effect subscriptions or redemptions of the Class U Shares;
- (j) any attachment, sequestration, distress or execution affects any aspect of the Master Company and is not discharged within 14 Business Days;

- (k) without the prior written consent of the Calculation Agent, there is any change in the ownership of the ordinary shares as issued by the Master Company (otherwise than by reason of a transfer of ownership to an associate of the original holders thereof);
- (l) there is any change made without the Calculation Agent's prior written consent (such consent not to be unreasonably withheld) to the Master Company Bye-laws as delivered to the Calculation Agent pursuant to clause 4 of the Class U Fund Agreement or there is a violation as determined by the Calculation Agent in its sole and absolute discretion of the Master Company Bye-laws;
- (m) any activities of the Investment Manager or the Master Company or the Administrator are the subject of a formal investigation by any regulatory body to whose rules it is subject for reasons of alleged wrongdoing or breach of regulation, or the Investment Manager or the Master Company or the Administrator has any licence withdrawn or has any regulatory approval or registration revoked or removed for whatever reason;
- (n) the Investment Manager, Master Company Directors or the Administrator are investigated by any law enforcing authority for alleged engagement in fraudulent investment activities;
- (o) any change in taxation occurs which would adversely affect any payment by the Master Company to any Class U Shareholder;
- (p) there is a change to the Investment Manager of the Master Company;
- (q) the investment guidelines of the Master Company are changed with the result that such change increases, in the determination of the Calculation Agent in its sole and absolute discretion, the risk profile of the Master Company;
- (r) The Calculation Agent has not received from the Administrator any reports required by it in connection with the Class U Shares 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 Administrator;
- (s) any event occurs which causes or will, with the passage of time, cause the failure of the Investment Manager, Master Company or the Administrator to meet or maintain any material obligation or undertaking under the Investment Manager, Master Company or the Administrator constitutive and/or operating documents or to meet its obligations under any agreement to which it is a party;
- (t) The Calculation Agent reasonably considers that the Net Asset Value Of Master Company for any Calculation Date as determined and provided by the Administrator does not reflect the net asset values of the assets of the Master Company as they would have been determined by independent auditors of the Master Company using recognised accounting standards, unless cured within such period as may be agreed from time to time between the Calculation Agent and the Administrator; or
- (u) the Administrator fails to calculate or publish the Net Asset Value Of Master Company in respect of a given Calculation Date;

"Prime Broker" means the foreign exchange prime broker with whom the Master Company will enter into the Prime Brokerage Agreement, its legal successors or assigns or such other

prime broker as may be appointed from time to time. The first such foreign exchange prime broker shall be the Calculation Agent;

"**Prime Brokerage Agreement**" means any or all (as the context requires) of the prime brokerage agreements between a Prime Broker and the Master Company;

"**Prime Investments Managed Account Master Limited**" A company incorporated with limited liability under the laws of Bermuda and registered as a segregated accounts company under the Segregated Accounts Company Act 2000 of Bermuda and having its registered office at Chancery Hall, 52 Reid Street, Hamilton, HM12 Bermuda;

"**Protection Premium**" means a per Note amount of 0.65% per annum of the Face Value, calculated on every Calculation Date from, but excluding, the Index Start Date up to and including the Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis; provided, however, that from and including the occurrence of a Cash-Out Event the Protection Premium shall be zero;

"**Quarterly Calculation Date**" means the last Business Day of each March, June, September and December of each year;

"**Rebate**" means an amount per Note which accrues for each Calculation Date and is equal to the product of: (i) the number of Class U Shares notionally attributable to the Equity Component on such Calculation Date divided by the total number of Notes outstanding on such Calculation Date; and (ii) 70% of the Investment Management Fee which accrues on such Calculation Date for each such Class U Share;

"**Redeeming Noteholder**" means a Noteholder who applies for Early Redemption of Notes (where this is permitted);

"**Redemption Amount Payment Date**" means, as applicable, the Issuer Redemption Date, Maturity Date (as applicable), or as soon as reasonably practicable following the applicable Noteholder Redemption Day.

"**Redemption Penalty**" means the penalty payable on redemption prior to the Maturity Date of the Notes and will be equal to a percentage of the Face Value being redeemed, with such percentage being determined as follows:

| <i>Noteholder Redemption Date on or after</i> | <i>Noteholder Redemption Date on or prior to</i> | <i>Redemption Penalty (as a percentage of the Face Value)</i> |
|---|--|---|
| Issue Date of Notes | The first anniversary of the Issue Date | 2% |
| The first anniversary of the Issue Date | The second anniversary of the Issue Date | 1% |
| The second anniversary of the Issue Date | Maturity Date | No penalty |

"**Redemption Request Form**" means the form of notice appearing at Appendix 1 (*Redemption Request Form*) to these Conditions;

"**SAC Act**" means the Segregated Accounts Companies Act 2000 of Bermuda, as it may be amended, varied, supplemented or substituted from time to time;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

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

- (a) for the Fiscal Agent, ABN AMRO Bank N.A., Kemelstede 2, 4817 ST Breda, The Netherlands; and
- (b) for the initial Paying Agent, ABN AMRO Bank N.A., acting through its London Branch, 250 Bishopsgate, London EC2M 4AA;

"**Spread**" means a percentage to be provided by the Issuer, which such value being determined by the Issuer in its sole and absolute discretion in good faith;

"**Suspension Event**" means, in the determination of the Calculation Agent:

- (a) the failure by the Investment Manager (or any party acting on behalf of the Class U Fund) to calculate and publish, on or before the relevant date, the net asset value of the Class U Fund;
- (b) any suspension or limitation in respect of the calculation and/or publication of the Index Value;
- (c) any other event which would render unable an investor in the Class U Fund to redeem any Class U Shares at their net asset value or to subscribe for Class U Shares at their net asset value at the specific redemption and subscription times of the Class U Fund;
- (d) any material trading limitation or suspension in respect of the Class U Shares for any reason, including but without limitation any postponement of part or all of the redemption orders received by the Investment Manager in relation to a given dealing date;
- (e) any suspension or limitation on the trading of the relevant currencies in which the Class U Shares are denominated; or
- (f) a Potential Master Company Event, that the Calculation Agent determines to be sufficiently material;

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

"**Terminal Allocation Date**" means the tenth Business Day prior to the Maturity Date or any Issuer Redemption Date;

"**Transaction Documents**" means the Operating Agreement, the Prime Brokerage Agreement, the Master Company Bye-laws, the Class U Fund Agreement, the Investment Management Agreement and the Administration Agreement;

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

"US Person" has the meaning given to that term in Regulation S under the U.S. Securities Act of 1933, as amended;

"Value of Bond Component" or "BC(t)" means, in respect of any Calculation Date, an amount per Note in EUR determined by the Calculation Agent for such Calculation Date in accordance with the following formula:

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

where:

B(t) = means the value on CD(t) of each unit of Eligible Collateral determined by reference to the time left to the Maturity date and a discount rate based on the EUR interest rate swap curve adjusted to reflect the Issuer's then current spread for short term funding as determined by the Calculation Agent.

NB(t) = Amount of Eligible Collateral associated with the Bond Component on such Calculation Date.

"Value of Cash Component" or "CC(t)" means, in respect of any Calculation Date CD(t), an amount per Note in EUR determined by the Calculation Agent for such Calculation Date in accordance with the following formula:

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

where:

CC(t-1) = Value of Cash Component on the preceding Calculation Date; and

NCC(t) = Value of Cash Component Adjustment on such Calculation Date;

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

$$NCC(t) = CC(t-1) * (EONIA(t-1) + Current Spread) * (CD(t) - CD(t-1)) / 360 + OCC(t) - FA(t)$$

where:

CC(t-1) = Value of Cash Component on the preceding Calculation Date;

OCC(t) = Other Cash Component Adjustment on such Calculation Date; and

FA(t) = Value of Note Fees Accrual on such Calculation Date;

"Value of Equity Component on Calculation Date CD(t)" or "EC(t)" means, in respect of any Calculation Date, an amount per Note in EUR determined by the Calculation Agent for such Calculation Date in accordance with the following formula:

$$EC(t) = E(t) * EF(t)$$

where:

E(t) = the net asset value per Class U Shares on the Calculation Date, as determined by

the Calculation Agent at its sole and absolute discretion; and

$EF(t) =$ the number of Class U Shares notionally allocated per Note to the Equity Component on $CD(t)$, being the $EF(t-1)$, plus or minus any adjustment to the number of Class U Shares notionally allocated per Note to the Equity Component on $CD(t)$ as a result of a rebalancing or a Cash-Out Event; and

"Value of Facilitation Fees on Calculation Date $CD(t)$ " or **" $RFF(t)$ "** means, in respect of any Calculation Date, the net present value of the Facilitation Fees which would accrue from and including such Calculation Date to and including 27 July 2009 as determined by the Calculation Agent in its sole and absolute discretion.

APPENDIX I
Redemption Request Form

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

Fax: . +44 (0)20 7678 1051

Attention: Simon White / Joanne Miller

Subject EUR 50,000,000 ABN AMRO FX Linked Principal Protected Notes I (Series LL) due 2015
(ISIN: XS0307590447) – Redemption Request Form

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.....EUR 50,000,000 FX Linked Principal Protected Notes I (Series LL) due 2015 (ISIN: XS0307590447) (the "Notes") hereby give notice that we require repayment and redemption of.....² such Notes in accordance with the Conditions of the Notes as soon as practicable after the relevant Noteholder Redemption Date, which is the next Noteholder Redemption Date falling at least 1 Business Day after receipt by you of this Redemption Request Form. Terms used in this Redemption Request 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 Redemption Request Form 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 Redemption Request Form may be subject to a Redemption Penalty in accordance with the Conditions of the Notes.

² Redemptions are subject to a minimum redemption of 100,000 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 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 N.V., London Branch's ICSD account (currently Euroclear account 92496).

Date

Acknowledged and approved

ABN AMRO BANK N.V., LONDON BRANCH

By:

By:

Name:

Name:

Position: Authorised Signatory

Position: Authorised Signatory

Date:

Date:

FURTHER INFORMATION ON THE MASTER COMPANY

Prime Investments Managed Account Master Limited and the Master Company

Prime Investments Managed Account Master Limited was incorporated on 24 September 2003 in Bermuda with limited liability under Bermuda Law. The constitutive documents of Prime Investments Managed Account Master Limited include the Master Company Bye-laws.

As a segregated accounts company, Prime Investments Managed Account Master Limited is permitted to create segregated accounts in order to segregate the assets and liabilities attributable to a particular class of securities from the assets and liabilities attributable to each other class of securities in Prime Investments Managed Account Master Limited, and from Prime Investments Managed Account Master Limited's general assets and liabilities. As a matter of Bermuda law, provided that the conditions laid down in the SAC Act are complied with, assets attributable to each segregated account of Prime Investments Managed Account Master Limited shall only be available to creditors in respect of that segregated account and the assets of the segregated account shall be protected from creditors of Prime Investments Managed Account Master Limited who are not creditors in respect of that segregated account. It is intended that assets belonging or pertaining to a segregated account may only be used to meet the liabilities to creditors in respect of that segregated account and are not available to meet the liabilities to creditors in respect of other segregated accounts or, except where otherwise agreed, to general creditors of Prime Investments Managed Account Master Limited. The proceeds of the Class U Shares issue and all assets and liabilities related to such proceeds shall be retained in a distinct account, established by Prime Investments Managed Account Master Limited, that is a segregated account for the purpose of the SAC Act.

Share Rights

The holders of the ordinary shares of Prime Investments Managed Account Master Limited shall:

- (a) be entitled, on a poll, to one vote per ordinary share;
- (b) be entitled to such dividends as the Master Company Directors may from time to time declare; and
- (c) in the event of the winding up or dissolution of Prime Investments Managed Account Master Limited, whether voluntary or involuntary or for the purpose of reorganisation or otherwise or upon distribution of capital, be entitled, subject to the provisions of the Master Company Bye-laws, *pari passu* with the holders of shares of the same class, to be repaid out of the assets linked to the segregated account maintained in respect of such class of shares, the capital paid upon such shares and to share pro rata in any surplus in such segregated account.

Directors

The remuneration of the Master Company Directors may be determined from time to time by Prime Investments Managed Account Master Limited and/or the Master Company in a general meeting. The Master Company Directors may also be paid, inter alia, for all travelling, hotel and other expenses properly incurred by them in connection with the business of Prime Investments Managed Account Master Limited and/or the Master Company.

A Master Company Director may hold any other office or place of profit under Prime Investments Managed Account Master Limited and/or the Master Company (other than the office of auditor) in conjunction with his office of Master Company Director, or may act in a professional capacity for Prime Investments Managed Account Master Limited and/or the Master Company on such terms as the

Master Company Directors may determine. No Master Company Director shall be disqualified by his office from contracting with Prime Investments Managed Account Master Limited and/or the Master Company in any capacity, nor shall any such contract or arrangement entered into by Prime Investments Managed Account Master Limited and/or the Master Company in which any Master Company Director is in any way interested be liable to be avoided, nor shall any Master Company Director so contracting or being so interested be liable to account to Prime Investments Managed Account Master Limited and/or the Master Company for any profit realised by any such contract or arrangement by reason of such Master Company Director holding that office if he shall declare the nature of his interest. Any Master Company Director (or his alternate Master Company Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any Master Company Director or alternate Master Company Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon. A general notice that a Master Company Director or alternate Master Company Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

Any Master Company Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Master Company Director is appointed to hold any such office or place of profit under Prime Investments Managed Account Master Limited and/or the Master Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.

There is no provision in the Master Company Bye-laws requiring a Master Company Director to retire by reason of any age limit and there is no share qualification for Master Company Directors.

Indemnities

The Master Company Bye-laws contain indemnities in favour of the Master Company Directors, secretary and other officers and agents for the time being of the Master Company and the Master Company, respectively.

Commission

Save as disclosed in this document, the Master Company has not entered into any commission, discounting arrangements, brokerage or other special terms in connection with the issue or sale of any Class U Shares linked notionally or as otherwise described in this Prospectus to the Equity Component.

Master Company Directors' Interests

Roderick Forrest is an employee of Wakefield Quin, a law firm based in Bermuda.

Nicholas Hoskins is an employee of Wakefield Quin, a law firm based in Bermuda.

The Master Company Directors may receive remuneration as provided in the Master Company Bye-laws. MQ Services Limited is the corporate entity which provides secretarial and corporate administration services to the Master Company and is wholly owned by Wakefield Quin.

Auditors Consent

The Auditors have accepted their appointment as auditors of the Master Company and have given and have not withdrawn their written consent to the inclusion in this Prospectus of the statement referring to such acceptance and the references to them in the form and context in which they are included.

Segregated Account Representative

The "Segregated Account Representative" is under a duty to make a written report to the Registrar of Companies within 30 days after: (i) the Segregated Account Representative's reaching the view that there is a reasonable likelihood of a segregated account or the general account of the Master Company becoming insolvent; or (ii) it coming to the Segregated Account Representative's knowledge or his/her having reason to believe that certain failures to comply with the SAC Act has occurred or that the Master Company has become involved in any criminal proceedings in Bermuda or elsewhere.

Meetings and Financial Statements

Financial statements will be made up to the end of the Financial Year.

Litigation

The Master Company is not engaged in any litigation or arbitration proceedings and is not aware of any litigation or claim pending or threatened by or against it.

Inspection of Documents

Copies of the Master Company Bye-laws will be available to Noteholders free of charge from the Administrator.

Change in Financial Position

There has been no significant change in the financial position of the Master Company since the date of its incorporation.

Exchange control

The Master Company has been classified as non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority.

The Master Company, by virtue of being non-resident in Bermuda for exchange control purposes, are free to acquire, hold and sell any foreign currency and investments without restriction.

Legal Issues relating to segregated accounts

The SAC Act permits a company registered thereunder to operate segregated accounts enjoying statutory divisions between accounts. The effect of such statutory division is to protect the assets of one account from the liabilities of other segregated accounts and the general account of the company. The SAC Act sets out rules governing the operation of segregated accounts by such registered companies. The most significant aspect of a segregated accounts company is that the company is able to contract with a creditor or a shareholder so that the assets transferred by that person are held by the company in a segregated account and are insulated from any claims of the general creditors or the creditors of other segregated accounts. The establishment of a segregated account does not create a legal person distinct from the segregated accounts company. Though separate from all other segregated accounts and other activities of the company, it is not itself a legal person as a matter of Bermuda Law.

The segregated accounts company under whose umbrella such segregated accounts operate remains the only legal person with the capacity to enter into transactions relating to that account, although delegation of authority is permissible. The document governing the relationship between the company and the segregated account Noteholder or creditor constitutes a "governing instrument" with respect to such Noteholder or creditor (as defined in the SAC Act). The SAC Act sets out rules governing the operation of segregated accounts.

The SAC Act enables a segregated accounts company to issue any type of securities which track the performance of a particular account, and to pay a dividend or distribution in respect of the securities linked to a segregated account, and establishes solvency and liquidation requirements that must be met before any dividend or distribution is effected. In addition, the SAC Act contains provisions governing record keeping, the manner in which shares are issued and dividends distributed, accounting standards, the appointment of a receiver and winding-up of the company and the amalgamation of segregated accounts with other segregated accounts. As to the winding up of a segregated accounts company, the SAC Act specifically directs the liquidator to observe the segregation of accounts and apply the assets as intended by the parties. Remuneration of the liquidator is apportioned among the segregated accounts. The SAC Act also enables the Bermuda court to make a receivership order in respect of a segregated account, where it is satisfied that the assets are unlikely to be sufficient to discard the claims of creditors. It also sets out how it may apply for a receivership order and requires notice to be served on interested parties and sets out the powers of the receiver to manage a segregated account.

USE OF PROCEEDS

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

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 interest and 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:

- (a) 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;
- (b) 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;
- (c) 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
- (d) 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:

- (a) the holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions;
- (b) 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
- (c) 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 interest or 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 payments of principal and interest in respect of the Notes, including any amounts treated as interest for United Kingdom tax purposes. 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**

- 2.1 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.

2.2 In addition to the exemption set out in 8.2 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:

- (ii) 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
- (iii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

2.3 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.

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.

Payments on Redemption

2.4 Where Notes are to be, or may fall to be, redeemed at an amount greater than their issue price then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above and reporting requirements as outlined below.

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 With effect from 6 April 2007 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 of the Notes or any related documentation.

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

General

No action has been or will be taken by the Issuer that would permit a public offering of the Notes or possession or distribution of any offering material in relation to the Notes in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Notes, or distribution of any offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer.

United States of America

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, US 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 its 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, US persons and 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, US 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 of Notes, an offer or sale of such 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**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") the Issuer has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the 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, 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 at any time:

- (a) 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;
- (b) 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

- (c) 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.

Luxembourg

The Notes may not be offered or sold directly or indirectly within the territory of the Grand-Duchy of Luxembourg unless:

- (a) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (the "CSSF") if Luxembourg is the home member state (as defined in the Law of 10 July 2005 on prospectuses for securities and implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "Law")); or
- (b) if Luxembourg is not the home member state, the CSSF has been notified by the competent authority in the home member state that the prospectus has been duly approved; or
- (c) the offer benefits from an exemption to or constitutes a transaction not subject to the requirement to publish a prospectus.

United Kingdom

This Prospectus may only be communicated to persons to whom a financial promotion can lawfully be made by an authorised person pursuant to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) who are also persons falling within one of the categories set out in the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended). If you are not so permitted you should return this document immediately.

Persons into whose hands this Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

NO OWNERSHIP BY US PERSONS

The Notes may not be legally or beneficially owned by US 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 US 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 US Person. The term "**US Person**" will have the meaning ascribed to it in both Regulation S under the Securities Act and the Code.

GENERAL INFORMATION

1. **Authorisation**

The issue of the Notes was duly authorised pursuant to a resolution of the Managing Board of the Issuer on 17 January 2007 as approved by 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: XS0307590447

Common Code: 030759044

3. **No significant change**

There has been no material adverse change in the prospects of Holding (taken as a whole) or the Issuer since 31 December 2006. There has been no significant change in the financial or trading position of Holding (taken as a whole) or the Issuer since 30 June 2007.

4. **Litigation**

In several jurisdictions legal proceedings have been initiated against Holding or its group companies whose financial statements have been included in Holding's consolidated annual accounts for the financial year ended 31 December 2006. For further information, refer to the section entitled "Legal Proceedings" in item 6 of the Registration Document.

5. **Accounts**

The auditors of Holding are Ernst & Young who have audited Holding'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 2004, 31 December 2005 and 31 December 2006, respectively.

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;

- (c) the Registration Document, as amended and supplemented from time to time;
- (d) the Transaction Documents;
- (e) the Paying Agency Agreement; and
- (f) this Prospectus.

8. **Tracking investment**

The Issuer does not intend to provide post-issuance information, however, the value of the Class U Shares will be made available from the Administrator upon written request to the Administrator.

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.

| | |
|--|---|
| Protection Premium | A per Note amount of 0.65% per annum of the Face Value, calculated on every Calculation Date from, but excluding, the Index Start Date up to and including the Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis; provided, however, that from and including the occurrence of a Cash-Out Event the Protection Premium shall be zero. |
| Calculation Agent Fee | A per Note amount of 0.35% per annum of the Face Value, calculated on every Calculation Date from, but excluding, the Index Start Date up to and including the Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis. |
| Deduction of Protection Premium from the Index | The Protection Premium will be notionally deducted from the Index on a daily basis by pro rata adjustment to the number of units of the Cash Component. |
| Deduction of Calculation Agent Fee from the Index | The Calculation Agent Fee will be deducted from the Index on a daily basis by pro-rata adjustment to the number of units of the Cash Component. |
| Receipt of Rebate | Although not a fee, cost or expense, for the purpose of clarity it should be noted that the receipt of any relevant Rebate into the Cash Component (as described in the Conditions) will reduce the total effective Investment Management Fee for the Class U Shares notionally held by the Equity Component to 0.75%. |

Fees, costs and expenses of the Master Company

The following is a description of the fees, costs and expenses which are deducted from the Master Company prior to the determination of the Net Asset Value per Class U Share.

| | |
|---|--|
| Payment of Investment Management Fee | As consideration for the Investment Manager's services to the Master Company, the Master Company shall pay to the Investment Manager the Investment Management Fee. The Master Company shall pay the Investment Management Fee for all outstanding Class U Shares for a given Quarterly Calculation Date to the Investment Manager at such time that the official Base Net Asset Value Of Master Company for such Quarterly Calculation Date is produced by the Administrator. |
| Payment of Performance Fee | The Investment Manager may also be entitled to a quarterly Performance Fee from the Master Company. The payment of any Performance Fee will only be possible once the official |

Base Net Asset Value per Class U Share for a given Quarterly Calculation Date is available.

For the avoidance of doubt, should one or more Class U Shares held by any Class U Shareholder be redeemed after a given Performance Fee payment date and prior to the next subsequent Performance Fee payment date, then such redeeming Class U Shareholder shall receive the Base Net Asset Value per Class U Share, minus any accrued Investment Management Fee, minus any accrued Performance Fee as determined by the Administrator who shall pass such accrued Performance Fee to the Investment Manager as soon as is practicable.

Administration Fee

In consideration for administrative services relating to the Master Company, the Master Company (in respect of the Class U Fund) will pay to the Administrator a fee equal to 0.14% per annum of the Net Asset Value of the Class U Fund subject to an absolute minimum fee of the equivalent of USD 25,000. These fees accrue daily and are to be paid annually in arrears, with the first payment due on the last Business Day of December 2007.

Fees payable by the Master Company in respect of the Class U Fund in relation to establishment, issue and operation

The Master Company will incur certain fees, costs and expenses associated with the operation of the Class U Fund and the issue of the Class U Shares. Fees of up to EUR 200,000 will be payable out of the Master Company and will be written down as per standard accounting practices.

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; and
- (b) the Issuer's Registration Document (together with the documents incorporated by reference therein),

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.

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. |
| ABN AMRO Group | The group consisting of Holding and its subsidiaries (including the Issuer). |
| AFM | The Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>). |
| Holding | ABN AMRO Holding N.V. |
| Listing Agent | ABN AMRO Bank N.V. |
| Registration Document | The Issuer's registration document dated 29 June 2007 prepared in accordance with Article 5(3) of the Prospectus Directive as supplemented on 10 July 2007 and 2 August 2007. |
| Prospectus Directive | Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading. |
| SAC Act | Segregated Account Companies Act 2000. |

ISSUER, CALCULATION AGENT, COMMON DEPOSITORY

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FISCAL AGENT, PAYING AGENT, LISTING AGENT

ABN AMRO Bank N.V.

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