

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 "Prospectus Directive". The securities have at the date of this Prospectus been approved for issue by the AFM and application has been made for approval for listing on Eurolist. The Issuer expects the securities to be listed on or about the date of this Prospectus.

PROSPECTUS



ABN AMRO Bank N.V., London Branch

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

EUR 225,000,000

**ABN AMRO FX Pan-European Principal Protected Notes I (Series III) due 2015 ISIN:
XS0291352234**

Issue price: 100 per cent.

EUR 225,000,000 ABN AMRO FX Pan-European Principal Protected Notes I (Series III) due 2015 issued by ABN AMRO Bank N.V., London Branch.

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 PURCHASERS OF NOTES AS DESCRIBED IN THIS DOCUMENT, SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE NOTES AND THE EXTENT OF THEIR EXPOSURE TO THE RISKS ASSOCIATED WITH THE NOTES. THE MARKET PRICE AND/OR VALUE OF THE NOTES MAY BE VOLATILE AND 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 will be in bearer form, in the denomination of EUR 1.00 each. The Notes will initially be in the form of the Temporary Global Note, without interest coupons attached but with a fixed coupon payable under certain circumstances which will be deposited on or around the Issue Date of Notes 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 of Notes 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 Euro 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 section headed "*Summary of the Investment Strategy of the Master Company*" which has 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 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.

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, among 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, save in Belgium, The Netherlands and Luxembourg where this Prospectus will be notified to the competent local authority in accordance with the Prospectus Directive. 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, when read together with the Registration Document (as defined below), a prospectus for the purposes of Article 5.3 the Prospectus Directive.

ABN AMRO BANK N.V., LONDON BRANCH

ISIN: XS0291352234

The date of this Prospectus is 23 March 2007

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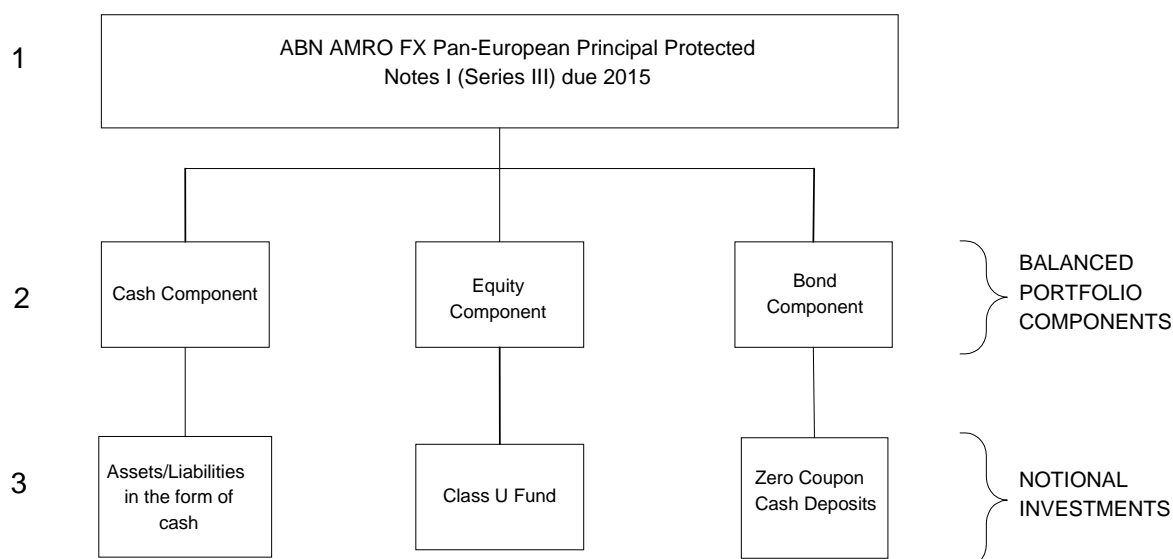
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SUMMARY

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 "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., London Branch issues the ABN AMRO FX Pan-European Principal Protected Notes I (Series III) due 2015 ISIN: XS0291352234.
- (2) The price of the Notes is directly related to the value of the Balanced Portfolio, which is comprised of the Cash Component, the Equity Component and the Bond Component.
- (3) The Cash Component represents the Balanced Portfolio's notional cash balances per Note.

The Equity Component represents the Balanced Portfolio'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 Balanced Portfolio'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 Scheduled 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 Balanced Portfolio Components.

Essential Characteristics of the Notes

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., London Branch.
Administrator	Equity Trust Company (Curaçao) N.A.
Subscription Period	The subscription period runs from 19 March 2007 to 26 March 2007. The Issuer reserves the right, in its sole and absolute discretion, to terminate or extend, without prior notice, the subscription period at any time prior to 27 March 2007.
Size of Note Issue	The minimum Issue Amount will be EUR 10 million (or such lower amount as the Issuer may determine) and the maximum Issue Amount will be EUR 225 million (or such higher amount as the Issuer may determine).
Minimum subscription	There is a minimum subscription per investor of 100,000 Notes and thereafter in integral multiples of 10,000 Notes.
Issue Date of Notes	27 March 2007 unless extended at the sole and absolute discretion of the Issuer.
Maturity Date	This means the later of: (i) the Scheduled Maturity Date; and (ii) the twentieth Business Day after the Terminal Allocation Date. Each outstanding Note will be redeemed on the Maturity Date.
Terminal Allocation Date	This shall be the Scheduled Terminal Allocation Date unless a Suspension Event has occurred and/or is continuing on the Scheduled Terminal Allocation Date, in which case the Issuer shall postpone the occurrence of the Terminal Allocation Date until as soon as practicable following the end of the Suspension Event (but in any event the Maturity Date may not be postponed to a date later than the Business Day immediately preceding the tenth anniversary of the Issue Date of Notes).
Scheduled Terminal Allocation Date	The twentieth Business Day prior to the Scheduled Maturity Date.
Scheduled Maturity	The eighth anniversary of the Issue Date of Notes or, if such day is not a

Date	Business Day, the immediately preceding Business Day.
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 Protected Amount; and (ii) the Balanced Portfolio Maturity Value.
Minimum Protected Amount	100% of Face Value.
Status of the Notes	The Notes will constitute unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and, with the exception of certain obligations given priority by applicable law, will rank <i>pari passu</i> with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer.
Annual Coupon per Note	<p>Each Noteholder on a given Annual Calculation Date may be entitled to an Annual Coupon per Note provided that a given Note is still in issue and has not been redeemed and cancelled prior to the Maturity Date.</p> <p>Any Annual Coupon per Note shall be equal to the greater of:</p> <ul style="list-style-type: none"> (a) 0.50% of Face Value; and (b) the Bonus Payment. <p>Any such Annual Coupon per Note will be deducted from the Cash Component on the relevant Annual Calculation Date.</p> <p>If any Annual Coupon per Note is determined to be payable, it is expected that it will be announced to Noteholders within 10 Business Days of the applicable Annual Calculation Date and will normally be paid within 15 Business Days of the applicable Annual Calculation Date.</p>

Bonus Payment	<p>This is defined as an amount per Note equal to the lesser of:</p> <ul style="list-style-type: none"> (a) 8% of Face Value; and (b) 50% of the excess of the Net Asset Value per Note as at the relevant Annual Calculation Date over the High-Water Mark; <p>provided, however, that if payment of any amount so calculated would lead to: (i) a permitted reduction to the allocation of the Balanced Portfolio to the Equity Component; or (ii) a Cash-Out Event, then the Bonus Payment shall be zero in respect of the relevant Annual Calculation Date.</p>
High-Water Mark	<p>For a given Annual Calculation Date for any Note, this is defined as an amount equal to the greater of:</p> <ul style="list-style-type: none"> (a) the Net Asset Value per Note after payment of the Bonus Payment as at the most recent Annual Calculation Date on which a Bonus Payment was paid (and, for the avoidance of doubt, it is understood that the aforementioned date might not be the immediately preceding anniversary); and (b) the Face Value per Note.
Net Asset Value per Note	For any Calculation Day, this is defined as an amount per Note equal to the Balanced Portfolio Value as at such Calculation Day.
Balanced Portfolio	The Balanced Portfolio is comprised of the Balanced Portfolio Components.
Balanced Portfolio Components	The Equity Component, the Bond Component and the Cash Component.
Balanced Portfolio Value	The sum of the values of the Balanced Portfolio Components.
Equity Component	The Equity Component represents the Balanced Portfolio's exposure per Note to the performance of the Master Company and comprises a notional investment in Class U Shares.
Bond Component	The Bond Component represents the Balanced Portfolio's exposure per Note to Eligible Collateral and comprises a notional investment in Eligible Collateral.
Cash Component	The Cash Component represents the Balanced Portfolio's notional cash balances per Note. Such a notional cash balance may be positive or negative and represents any assets and/or liabilities in the form of cash (other than the Equity Component and the Bond Component) attributable to the Balanced Portfolio (including without limitation, fees and expenses) as determined by the Calculation Agent.

Rebalancing	<p>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 Balanced Portfolio Value.</p> <p>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 the amount of any increase effected pursuant to the previous paragraph and increase the allocation to the Equity Component by a commensurate amount.</p>
Calculation Agent Fee	<p>A per Note amount of 0.35% per annum of the Face Value calculated on every Calculation Date from, but excluding, the Issue Date of Notes up to, and including, the Scheduled Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis. The Calculation Agent Fee will be deducted from the Balanced Portfolio on a daily basis by pro-rata adjustment to the number of units in the Cash Component.</p>
Protection Premium	<p>A per Note amount of 0.65% per annum of the Face Value per Note, calculated on every Calculation Date from, but excluding, the Issue Date of Notes up to, and including, the Scheduled Maturity Date, expressed in EUR and accrued daily on an actual/360 basis. The Protection Premium will be notionally deducted from the Balanced Portfolio 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, no further Protection Premium will be deducted from the Balanced Portfolio from, and including, the date on which the Cash-Out Event has occurred.</p>
Other Fees	<p>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>".</p>
Minimum trading size	<p>The minimum trading size is 100,000 Notes and thereafter in integral multiples of 10,000 Notes.</p>
Minimum number of Notes to be redeemed on a Redemption Day	<p>The minimum number of Notes which may be redeemed by a Noteholder, on a Redemption Day, is 100,000 Notes and thereafter in integral multiples of 10,000 Notes.</p>

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 Mandatory Redemption Amount or the Redemption Amount per Note (as the case may be) as of the date fixed for redemption. It is possible that the amount paid in such circumstances to a Noteholder will be less than the Face Value. Noteholders will receive such amount on either (if early redemption is at the election of the Noteholder) the tenth Business Day following the date fixed for redemption or (if early redemption is at the election of the Issuer) the date determined for this purpose in accordance with Condition 6 (*Redemption and Purchase*).

Noteholders may only redeem Notes early after 31 March 2007.

Suspension Event

This means, in the sole and absolute determination of the Calculation Agent, any suspension of or limitation on the calculation and/or publication of the Balanced Portfolio 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 determines that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's satisfaction (but in any event the Maturity Date may not be postponed to a date later than the Business Day immediately preceding the tenth anniversary of the Issue Date of Notes).

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 the Cash-Out Level on any Calculation Date;
- (b) a Master Company Event has occurred;
- (c) the Aggregate Face Value as of such Calculation Date 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	<p>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. <i>Therefore, following a Cash-Out Event on the Terminal Allocation Date, the Balanced Portfolio 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.</i></p> <p>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. <i>Therefore, following a Cash-Out Event (other than on the Terminal Allocation Date), the Balanced Portfolio 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.</i></p>
Cash-Out Level	For any Calculation Date, for a given Note, this is equal to 4.5% of the Face Value.
Equity Gap	<p>The Equity Gap is an amount per Note equal to:</p> <ul style="list-style-type: none"> (a) the Adjusted Balanced Portfolio Value; less (b) the Bond Floor Value.
Bond Floor Value	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 on the Scheduled Maturity Date of the Minimum Protected Amount.
Potential Master Company Events and Master Company Events	<p>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 (<i>Actions to be performed if a Cash-Out Event occurs</i>).</p>

**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 9 (*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, Italy and The Netherlands. For further information, please see the section headed "*Subscription for 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 Balanced Portfolio 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 - What is the Investment Manager's Investment Strategy?*"

RISK FACTORS RELATING TO THE NOTES

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

Prospective investors should read the entire Prospectus. Words and expressions defined elsewhere in this Prospectus have the same meanings in this section. Prospective investors should consider, among other things, the following:

Part A - General risk factors

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

Each 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 16 (*Meetings of Noteholders and Modification*) 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 16.2 (*Modification*) 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.

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 will not be making a market in the Notes.

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 Balanced Portfolio, 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 Protected Amount will be determined by reference to changes in the values of the components of the Balanced Portfolio. 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 Balanced Portfolio;
- (c) currency exchange rates, interest rates and yields in the market generally. The Balanced Portfolio 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 Balanced Portfolio 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 Balanced Portfolio 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 Balanced Portfolio 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 9 (*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- 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:

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

See Condition 6.2 (*Redemption at option of Issuer - Mandatory Redemption of Notes*) for further details of these events.

In such circumstances Noteholders will receive an amount in respect of each Note redeemed equal to the Mandatory 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. Noteholders will usually receive such amount on the twentieth Business Day following the date fixed for redemption by the Issuer.

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

Noteholders may elect to redeem their Notes on a 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 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. Noteholders will usually receive such amount within ten Business Days following the relevant Redemption Day.

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 Balanced Portfolio 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/or is continuing on a Scheduled Mandatory Redemption Terminal Allocation Date or the Scheduled Terminal Allocation Date, the Issuer shall postpone the occurrence of such Mandatory Redemption Terminal Allocation Date or Terminal Allocation Date until as soon as practicable following the end of the Suspension Event (but in any event the Maturity Date may not be postponed to a date later than the Business Day immediately preceding the tenth anniversary of the Issue Date of Notes).

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, a Cash-Out Event will occur.

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 Balanced Portfolio and consequently the assets comprising the components of the Balanced Portfolio 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 Balanced Portfolio, and will not be entitled to receive physical delivery of any of the components of the Balanced Portfolio 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 Balanced Portfolio or the assets notionally comprised in the Balanced Portfolio.

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 Balanced Portfolio and no assurance can be given as to whether, or to what extent, the Final Redemption Amount will exceed the Minimum Protected 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 Balanced Portfolio 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 Protected 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.

Political/economic risk

Changes in 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.

Regulatory risk

In foreign countries, accounting, auditing and financial reporting standards and other regulatory practices and requirements are generally different from those required for domestic companies.

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

Please note that the return of the Notes is **not** calculated by reference to the value of the Class U Shares, but is calculated by reference to the Balanced Portfolio 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 Balanced Portfolio 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 Balanced Portfolio 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 Balanced Portfolio. All of such market activities may, but are not intended to, affect the prices of the components of the Balanced Portfolio 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 Balanced Portfolio 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 Balanced Portfolio, 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 favoring 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.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note, which will be deposited on or around the Issue Date of Notes 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 of Notes 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.

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which will be endorsed on each Note in definitive form. To the extent any modification of the Conditions is made: (i) prior to the Issue Date, which is materially adverse to you, you will be notified accordingly and provided with an opportunity to withdraw your application should you wish to do so; and (ii) after the Issue Date, any such modification will be in accordance with Condition 16 (*Meetings of Noteholders and Modification*).

The Notes are issued subject to and with the benefit of the Paying Agency Agreement made between the Issuer, the Fiscal Agent and the Paying Agents.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Paying Agency Agreement. Copies of the Paying Agency Agreement are available for inspection during normal business hours by the Noteholders (as defined below) at the Specified Offices of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Paying Agency Agreement applicable to them. Any Noteholders mentioned above include those having a credit balance in the collective depots held by Euroclear and/or Clearstream. References in these Conditions to the Paying Agents shall include any successors appointed under the Paying Agency Agreement.

1. DEFINITIONS

"**Adjusted Balanced Portfolio Value on Calculation Date (CD(t))**" or "**BPV_{ADJ}(t)**" means an amount in EUR per Note calculated by the Calculation Agent on each Calculation Date CD(t) as follows:

$$BPV_{ADJ}(t) = BPV(t) - LC(t) - PAC(t)$$

where:

"**BPV(t)**" means the Balanced Portfolio Value on Calculation Date CD(t); and

"**LC(t)**" means the Value of Calculation Agent Fee on Calculation Date CD(t); and

"**PAC(t)**" means the net present value of as of CD(t) (as determined by the Calculation Agent) of the Minimum AC Cashflows after CD(t).

"**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 Calculation Date an amount in EUR equal to the Face Value multiplied by the number of Notes outstanding on such Calculation Date;

"**Annual Calculation Date**" means the first Wednesday which is a Business Day falling on or immediately prior to each 31 December of each year, with the first such Annual Calculation Date falling in December 2007 and the last Annual Calculation Date falling in December 2014 or, if any such day is not a Business Day, the following Business Day;

"**Annual Coupon per Note**" shall be an amount in EUR per Note equal to the greater of:

- (a) 0.50% of Face Value; and

(b) the Bonus Payment.

"Application Form" means the application form to be completed and executed by a prospective investor upon applying for Notes as set out at Schedule 1 (*Application Form*) to the Prospectus, and the term "Application Forms" shall be construed accordingly;

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

"Balanced Portfolio" means a portfolio consisting of all three of the Balanced Portfolio Components;

"Balanced Portfolio Components" means each one, or a combination of:

- (a) the Equity Component;
- (b) the Bond Component; and
- (c) the Cash Component;

"Balanced Portfolio Maturity Value" or **"BPV_M"** means the Balanced Portfolio Value as of the fifth Calculation Date prior to the Maturity Date;

"Balanced Portfolio Value on Calculation Date CD(t)" or **"BPV(t)"** means an amount in EUR per Note calculated by the Calculation Agent on each Calculation Date CD(t) as follows:

$$\text{BPV}(t) = \text{EC}(t) + \text{BC}(t) + \text{CC}(t)$$

Where:

"EC(t)" means the Value of Equity Component as of CD(t);

"BC(t)" means the Value of Bond Component as of CD(t); and

"CC(t)" means the Value of Cash Component as of CD (t).

"Bank" means ABN AMRO Bank N.V., London Branch of 250 Bishopsgate, London EC2M 4AA;

"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" represents the Balanced Portfolio's notional exposure per Note to Eligible Collateral and comprises a notional investment in Eligible Collateral;

"Bond Floor Value" or **"BF(t)"** means, in respect of any Calculation Date CD(t), an amount in EUR per Note determined by the Calculation Agent as the net present value on such Calculation Date CD(t) (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 Scheduled Maturity Date of the Minimum Protected Amount of each Note;

"Bonus Payment" means an amount per Note equal to the lesser of:

- (a) 8% of Face Value; and
- (b) 50% of the excess of the Net Asset Value per Note as at the relevant Annual Calculation Date over the High-Water Mark;

provided, however, that if payment of any amount so calculated would lead to: (i) a permitted reduction to the allocation of the Balanced Portfolio to the Equity Component; or (ii) a Cash-Out Event, then the Bonus Payment shall be zero in respect of the relevant Annual Calculation 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., London Branch of 250 Bishopsgate, London EC2M 4AA;

"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 Issue Date of Notes up to and including the Scheduled 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 Issue Date of Notes to and including the Maturity Date. The reference to **"CD(t)"** is a reference to a Calculation Date "t". A reference to **"CD(t-1)"** is a reference to a Calculation Date which is the Calculation Date immediately preceding CD(t);

"Cash Component" represents the Balanced Portfolio's notional cash balances per Note. Such a notional cash balance may be positive or negative and represents any assets and/or liabilities in the form of cash (other than the Equity Component and the Bond Component) attributable to the Balanced Portfolio (including without limitation, fees and expenses), as determined by the Calculation Agent;

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

$$NCC(t) = CC(t-1) * CCA \text{ Rate on } CD(t-1) * (CD(t) - CD(t-1)) / 360 + OCC(t) - FA(t) - PC(t)$$

where:

"CCA Rate on CD(t-1)" means, in respect of any Calculation Date, EONIA adjusted to reflect the Issuer's then-current spread for overnight funding, such spread determined at the sole and absolute discretion of the Calculation Agent (for the avoidance of doubt, the aforementioned spread can be positive, negative or zero) in respect of such Calculation Date;

"OCC(t)" means Other Cash Component Adjustment on CD(t);

"FA(t)" means, in respect of any Calculation Date CD(t), the accrued amount of the Note Fees from the immediately preceding Calculation Date CD(t-1) to such Calculation Date CD(t) (**"Note Fees"** means the Calculation Agent Fee and the Protection Premium); and

"PC(t)" means, in respect of any Calculation Date CD(t) which is also an Annual Calculation Date, the Annual Coupon per Note as determined by the Calculation Agent for such Annual Calculation Date, and zero otherwise.

"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 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 the Cash-Out Level on any Calculation Date;
- (b) a Master Company Event has occurred;
- (c) the Aggregate Face Value as of such Calculation Date 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;

"Cash-Out Level" means, for any Calculation Date, for a given Note, 4.5% of the Face Value;

"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 Euroclear or Clearstream, as the case may be (together the **"Clearing Systems"**);

"Clearstream" means Clearstream Banking, société anonyme (formerly known as Cedelbank and Cedel Bank, société anonyme), incorporated in 1970 as a limited company under Luxembourg law;

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

"Compulsory Redemption of All Class U Shares" means a 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 Schedule 4 (*Terms and Conditions of the Notes*) of 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 Schedule 3 (*Forms of Definitive Notes*) of 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 6.3 (*Redemption at option of Noteholders*);

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

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

"Equity Component" or **"EC"** represents the Balanced Portfolio's exposure per Note to the performance of the Master Company, and comprises a notional investment in Class U Shares;

"Equity Gap" or **"EG(t)"** means, in respect of any Calculation Date CD(t) an amount calculated in accordance with the following formula:

$$EG(t) = BPV_{ADJ}(t) - BF(t)$$

where

"BPV_{ADJ}(t)" means the Adjusted Balanced Portfolio Value on such Calculation Date CD(t); and

"BF(t)" means the Bond Floor Value on such Calculation Date CD(t).

"EUR", **"Euro"** or **"€"** the single currency of the participating Member States of the European Union;

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

"Eurolist" means Eurolist by Euronext Amsterdam N.V.'s stock market;

"Exchange Event" means either or both of:

- (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

- (b) a change occurs in the practice of Euroclear or Clearstream as a result of which the Issuer would suffer a disadvantage which would not be suffered if the Notes were in definitive form.

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

"Face Value" means EUR 1.00 for each Note;

"Final Redemption Amount" is the higher of: (i) the Minimum Protected Amount; and (ii) the Balanced Portfolio Maturity Value;

"Financial Year" means the financial year of the Master Company, and is a period beginning 1 January and ending on 31 December, or in respect of the first Financial Year, the period commencing on the Issue Date of Notes and ending on 31 December 2007;

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

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

"High-Water Mark" means, for a given Annual Calculation Date, an amount equal to the greater of:

- (a) the Net Asset Value per Note after payment of the Bonus Payment as at the most recent Annual Calculation Date on which a Bonus Payment was paid (and, for the avoidance of doubt, it is understood that the aforementioned date might not be the immediately preceding anniversary); and
- (b) the Face Value per Note;

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

"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 Amount" means the Aggregate Face Value of Notes issued on the Issue Date of Notes;

"Issue Date of Notes" means 27 March 2007 (unless extended at the sole and absolute discretion of the Issuer without prior notice to investors);

"Issuer" means ABN AMRO Bank N.V., London Branch of 250 Bishopsgate, London EC2M 4AA;

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

"Mandatory Redemption" means a redemption of Notes pursuant to the provisions of Condition 6.2 (*Redemption at option of Issuer - Mandatory Redemption of Notes*);

"Mandatory Redemption Amount" means an amount equal to the Balanced Portfolio Value as of the corresponding Mandatory Redemption Valuation Date, less: (i) any costs reasonably incurred by the Issuer as a result of such Mandatory Redemption; and (ii) any applicable Redemption Penalty;

"Mandatory Redemption Payment Date" means the twentieth Business Day following a Mandatory Redemption Terminal Allocation Date;

"Mandatory Redemption Terminal Allocation Date" occurs on the Scheduled Mandatory Redemption Terminal Allocation Date (subject to adjustment if a Suspension Event has occurred);

"Mandatory Redemption Valuation Date" means the fifth Calculation Date prior to a Mandatory Redemption Payment Date;

"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 later of: (i) the Scheduled Maturity Date; and (ii) the twentieth Business Day after the Terminal Allocation Date (but in any event the Maturity Date may not be postponed to a date later than the Business Day immediately preceding the tenth anniversary of the Issue Date of Notes);

"Meeting" means a meeting of Noteholders held in accordance with Condition 6.2 (*Meetings of Noteholders*) and Schedule 5 (*Provisions for Meetings of the Noteholders*) of the Paying Agency Agreement;

"Minimum AC Cashflows" means a payment of 0.5% of Face Value per Note on each Annual Calculation 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 Protected Amount" or **"MPA"** means an amount equal to 100% of Face Value per Note.

"Minimum Redemption" means the minimum amount of Notes which a Noteholder may redeem pursuant to any single redemption application, being 100,000 Notes;

"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;

"Net Asset Value per Note" is, for any Calculation Date CD(t), equal to the Balanced Portfolio Value as of CD(t);

"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;

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

"Notes" means the ABN AMRO FX Pan-European Principal Protected Notes I (Series III) due 2015 ISIN: XS0291352234 issued by the Issuer pursuant to the Instrument and the term **"Note"** shall be construed accordingly;

"Offer Period" means 19 March 2007, 0900 hours (London time) until 26 March 2007, 1500 hours (London time);

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

"Other Cash Component Adjustment on Calculation Date CD(t) " or "OCC(t) " means in respect of any Calculation Date CD(t), other notional adjustments to the Cash Component per Note, 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 Balanced Portfolio; and
- (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 Balanced Portfolio; and
- (c) an accrued daily adjustment for the notional receipt of Rebate (if any);

"Paying Agency Agreement" means the paying agency agreement relating to the Notes dated on or about the Issue Date of Notes between the Calculation Agent and the Paying Agent.

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

"Paying Agents" means the Paying Agent and Fiscal Agent;

"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 of Notes, 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 Bank;

"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;

"Prospectus" means the prospectus (including its appendices and documents incorporated by reference) issued by the Issuer on and dated 23 March 2007, as amended, varied, supplemented or modified from time to time, in relation to the offering and issue of the Notes;

"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 Issue Date of Notes up to and including the Scheduled Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis. If a Cash-Out Event occurs, no further Protection Premium will be deducted from the Balanced Portfolio from (and including) the date on which the Cash-Out Event has occurred;

"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) 62.5% 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 per Note" means for a given Redemption Day, this is an amount equal to the Net Asset Value per Note as at the relevant Redemption Day less any applicable Redemption Penalty;

"Redemption Day" means each Business Day from and including 1 April 2007 up to and including the last Business Day in February 2015;

"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>Early Redemption Date on or after</i>	<i>Early Redemption Date on or prior to</i>	<i>Redemption Penalty (as a percentage of the Face Value)</i>
1 April 2007	27 March 2008	0.50%
28 March 2008	Maturity Date	No penalty

"Redemption Request Form" means the form of notice appearing at Schedule 2 (*Redemption Request Form*) of this Prospectus;

"Reserved Matter" means 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;

"Resolution" has the meaning as set out in Schedule 5 (*Provisions for Meetings of the Noteholders*) of the Paying Agency Agreement;

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

"Scheduled Mandatory Redemption Terminal Allocation Date" means for a Mandatory Redemption the date designated by the Issuer on which the Equity Component will be notionally realised;

"Scheduled Maturity Date" means the eighth anniversary of the Issue Date of Notes, or if such day is not a Business Day, the immediately preceding Business Day;

"Scheduled Terminal Allocation Date" means the twentieth Business Day prior to the Scheduled Maturity Date;

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

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

- (a) ABN AMRO Bank N.V., MF 2020 Kemelstede 2, PO Box 3200, 4800 DE Breda, The Netherlands; or
- (b) such other office as the Paying Agent may specify to the Issuer from time to time;

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

"Suspension Event" means, in the sole and absolute determination of the Calculation Agent, any suspension of or limitation on the calculation and/or publication of the Balanced Portfolio 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 determines that the event(s) that triggered such Suspension Event have been resolved to the Calculation Agent's

satisfaction (but in any event the Maturity Date may not be postponed to a date later than the Business Day immediately preceding the tenth anniversary of the Issue Date of Notes);

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

"Terminal Allocation Date" means the Scheduled Terminal Allocation Date unless a Suspension Event has occurred and/or is continuing on the Scheduled Terminal Allocation Date, in which case the Issuer shall postpone the occurrence of the Terminal Allocation Date until as soon as practicable following the end of the Suspension Event (but in any event the Maturity Date may not be postponed to a date later than the Business Day immediately preceding the tenth anniversary of the Issue Date of 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;

"United Kingdom" means Great Britain and Northern Ireland;

"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" or **"United States person"** means: (i) any natural person resident in the United States; (ii) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States; (iii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (y) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of estate and (z) the estate is governed by foreign law; (iv) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person; (v) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (vi) any agency or branch of a U.S. Person located outside the United States if (y) the agency or branch operates for valid business reasons, and (z) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; (vii) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans; (viii) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction; (ix) an estate or trust, the income of which is not subject to United States income tax regardless of source; (x) an entity organised principally for passive investment such as a pool, investment company or other similar entity provided, that units of participation in the entity held by persons who do not qualify as non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by United States persons in the Fund who do not qualify as non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the Commodity Futures Trading Commission's regulations by virtue of its participants being non-United States persons; or (xi) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States;

"Value of Bond Component on Calculation Date CD(t)" or "BC(t)" is, in respect of any Calculation Date CD(t), an amount in EUR per Note determined by the Calculation Agent for such Calculation Date as follows:

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

where:

"B(t)" means the value as of CD(t) of each unit of Eligible Collateral, determined by reference to the time left to the Scheduled 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; and

"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);

"Value of Calculation Agent Fee on Calculation Date CD(t)" or "LC(t)" is, in respect of any Calculation Date CD(t), an amount in EUR per Note determined by the Calculation Agent for such Calculation Date as being the net present value of the remaining Calculation Agent Fee on that Calculation Date CD(t), calculated using the EUR interest rate swap curve adjusted to reflect the Issuer's then current spread for short-term funding;

"Value of Cash Component on Calculation Date CD(t)" or "CC(t)" is, in respect of any Calculation Date CD(t), an amount in EUR per Note determined by the Calculation Agent for such Calculation Date as follows:

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

where:

"CC(t-1)" means the Value of Cash Component on the previous Calculation Date or CD(t-1); and

"NCC(t)" means Cash Component Adjustment on such Calculation Date CD(t);

"Value of Equity Component on Calculation Date CD(t)" or "EC(t)" is, in respect of any Calculation Date CD(t), an amount in EUR per Note determined by the Calculation Agent for such Calculation Date as follows:

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

where:

"E(t)" is the lower of:

- (a) either the Net Asset Value per Class U Share as of CD(t) (if available) or (if the latter is not available) the Calculation Agent's estimate of the Net Asset Value per Class U Share; and
- (b) the cash amount that an investor would receive by actually selling a Class U Share for settlement on such Calculation Date;

and

"EF(t)" is the number of Class U Shares notionally allocated to the Equity Component as of CD(t), being EF(t-1), plus or minus any notional adjustments to the number of Class U Shares included in the Equity Component as of CD(t);

2. FORM

2.1 Form, Denomination and Status

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

2.1.2 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. INITIAL ALLOCATION AND SUBSEQUENT REBALANCING

3.1 Allocation between Balanced Portfolio Components on or about the Issue Date of Notes

The initial allocation on or about the Issue Date of Notes to: (a) the Equity Component shall be an amount equal to EUR 1.00; and (b) to each of the Bond Component and the Cash Component shall be zero.

3.2 Changes to Balanced Portfolio Components

3.2.1 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 Balanced Portfolio Value.

3.2.2 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 3.2.1 and increase the allocation to the Equity Component by a commensurate amount.

3.2.3 For the avoidance of doubt, whilst any Suspension Event is ongoing the Calculation Agent may continue with any allocation adjustments which it 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.

3.3 Rebalancing of Cash Component

- 3.3.1 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.
- 3.3.2 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.
- 3.3.3 If the Value of Cash Component is to be increased from a negative number to as close to zero as possible, then:
- (a) the Calculation Agent shall determine the difference between the Cash Component and zero;
 - (b) 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 3.3.3(a); and
 - (c) the Issuer will increase the Cash Component by an amount equal to the amount by which the Equity Component is decreased pursuant to Condition 3.3.3(b).

4. ACTIONS TO BE PERFORMED IF A CASH-OUT EVENT OCCURS

4.1 Cash-Out Event on the Terminal Allocation Date

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 Balanced Portfolio 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.

4.2 Cash-Out Event other than on the Terminal Allocation Date

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 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 (other than on the Terminal Allocation Date), the Balanced Portfolio 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.

4.3 Cash-Out Event during a Suspension Event

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.

5. ANNUAL COUPON PER NOTE

5.1 Payment of Annual Coupon per Note

A Noteholder on a given Annual Calculation Date shall be entitled to an Annual Coupon per Note provided that a given Note is still in issue and has not been redeemed early.

5.2 Announcement and Payment of Annual Coupon per Note

The Annual Coupon per Note (if any) is expected to be announced to Noteholders within 10 Business Days of the applicable Annual Calculation Date. Any such Annual Coupon is expected to be paid within 15 Business Days of the applicable Annual Calculation Date.

5.3 Deduction from Cash Component

Any such Annual Coupon per Note will be deducted from the Cash Component on the relevant Annual Calculation Date.

5.4 Direct Participants

An Annual Coupon per Note payable to a Direct Participant will be credited to the relevant clearing account accordingly in accordance with Euroclear's or, as the case may be, Clearstream's usual operating rules and procedures.

6. REDEMPTION AND PURCHASE

6.1 Final Redemption

6.1.1 Unless previously redeemed and cancelled, or purchased and cancelled, each Note will be redeemed and cancelled on the Maturity Date at the Final Redemption Amount.

6.1.2 Each payment in respect of a Note on the Maturity Date will be made to the relevant Noteholder on the Maturity Date. The amount due to each Noteholder in respect of the redemption of such Notes on the Maturity Date shall be deposited by the Issuer in a bank account for payment to such person against surrender of the Note certificate, if any, representing the Notes previously held by such person. Upon deposit of such Final Redemption Amount as aforesaid such person shall have no further interest in such Notes or any of them except the right to receive the Final Redemption Amount so deposited in respect of such person (without interest) against surrender of the said Note certificate, if any.

6.2 Redemption at option of Issuer - Mandatory Redemption of Notes

6.2.1 The Notes may not be:

- (a) acquired or held by any Non-Qualified Person; or
- (b) (with respect to the United States) offered, sold or delivered within the United States to or for the account or benefit of a Non-Qualified Person (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act).

6.2.2 If, in relation to the Notes:

- (a) Tax Reasons: on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of The Netherlands or the United Kingdom/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, which change or amendment becomes effective on or after the Issue Date of Notes; or
- (b) Illegality: it becomes unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations as contemplated by the Notes,

the Issuer shall give no less than 10 Business Days' notice to the Noteholders of its intention to redeem the Notes, designating a Scheduled Mandatory Redemption Terminal Allocation Date. The Mandatory Redemption Terminal Allocation Date shall be deemed to be the Terminal Allocation Date and the actions set out in Condition 4 (*Actions to be performed if a Cash-Out Event occurs*) shall be followed.

6.2.3 Following the designation of a Mandatory Redemption Terminal Allocation Date, the Issuer shall redeem the Notes by payment of an amount in respect of each Note equal to the Mandatory Redemption Amount. The Mandatory Redemption Amount will be paid to Noteholders on the Mandatory Redemption Payment Date.

6.2.4 The amount due to each Noteholder in respect of the redemption of such Notes as of the Mandatory Redemption Payment Date shall be deposited by the Issuer in a bank account for payment to such person against surrender of the Note certificate, if any, representing the Notes previously held by such person. Upon deposit of such Mandatory Redemption Amount as aforesaid such person shall have no further interest in such Notes or any of them except the right to receive the Mandatory Redemption Amount so deposited in respect of such person (without interest) against surrender of the said Note certificate, if any.

If a Suspension Event has occurred and/or is continuing on the Scheduled Redemption Terminal Allocation Date, the Issuer shall postpone the occurrence of the Mandatory Redemption Terminal Allocation Date until as soon as practicable following the end of the Suspension Event.

6.3 Redemption at option of Noteholders - Early Redemption of Notes

6.3.1 Notes may be redeemed each Redemption Day at the option of Noteholders. Notes are redeemable upon written notice being received by the Paying Agent from a Noteholder at least 1 Business Day (or such other time period as may be agreed in writing by the Issuer in its sole and absolute discretion) prior to the Redemption Day. Redemptions at the option of Noteholders must be for a number of Notes equal to or greater than the Minimum Redemption and integral multiples of 10,000 Notes thereafter.

6.3.2 If, following any redemption, a Noteholder would be left holding less than the Minimum Holding, such Noteholder shall be required to redeem his entire holding of Notes (for the avoidance of doubt, such Noteholder would receive the same amount per Note as if an application had been made to redeem all such Noteholder's Notes). Any Noteholder holding less than the Minimum Holding who wishes to redeem shall be required to redeem his entire holding of Notes. The payment of redemption proceeds to the Redeeming Noteholder will usually be made within 10 Business Days of the relevant Redemption Day.

- 6.3.3 If a Note is redeemed on a Redemption Day, then the amount payable to the Redeeming Noteholder will be equal to the Redemption Amount per Note.
- 6.3.4 The Issuer reserves the right to limit the aggregate of all individual redemptions to 20% of the Aggregate Face Value of Notes on issue and not redeemed and cancelled on any one Redemption Day. If redemption requests in excess of this are received these may be scaled down pro-rata at the sole and absolute discretion of the Issuer and any balance carried forward to the next or subsequent Redemption Days. Notwithstanding the above, the Issuer reserves the right to meet all or part of redemption requests, which exceed 20% of the Aggregate Face Value on the given Redemption Day by a redemption in specie.
- 6.3.5 Noteholders are not entitled to withdraw a request for redemption upon the occurrence of any events as described in Condition 6.4 (*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 Redemption Day next following the end of the temporary suspension of dealings of Notes.
- 6.3.6 If any payment or delivery (as the case may be) in full is made in respect of any Notes, the portion of the global security representing such Notes may be cancelled (at the discretion of the Issuer) and the amount so cancelled shall be endorsed by or on behalf of the Paying Agent (such endorsement being prima facie evidence that the payment in question has been made) whereupon the nominal amount hereof shall be reduced for all purposes by the amount so cancelled and endorsed. The Paying Agent shall request the Common Depository to mark down the nominal amount accordingly.

6.4 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, a bid price or offer price in respect of the Notes include, but are not limited to, the following:

- 6.4.1 the Administrator fails to calculate and publish the Net Asset Value per Class U Share on any Calculation Date;
- 6.4.2 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;
- 6.4.3 any circumstances exist as a result of which notional disposal by the Issuer of any of its notional investments attributable to the Balanced Portfolio is not practical or is detrimental or prejudicial to Noteholders;
- 6.4.4 the proceeds of any realisation of Class U Shares cannot be transmitted to or from the account of the Master Company; or

6.4.5 any period of market turmoil (as determined by the Calculation Agent at its sole and absolute discretion).

7. PAYMENTS

7.1 Principal

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

7.2 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

7.3 Payments on Business Days

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

7.4 Partial Payments

If a Paying Agent makes a partial payment in respect of any Note presented to it for payment or against any declared Annual Coupon per Note, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

8. DEDUCTION OF PROTECTION PREMIUM AND CALCULATION AGENT FEE

8.1 Deduction of Protection Premium from Balanced Portfolio

The Protection Premium will be notionally deducted from the Balanced Portfolio 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 Balanced Portfolio from (and including) the date on which the Cash-Out Event has occurred.

8.2 Deduction of Calculation Agent Fee from Balanced Portfolio

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

9. 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.

10. **ISSUER EVENTS OF DEFAULT**

If any of the following events occurs and is continuing:

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

then any Note may, by written notice addressed by the relevant Noteholder to the Issuer and delivered to the Issuer or to the Specified Office of any Paying Agent be declared immediately due and payable, whereupon it shall become immediately due and payable without further action or formality as if a compulsory redemption of Notes as set out in Condition 6.2 (*Redemption at the option of the Issuer - Mandatory Redemption of Notes*) had occurred as of the date of such Issuer event of default.

11. **PRESCRIPTION**

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

12. **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.

13. **AGENTS**

- 13.1 In acting under the Paying Agency Agreement and in connection with the Notes, the Paying Agents 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.
- 13.2 The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however*, that the Issuer shall at all times maintain: (a) a fiscal agent; (b) a paying agent in The Netherlands; and (c), if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive or any law implementing or complying with, or introduced to conform to, such Directive.

- 13.3 Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

14. **ISSUER'S RIGHTS WITH RESPECT TO NOTES**

14.1 **Purchase**

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

14.2 **Cancellation**

- 14.3 If any payment or delivery (as the case may be) in full is made in respect of any Notes, the portion of the global security representing such Notes may be cancelled (at the discretion of the Issuer) and the amount so cancelled shall be endorsed by or on behalf of the Paying Agent (such endorsement being prima facie evidence that the payment in question has been made) whereupon the nominal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed. The Paying Agent shall request the Common Depository to mark down the nominal amount accordingly.

- 14.4 All Notes redeemed pursuant to Condition 6.2 (*Redemption at option of Issuer - Mandatory Redemption of Notes*), Condition 6.3 (*Redemption at option of Noteholders*) or Condition 6.1 (*Final Redemption*) shall be cancelled at the discretion of the Issuer and may not be reissued or resold. All Notes purchased by the Issuer pursuant to Condition 6 (*Redemption and Purchase*) may (at the sole discretion of the Issuer) be held, redeemed and cancelled, or resold, and Notes so resold shall for all purposes be deemed to form part of the original series of Notes.

14.5 **Unsold Notes**

All Notes issued and unsold (and therefore held by the Issuer) may (at the sole discretion of the Issuer) be redeemed and cancelled.

14.6 **No other redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 6.2 (*Redemption at option of Issuer - Mandatory Redemption of Notes*), Condition 6.3 (*Redemption at option of Noteholders*) or this Condition 14 (*Issuer's rights with respect to Notes*).

15. **AMENDMENT OF CONDITIONS FOR THE PURPOSES OF LISTING THE NOTES**

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

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

16. **MEETINGS OF NOTEHOLDERS AND MODIFICATION**

16.1 **Meetings of Noteholders**

- 16.1.1 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. 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.
- 16.1.2 In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

16.2 **Modification**

The Issuer may agree, without the consent of the Noteholders, to any modification of any of these Conditions either:

- (a) 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
- (b) in any other manner which is not materially prejudicial to the interests of the Noteholders,

Any modification shall be binding on the Noteholders and, unless the Issuer decides otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 17 (*Notices*).

A copy of the Conditions shall be open to the inspection of any Noteholder or his agent during business hours (subject to such reasonable restrictions as the Issuer may impose but so that not less than two hours in each Business Day shall be allowed for inspection) without charge at the registered office of the Issuer.

17. **NOTICES**

- 17.1 All notices to the Noteholders will be delivered to Euroclear and Clearstream. Any such announcement issued to either Euroclear and 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).

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

18. **ADDITIONAL OBLIGATIONS**

For so long as the Notes are listed on Eurolist, the Issuer will comply with any applicable listing rules.

19. **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.

20. **GOVERNING LAW AND JURISDICTION**

20.1 **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.

20.2 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Notes.

20.3 **Appropriate forum**

The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any dispute arising from or in connection with the Notes (a "**Dispute**") and, accordingly, that it will not argue to the contrary.

20.4 **Rights of the Noteholders to take proceedings outside England**

Condition 20.2 (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 20 (*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.

20.5 **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. 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 20.5 (*Service of process*) applies to Proceedings in England and to Proceedings elsewhere.

20.6 **Calculation Agent**

- 20.6.1 In making any determinations in respect of the Notes, the Calculation Agent will employ the methodology described in the relevant agreements (and the Calculation Agent has sole and absolute discretion in determining which agreements are relevant). Any determination by the Calculation Agent in relation to the application of any described methodology will be in its sole and absolute discretion and will be conclusive and binding on all parties, except in the case of manifest error.
- 20.6.2 While the Calculation Agent currently employs the methodology described in the relevant agreements to make determinations in relation to the Balanced Portfolio, 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 as set out in the relevant agreements.

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.

The Master Company Directors confirm that as of the date of issue of this Prospectus and in relation to the Master Company:

- (a) no dividends have been declared or paid;
- (b) the Master Company Directors have not approved any financial statements for laying before a general meeting of the Master Company; and
- (c) the Auditors have not audited any financial statements of the Master Company.

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) not be entitled to any dividends whatsoever in respect of their ordinary shares; 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 to the par value thereof if paid up and to the surplus assets of Prime Investments Managed Account Master Limited, if any. However the holders of the ordinary shares have agreed irrevocably and in writing to waive their entitlement to any amounts which exceed the paid up par value of their ordinary shares and have authorised and instructed Prime Investments Managed Account Master Limited to hold any such amounts for the sole benefit of holders of shares issued by each segregated account of Prime Investments Managed Account Master Limited.

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.

Chris Kennedy 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

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

Litigation

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

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**

Annual Coupon

- 2.1 The comments below are made on the assumption that any Annual Coupon per Note will be treated as interest for the purposes of United Kingdom tax law. If the Annual Coupon per Note were to be treated in any other way for United Kingdom tax purposes, a different withholding tax treatment would apply.

- 2.2 The Notes will constitute "quoted Eurobonds" if they carry a right to interest and provided they are and continue to be listed on a recognised stock exchange. On the basis of the United Kingdom HM Revenue and Customs' ("HMRC") published interpretation of the relevant legislation, securities which are to be listed on a stock exchange in a country which is a member state of the European Union or which is part of the European Economic Area will satisfy this requirement if they are listed by a competent authority in that country and are admitted to trading on a recognised stock exchange in that country; securities which are to be listed on a stock exchange in any other country will satisfy this requirement if they are admitted to trading on a recognised stock exchange in that country. The Issuer understands that Eurolist is a recognised stock exchange for these purposes. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.
- 2.3 In addition to the exemption set out in 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:
- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Services Authority whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
 - (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.
- 2.4 Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax if and for so long as the Issuer is authorised for the purposes of the Financial Services and Markets Act 2000 and its business consists wholly or mainly of dealing in financial instruments (as defined by section 349(5) of the Income and Corporation Taxes Act 1988) as principal if and for so long as such payments are made by the Issuer in the ordinary course of its business.
- 2.5 In all cases falling outside the exemptions described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the lower rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

Payments on Redemption

- 2.6 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual future results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, without limitation, the conditions of the financial markets in Europe, the United States, Brazil and elsewhere from which the Issuer derives a substantial portion of its trading revenues; potential defaults of borrowers or trading counterparties; the implementation of the Issuer's restructuring including the envisaged reduction in headcount; the reliability of the Issuer's risk management policies, procedures and methods; and other risks referenced in those documents incorporated by reference, including in particular the Issuer's Registration Document as supplemented or amended from time to time. For further information on the documents which are incorporated by reference, please refer to the section titled "*Documents Incorporated by Reference*". For more information on these and other factors, please refer to the Issuer's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission and/or the Issuer's Registration Document filed with the AFM and to any subsequent reports furnished or filed by the Issuer with the U.S. Securities and Exchange Commission and/or the AFM.

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

SELLING RESTRICTIONS APPLICABLE TO THE NOTES

General

The Notes have not been authorised for public offering or marketing. However, the Prospectus was approved by the AFM on 23 March 2007 in accordance with the Prospectus Directive. This Prospectus has been sent to prospective investors at their request. This document is personal and confidential and may not be distributed to anyone, or in any jurisdiction, that would make such distribution unlawful. This Prospectus does not constitute either an offer or commitment, or advice, or a recommendation to make a purchase of Notes.

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

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

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

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

Past performance is not necessarily indicative of future results.

United States 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, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

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

The Issuer will not, in respect of the Issue Date of Notes, 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 of Notes within the United States or to, or for the account or benefit of, U.S. 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, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering 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.

Belgium

Belgium has not yet implemented the Prospectus Directive but the Belgian Banking, Finance and Insurance Commission has stated that it will recognise the direct effect of most provisions of the Prospectus Directive from 1 July 2005, so that the section headed "European Economic Area" above is relevant to Belgium as well.

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.

Italy

As of the date of the Prospectus, Italy has not yet implemented the Prospectus Directive. However, the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") acknowledged the direct effect of most provisions of the Prospectus Directive and, on 25 July 2005, issued a proposal of amendments to the Regulation dated 14 May 1999 n. 11768, inviting comments. The results of the consultation are still due.

Accordingly, as of the date of the Prospectus and until the earliest date of the implementation of the Prospectus Directive in Italy or the disclosure of the results of the consultation by CONSOB, the Issuer shall not solicit investments in the Notes from the public in Italy, nor it shall market or otherwise offer the Notes to investors in Italy except that, pursuant to article 100, paragraph 1, lett. f of Legislative Decree dated 24 February 1998 n. 58, the Issuer may offer the Notes to the special categories of "qualified investors", identified by article 31, paragraph 2 of CONSOB Regulation dated 1 July 1998 n. 11522 as amended, as follows:

- (a) SIMs and foreign investment firms licensed/authorised to carry out investment services in Italy;
- (b) Italian banks and foreign banks licensed/authorised to carry out investment services in Italy;
- (c) Italian financial companies enrolled in the registers provided for by Article 106, 107 and 113 of Legislative Decree dated 1 September 1993 n. 385;
- (d) asset management companies;
- (e) mutual funds, SICAVs and pension funds;
- (f) insurance companies;
- (g) foreign entities who, pursuant to the law in force in their home country, carry on the activities carried on by the foregoing persons;
- (h) companies and entities that issue financial instruments traded in regulated markets;
- (i) individuals who document their possession of the professional qualifications required under Italian law for individuals performing administrative, managerial or control functions in SIMs and banking foundations; and
- (j) corporate entities or legal persons possessing specific expertise and experience in matters of transactions in financial instruments expressly declared in writing by their legal representative.

In addition to the above, the Issuer will, in offering the Notes in Italy, comply with the provisions of Article 129 of Legislative Decree dated 1 September 1993 n. 385.

NO OWNERSHIP BY U.S. PERSONS

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

SUBSCRIPTION FOR NOTES

Minimum application amount

The minimum number of Notes for which a prospective investor may apply shall be 100,000 Notes and thereafter in integral multiples of 10,000 Notes.

Offer period

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

Offer opens	Offer closes	Notes are issued and settlement occurs
19 March 2007, 0900 hours (London time).	26 March 2007, 1500 hours (London time) (unless extended at the sole and absolute discretion of the Issuer without prior notice to investors).	27 March 2007 (unless extended at the sole and absolute discretion of the Issuer without prior notice to investors)

The Issuer reserves the right, in its sole and absolute discretion to terminate the Offer Period in respect of the Notes at any time prior to the advertised end of the Offer Period or to extend the same. Furthermore, the Issuer shall be under no obligation to issue the Notes until the Issue Date of Notes, which may be extended at the sole and absolute discretion of the Issuer without prior notice to investors.

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

Acceptance of applications

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

Cancellation of offer of Notes

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

Application procedure

Applications for Notes may be made by a prospective purchaser through any broker, financial adviser, banker, financial intermediary or other agent acting in such a capacity (each a "Selling Agent") which has a relationship with the Issuer governing the sale of the Notes. Applications should be made by completing and signing the Application Form. Pursuant to anti-money laundering regulations,

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

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

Maximum Issue Amount

The maximum Issue Amount is EUR 225 million (or such higher amount as the Issuer may determine).

Minimum Issue Amount

The minimum Issue Amount is EUR 10 million (or such lower amount as the Issuer may determine).

Scaling back arrangements

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

Listing

The Issuer expects the securities to be listed on Eurolist on or about the date of this Prospectus.

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: XS0291352234

Common Code: 029135223

Fondscore: 85106

3. **No significant change**

There has been no significant change in the financial or trading position of the Issuer since 31 December 2006 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2006.

4. **Litigation**

In several jurisdictions legal proceedings have been initiated against the Issuer or its group companies whose financial statements have been included in the consolidated annual accounts dated 31 December 2006 of ABN AMRO Holding N.V. Neither the Issuer nor ABN AMRO Holding N.V. is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or ABN AMRO Holding N.V. are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or ABN AMRO Holding N.V.

5. **Accounts**

The auditors of the Issuer are Ernst & Young who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in the Netherlands for each of the three financial years ended on 31 December 2006.

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 Master Company Bye-laws; and
- (e) this Prospectus.

8. **Application Forms**

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

9. **Tracking investment**

The Calculation Agent will make the redemption price of the Notes, as at the most recent Redemption Day and/or any preceding Redemption Day, available upon request made in writing to:

Attention: Fund Linked Derivatives Desk

Re: ABN AMRO FX Pan-European Principal Protected Notes I (Series III) due 2015
 ABN AMRO Bank N.V., London Branch
 250 Bishopsgate
 London
 EC2M 4AA
 United Kingdom

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 Balanced Portfolio

The following is an extract from the Conditions, which describes the fees, costs and expenses which are deducted prior to the determination of the Balanced Portfolio 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 Issue Date of Notes up to and including the Scheduled Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis. If a Cash-Out Event occurs, no further Protection Premium will be deducted from the Balanced Portfolio from (and including) the date on which the Cash-Out Event has occurred
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 Issue Date of Notes up to and including the Scheduled Maturity Date, expressed in EUR, and accrued daily on an actual/360 basis.
Deduction of Protection Premium from Balanced Portfolio	The Protection Premium will be notionally deducted from the Balanced Portfolio on a daily basis by pro rata adjustment to the number of units of the Cash Component.
Deduction of Calculation Agent Fee from Balanced Portfolio	The Calculation Agent Fee will be deducted from the Balanced Portfolio 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	<p>The Investment Manager may also be entitled to a quarterly Performance Fee from the Master Company.</p> <p>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</p>

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. This figure includes the expenses incurred in admitting the Notes to trading on Eurolist, which are not expected to exceed EUR 5,000.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Articles of Association (*statuten*) of the Issuer;
- (b) the publicly available audited annual financial statements for the 2003, 2004 and 2005 financial years and the most recently published consolidated and unaudited interim financial statement of ABN AMRO Holding N.V.;
- (c) the Annual Report on Form 20-F of ABN AMRO Holding N.V. for the year ended 31 December 2005, filed with the United States Securities and Exchange Commission (the SEC), as amended;
- (d) the Registration Document; and
- (e) the Paying Agency Agreement (as at the date of this Prospectus, this is in draft form only and will be finalised prior to the Issue Date of Notes).

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:

AFM	The Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>).
Listing Agent	ABN AMRO Bank N.V.
Registration Document	The Issuer's registration document dated 30 June 2006 prepared in accordance with Article 5(3) of the Prospectus Directive as amended pursuant to supplements dated 8 August 2006, 1 November 2006 and 27 February 2007, as further amended, varied, supplemented or substituted from time to time.
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.

SCHEDULE 1
APPLICATION FORM

For ABN AMRO FX Pan-European Principal Protected Notes I (Series III) due 2015 ISIN: XS0291352234 issued by ABN AMRO Bank N.V., London Branch, pursuant to the Prospectus dated on or around 23 March 2007 relating to the Notes (the "**Prospectus**") as may be amended, varied, supplemented or modified from time to time.

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

Please type or write application information below in BLOCK CAPITALS.

1. Purchase of Notes

Please accept this application to purchase:

.....Notes at EUR 1.00 each for a total sum of EUR

(Minimum subscription per investor 100,000 Notes and thereafter in integral multiples of 10,000 Notes)

Client Reference No. (if known):

2. Investor address details

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

Full name of corporation:

Street Name/Number:

Town/City: Postcode:

State/County:

Country:

Contact Telephone:

Contact e-mail:

Telefax Number:

Country of incorporation:

3. Euroclear/Clearstream

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

Euroclear /Clearstream a/c no

in the name of

with sub-account name

4. Payment Details / Bank Instructions

DVP applicants: please note the following settlement information:

Euroclear Account no: 92496

Delivering Counterparty: ABN AMRO Bank N.V., London Branch

Trade Date: 26 March 2007

Settlement Date: 27 March 2007

ISIN Code: XS0291352234

5. Details for mailing Application Form

Please make sure that you send this Application Form to fax no.: +44 20 7678 1051 or scanned and sent by email to simon.white@uk.abnamro.com or joanne.miller@uk.abnamro.com by not later than 15:00 hours (Amsterdam time) on 26 March 2007 (unless extended at the sole and absolute discretion of the Issuer without prior notice to investors), couriering the originals to ABN AMRO Bank N.V., London Branch, 250 Bishopsgate, London, EC2M 4AA.

6. Anti-Money Laundering Regulation

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

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

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

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

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

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

7. Signature(s) of Applicant(s)

By signing below I:

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

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

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

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

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

Date

Signature(s)

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

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

Intermediary Name

Intermediary Code

SCHEDULE 2
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 225,000,000 ABN AMRO FX Pan-European Principal Protected Notes I (Series III) due 2015 – 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 225,000,000 FX Pan-European Principal Protected Notes I (Series III) due 2015 (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 Redemption Day, which is the next Redemption Day 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.

We specifically confirm that we will hold more than 100,000 Notes following this redemption OR (if redeeming less than 100,000 Notes) that we are redeeming our entire holding of Notes.

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

² Redemptions are subject to a minimum redemption of 100,000 Notes and thereafter in integral multiples of 10,000 Notes.

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

.....

.....

.....

Signature(s) of the holder(s)

.....

Print Name:

Telephone contact number

Email details

Fax number

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

Settlement of the above order is on delivery versus payment basis only with ABN AMRO Bank 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:

ISSUER, CALCULATION AGENT, COMMON DEPOSITORY

ABN AMRO Bank N.V., London Branch

250 Bishopsgate
London
EC2M 4AA

FISCAL AGENT, PAYING AGENT, LISTING AGENT

ABN AMRO Bank N.V.

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Equity Trust Company (Curaçao) N.V.

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