

FULL PROSPECTUS



Volksbank Invest Kapitalanlagegesellschaft m.b.H.

VOLKSBANK INVEST KAPITALANLAGEGESELLSCHAFT M.B.H.

Leonard-Bernstein-Strasse 10
A - 1220 VIENNA

Telephone: + 43 (0)50 4004 extension 3221 or 3638

Fax: + 43(0)50 4004 extension 3191

Internet: <http://www.volksbankinvestments.com>

E-Mail: volksbankinvestments@volksbank.com

Register of Companies: no. 54527 m

Register Court: Vienna Commercial Court

Garantie-Spar-Fonds

ISIN: AT0000A0DHL6 (T)

This full prospectus was prepared in October 2011 in accordance with the Fund Rules and adapted to the provisions of the Investment Funds Act of 1993 as amended in 2008. It should be pointed out that the above named Fund Rules will be effective as of 15 June, 2009.

Announcements made according to Section 18 InvFG, in connection with Section 10 of the Capital Market Act (Kapitalmarktgesetz / KMG), shall occur in an electronic form as of 1 June, 2010 on the internet site of the investment fund company. The notice that the announcement shall only occur in an electronic form on the internet site of the investment company was made in the Official Gazette of the Wiener Zeitung on 1 June, 2010.

The current and valid Full Prospectus, General Fund Rules and Special Fund Rules are to be made available to interested investors free of charge. This Full Prospectus is complemented by the latest available annual report. If the balance-sheet date of the annual report is more than eight months ago, interested investors shall also be given the semi-annual report. In addition, interested investors shall also be offered the current and valid Simplified Prospectus free of charge prior to contract conclusion, or this shall be provided to interested investors after contract conclusion.

First published in the Official Gazette (Amtsblatt zur Wiener Zeitung) on 2 May, 2009.

1st amendment published on 30.06.2009

5th amendment published on 30.03.2011

2nd amendment published on 21.06.2010

6th amendment published on 31.08.2011

3rd amendment published on 20.07.2010

7th amendment published on 07.10.2011

4th amendment published on 31.08.2010

In the event of any inconsistency between the original German language version of the full prospectus and its English translation, the German language version shall prevail. The English language translation is provided for convenience only.

DISCLAIMER for the SALE of Non-US-Funds to US Clients

Sales restriction

The issued units of the fund assets are only permitted to be offered or sold in countries, in which such a public offer or such a sale is permitted. So long as the investment company or third party instructed by the investment company has not filed a notice at a local regulatory authority or obtained a permit from a local regulatory authority and as far as such a notice or permit does not exist, then it does not refer to an offer to acquire investment units.

The units have not been and are not registered, according to the *United States Securities Act* from 1933 as amended (herein after referred to as "Act from 1933"), or according to the securities act of a federal state or a regional authority of the United States of America or one of its territories, properties or other areas which are subject to its jurisdiction, including the Commonwealth of Puerto Rico (herein after referred to as "United States").

The units are not permitted to be publicly offered, sold or otherwise transferred in the United States. The units shall be offered and sold, on the basis of an exemption in the registration regulations of the Act from 1933 pursuant to Regulation S of this Act. The investment company or the fund assets have not been and are not registered according to the *United States Investment Company Act* from 1940 as amended or according to other US federal law. Accordingly, units will not be publicly offered or sold in the United States or for account of US persons (within the meaning of the definitions for US federal law purposes regarding securities, goods and taxes, including Regulation S of the *United States Securities Act* from 1933) (herein after referred to as "US persons"). Subsequent unit transfers are not permitted in the United States or to US persons.

The units have not been permitted, nor has such a permit been denied, by US securities and stock exchange regulatory authorities, the *Securities and Exchange Commission* (herein after referred to as "SEC") or other regulatory authorities in the United States; furthermore, the SEC or other regulatory authorities in the United States have not made any decisions about the correctness and adequateness of this sales prospectus or about the advantages of such units. The *United States Commodity Futures Trading Commission* has not examined or approved this document or other sales documentation for the investment company or for the fund assets.

No one is authorised to issue statements or confirmations, which are not included in the sales prospectus or documentation, to which the sales prospectus refers to. This documentation is accessible at the registered office of the investment company. This prospectus is not permitted to be brought into circulation in the United States.

Investors, which are considered to be "Restricted Persons" within the meaning of the US Regulation No. 2790 of the "*National Association of Securities Dealers*" (NASD 2790), must notify the investment company of their investment in the fund assets.

SECTION I

INFORMATION ABOUT THE INVESTMENT FUND MANAGEMENT COMPANY

- 1. Company name and registered office; legal form of organisation; date of establishment; address of head office if this is not identical with the company's registered office; company register number and date of registration; applicable law**

INVESTMENT FUND MANAGEMENT COMPANY

The investment fund management company which manages the investment fund described in detail in this prospectus is the Volksbank Invest Kapitalanlagegesellschaft mit beschränkter Haftung having its registered office in Vienna.

The Volksbank Invest Kapitalanlagegesellschaft m.b.H. was established on 11.10.1988.

The Volksbank Invest Kapitalanlagegesellschaft m.b.H. is an investment fund management company within the meaning of the Federal Act governing investment funds (Investment Funds Act / Investmentfondsgesetz). It has the legal status of a private limited company (Gesellschaft mit beschränkter Haftung, GmbH) and is registered with the Vienna Commercial Court (Handelsgericht Wien) under the number 54527 m.

The investment company is not registered in any other member country.

- 2. Description of all investment funds managed by the company**

Advisory Vorsorgefonds —
Co-ownership fund pursuant to Section 20 InvFG,

Aktienportfolio 1 —
Co-ownership fund pursuant to Section 20a InvFG (special fund),

Aktienportfolio 2 —
Co-ownership special fund pursuant to Section 20a InvFG,

Alternative Selection 2 —
Co-ownership fund pursuant to Section 20a InvFG,

Austro-Garant —
Pension Investment Fund Austria pursuant to Section 23a (and all following Sections) InvFG in connection with Section 108g EStG,

Austro-Garant 2 Dynamisch —
Pension Investment Fund Austria pursuant to Section 23a (and all following Sections) InvFG in connection with Section 108g EStG (special fund),

Austro-Garant 2 konservativ —
Pension Investment Fund Austria pursuant to Section 23a (and all following Sections) InvFG in connection with Section 108g EStG (special fund),

Energie-Ried-Vorsorgefonds —
Co-ownership fund pursuant to Section 163 to Section 165 InvFG in connection with Section 166 to Section 167 InvFG,

Euro Corporates 2012 —
Co-ownership fund pursuant to Section 20 InvFG,

Europa-Bonus-Fonds 1 —
Co-ownership fund pursuant to Section 20a InvFG,

Europa-Bonus-Fonds 2 —
Co-ownership fund pursuant to Section 20 InvFG,

Gabor Spezialfonds —
Co-ownership special fund pursuant to Section 20 InvFG,

Garantie-Spar-Fonds —
Co-ownership fund pursuant to Section 20a InvFG,

Garantie-Spar-Fonds 2 —
Co-ownership special fund pursuant to Section 20a InvFG,

Österreich-Index-Fonds —
Co-ownership fund pursuant to Section 20b InvFG,

PORTFOLIO 30 —
Co-ownership fund pursuant to Section 20 InvFG (special fund),

Premium-Evolution 25 —
Co-ownership fund pursuant to Section 20 InvFG,

Premium-Evolution 50 —
Co-ownership fund pursuant to Section 20 InvFG,

Premium-Evolution 100 —
Co-ownership fund pursuant to Section 20 InvFG,

PX-Index-Fonds —
Co-ownership fund pursuant to Section 20b InvFG,

S-D-FONDS —
Co-ownership special fund pursuant to Section 20 InvFG,

Sparda-Liquid —
Co-ownership special fund pursuant to Section 20 InvFG,

V4 Vermögensmanagement Balance —
Co-ownership fund pursuant to Section 20a InvFG,

VB 1 —
Co-ownership fund pursuant to Section 20 InvFG,

VB Asset Navigator protect —
Co-ownership fund pursuant to Section 20a InvFG,

VB Asset Navigator pure —
Co-ownership fund pursuant to Section 20a InvFG,

Volksbank-Ethik-Invest —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Amerika-Invest —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-BestSector-Invest —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Convertible-Bond-Fund —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Corporate-Bond-Fund —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Dividend-Invest —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Dollar-Rent —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Europa-Invest —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Europa-Rentenfonds —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Floating-Rate-Fund —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Geld-Rent —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-GoEast-Bond —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-GoEast-Invest —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Interbond —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Mündel-Rent —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Pacific-Invest —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-Portfolio 2 —
Co-ownership special fund pursuant to Section 20 InvFG,

Volksbank-Portfolio 4 —
Co-ownership special fund pursuant to Section 20 InvFG,

Volksbank-Portfolio 5 —
Co-ownership special fund pursuant to Section 20 InvFG,

VOLKSBANK-PORTFOLIO 6 A —
Co-ownership fund pursuant to Section 20a InvFG
(special fund),

Volksbank-Portfolio 7 —
Co-ownership special fund pursuant to Section 20 InvFG,

Volksbank-Portfolio 16 —
Co-ownership special fund pursuant to Section 20 InvFG,

Volksbank-Portfolio 28 —
Co-ownership special fund pursuant to Section 20 InvFG,

Volksbank-Portfolio 29 —
Co-ownership special fund pursuant to Section 20 InvFG,

VOLKSBANK-PORTFOLIO 31 —
Co-ownership fund pursuant to Section 20a InvFG
(special fund),

Volksbank-Portfolio 32 —
Co-ownership special fund pursuant to Section 20 InvFG,

Volksbank Portfolio Schärding —
Co-ownership special fund pursuant to Section 20
InvFG,

Volksbank-Rent —
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank-SMILE—
Co-ownership fund pursuant to Section 20 InvFG,

Volksbank Weinviertler Fonds —
Co-ownership special fund pursuant to Section 20a
InvFG.

3. Name and Function of the Members of the Management Board and Board of Directors

Management board

Manfred Stagl
Günter Toifl

Board of directors

Friedrich Strobl, MBA (Chairman)
Heimo Rottensteiner (Vice-Chairman)
Friedhelm Boschert
Thomas Biedermann

For all relevant information regarding the Management Board and the composition of the Board of Directors, please refer to the most recently published annual report.

Main functions undertaken by members outside the company:

Manfred Stagl

- Management board VIVH AG

- Member of the board of directors Immo Kapitalanlage AG
- Chairman of the board of directors VB Invest d.o.o.
- Chairman of the board of directors VICTORIA-VOLKSBANKEN Pensionskassen AG
- Member of the board of directors Victoria-Volksbanken Vorsorgekasse AG
- Member of the management board VÖIG (Vereinigung Österreichischer Investmentgesellschaften)

Friedrich Strobl, MBA

- Deputy chairman of the board of directors VB Invest d.o.o.
- Management board VIVH AG
- Member of the board of directors Zertifikate Forum Austria

Heimo Rottensteiner

- Member of the board of directors PSX AG

Dr. Friedhelm Boschert

- Member of the board of directors VB-Holding Aktiengesellschaft
- Member of the board of directors VIVH AG
- Chairman of the management board Volksbank International AG
- Chairman of the board of directors Volksbank CZ, a.s.
- Chairman of the board of directors Volksbank BH d.d.
- Member of the board of directors VICTORIA osiguranje d.d.
- Member of the management board VEF (Vienna Economic Forum)
- Chairman of the board of directors Volksbank Romania s.a.
- Chairman of the board of directors Magyarorszagi Volksbank Zrt.

Thomas Biedermann

- Management board Gefinag-Holding AG
- Management board VB GFI AG

4. Registered Capital of the Company

EUR 2,500,000

5. Financial year

The financial year corresponds to the calendar year.

6. Shareholders who have a direct or indirect financial influence

Österreichische Volksbanken-Aktiengesellschaft, Vienna
DZ PB-Beteiligungsgesellschaft mbH, Frankfurt
Volksbanken Holding eingetragene Genossenschaft, Vienna

7. Activities delegated to third parties

The investment company has delegated the following activities to third parties:

Internal audit, compliance and money laundering, IT-infrastructure, IT-customising, operational risk and corporate market risk management, regulatory reporting, administration duties and salary calculation, accounting, law.

(For delegated consultation and administration activities refer to Section II, Item 19).

8. Exercising voting rights

Exercising voting rights is an integral part of the management process. The voting rights associated with securities (held by this investment fund) from listed companies will be exercised with consideration to quantitative and economic aspects. The amount of investment, the main items of the shareholders' general meeting agenda and a general economic assessment will determine if voting rights will be exercised. Voting rights will not be exercised for shareholdings below 2.0%.

For decisions regarding the exercising of voting rights, the interests of unit holders of the fund will be placed above all other interests.

9. Principles for best execution of decisions

The following factors will be taken into consideration (in best interest of the investment fund) when executing decisions: price; costs; time and probability of execution and settlement; type and complexity of decisions; all other aspects relevant to carrying out the decision.

SECTION II

INFORMATION ABOUT THE INVESTMENT FUND

1. Fund description

The investment fund is described as

Garantie-Spar-Fonds
Co-ownership fund pursuant to Section 20a InvFG

2. Date of establishment and duration

The Garantie-Spar-Fonds was launched on 15.06.2009 for an undetermined period of time.

3. Place from where fund provisions and reports in accordance with the InvFG can be found

All information referred to in this offering prospectus, such as fund provisions, annual reports and semi-annual reports can be obtained from the Volksbank Invest Kapitalanlage-gesellschaft m.b.H. The investment fund company will supply investors with such material free of charge upon request. In addition, these documents are available at the Österreichische Volksbanken-Aktiengesellschaft (Custodian Bank) and the distributors (paying and information agents) listed in the Appendix.

Further information about fund assets (full holdings for pension funds pursuant to the quarterly reporting ordinance PKG) will be provided by the investment company on request. Contact details from where further information can be obtained can be found on the first page of this full prospectus.

4. Relevant information for investors regarding taxation provisions applicable to investment funds. Information regarding whether the income from investment funds or other investment income is subject to capital gains tax (CGT)

Taxation treatment for investors subject to unlimited tax liability in Austria

The following information primarily refers to the management of domestic security accounts.

a) Private assets

Income tax

Final taxation, a taxation obligation does not apply to investors.

The domestic coupon-paying agent shall withhold the legally stipulated amount of capital gains tax from dividend payments to unit holders out of an investment fund, provided that such income is derived from income liable to withholding tax and the recipient of such payments is subject to withholding tax. Under the same provision, capital gains tax on payments from income-retaining funds shall be withheld on dividend-equivalent income forming part of the unit value*).

In principle, private investors are not required to make any tax statements. The deduction of capital gains tax relieves the investor of any other obligation to pay other taxes on such income. The withholding of capital gains tax frees the investor from all income tax.

Exemptions from final taxation

Final taxation is excluded:

- for debt instruments held in the fund and not subject to CGT-II, provided that no exercise option notice has been given. Such income must be declared in tax returns.
- for securities forming part of the fund assets not subject to the Austrian state's taxation power, provided that the holder does not waive his or her claim to benefits under double taxation agreements. Such income must be stated in the tax return in the column titled "In addition to the stated income, other income was earned for which the power of taxation is vested in another state under double taxation agreements".

In such cases, capital gains tax withheld is credited and/or may be claimed back pursuant to Section 240 BAO.

The ordinary income of the fund (interest, dividends) are subject to 25% CGT after the deduction of expenses. 20% of the extraordinary income of the fund (price gains from the realisation of equities and equity derivatives) are also subject to 25% CGT.

The tax assessment base for extraordinary income (equities, equity derivatives) has been increased from 20% to 30% for financial years which begin after 30.06.2011.

The tax assessment base for extraordinary income (equities, equity derivatives) has been increased from 30% to 40% for financial years which begin after 31.12.2011.

The tax assessment base for extraordinary income has been extended to price gains from bonds and bond derivatives, and 50% of all realised extraordinary income will be subject to 25% CGT for financial years which begin after 31.12.2012.

60% of all realised extraordinary income will be subject to 25% CGT for financial years which begin after 31.12.2013.

Speculation term for selling fund units:

Fund units which have been acquired before 01.01.2011 are subject to the one-year speculation term. (Section 30 of the Income Tax Act in the version before the Budget Supplementary Law 2011)

Fund units which have been acquired on or after 01.01.2011 are subject to taxation of realised gains at the time of sale. Taxation will occur at the custodian bank for fund units which are sold after 01.04.2012, whereby the difference between the tax-deductible amortised acquisition value and the sales revenue from fund units will be subject to a final 25% capital gains tax (CGT), i.e. neither income tax due over and above

the amount withheld nor dividends have to be included in the shareholder's income taxation return. For the purposes of the amortised acquisition value the taxed income increases the acquisition costs of unit certificates during the holding period, while distributions (which have already been made) and paid CGT reduce acquisition costs.

All losses on sale can, in the same calendar year, be claimed with positive income from capital assets (except for interest gains from financial institutes).

Units which are acquired on or after 01.01.2011 and sold before 01.04.2012 are subject to an extended speculation term (that means, earnings liable to tax are taxed in the course of assessment).

b) Business Assets

Taxation and tax settlement for holdings in the business assets of natural persons

For natural persons who earn income from capital assets or commercial or industrial enterprises (sole proprietors, co-proprietors), income tax on earnings liable to capital gains tax is deemed paid once capital gains tax, types I and II, have been paid. Distributions of dividends from gains on domestic funds and from other payments equivalent to dividends from gains on foreign sub-funds are to be taxed before 01.04.2012 at the prevailing tax rate, afterwards with the 25% special tax rate (assessment).

Dividend and dividend equivalent, ordinary and extraordinary income (all realisations of price gains on a fund level) in business assets are subject to taxation (provided that they originate from taxable income) for financial years which begin after 31.12.2012. The tax-free retention of realised price gains in the fund is, for the last time, possible for financial years which begin in calendar year 2012.

Price gains from the sale of fund units, which are sold before 01.04.2012, are to be included in the assessment. All previously taxed income reduces these capital gains. Fund units which are sold by natural persons (holding such units) after 31.03.2012 will be subject to a 25% special tax rate (assessment).

Taxation and capital gains tax, type II: Deductions for holdings in business assets of legal entities

Distribution and dividend equivalent ordinary income (interest, dividends) are subject to tax. Dividends from capital gains from domestic funds and from dividend equivalent capital gains from foreign subfunds are to be taxed with corporation tax.

Dividend and dividend equivalent, ordinary and extraordinary income (all realisations of price gains on a fund level) in business assets are subject to taxation (provided that they originate from taxable income) for financial years which begin after 31.12.2012. The tax-free retention of realised price gains in the fund is, for the last time, possible for financial years which begin in calendar year 2012.

Foreign dividends, which originate from EU-member countries (with the exception of (as of 06.07.2009): Bulgaria, Ireland, Cyprus), Norway and certain comparable third countries, are exempt from corporation tax. The remaining foreign dividends are subject to corporation tax.

In the absence of an exemption declaration pursuant to Section 94 line 5 of the Income Tax Act, the coupon-paying agent shall withhold capital gains tax on holdings in the business assets of legal entities and/or dividends from dividend paying funds as capital gains tax. Capital gains tax withheld and paid to the taxation revenue office may be credited towards the assessed corporation tax.

c) Corporate bodies with income from capital assets

To the extent to which corporate bodies (i.e. associations) earn income from capital assets, corporation tax levied on capital income liable to capital gains tax is deemed paid once the capital gains tax has been withheld. CGT on tax-exempt dividends is refundable.

Private foundations with investment income liable to capital gains tax are, in all cases, subject to a 12.5% interim tax. Investments made by private foundations (with capital gains subject to CGT-II) after 01.01.2011 are subject to 25% interim tax. CGT on tax-exempt dividends is refundable.

Foreign dividends, which originate from EU-member countries (with the exception of (as of 06.07.2009): Bulgaria, Ireland, Cyprus), EEA countries and certain comparable third countries, are exempt from corporation tax. The remaining foreign dividends are subject to corporation tax.

Fund units which are acquired after 01.01.2011 are subject to taxation of realised gains when such units are sold. The assessment basis for taxation is the difference between the sales revenue and the reassessed acquisition value of fund units. Income taxed during the holding period, for the purposes of reassessed acquisition value, increases the acquisition costs of unit certificates, while distributions (which have already been made) and paid CGT reduce acquisition costs.

Note to all tax payers:

Annual reports contain a detailed description of the tax treatment of dividends paid from funds and/or income equivalent distributions.

*) not for fully-income-retaining unit certificates

5. Balance-sheet date of annual reports and indication of the frequency and form of dividend payment

The fund's financial year includes the period from 14 April to 15 April the following calendar year. Distribution/payment shall occur on 15 June the following financial year, pursuant to Section 13 no. 3 InvFG (dividend-accumulating funds) or pursuant to Section 27 of the fund rules.

6. Name of bank auditor pursuant to Section 12 (4) InvFG

KPMG Austria GmbH, Porzellangasse 51, 1090 Vienna.

7. Conditions under which fund management can be terminated; termination notice

The investment fund management company may terminate management of the investment fund after having obtained prior permission from the Austrian Financial Market Authority and after having made a public statement of such effect:

- a) By giving notice of termination
 - under observation of a six month period of notice (Section 14 (1) InvFG)
 - with immediate effect, if the fund assets decline below EUR 1.150.000 (Section 14 (2) InvFG).

A notice of termination pursuant to Section 14 (2) InvFG is not permitted to be made during a notice of termination pursuant to Section 14 (1) InvFG.

- b) through the following measures and under observation of a three-month period of notice
 - transferring the fund's management to another investment fund management company
 - by combining the fund assets with, or contributing these to, another investment fund.

8. Type and main characteristics of units, in particular

- **Original documents or certificates evidencing such documents, entry in a register or account**
- **Characteristics of units: registered or bearer securities, description of the denomination if necessary**
- **Rights of unit holders, especially upon notice of termination**

Co-ownership of assets belonging to the fund is sub-divided in equal co-ownership units. The number of co-ownership units is unlimited.

Co-ownership units are represented by one or one-tenth of units via unit certificates with security character (certificates).

Co-ownership units are represented by global certificates (Section 24 of the Austrian Safe Custody of Securities Act (Depotgesetz), Federal Law Gazette 424/1969, as amended).

Every person who acquires a fund unit registered in a global certificate acquires co-ownership in the fund's total assets corresponding to her/her co-ownership assets as evidenced by the respective global certificate.

Subject to the approval of its Board of Directors, the investment fund management company has the right to split co-ownership units and issue additional unit certificates to unit holders or exchange old unit certificates for new ones if the amount of the net asset value justifies the splitting of the co-ownership of units as being in the interest of the fund's co-owners.

Unit certificates shall be made out to bearers.

Rights of unit holders, especially upon termination of fund management by the investment fund management company

Unit holders retain the right of managing the fund's assets through the investment fund management company as well as the right to redeem units at their respective value at any time, including after termination of the fund's management by the investment fund management company. In the event that funds are merged, unit holders have the additional right to demand the exchange of their units in accordance with the conversion ratio as well as settlement of fractions. If the fund's management is terminated, the custodian bank will temporarily assume management of the fund. If it fails to entrust another investment fund management company with this task within a period of six months then it must also undertake liquidation of the fund. Once liquidation procedures have begun, the unit holders' right to management is replaced by their right to an orderly liquidation, and their right to redemption of the unit value at any time is superseded by their right to disbursement of the liquidation proceeds after completion of the liquidation process.

9. Stock exchanges and markets where fund units are listed and traded

The custodian bank is responsible for issuance and redemption of fund units.

The investment fund management company is permitted to apply for the listing on the Vienna Stock Exchange.

10. Terms and conditions for issuance and sale of fund units**Issuance of units**

The issuance of units occurs at least once per calendar-year quarter, pursuant to Section 20a (3) InvFG. The issuance of units occurs on every trading day for the Garantie-Spar-Fonds.

In principle, the number of issued units and corresponding unit certificates is unlimited. The fund units may be acquired from the distributors (paying and information agents) listed in the Appendix. The investment fund management company retains the right to temporarily suspend the issuance of units or discontinue it entirely.

Sales charge

A sales charge is added to the issue price in order to cover issuing costs. The sales charge covering issuing costs amounts to up to 5% of the value of one unit, rounded up to the next whole cent.

The Garantie-Spar-Fonds can also form part of a savings plan.

Settlement date

The valid issue price is the price prevailing (plus sales charge) one day after the trading day on Austrian stock exchanges on which the order was received by the custodian bank no later than 2.30 pm (CET). Subsequent orders will be settled with the issue price prevailing two days after the trading day on Austrian stock exchanges on which the order was received by the custodian bank. Value date: the purchase price will be charged two bank working days after the settlement trading day.

11. Terms and conditions for repurchase or redemption of units and conditions under which such repurchase or redemption may not be granted**Redemption of units**

The redemption of units occurs at least once per calendar year quarter, pursuant to Section 23 of the Fund Rules. Redemption of units for the Garantie-Spar-Fonds occurs on every trading day.

Unit holders may, at any time, demand the redemption of units by placing a redemption order with the custodian bank. The investment fund management company is obliged to buy back units for the account of the fund at the prevailing redemption price, rounded off to the nearest whole cent.

The payment of the redemption price and the calculation and publication of the redemption price may, in accordance with Section 10 of the Fund Rules and with the simultaneous notification of the Austrian Financial Market Authority, be temporarily suspended and determined to be a function of the sale of investment fund assets and receipt of proceeds from such sale, under extraordinary circumstances where this would appear necessary in consideration of the justified interests of unit holders. The resumption of the redemption of units is also to be announced to the investor pursuant to Section 10 of the Fund Rules.

The last published price is used to calculate the fund price. If the fund has invested 5% or more of its assets in assets, in which their valuation rates (evidently and not just in individual cases) do not correspond to actual values due to political or economic factors, then a price calculation may be omitted.

The Garantie-Spar-Fonds can also form part of a payment plan.

Settlement date

The valid redemption price is the price prevailing one day after the trading day on Austrian stock exchanges on which the order was received by the custodian bank no later than 2.30 pm (CET). Subsequent orders will be settled with the redemption price which prevails two days after the trading day on Austrian stock exchanges on which the order was received by the custodian bank. Value date: the sale price will be credited two bank working days after the stock exchange trading day of settlement.

Guarantee from the Österreichische Volksbanken-AG

The Österreichische Volksbanken-AG exclusively guarantees the Volksbank Invest Kapitalanlagegesellschaft m.b.H., for the account of the fund, an 80% maximum value guarantee. This means that the unit holder receives either 80% of the highest unit value reached up until settlement or the redemption price, depending on which is higher.

The maximum value guarantee is calculated by the Österreichische Volksbanken-AG on a daily basis (however it can only be adjusted upwards), a reduction of the guarantee to below 80% is not possible. The Österreichische Volksbanken-AG undertakes the guarantee on a daily basis less taxes and fees withheld by custodian institutions.

12. Rules for the calculation and use of income and description of unit holders' income entitlements

Income from income-retaining unit certificates with capital gains tax deduction

Income earned during the financial year, after covering costs, will not be distributed. The investment fund management company is obliged to make payments for income-retaining unit certificates, in accordance with Section 13 (3) InvFG, which is used to cover the capital gains tax obligation for income equivalent distributions earned on unit certificates.

13. Description of the investment objectives of the investment fund, including financial goals (i.e. capital and income gains), investment policy (i.e. concentration on geographical regions or business sectors), eventual restrictions imposed on its investment policy as well as indication of borrowing powers which could be exercised in the course of the management of the investment fund

The Garantie-Spar-Fonds is a balanced fund of funds, pursuant to Section 20a InvFG, oriented towards capital gains and aims to achieve continual high returns while taking capital security and broad risk diversification into consideration.

The Garantie-Spar-Fonds is managed according to a multi-step safety model. A risk-yield optimisation model is hereby used which refixes the weightings of asset classes (on the basis of different parameters) on a monthly basis. Due to the optimum risk-yield ratio, the model can invest to up to 100% of fund assets in the money market, which can lead to investors not being able to participate in equity market developments over longer time periods. A CPPI model (Constant Proportion Portfolio Insurance) is also used which guarantees an 80% highest level guarantee of the highest reached daily unit value. The weighting between the above described investment portfolio and a low risk investment (money market) is determined by a dynamic allocation process. This dynamical portfolio-hedging strategy which, depending on the market value of the portfolio (current unit value), calculates the generated amount (with taking the 80% highest level guarantee into consideration) and the defined multiplier on a continual basis as well as the share permitted to be invested in risky assets (investment portfolio), in order to guarantee the repayment of 80% of the highest reached value.

The fund acquires and sells assets (securities, money market instruments, demand deposits, shares in capital investment funds, undertakings in collective investments, shares in real estate funds and financial instruments) within the limits of its investment policy and which are permitted by the Fund Rules and according to the Austrian Investment Funds Act.

The Garantie-Spar-Fonds does not comply with the Directive 85/611/EEG (OGAW-Directive) and is suitable as a target fund. Shares in capital investment funds may be acquired to up to 100% of fund assets.

The Garantie-Spar-Fonds invests without geographical limitations, that means there is no specialisation on geographical regions or economic segments. Up to 100% of the fund assets may be invested in collective investment undertakings.

Investments are selected according to the aspects of security and return. Attention is to be paid to the fact that investments not only offer opportunities of price gains but also hold risks. Prices of fund assets may increase or fall below the acquisition price. This is especially dependent on the development of capital markets or on the special developments of respective issuers which is not foreseeable.

The investment fund company is permitted to undertake transactions with derivatives, for the Garantie-Spar-Fonds, as part of the fund's investment strategy and for the purpose of hedging fund assets. The exposure of fund assets may thereby, at least in part, increase as a consequence.

Through the use of derivative financial instruments, which are not used for the purposes of hedging fund assets, the fund consciously accepts higher risks in order to increase gains.

Transactions are made according to the principle of risk diversification. Section 20a, 20 and 21 of the InvFG describe the investment restrictions in detail.

In addition, the Österreichische Volksbanken-AG guarantees at least 80% of the highest unit value. As a result of this guarantee undertaking, the fund is managed according to a CPPI Model which gives rise to limitations in the management of the fund. Due to these management limitations, investments over longer time periods may not participate in equity market developments.

The Garantie-Spar-Fonds is a special saving product from the Volksbank Invest Kapitalanlagegesellschaft m.b.H., based on a saving plan. The saving plan combines the fund's return opportunities with broad risk diversification and a long-term investment horizon. A special advantage of fund saving plans is the cost-average-effect. This has the effect that investors can, in the long term, profit from a lower average price per acquired unit certificate. Via regular deposits, more fund units will be automatically acquired (for the same deposit amount) when trading prices are low. When prices rise once again, the savings plan records an above-average performance. Therefore, the investor profits from temporary weaker and continually rising prices.

A large advantage of fund saving plans is the flexibility that they offer. The saving amount and the respective investment dates can be determined by investors. Furthermore, these can be changed or discontinued at any time. Further information can be obtained from the form Kapital-Spar-Plan.

In principle, units of the Garantie-Spar-Fonds may also be obtained on a one-off basis.

RISK GUIDELINES

General

Warning pursuant to Section 20a (7) InvFG

The Financial Market Authority warns: The Garantie-Spar-Fonds is permitted to invest up to 100 per cent in assets, pursuant to Section 20a (1) 3 InvFG 1993 (Alternative Investments), which have an increased investment risk compared to traditional investments. In particular, investments in these assets may lead to partial losses or to a complete financial loss of there therein invested capital.

The above-mentioned total loss is limited to 20% due to the guarantee set out in Item 11.

The risks accompanied by fund of fund hedge fund are directly linked to the risks of the individually acquired undertakings in collective investments within the meaning of Section 20 a (1) 3 InvFG. These undertakings typically exhibit, in comparison to traditional capital investment funds, higher risks because their investment strategies do not or only to a limited extent contain legal restrictions with regard to the selection of acquirable investment instruments. The risks can be large, moderate or small depending on the investment strategies followed in undertakings in collective investments within the meaning of Section 20a (1) 2 InvFG and those investment instruments acquired by the fund of fund hedge fund.

In addition, target funds of the fund of fund hedge fund are permitted to use strategies which may result in a loss of value of fund assets contained in target funds (leverage and short selling). As a result, gains and losses may be achieved in the respective target funds which may well exceed the performance of the basic assets.

The unit holder's risk is however limited to the amount invested. An obligation to pay a reserve liability does not exist for the unit holder.

The value of assets within a fund may rise or fall below the purchase price. If an investor sells units of an investment fund at a time when prices of such assets have declined below the prices prevailing at the time of acquisition, the investor will not receive the full amount invested in the fund assets. Because the fund provides an 80% maximum value guarantee of the highest value reached per unit, the exposure for investors is limited. As a result, the following risks only apply to a limited extent.

Special risks

a) The risk that the entire market for an asset category follows a negative trend resulting in a negative impact on the price and value of such investments (market risk)

The price development of securities depends, in particular, on the performance of capital markets, which in turn are influenced by the general situation of the world economy as well as the economic and political climate in the respective countries.

The interest rate risk represents a specific type of market risk. The interest rate risk is defined as the risk resulting from potential changes in the interest rate level prevailing at the time of issue of fixed interest-bearing securities. Changes in the market interest rate may result, among other things, from changes in the economic situation and ensuing policy responses by the respective central bank.

The prices of fixed interest-bearing securities will usually decline with increasing market interest rates. However, if market interest rates decline, the prices of fixed interest-bearing securities will usually increase. In both cases, the price development will have the result that yields on securities will approximately correspond to market interest rate levels. Such price fluctuations vary, however, depending on the duration of fixed interest-bearing securities. Fixed interest-bearing securities with short durations have lower price risks than those with longer durations. On the other hand, fixed interest-bearing securities with shorter durations usually earn lower yields than those with longer durations. In contrast, the interest on securities with longer durations is higher (exception: inverse interest structure). The company tries to reduce the immanent risks of a security and increase the opportunities. However, a guarantee for investment performance can not be given.

b) The risk that an issuer or a counterparty cannot meet his/her obligations (credit risk and issuer risk)

In addition to the general trends on capital markets, the performance of issuers also has an impact on the price of securities. Despite careful selection of securities, it cannot be ruled out, for example, that losses may be incurred due to a depletion of an issuer's assets.

c) The risk that a transaction within a transfer system is not carried out as expected because a counterparty fails to pay or deliver on the agreed date or in the agreed manner (settlement risk)

This category refers to the risk that a transaction in a transfer system fails to be carried out as expected because a counterparty fails to pay or deliver on the agreed date or in the agreed manner. The settlement risk is defined as the risk that emerges when one party has settled a transaction but has not received the commensurate compensation or the according services in return.

In particular, risks exist with regard to the acquisition of non-listed financial products or with respect to their settlement via a transfer agent, or that a settled transaction is not carried out as expected because a counterparty fails to pay or deliver, or that losses could occur due to operational errors within the course of settlement of a transaction.

The payment of unit prices for the acquisition of foreign fund of funds often does not occur by way of payment on delivery, so that delivery is temporarily delayed; therefore, there is a risk that the unit price could be paid without the returned service and the capital investment fund would only have a claim against the fund of funds for a refund of the unit price for the non-delivery of units.

d) The risk that a position cannot be liquidated at an adequate price in a timely manner (liquidity risk)

In consideration of the opportunities and risks associated with investing in equities and bonds, the investment fund management company only purchases for the capital investment fund securities which are officially listed on domestic and foreign stock exchanges or traded on organised markets, and which are recognised and offered to the general public and operate according to the general provisions.

Nevertheless, in certain phases or in stock exchange segments, it may be difficult to sell particular securities at a given time. In addition, securities which are traded in a relatively narrow stock exchange segment may be affected by strong price volatility.

In addition, securities are acquired from new issues of which the offering terms contain an undertaking to the effect that the issuer has to apply for admission to official listing or trading on a stock exchange or an organised market so long as its admission is obtained no later than one year after the commencement of issue.

The investment fund management company has the right to purchase securities traded on a stock exchange or on an official market in the EEA, or on a stock exchange or organised market listed in the Appendix.

The target funds, in which the fund of fund hedge fund invests, may be limited with regard to the repurchasing of its units and the frequency of its valuation. For this reason, there is a risk in connection with the purchasing of such target fund units, that they may not be given back and liquidated in due time.

e) The risk that the value of an investment is influenced by exchange rate movements (exchange rate or currency risk)

Currency risk is another type of market risk. Unless it is stated otherwise, investment fund assets of a capital investment fund may be invested in other currencies other than the currency in which the fund was

established. Earnings, redemptions and income from such investments will be received in the currency in which the investment was made. The value of such currencies may decline below the value of the fund currency. Therefore, a currency risk exists in which the values of units are affected to the extent to which the investment fund is invested in currencies other than the fund currency.

f) The risk of the loss of assets held by the custodian bank due to insolvency, negligence or fraudulent practices by the custodian bank or the bank entrusted with custody (custody risk)

A risk is associated with the custody of capital investment fund assets which can be caused as a result of insolvency, negligence or fraudulent practices by the custodian bank or sub-custodian bank. In particular the use of a prime broker as depot agent can not in some circumstances guarantee the same security as a depot agent of a custodian bank.

g) Risks that result from concentration on certain investments or markets (concentration risk)

Further risks can result from concentration of investment in certain assets or markets.

h) Performance risk as well as information as to whether third-party guarantees exist and, if so, whether these are restricted (performance risk)

Assets acquired for the capital investment fund may experience another performance than that which was expected at the time of acquisition. Therefore, a positive performance cannot be guaranteed, other than in the event that a third-party guarantee exists.

i) Information about the performance of guarantors (if any)

The investment risk increases or decreases depending on the performance of the respective guarantors.

The Österreichische Volksbanken-AG guarantees, for account of the fund, 80% of the highest unit value reached. The guarantor default risk is therefore limited to the difference between the guaranteed unit value and the unit value at settlement.

j) The risk of inflexibility inherent in the product itself as well as from the resulting restrictions caused by changing to another capital investment fund (inflexibility risk)

The risk of inflexibility can occur as a result of the product itself as well as from the resulting restrictions caused by changing to another capital investment fund.

Under some circumstances, a daily valuation and repurchasing of units is not possible for units in collective investment undertakings within the meaning of Section 20a (1) no. 3 InvFG. Furthermore, the investment fund itself underlies limitations with regard to the issuance and repurchase of units.

k) Inflation risk

Inflation development may have a negative impact on the yield of an investment. On the one hand, the invested money may lose purchasing power as a result of depreciation, and on the other hand, inflation development may have a direct (negative) impact on the price development of assets.

l) The risk concerning the assets of the capital investment fund (capital risk)

The risk concerning the capital of a capital investment fund can, in particular, be caused by the fact that a cheaper sale of assets was achieved than by its purchase. This includes the risk of depletion with regard

to redemption and excessive distribution of yields on investment.

It should be noted, that a loss or a complete financial loss of the therein invested capital can occur.

The Österreichische Volksbanken-AG guarantees, for account of the fund, 80% of the highest unit value reached. The guarantor default risk is therefore limited to the difference between the guaranteed unit value and the unit value at settlement.

m) The risk of changes in other general conditions such as, for example, changes in tax provisions

The value of assets of a capital investment fund may be negatively influenced by uncertainty in countries in which investments are undertaken, for example international political development, changes in government policy, foreign investments restrictions, currency fluctuations and other developments in the legal or regulatory position. Furthermore, trading is permitted on stock exchanges which are not as strictly regulated as those in the USA or in the EU member countries.

n) The risk that the valuation of certain securities will deviate from their actual sale price due to price formations on illiquid markets (valuation risk)

The price formation of certain securities and other financial instruments may be restricted and the evaluation of funds may become difficult, in particular in times where market participants suffer liquidity shortages as a result of financial crises and general loss of confidence. If in such times larger unit redemptions are carried out simultaneously, fund management may be forced to sell securities at prices which deviate from the actual valuation prices in order to maintain the total liquidity of the fund.

Loans

Short-term loans are permitted to up to 10% of the fund assets.

Delegation of activities

The capital investment company points out, pursuant to the applicable Quality Standards of the Austrian Investment Fund Sector, that it has delegated activities to an affiliated company within the meaning of Section 2 no. 28 of the Austrian Banking Act (BWG).

Settlement of transactions

The capital investment company points out, pursuant to the applicable Quality Standards of the Austrian Investment Fund Sector, that it is permitted to carry out transactions for the investment fund via an affiliated company within the meaning of Section 2 no. 28 of the Austrian Banking Act (BWG).

It is to be noted that the above description is only provided for information purposes and does not replace an individual and professional investment consultation.

14. Risks associated with derivative products pursuant to Section 21 InvFG

The investment fund management company is permitted (within the orderly management of a capital investment fund and under certain conditions and restrictions) to acquire derivative products pursuant to Section 21 of the Investment Fund Act, provided that the fund provisions explicitly state that such transactions are permissible see Item 15.V Derivative Financial Instruments).

The following risks may be associated with derivative products:

- a) **The acquired terminable rights may expire or suffer a decline in value.**
- b) **Loss exposure cannot be determinable and may exceed the value of any collateral provided.**
- c) **It may not be possible to carry out transactions in which risks are excluded or limited, or only carried out at market prices which result in losses.**
- d) **Loss exposure may increase when liabilities from such transactions or the considerations arising from such transactions are denominated in a foreign currency.**

Transactions with OTC derivatives may incur the following additional risks:

- a) Problems associated with the sale of financial instruments acquired on an OTC market to third parties because an organised market does not exist for such instruments. Liquidisation of incurred liabilities may be difficult or involve considerable costs due to individual agreements (liquidity risk);
- b) The economic success of an OTC transaction may be jeopardised due to the default of a counterparty (counterparty credit risk);

15. Investment policy techniques and instruments

I) Call deposits and terminable deposits

Bank deposits in the form of call deposits or terminable deposits with a duration of maximum 12 months may be acquired under the following conditions:

1. Call deposits and terminable deposits with a duration of maximum 12 months and which do not exceed 20% of the fund assets may be placed with a single credit institution, provided that the credit institute
 - has its registered office in an EU member state
 - is subject to prudential rules considered by the FMA as equivalent to those laid down in Community Law if its registered office is not situated in a non-member state.
2. Irrespective of all individual limits, an investment fund may invest up to a maximum of 20% of its assets with a single credit institution; such investments may be made in a combination of assets consisting of securities or money market instruments and/or deposits of the credit institution and/or OTC derivative products acquired by the credit institution.

A minimum bank balance is not required.

II) Money market instruments

Money market instruments are instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time and which fulfil the requirements set out in Section 1a (5) to (7) InvFG.

Money market instruments may be acquired for the capital investment fund which

1. are officially listed on domestic and foreign stock exchanges or on any one of the recognised and regulated markets listed in the Appendix, and which are offered to the general public and operate according to the general provisions.
2. are normally traded on the money market, that are liquid and the value of which can be accurately determined at any time, even if they are not traded on recognised and regulated markets, provided that the issuance or issuer of such instruments are subject to

regulations regarding deposit and investor protection under the conditions that they are

- a) issued or guaranteed from a central, regional or local corporate body or a central bank of an EU member state, the European Central Bank, the European Union or the European Investment Bank, or a non-member state or a federal state belonging to a member state of the federation or by an international institution governed by public law belonging to at least one member state, or
- b) issued by enterprises of which securities are officially listed on a domestic or foreign stock exchange or traded in one of the regulated markets listed in the Appendix, or
- c) issued or guaranteed by an institute subject to supervision in accordance with the criteria defined by Community Law, or by an institute which is subject to supervisory provisions, in which the judgement of the Austrian Financial Market Authority (FMA) is at least as stringent as that laid down by Community Law, or
- d) issued by other issuers belonging to a category permitted by the FMA, provided that the investment in such instruments are subject to investor protection which are equivalent to those set out in paragraph a to c and provided that the issuer is either a company with a minimum capital of EUR 10 million and which compiles and publishes its annual accounts in accordance with Directive 78/660 EEC, or an entity which, within a group of companies including one or several listed companies, is responsible for the financing of the group, or an entity which is entrusted with the financing of securitisation vehicles which benefits from a banking liquidity line. This liquidity line must be covered by a financial institute which also has to fulfil the criteria in no. 2 (c).

Up to a total of 10% of the fund assets may be invested in money market instruments which do not comply with the above-named requirements and which are not traded on a regulated market.

III) Securities

Securities are

- a) shares in companies and other securities equivalent to shares in companies,
- b) bonds and other forms of securitised debt,
- c) any other negotiable securities which carry the right to acquire any such securities according to the InvFG by subscription or exchange, excluding the techniques and instruments referred to in Section 21 InvFG.

Instruments must fulfil the criteria set out in Section 1a (3) InvFG in order to be qualified as securities.

According to Section 1a (4) InvFG securities include

1. units in closed-end funds constituted as investment companies or as unit trusts,
2. units in closed-end funds constituted under the law of contract,
3. financial instruments pursuant to Section 1a (4) no. 3 InvFG.

The investment fund management company purchases securities which are listed on one of the domestic or foreign stock exchanges or traded on organised markets included in the Appendix, and which are recognised and offered to the general public and operate according to the general provisions.

In addition, securities are acquired from new issues of which the offering terms contain an undertaking to the effect that the issuer has to apply for admission to an

official listing or trading on a stock exchange or an organised market so long as its admission is obtained no later than one year after the commencement of issue.

Unlisted securities and other securitised rights

Up to 10 per cent of the fund assets in total may be invested in securities which are not listed on one of the stock exchanges or organised markets included in the Appendix.

IV) Units in investment funds

1. Units in investment funds (= investment funds and open-end investment companies), which comply with the provisions set out in Directive 85/611/EEC (UCITS) may be purchased.
2. The investment fund may purchase units in collective investment undertakings to up to 100% of the fund assets, provided that they
 - are invested according to law, the instrument of incorporation or actual practice, are invested according to the principles of risk spreading and
 - do not fulfil the requirements of UCITS and UCI funds pursuant to Section 20 (3) no. 8b and 8c InvFG,

to up to 10 per cent of the fund assets in each case.

3. Units in investment funds which do not comply with the provisions set out in Directive 85/611/EEC (UCI) and whose exclusive purpose is,
 - for joint account and in accordance with the principle of risk spreading to invest publicly procured monies in securities and other liquid financial investments and
 - whose units are, at the request of the unit holders, repurchased or redeemed at the direct or indirect expense of the assets of the investment fund

may be purchased provided that

- a) they are licensed in accordance with legal provisions which make them subject to supervision which in the opinion of the Austrian Financial Market Authority is equivalent to supervision under Community Law and there is an adequate guarantee of cooperation between authorities and
- b) the level of protection of the unit holders and the level of protection of the unit holders of the investment fund, which comply with the provisions set out in Directive 85/611/EEC (UCITS), is equivalent and in particular the provisions concerning the separate safekeeping of the portfolios of assets, borrowing, the granting of credit and short selling of securities and money market instruments are equivalent to the requirements set out in Directive 85/611/EEC and
- c) the relevant business activity is the subject of annual and semi-annual reports which enable a judgement to be made as to the relevant assets and liabilities, income and transactions during the period under review.

The criteria set out in Section 3 of the Information and Equivalency Determination Ordinance ("IG-FestV") shall be used for the assessment of the equivalency of protection levels of unit certificates mentioned in point b),

Units in collective investment undertakings may also invest in assets which

- are only marketable to a limited extent,

- are subject to large price fluctuations,
- have a limited risk spreading or valuation of which is difficult, whereby

an obligation for the investor to effect a subsequent payment is not permitted.

4. Units in one and the same investment fund, pursuant to Section 20a InvFG, may be purchased to up to 50 per cent of the fund assets, provided that these other portfolios of assets, according to their Fund Rules, are permitted to invest a maximum of 10 per cent of fund assets in units in collective investment undertakings pursuant to Section 20a (1) no. 3 InvFG.
5. Units in one and the same investment fund may be purchased to up to 50 per cent of the fund assets.

IV) a) Units in real estate funds

In total, the investment fund may purchase units in real estate investment funds in accordance with Section 1 of the Real Estate Investment Funds Act (ImmoInvFG) and units in real estate investment funds managed by an investment fund management company having its registered office in the EEA to up to 20 per cent of the fund assets, and to up to 10 per cent of the fund assets in units of one and the same real estate investment fund in accordance with Section 1 of the Real Estate Investment Funds Act (ImmoInvFG) and in units of one and the same real estate investment fund managed by an investment fund management company having its registered office in the EEA. The purchase of real estate special funds is not permitted.

V) Derivative financial instruments

a) Listed and unlisted derivative financial instruments

An investment fund may use derivative financial instruments (derivatives), including equivalent cash-settled instruments which are officially listed on one of the stock exchanges or traded on one of the organised markets listed in the Appendix, or derivative financial instruments which are not officially listed on a stock exchange or traded on an organised market (OTC derivatives) provided that

1. the underlying involves instruments within the meaning of Section 15a of the Fund Rules or financial indices, interest rates, exchange rates or currencies in which the investment fund is permitted to invest in accordance with its investment objectives as described in the Fund Rules,
2. counterparties, with which OTC derivative transactions are carried out, are institutions subject to supervision and belonging to a category approved by the FMA, and
3. OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or settled by an offset transaction at any time, and at their reasonable present value, at the initiative of the investment fund management company.

They also apply to instruments that allow the transfer of the credit risk of an asset referred to above.

b) Use of derivatives

Derivative financial instruments form an integral part of the investment fund's investment strategy and may be used for hedging purposes.

c) Risk management

The investment fund management company is to use a risk management system which will allow it to monitor and assess, at any time, the risks associated with investment positions as well as the respective share of such risks in the overall risk profile of fund assets. Furthermore, it shall use a method that allows a precise and independent

assessment of the value of the respective OTC derivative. The investment fund management company, in agreement with the custodian bank, shall inform the FMA, in accordance with the practices stipulated by the latter, of the types of derivatives held as fund assets, the risks associated with respective underlyings, the investment limits and the methods applied for assessing the risks involved in such derivative transactions.

The overall risk relating to derivative instruments must not exceed the total net value of the fund assets. The risk is calculated in accordance with the current value of underlying assets, counterparty risk, future market fluctuations and the time available to liquidate positions. The investment fund is permitted to invest in derivatives as part of its investment strategy, provided that the overall risk of underlying assets does not exceed the investment limits stipulated in the Fund Rules and Austrian Investment Funds Act.

For transactions with OTC derivatives, the investment fund's default risk shall not exceed the percentages indicated below:

1. 10 per cent of the fund's assets if the counterparty is a credit institution within the meaning of Directive 2002/12/EC,
2. 5 per cent of the fund's assets in all other cases.

Investments made by a fund in index-based derivatives are not taken into account with regard to the specific investment limits. If a derivative is embedded in a security or a money market instrument, then it must comply with the above-named provisions.

d) Total risk

VAR-Approach

The investment fund management company uses the value-at-risk (VAR) approach for calculating risk. The value-at-risk gives reference to the expected maximum loss which can be incurred by a portfolio with a certain probability (confidence) during a particular time frame (holding duration). The following parameters are used in the calculation:

1. Confidence interval of 99%
2. Holding duration of 10 days
3. An effective historical observation time frame, which will be used as a basis in the calculation of volatility, of at least one year. In the event of deviation from the equilibrium, the weighted average is not permitted to fall below a period of six months.

The variance/covariance approach is used by the investment fund management company.

Risk adequate stress tests are also carried out in addition to VAR calculations. Back testing gives reference to the forecasting quality of the model.

The allocable risk value for the market risk of the investment fund is determined by the absolute risk (absolute VAR) of the portfolio and is limited to 20% of the total net value of fund assets. The absolute VAR-limit is determined on the basis of an evaluation of the overall investment process.

As long as Section 15 of the Special Fund Rules of this investment fund permits the use of derivatives for speculation purposes, then the investment fund management company is permitted to increase the investment intensity (leverage) of the investment fund above the permitted limits set out in InvFG via the use of derivatives.

On the basis of historical data (last financial year of the fund), leverage is not expected through the use of

derivatives. According to the Fund Rules, the maximum leverage through the use of derivatives, while taking short term loans into consideration, can amount to up to 110% of fund assets.

VI) Repurchase Agreements

Within the investment limits set out in the InvFG, the asset management company shall be permitted to purchase assets for the account of the investment fund, subject to the seller's commitment to repurchase such assets at a predetermined time and at a predetermined price.

This means, that the fund assets subject to repurchase agreements can differentiate from the respective basis constitution. As a consequence, the interest, duration and purchase or selling price, can significantly deviate from the underlying asset. The market risk is consequently blocked out.

VII) Securities lending

Within the investment limits set out in InvFG, the investment fund management company shall be permitted to transfer to third parties securities to up to 30 per cent of the fund's assets within the framework of an acknowledged securities lending system and for a limited period, subject to the provision that the third party shall be obliged to re-transfer the transferred securities after a predetermined load period.

The premium received for this represents an additional earning component.

16. Valuation principles

The value of a unit is calculated by dividing the total value of in the investment fund, including income, by the number of units. The total value of the investment fund is determined by the custodian bank on the basis of the respective market prices of the securities and subscription rights, cash, balances held, claims and other rights belonging to the fund, less its liabilities. If no market price or no current market price is available for a security, the market value that is appropriate on the basis of careful assessment, taking into account the overall circumstances, shall be used.

Net assets are calculated according to the following principles:

- a) Assets which are traded on a stock exchange or listed on another regulated market are valued on the basis of the last available price.
- b) So long an asset is not traded on a stock exchange or listed on another regulated market, or so long as an asset, which is traded on a stock exchange or listed on another regulated market, does not adequately reflect the actual market value, then the reliable price data provider, or alternatively the market price of similar securities or other recognised valuation methods, will be referred to.

17. Calculation of sale prices, issue prices and redemption or repurchase prices for units, in particular:

- **Method and frequency of the calculation of such prices**
- **Indication of the costs associated with the sale, issue, repurchase or redemption of units**
- **Indication of the type, place and frequency of publication of such prices.**

Sales charge

An additional charge is added to the issue price to cover the issuing costs incurred as set out in Item 10. Such a sales charge may reduce or erode the performance of short-term

investments. Therefore, longer investment periods are recommended for the acquisition of investment fund units.

Rounding of issue and repurchase prices

The issue price is rounded up in accordance with Item 10. The repurchase price is rounded out in accordance with Item 11.

Type, place and frequency of the publication of issue and repurchase prices

The value of fund units, issue and repurchase prices are calculated by the custodian bank on every trading day and published in a business journal or daily newspaper in Austria and/or in an electronic form on the internet site of the issuing investment fund company and/or in the Investment Fund Supplement to the Official Price List of the Vienna Stock Exchange ("Investmentfondsbeilage zum Kursblatt der Wiener Börse").

Issue and repurchase costs

The issue and repurchase of units through the custodian bank or the acquisition of units through one of the distribution agencies (paying and information agents) occurs without additional costs, except for the sales charge for the issue of fund units. A repurchase fee will not be charged for the repurchase of unit certificates.

Costs may be incurred upon the repurchase of units if such units are returned by third parties.

18. Method, amount and calculation of remuneration to the investment fund management company, the custodian bank or third parties and the reimbursement or expenses to the investment fund management company, the custodian bank or third parties by the investment fund.

Management fee

For managing and administering the investment fund, the investment fund management company shall receive an annual commission fee of up to 2% of the fund assets based on the value at month-end. Managing and administering expenses of the guarantee mechanism are also satisfied by this commission.

A management fee of up to 0.59% p.a. can be charged for subfunds held by the investment fund.

Other costs

The following expenses are to be charged to the investment fund in addition to the remuneration to which the investment fund management company is entitled:

a) Transaction costs

These are costs incurred in connection with the acquisition and sale of fund assets, provided that these costs have not already been taken into account in the price of units in the settlement of the transaction.

b) Auditing fees

Auditing fees are determined by the respective management fee of an investment fund. These costs are included in the total expense ratio (TER) which is explained in detail under Item 3.3 of the Simplified Prospectus.

c) Publicity expenses

These include all costs incurred in connection with the preparation and publication of information to domestic and foreign unit holders, as required by law. In addition, these costs include all costs charged by supervisory authorities to the investment fund for modifications (especially to the fund rules or offering prospectuses) incurred as a result of amendments to legal provisions. These costs are included in the total

expense ratio (TER) which is explained in detail under Item 3.3 of the Simplified Prospectus.

d) Account costs and custodian fees of the investment fund (Security custodian fee)

Custodian fees, fees for the collection of coupons, and fees which are customary in banking for the administration of foreign securities abroad will be charged to the investment fund by the custodian bank. These costs are included in the total expense ratio (TER) which is explained in detail under Item 3.3 of the Simplified Prospectus.

e) Custodian bank fee

The custodian bank receives a monthly remuneration for the management of fund accountancy, the daily valuation of the investment fund and the publication of prices. These costs are included in the total expense ratio (TER) which is explained in detail under Item 3.3 of the Simplified Prospectus.

The above-named costs and expenses are explicitly set out under Item 2 in the Chapter "Income Statement and Development of Fund Assets" in the current annual report.

Advantages

The capital investment company points out that other monetary advantages, as a consequence of its management activities (e.g. for broker research, financial analysis, market and price information systems), will only then be taken advantage of when they are used in the interests of the unit holder.

The capital investment company is permitted to grant repayments (provisions) from management fees collected by it. The granting of such payments does not burden the fund with additional costs.

Payments (provisions) made by third parties will be forwarded to the capital investment fund after reduction of the adequate compensation for expenses and declared in the annual report.

19. External consultants or investment advisors

The Österreichische Volksbanken-Aktiengesellschaft, Kolingasse 14-16, 1090 Vienna has been appointed by the investment company to act as investment advisor.

The Österreichische Volksbanken-Aktiengesellschaft, Kolingasse 14-16, 1090 Vienna has been appointed by the investment company to act as guarantor.

No further costs exceeding those set out in Section 25 of the Fund Rules will be incurred by the unit holder.

20. Past performance of the investment fund – this information is included in the prospectus or attached to it

See Item 2.3.1. of the Simplified Prospectus.

21. Typical investor profile, for whom the investment fund has been designed

See Item 2.4. of the Simplified Prospectus.

22. Costs and fees to be paid by unit holders with the exception of those costs set out under no. 17, and other costs and fees to be paid out of the special fund assets

See Item 3.3. of the Simplified Prospectus.

SECTION III

CUSTODIAN BANK INFORMATION

1. Name, legal form; registered office and head office (in the event that this differs from the registered office)

Österreichische Volksbanken-Aktiengesellschaft, Kolingasse 14-16, 1090 Vienna.

Register of companies: no. 116476 p
Register Court: Vienna Commercial Court

2. Principal activities of the custodian bank

The Österreichische Volksbanken-Aktiengesellschaft has been appointed as custodian bank, pursuant to the notice of approval by the Financial Market Authority GZ FMA-IF25 8266/0001-INV/2009 dated 29.04.2009. The appointment and the replacement of the custodian bank shall require approval by the Austrian Financial Market Authority. Such approval shall only be given if the credit institution is guaranteed to fulfil the duties of a custodian bank. The appointment and the replacement of the custodian bank is to be published; the publication shall contain a reference to the office notice of approval.

The custodian bank is a credit institution according to Austrian Law. Its principal activities are the handling of deposits and transfers, lending and securities transactions.

The custodian bank is responsible, in accordance with the Austrian Investment Funds Act, for the custody of the investment fund's assets as well as the management of

accounts and custody accounts of the fund and it must in particular guarantee that transactions, which refer to the assets of the investment fund, are immediately settled in current values, and that the earnings of the investment fund are used in accordance with the provisions set out in the Austrian Investment Fund Act and Fund Rules.

The custodian bank also assumes responsibility for the following tasks:

- Valuation and price fixing (including tax declaration)
- Supervision and compliance of legal regulations
- Dividend distribution on the basis of the decisions of the investment company
- Issuing and redemption of fund units
- Contract settlements (including the distribution of certificates)

In accordance with the fund provisions, the remuneration payable to the investment fund management company for managing the fund and for the reimbursement of expenses arising from the management of the fund shall be paid by the custodian bank out of the accounts held for the fund. The custodian bank may charge to the investment fund the remuneration payable to it for the safe custody of securities held by the investment fund and for the fund accountancy. Under these circumstances, the custodian bank shall only act upon instructions given by the investment fund management company.

Volksbank Invest Kapitalanlagegesellschaft
mit beschränkter Haftung

Günter Toifl
Management Board

Ulrike Günther
Authorised Signatory

APPENDIX

1. Information about the management board

See Section I, Item 3

2. Board of directors, capital

See Section I, Item 3 and Item 4

3. Shareholders

See Section I, Item 6

4. Distributors (paying and information agents)

Paying and information agents for the Garantie-Spar-Fonds in Austria:

The Österreichische Volksbanken-Aktiengesellschaft, Vienna, and all credit institutes belonging to the Austrian Volksbank sector.

The paying and information agents outside of Austria: see Item 1.6 of the Simplified Prospectus.

5. Stock exchanges and markets where securities can be acquired

See Fund Rules – Annex to Section16

6. Fund Rules of the fund, applicable to the Full Prospectus

See Fund Rules

Fund Rules for the Garantie-Spar-Fonds, co-ownership fund pursuant to Section 20a InvFG

GENERAL FUND RULES

Governing the legal relationship between the unit holders and the Volksbank Invest Kapitalanlagegesellschaft m.b.H. (hereinafter referred to as "investment fund management company") regarding the investment fund managed by the investment fund management company; and applying only in connection with the Special Fund Rules issued for each investment fund:

Section 1 - General

The investment fund management company is subject to the provisions of the Austrian Investment Fund Act ("Investmentfondsgesetzes) 1993 (hereinafter referred to as "InvFG") as amended.

Section 2 - Co-ownership

- Co-ownership of assets belonging to the investment fund is divided into units of equal size. The number of units is not limited.
- Co-ownership units are represented by unit certificates in the form of securities. In compliance with the Special Fund Rules, several classes of unit certificates may be issued. The unit certificates are represented by global certificates (Section 24 Securities Deposit Act ("Depotgesetz"), as amended).
- Each purchaser of a share of a global certificate shall acquire co-ownership of all of the investment fund's assets in the amount of his or her share of the fund units documented in the certificate. Each purchaser of a unit certificate shall acquire co-ownership of all of the investment fund's assets in the amount of his or her share of the fund units documented in the certificate.
- With the consent of its supervisory board, the investment fund management company may split the fund units and issue additional unit certificates to the unit holders or exchange the old unit certificates for new ones if a unit split is deemed to be in the interests of the co-owners given the calculated value of the units (Section 6).

Section 3 - Unit Certificates and global certificates

- The unit certificates shall be made in bearer form.
- Global certificates shall bear the handwritten signature of the chairman of the supervisory board as well as two managers of the investment fund management company.

Section 4 - Management of the investment fund

- The investment fund management company shall be authorised to manage the assets belonging to the investment fund and to exercise the rights under such assets. In doing so, the investment fund management company acts in its own name for the account of the unit holders. It shall safeguard the unit holders' interests and the integrity of the market, shall use the care and diligence of an orderly businessman within the meaning of Section 84 (1) of the Companies Act ("Aktengesetz") and shall observe the provisions of the InvFG as well as the Fund Rules. The investment fund management company shall be entitled to use the services of third parties for the management of the investment fund and to grant them the right to manage the assets on behalf of the investment fund management company or in their own name but for the account of the unit holders.
- The investment fund management company may involve third parties in the management of the investment fund and cede to these third parties the right to dispose of the assets on behalf of the investment fund management company or on their own behalf and for account of the unit holders.
- Assets forming part of the investment fund shall not be pledged or otherwise encumbered or given in security or assigned, except in the cases expressly set out in the Special Fund Rules.
- Pursuant to Section 20 and Section 20a InvFG, the investment fund management company shall not sell securities, money market instruments or other financial assets that are not part of the fund assets at the time of the transaction for the account of the investment fund.

Section 5 - Custodian bank

The appointed custodian bank (Section 13), within the meaning of Section 23 InvFG, handles the securities account and account of the investment fund management company and performs all other duties in accordance with the InvFG and Fund Rules.

Section 6 - Issue price and unit value

- The issue of units will occur at least once per calendar-year quarter, pursuant to Section 20a (3) InvFG. The issue of units will occur on every trading day for the Garantie-Spar-Fonds.

- The custodian bank shall calculate the value of a unit (unit value) for each class of unit certificates and publish the issue price and repurchase price (Section 7) every time units are issued or repurchased, but at least once a month. The value of a unit shall be calculated by dividing the total value of the investment fund, including income, by the number of units. The total value of the investment fund shall be determined by the custodian bank on the basis of the current market prices of the securities and subscription rights belonging to the fund, plus money market instruments and financial instruments, cash, balances held, claims as well as other rights belonging to the fund less liabilities. If no market price or no current market price is available for a security, the market value that is appropriate on the basis of careful assessment, taking into account the overall circumstances, shall be used (Section 7 (1) InvFG).
- The issue price of a unit shall correspond to the unit value plus a sales charge to cover the issuing costs incurred by the investment fund management company. The resulting price will be rounded up. The amount of the sales charge and the rounding is set out in the Special Fund Rules (Section 23).
- The issue price and the repurchase price, for every class of unit certificates, will be published in a business journal or daily newspaper in Austria and/or in an electronic form on the internet site of the issuing investment fund company and/or in the Investment Fund Supplement to the Official Price List of the Vienna Stock Exchange ("Investmentfondsbeilage zum Kursblatt der Wiener Börse") pursuant to Section 18 InvFG in conjunction with Section 10 (3) Capital Market Act ("Kapitalmarktgesetz").

Section 7 - Repurchase

- The repurchase of units will occur at least once per calendar-year quarter, pursuant to Section 20a (3) InvFG. The repurchase of units occurs on every trading day for the Garantie-Spar-Fonds.
- The unit holder shall receive the repurchase price for his/her share of the investment fund as his/her request, and where necessary, against the return of the unit certificate, unmatured coupon and renewal coupon.
- The repurchase price shall correspond to the unit value, less a discount and/or rounding-off, as far as this is set out in the Special Fund Rules (Section 23). The payment of the repurchase price and the calculation and publication of the repurchase price may be, pursuant to Section 6, with the simultaneous notification of the Austrian Financial Market Authority and in accordance with the publication regulations set out in Section 10, temporarily suspended and made subject to the sale of investment fund assets and on receipt of the proceeds from their sale, if there are extraordinary circumstances which make this appear necessary in consideration of the legitimate interests of unit holders. The resumption of the repurchase of unit certificates is also to be announced to the investor pursuant to Section 10. This shall, in particular, be the case if 5 per cent of more of the investment fund's assets have been invested in assets whose market value manifestly and not just in individual cases fails to correspond to their fair value due to the current political or economic situation.
- If undertakings in collective investments are held in the fund, then the investment fund management company reserves the right to limit the repurchase to certain repurchase dates with respect to the settlement procedures of these undertakings in collective investments, whereby it must guarantee at least one repurchase date per calendar-year quarter.

Section 8 - Accounting

- The investment fund management company shall publish an annual report in accordance with Section 12 InvFG within four months of the expiry of the investment fund's accounting year.
- The investment fund management company shall publish a semi-annual fund report in accordance with Section 12 InvFG within two months of the expiry of the first six months of the investment fund's accounting year.
- The annual report and semi-annual reports shall be made available for inspection at the offices of the investment fund management company and the custodian bank.

Section 9 - Withdrawal period for income shares

Unit certificate holders' entitlement to the distribution of income shares shall become time-barred after five years. After this period, such income shares shall be treated as income of the investment fund.

Section 10 - Publication

Section 10 (3) and (4) of the Austrian Capital Market Act ("KMG") shall apply in respect of all publications concerning the unit certificates except for the notice of the values calculated as per Section 6. Publication shall occur either

- through the printing in full of such documents in the "Amtsblatt zur Wiener Zeitung" (Official Gazette) or
- by making available free of charge a sufficient number of copies of this publication at the offices of the investment fund management company and the payment offices and announcing in the "Amtsblatt zur Wiener Zeitung" (Official Gazette) the date of publication and offices where this public announcement may be obtained, or

- in electronic form on the internet site of the issuing investment fund management company pursuant to Section 10 (3) no. 3 of the Austrian Capital Market Act ("KMG").

The announcement, pursuant to Section 10 (4) of the Austrian Capital Market Act ("KMG"), shall occur in the "Amtsblatt zur Wiener Zeitung" (Official Gazette) or in a business journal or daily newspaper which is distributed in Austria.

The announcement, pursuant to Section 10 (4) of the Austrian Capital Market Act ("KMG"), of Prospectus changes, pursuant to Section 6 (2) InvFG, may also be carried out solely in electronic form on the internet site of the issuing investment fund management company.

Section 11 - Amendments to the Fund Rules

With the consent of its supervisory board and the custodian bank, the investment fund management company may amend the Fund Rules. Such an amendment shall also require the permission of the Austrian Financial Market Authority. The amendment shall be published. It shall come into force on the date indicated in the public announcement, but not earlier than three months since the public announcement.

Section 12 - Termination and liquidation

1. The investment fund management company may terminate its management of the investment fund by providing a public announcement (Section 10) after obtaining the consent of the Austrian Financial Market Authority and whilst observing a notice period of at least six months (Section 14 (1) InvFG) or, if the fund assets are less than EUR 1,150,000, without observing a notice period (Section 14 (2) InvFG). A termination pursuant to Section 14 (2) InvFG is not permitted to be made during a termination pursuant to Section 14 (1) InvFG.
2. In case of the expiry of the right of the investment fund management company to manage the investment fund, this fund shall be managed or wound up in accordance with the relevant provisions of the Austrian Investment Fund Act.

Section 12a - Merger or transfer of fund assets

Whilst observing Section 3 (1) and Section 14 (4) of the InvFG, the investment fund management company may merge the fund assets of the investment fund with fund assets of other investment funds or transfer the fund assets of the investment fund to fund assets of other investment funds or incorporate fund assets of other investment funds into the fund assets of the investment fund.

SPECIAL FUND RULES

for Garantie-Spar-Fonds, co-ownership fund pursuant to Section 20a InvFG (herein referred to as "investment fund"). The investment fund complies with Directive 85/611/EEC.

Section 13 - Custodian bank

The custodian bank is the Österreichische Volksbanken-Aktiengesellschaft, Vienna.

Section 14 - Paying and presenting offices, unit certificates

1. Paying and presenting offices for unit certificates and income coupons are the Österreichische Volksbanken-Aktiengesellschaft, Vienna, and all credit institutions belonging to the Volksbank sector.
2. Income-retaining unit certificates with capital gains tax deduction above one unit shall be issued for the investment fund. Unit certificates shall be represented by global certificates. Actual securities can therefore not be issued.
3. Where the unit certificates are represented by global certificates, the distributions pursuant to Section 27 shall be accredited to the unit holder's custodian bank.

Section 15 - Investment instrument and principles

1. In accordance with Section 4, 20, 20a and 21 of the InvFG and Section 16ff of these Fund Rules, all types of securities, money market instruments and other liquid financial investments may be purchased for the investment fund if the principle of risk spreading is thereby taken into account and the legitimate interests of the units holders are not violated.
2. The investment fund's various assets shall be selected in accordance with the following investment principles:

Securities (including securities with embedded derivative instruments)

The investment fund is permitted to acquire securities (in terms of individual securities) to up to 100 per cent of fund assets.

Money market instruments

The investment fund is permitted to acquire money market instruments, pursuant to Section 15a of these Fund Rules, to up to 100 per cent of fund assets.

Units in investment funds

The investment fund is permitted to acquire units in other investment funds pursuant to Section 17 of these Fund Rules.

Call deposits or terminable deposits

Call deposits or terminable deposits with a maximum duration 12 months in EUR or another freely convertible currency may be held by the investment fund to up to 100 per cent of the fund assets. A minimum bank balance is not required.

Derivative instruments (including swaps and other OTC derivatives)

Derivative instruments are used as part of the investment.

Undertakings in collective investments

The investment fund may purchase shares in undertakings in collective investments, pursuant to Section 20a (1) no. 1 InvFG, to up to 100 per cent of the fund assets.

Real estate fund units

Units in real estate fund, pursuant Section 20a (1) no. 4 InvFG, may be acquired for the investment fund to up to 20 per cent of the fund assets.

3. If securities and money market instruments purchased for the investment fund have derivatives embedded in them, the investment fund management company shall take this into consideration with regard to its compliance with Section 19 and 19a. Investments made by an investment fund in index-based derivatives shall not be taken into consideration in respect of the investment limits set out in Section 20 (3) no. 5, 6, 7 and 8d of the InvFG.
4. Not fully paid-in equities or money market instruments and subscription rights for such instruments or other not fully paid-in financial instruments may only be purchased up to an amount of 10 per cent of the fund assets.
5. Securities or money market instruments issued or guaranteed by a member state including its units of government, by a third country or by international organisations established under public law of which one or more member states are members may be purchased up to an amount of 35 per cent of the fund assets if the fund assets are invested in at least six different issues, with an investment in any single issue not exceeding 30 per cent of the fund assets.

Section 15a - Securities and money market instruments**Securities are**

- a) shares in companies and other securities equivalent to shares in companies,
- b) bonds and other forms of securitised debt,
- c) any other negotiable securities which carry the right to acquire any such securities according to the InvFG by subscription or exchange, excluding the techniques and instruments referred to in Section 21 InvFG.

Instruments must fulfil the criteria set out in Section 1a (3) InvFG in order to be qualified as securities.

According to Section 1a (4) InvFG securities include

1. units in closed-end funds constituted as investment companies or as unit trusts,
2. units in closed-end funds constituted under the law of contract,
3. financial instruments pursuant to Section 1a (4) no. 3 InvFG

Money market instruments are instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time and which fulfil the requirements set out in Section 1a (5) and (7) InvFG.

Section 15b - Guarantee from the Österreichische Volksbanken-AG

The Österreichische Volksbanken-Aktiengesellschaft, Vienna, guarantees the investment fund management company for the account of the fund and pursuant to special contractual agreement, 80% of the highest unit value reached in the investment fund and calculated according to Section 6. Detailed information is set out in the Sales Prospectus of the investment fund.

Section 16 - Stock exchanges and organised markets

1. Securities and money market instruments may be purchased if they are
 - officially listed or traded on the securities exchange pursuant to Section 2 no. 37 BWG or
 - traded on another recognised and regulated securities market in a member state which is open to the public and operates regularly or
 - officially listed by a third country stock exchange listed in the Appendix or
 - traded on another recognised and regulated third country securities market which is open to the public and operates regularly and is listed in the Appendix or
 - their terms and conditions of issue include the obligation to apply for a licence for official listing or for trading on one of the above-mentioned stock exchanges or for trading on one of the other above-mentioned markets and this licence is granted within one year of the start of the issue of these securities.
2. Freely transferable money market instruments which are not traded on a regulated market and which are normally traded on a money market, are liquid and whose value may be determined accurately at any time, which may be purchased for the investment fund if the issuer himself or the issuer himself is subject to the provisions concerning protection of deposits and investors and these are either
 - issued or guaranteed by a central, regional or local unit of government or by the central bank of a member state, the European Central Bank, the European Union or the European Investment Bank, a third country or – for federal states – a member state of a federation or by an international institution established under public law or which at least one member state is a member or
 - issued by companies whose securities are traded on the regulated markets indicated in Item 1 – excluding new issues - or
 - issued or guaranteed by an institution which is subject to supervision in accordance with the criteria stipulated in Community Law or issued or guaranteed by an institution which is subject to and complies with supervisory regulations which in the opinion of the Austrian Financial Market Authority are at least as stringent as those set out in Community Law or
 - issued by other issuers belonging to a category licensed by the Austrian Financial Market Authority, where investor protection provisions apply for investments in these instruments which are equivalent and where the issuer is either a company with shareholders' equity of at least EUR 10 million which prepares and publishes its annual financial statements in accordance with the provisions set out in Directive 78/660/EEC or a legal entity which, within a business group comprising one or more stock exchange-listed companies, is responsible for the financing of this group or a legal entity which is due to finance its securitisation of liabilities through a credit line granted by a bank. The credit line must be covered by a financial institute which also fulfils the criteria set out in no. 2 point 3.

3. Overall, up to 10 per cent of the fund assets may be invested in securities and money market instruments which do not comply with the conditions set out in no. 1 and 2.

Section 17 - Units in investment funds

1. Units in one and the same investment fund (= investment funds and open-end investment companies) pursuant to Section 20 (3) no. 8b InvFG, which comply with the provisions set out in Directive 85/611/EEC (UCITS) may be purchased to up to 50 per cent of the fund assets.
2. Units in one and the same investment fund, pursuant to Section 20 (3) no. 8b and 8c InvFG, which do not comply with the provisions set out in Directive 85/611/EEC (UCI) and whose exclusive purpose is
 - for joint account and in accordance with the principle of risk spreading to invest publicly procured monies in securities and other liquid financial investments and
 - whose units are, at the request of the unit holders, repurchased or redeemed at the direct or indirect expense of the assets of the investment fund

may be purchased to up to 50 per cent of the fund assets provided that

- a) they are licensed in accordance with legal provisions which make them subject to supervision which in the opinion of the Austrian Financial Market Authority is equivalent to supervision under Community Law and there is an adequate guarantee of cooperation between authorities and
- b) the level of protection of the unit holders and the level of protection of the unit holders of the investment fund, which comply with the provisions set out in Directive 85/611/EEC (UCITS), is equivalent and in particular the provisions concerning the separate safekeeping of the portfolios of assets, borrowing, the granting of credit and short selling of securities and money market instruments are equivalent to the requirements set out in Directive 85/611/EEC and
- c) the relevant business activity is the subject of annual and semi-annual reports which enable a judgement to be made as to the relevant assets and liabilities, income and transactions during the period under review.

The criteria set out in the Information and Equivalency Determination Ordinance ("IG-FestV") shall be used for the assessment of the equivalency of protection levels of unit certificates mentioned in point b).

3. Units may also be purchased for the investment fund in investment funds which are directly or indirectly managed by the same investment fund management company or by a company with which the investment fund management company is affiliated through joint management or subordination or a substantial direct or indirect investment.
4. Units in one and the same investment fund, pursuant to Section 20a InvFG (other portfolios of assets), may be purchased to up to 50 per cent of the fund assets, provided that these other portfolios of assets, according to their Fund Rules, are permitted to invest a maximum of 10 per cent of fund assets in units in collective investment undertakings pursuant to Section 20a (1) no. 3 InvFG.

Section 17a - Units in collective investment undertakings

The investment fund is permitted to purchase units in collective investment undertakings, pursuant to Section 20a (1) no. 3 InvFG, to up to 10 per cent of the fund assets in each case and, in total, to up to 100 per cent of the fund assets when they

- are invested according to law, the instrument of incorporation or actual practice, are invested according to the principles of risk spreading and
- do not fulfil the requirements of Section 20 (3) no. 8b and 8c InvFG

Such collective investment undertakings may also invest in assets which

- are only marketable to a limited extent,
- are subject to large price fluctuations,
- have a limited risk spreading or valuation of which is difficult, whereby
- an obligation for the investor to effect a subsequent payment is not permitted.

Section 17b - Units in real estate funds

In total, the investment fund may purchase units in real estate investment funds in accordance with Section 1 of the Real Estate Investment Funds Act (ImmolvFG) and units in real estate investment funds managed by an investment fund management company having its registered office in the EEA to up to 20 per cent of the fund assets, and to up to 10 per cent of the fund assets in units of one and the same real estate investment fund in accordance with Section 1 of the Real Estate Investment Funds Act (ImmolvFG) and in units of one and the same real estate investment fund managed by an investment fund management company having its registered office in the EEA. The purchase of real estate special funds is not permitted.

Section 18 - Call deposits and terminable deposits

Call deposits or terminable deposits with a maximum duration 12 months in EUR or another freely convertible currency may be held by the investment fund to up to 100 per cent of the fund assets. A minimum bank balance is not required and the bank balance is not restricted to a maximum limit. A maximum of 20 per cent of the fund assets may be invested in a single credit institution pursuant to the legal provisions in particular Section 20 (3) no. 8d InvFG.

Section 19 - Derivatives

1. Derived financial instruments (derivatives) – including equivalent instruments which are settled in cash and traded on one of the regulated markets indicated in Section 16 – may be purchased for the investment fund if the underlying instruments are instruments within the meaning of Section 15a, or financial indices, interest rates, exchange rates or currencies in which the investment fund is permitted to invest in accordance with its investment principles (Section 15). This also applies to instruments that allow the transfer of credit risk of an asset referred to above.
2. The overall risk associated with the derivatives may not exceed the overall net value of the fund assets. A calculation of this risk must take into consideration the market value of the underlying instruments, the default risk, future market fluctuations and the liquidity period for the positions.
3. The investment fund may purchase derivatives as part of its investment strategy within the limits stipulated in Section 20 (3) no. 5, 6, 7, 8a and 8d InvFG if the overall risk associated with the underlying instruments does not exceed these investment limits.

Section 19a - OTC derivatives

1. Derived financial instruments which are not traded on a stock exchange (OTC derivatives) may be purchased for the investment fund if
 - a) the underlying instruments are in accordance with Section 19 no. 1,
 - b) the counterparties are supervised institutions belonging to categories licensed by the Austrian Financial Market Authority by regulation,
 - c) the OTC derivatives are subject to reliable and verifiable daily valuation and at the initiative of the investment fund may at any time and at an appropriate current market value be sold, liquidated or balanced through an offsetting transaction and
 - d) these instruments are invested within the limits stipulated in Section 20 (3) no. 5, 6, 7, 8a and 8d InvFG and the overall risk associated with the underlying instruments does not exceed these investment limits.
2. The default risk for investment fund transactions involving OTC derivatives may not exceed the following levels:
 - a) if the counterparty is a credit institution, 10 per cent of the fund assets,
 - b) otherwise 5 per cent of the fund assets.

Section 19b - Value at risk

The allocable risk value for the market risk, calculated as value at risk – the value of investments undertaken in the fund, is limited to a maximum of 20% of the total net value of fund assets (absolute VAR). The absolute VAR-limit is determined on the basis of an evaluation of the overall investment process. Further details and explanations can be found in the Sales Prospectus.

Section 20 - Loans

The investment fund management company may take-up short-term loans to up to 10 per cent of the fund assets for account of the investment fund.

Section 21 - Repurchase agreements

Within the investment limits set out in the InvFG, the investment fund management company shall be permitted to purchase assets for the account of the investment fund, subject to the seller's commitment to repurchase such assets at a predetermined time and at a predetermined price.

Section 22 - Securities lending

Within the investment limits set out in the InvFG, the investment fund management company shall be permitted to transfer to third parties securities to up to 30 per cent of the fund's assets within the framework of an acknowledged securities lending system and for a limited period, subject to the provision that the third party shall be obliged to re-transfer the transferred securities after a predetermined loan period.

Section 23 - Issue price and repurchase price

The unit value is to be calculated in Euro pursuant to Section 6.

The sales charge to cover the company's issuing costs shall amount to 5 per cent. The issue price shall be determined by rounding up the resulting amount to the next whole cent. The repurchase price shall be determined by rounding down the unit value to the next whole cent.

The issuance of units is, in principle, subject to limitation; however the investment fund management company reserves the right to temporarily or entirely discontinue the issuance of unit certificates.

Section 24 - Accounting year

The investment fund's accounting year includes the time period from 16 April to 15 April the following calendar year.

Section 25 - Management fee, reimbursement of expenses

The investment fund management company shall receive, for its management activity, an annual remuneration of up to 2 per cent of the fund assets, calculated pro rata on the basis of the values at month-end. Managing and administering expenses of the guarantee mechanism are also satisfied by this commission.

The investment fund management company shall be entitled to reimbursement for all expenses associated with its management of the fund, particularly costs associated with obligatory notices, custodian fees and auditing, consulting and fund report costs.

Section 26 - Appropriation of income in case of distributing unit certificates

Not applicable.

Section 27 - Appropriation of income for income-retaining unit certificates with capital gains tax deduction (income retention)

Earnings received during the accounting year, net of costs, will not be distributed. In accordance with Section 13 clause 3 of the InvFG, an amount shall be paid out on income-retaining fund unit certificates and used where applicable to meet any capital gains tax commitments on the distribution-equivalent income on those unit certificates.

Section 27a - Appropriation of income for income-retaining unit certificates without capital gains tax deduction (full income retention – domestic and foreign tranche)

Not applicable.

Section 27b - Appropriation of income for income-retaining unit certificates without capital gains tax deduction (full income retention – foreign tranche)

Not applicable.

Section 28 - Liquidation

Of the net liquidation proceeds, the custodian bank shall receive remuneration amounting to 0.5 per cent of the fund assets.

APPENDIX TO SECTION 16

List of stock exchanges with official trading and organised markets**1. Stock exchanges with official trading and organised markets in the member states of the EEA**

According to Article 16 of Directive 93/22/EEC (Investment Services Directive), each member state must maintain an up-to-date directory of its licensed markets. The directory is to be made available to the other member states and to the Commission.

According to this provision, the Commission is obliged to publish once a year a directory of the regulated markets of which it has received notice.

As a result of the reduced entry barriers and the specialisation in trading segments, the directory of "regulated markets" is subject to major changes. Therefore, the Commission will provide an updated version on its official website in addition to the annual publication of the list in the Official Journal of the European Communities.

The current directory of regulated markets is available at

http://www.fma.gv.at/cms/site/attachments/2/0/2/CH0230/CMS1140105592256/qeregeltte_maerkte_2008.pdf

in the "Verzeichnis der Geregeltten Märkte (pdf)" [Directory of Regulated Markets (pdf)].

1.2 The following stock exchanges are to be included in the directory of organised markets:

- | | | |
|-------|-------------|----------------------------------|
| 1.2.1 | Finland: | OMX Nordic Exchange Helsinki |
| 1.2.2 | Sweden: | OMX Nordic Exchange Stockholm AB |
| 1.2.3 | Luxembourg: | Euro MTF Luxembourg |

1.3. Recognised markets in the EU pursuant to Section 20 (3) no. 1 (b) InvFG:

- | | | |
|-------|----------------|---|
| 1.3.1 | Great Britain: | London Stock Exchange Alternative Investment Market (AIM) |
|-------|----------------|---|

2. Stock exchanges in European countries outside the European Community

- | | | |
|-----|------------------------|--|
| 2.1 | Bosnia Herzegovina: | Sarajevo, Banja Luka |
| 2.2 | Croatia: | Zagreb Stock Exchange |
| 2.3 | Switzerland: | SWX Swiss-Exchange |
| 2.4 | Serbia and Montenegro: | Belgrade |
| 2.5 | Turkey: | Istanbul (Stock Market only "National Market") |
| 2.6 | Russia: | Moscow (RTS Stock Exchange) |

3. Stock exchanges outside Europe

- | | | |
|------|---------------|---|
| 3.1 | Australia: | Sydney, Hobart, Melbourne, Perth |
| 3.2 | Argentina: | Buenos Aires |
| 3.3 | Brazil: | Rio de Janeiro, Sao Paulo |
| 3.4 | Chile: | Santiago |
| 3.5 | China | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6 | Hong Kong: | Hong Kong Stock Exchange |
| 3.7 | India: | Bombay |
| 3.8 | Indonesia: | Jakarta |
| 3.9 | Israel: | Tel Aviv |
| 3.10 | Japan: | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 3.11 | Canada: | Toronto, Vancouver, Montreal |
| 3.12 | Korea: | Seoul |
| 3.13 | Malaysia: | Kuala Lumpur |
| 3.14 | Mexico: | Mexico City |
| 3.15 | New Zealand: | Wellington, Christchurch/Invercargill, Auckland |
| 3.16 | Philippines: | Manila |
| 3.17 | Singapore: | Singapore Stock Exchange |
| 3.18 | South Africa: | Johannesburg |
| 3.19 | Taiwan: | Taipei |
| 3.20 | Thailand: | Bangkok |

- | | | |
|------|-----------------------|---|
| 3.21 | USA: | New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati |
| 3.22 | Venezuela: | Caracas |
| 3.23 | United Arab Emirates: | Abu Dhabi Securities Exchange (ADX) |

4. Organised markets in countries outside the European Community

- | | | |
|-----|--------------|---|
| 4.1 | Japan: | Over the Counter Market |
| 4.2 | Canada: | Over the Counter Market |
| 4.3 | Korea: | Over the Counter Market |
| 4.4 | Switzerland: | SWX-Swiss Exchange, BX Berne Exchange; Over the Counter Market of the Members of the International Securities Market Association (ISMA), Zurich |
| 4.5 | USA | Over the Counter Market in NASDAQ-System, Over the Counter Market (markets organised by NASD such as Over-the-Counter Equity Market, Municipal Bond Market, Government Securities Market, Corporate Bonds and Public Direct Participation Programs) Over-the-Counter Market for Agency Mortgage-Backed Securities |

5. Stock exchanges with futures and options markets

- | | | |
|------|------------------|---|
| 5.1 | Argentina: | Bolsa de Comercio de Buenos Aires |
| 5.2 | Australia: | Australian Options Market, Australian Securities Exchange (ASX) |
| 5.3 | Brazil: | Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange |
| 5.4 | Hong Kong: | Hong Kong Futures Exchange Ltd. |
| 5.5 | Japan: | Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange |
| 5.6 | Canada: | Montreal Exchange, Toronto Futures Exchange |
| 5.7 | Korea: | Korea Futures Exchange |
| 5.8 | Mexico: | Mercado Mexicano de Derivados |
| 5.9 | New Zealand: | New Zealand Futures & Options Exchange |
| 5.10 | Philippines: | Manila International Futures Exchange |
| 5.11 | Singapore: | Singapore International Monetary Exchange |
| 5.12 | Slovak Republic: | RM-System Slovakia |
| 5.13 | South Africa: | Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX) |
| 5.14 | Switzerland: | EUREX |
| 5.15 | Turkey: | TurkDEX |
| 5.16 | USA: | American Stock Exchange, Chicago Board Options Exchange, Chicago, Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, New York Futures Exchange, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX) |

1 The link can be changed by the Austrian Financial Market Authority (FMA). The link can be found on the FMA's homepage: www.fma.gv.at, Seller, "Information about Sellers on the Austrian Financial Market", stock exchanges, overview, downloads, directory of organised markets.

The capital investment company and the FMA points out that the Investment Fund Act (InvFG) 2011 is effective as of 01.09.2011. The legal references set out in the Fund Rules and the sales prospectuses refer to the InvFG 1993 because the Fund Rules were approved on the basis of the legal regulations valid at that time.