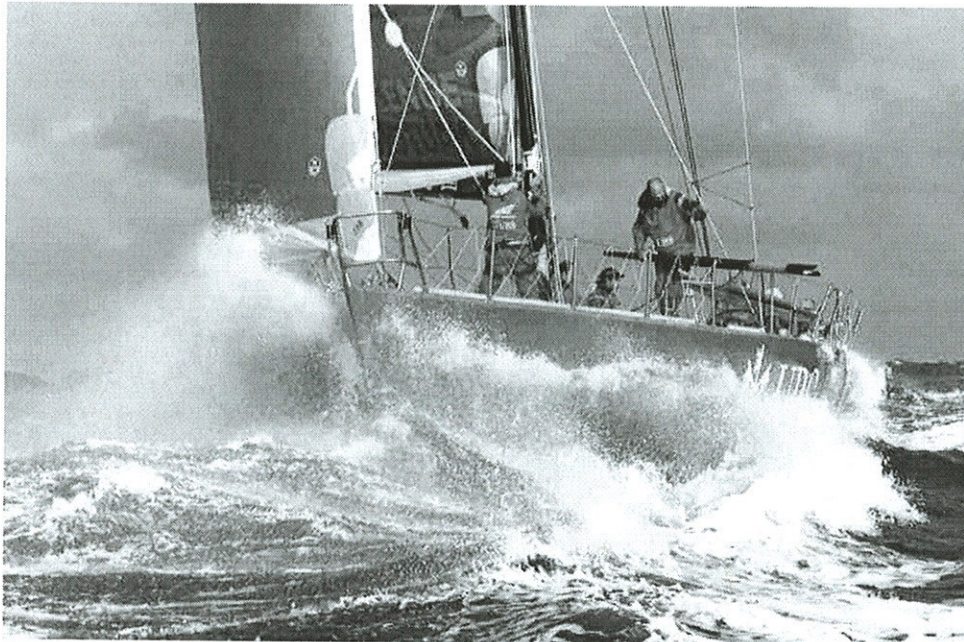


LUXEMBOURG INVESTMENT FUND

Société d'investissement à capital variable
33A avenue J.F. Kennedy, L-1855 Luxembourg



SALES PROSPECTUS

September 2008

Distribution of this Prospectus is not authorised unless it is accompanied by a copy of the latest available annual report of LUXEMBOURG INVESTMENT FUND (the "Fund") containing the audited balance-sheet and a copy of the latest half-yearly report, if published after such annual report. The sales prospectus and the respective annual and semi-annual reports may be obtained free of charge from all paying agents and sales agencies. It is prohibited to disclose information on the Fund, which is not contained in this sales prospectus, the documents mentioned therein, the latest annual report and any subsequent semi-annual report. The English version of this sales prospectus is binding.

VISA 2008/42615-3408-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité

Luxembourg, le 02/10/2008

Commission de Surveillance du Secteur Financier



INTRODUCTION

LUXEMBOURG INVESTMENT FUND (the "Fund") is a company organised as a société d'investissement à capital variable ("SICAV") and is registered under Part I of the Luxembourg law of December 20, 2002 on collective investment undertakings (the "Law"). This registration pursuant to the Law does not require any Luxembourg authority to approve or disapprove either the adequacy of this Prospectus or the portfolio of securities held by the Fund. Any representation to the contrary is unauthorised and unlawful. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not allowed. In particular, the shares of the Fund have not been registered with the Securities and Exchange Commission (SEC) of the United States of America and may therefore not be offered in the United States of America or in any state, territory or possession thereof or areas subject to its jurisdiction. The Sub-funds may be registered in different distribution countries.

No person is authorized to give any information, which is not contained in the Prospectus, or the documents mentioned therein and which are available for consultation by the general public. The Directors of the Company are held responsible for all information set out in the Prospectus at the time of its publication.

Potential subscribers to the Fund should inform themselves on applicable laws and regulations (i.e. as to the possible tax requirements or foreign exchange control) of the countries of their citizenship, residence or domicile, and which might be relevant to the subscription, purchase, holding, conversion and redemption of shares.

Any reference to "EUR" in this Prospectus refers to the official currency of the European Monetary Union.

This Prospectus is subject to changes concerning the addition or suppression of Subfunds as well as other modifications. Therefore it is advisable for subscribers to ask for the most recent issue of the Prospectus.

Potential subscribers should note that the structure of the Prospectus is made up of Section I which contains the regulations applicable to each individual Sub-fund and of Section II which contains the regulations to which the Fund is subject as a whole.

SECTION I: DESCRIPTION OF THE AVAILABLE SUB-FUNDS

- List of available Sub-funds
Subfund 1 - LUXEMBOURG INVESTMENT FUND – Amares Strategy Fund - Balanced
Subfund 2 - LUXEMBOURG INVESTMENT FUND – U.S. Equity Plus
Subfund 3 - LUXEMBOURG INVESTMENT FUND – Secofind Income
Subfund 4 - LUXEMBOURG INVESTMENT FUND – Global Opportunities
Subfund 5 - LUXEMBOURG INVESTMENT FUND – Alpha Strategies
- Unless otherwise indicated in the tables below, each Sub-fund of LUXEMBOURG INVESTMENT FUND is subject to the general regulations as set out in Section II of this Prospectus.

LUXEMBOURG INVESTMENT FUND – Amares Strategy Fund - Balanced

This specific section describes the particularity of the Sub-fund LUXEMBOURG INVESTMENT FUND - Amares Strategy Fund - Balanced. It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

The Sub-fund is suitable for any investor type including those who are not interested in or informed about capital market topics, but who see investment funds as a convenient "savings product". It is also suitable for more experienced investors wishing to obtain defined investment objectives and seeking current income and stability along with modest potential for increase in the value of their investments over time. Experience with capital market products is not required. The investor must be able to accept moderate temporary losses, thus the Sub-fund is suitable for investors who can afford, in principle, to set aside their capital for a period of at least 2-3 years.

Risk's profile

The risks associated with investments in fixed-income securities can include significant fluctuations in their market value due to strong interest rate fluctuations (e.g. the value of any bonds held by the Sub-fund is likely to decline when interest rates rise; this risk is greater for bonds with long maturities). A less significant risk is that a bond issuer could default on principal or interest payments, causing a loss for the Sub-fund. Due to possible use of techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, investors might be exposed to greater risks and there can be no assurance that the objective sought to be obtained from such use will be achieved. For further details about the risks associated to these techniques and instruments, see below under "Risks relating to the use of derivatives".

Investment Policy and Objective

The Sub-fund seeks regular and current income through its emphasis on a conservative equilibrium between bonds and short-term securities. It also aims to provide long-term capital appreciation through selected investments in equity securities.

The Sub-fund's assets are invested according to the principle of risk diversification internationally in short-term transferable securities, dividend-right certificates, bonds, notes, similar fixed-income and floating-rate securities (debt securities and claims), convertible bonds, convertible notes and warrant bonds as well as in shares, other certificates evidencing ownership in equity capital, such as cooperative shares and participation certificates (equities and equity rights). Debt securities and claims, as well as equities and equity rights are defined as those eligible investments described in Article 41 (1) a), b), c) and d) of the Law, as long as this is required by the investment restrictions detailed below (under 13. Investment Guidelines).

This Sub-fund may hold liquidities on an ancillary basis.

Use of Futures and Options

This Sub-fund may employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down under the section "Financial Techniques and Instruments" and provided such techniques and instruments are used for the purpose of efficient portfolio management and are in the interest of an orderly management of its assets. The purchase or sale of futures on indices will allow the Portfolio Manager to increase or decrease, at lower costs, the Sub-fund's market exposure. The purchase or sale of call or put options on transferable securities, indices will allow the Portfolio Manager to increase or decrease the exposure to the underlying with respect to the market trends/ conditions.

- **Options on transferable securities/ indices:** an option on transferable securities, or indices provide the purchaser, or "Holder", with the right, but not the obligation, to purchase, in the case of a "call option", or sell, in the case of a "put option", a stated quantity of the underlying at a fixed price to a stated expiration date (or, in the case of certain options, on such date). The holder pays a nonrefundable fee for the option, referred to as the "premium", but cannot lose more than this amount, plus any related transaction costs. In comparison with a forward contract, an option imposes a binding obligation only on the seller, or "writer". Upon the holder's exercise of the option, the writer is obligated to complete the transaction by delivery of the underlying or to receive a cash settlement based on the value of the underlying. An option becomes worthless to the holder if it expires unexercised. Such options may be traded on stock exchanges, or in the over-the-counter market between first class financial institutions specialised in such transactions dealing directly with

each other as principals. In purchasing an over-the-counter options, the holder is subject to the risk of default by the writer and, for this reason, purchasers of options may require writers to post collateral or other forms of performance assurance and to grant such purchasers the right to sell, assign, use or otherwise dispose of such collateral.

- **Futures contracts:** a futures contract is a bilateral agreement providing for the purchase and sale of a specific quantity of financial instruments (such index), at a stated time in the future for a fixed price. By its terms, a futures contract provides for a specified settlement date in which the value of the index is to be delivered by the seller and acquired by the purchaser. The purchase or sale of a futures contract differs from the purchase or sale of a security or other types of instruments in that no purchase price is paid or received. Instead, an amount of cash, which varies but may be as low as 5 % or less of the value of the contract, must be deposited with a broker as "initial margin". Subsequent payments to and from the broker, referred to as "variation margin", are then made on a daily basis as the value of the index fluctuates in value. Using futures instead of using the underlying or related index results in lower transaction costs.

Risks relating to the use of derivatives

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. These include: market risk, which is attendant to all types of investment; management risk, as the use of derivative require an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions; and credit risk, as a result of the failure of another party to a derivative to comply with the terms of the derivative contract.

The credit risks for exchanged-traded derivative is generally less than for OTC derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. This guarantee is supported by the margin requirements in order to reduce the overall credit risk. For OTC derivatives, such clearing agency guarantee does not exist. As a consequence, the creditworthiness of each counterparty must be considered to evaluate potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

Other risks attached to the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, indices. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Sub-fund.

Asset Management and Investment Adviser

- UBS Third Party Management Company S.A., whose registered office is at 33A avenue J.F. Kennedy, L-1855 Luxembourg has been appointed as management company of the Fund and holds the mandate as portfolio manager for the Sub-fund's assets.
- Primus Gestione Patrimoniale S.A., registered at Via San Gottardo 10, CH-6900 Lugano, has been appointed as investment adviser for the Sub-fund's assets.

Distribution

The Management Company has delegated, under its supervision and responsibility, its distribution duties for the Sub-Fund's assets to the following entities:

- UBS (Luxembourg) S.A., whose registered office is at 33A avenue J.F. Kennedy, L-1855 Luxembourg, for the distribution of the Sub-fund's assets in Luxembourg.
- UBS (Italia) SpA, whose registered office is at Via Del Vecchio Politecnico 3, I – 20121 Milano, for the distribution of the Sub-fund's assets in Italy.
- Banca Reale S.p.A. whose registered office is at Corso Vittorio Emanuele 101, I-10128 Torino, for the distribution of the Sub-fund's assets in Italy.
- Intesa Sanpaolo S.p.A., whose registered office is at Piazza Scala 6, 20121 Milano, for the distribution of the Sub-fund's assets in Italy.

Investments in the Luxembourg Investment Fund – Amares Strategy Fund – Balanced

General Information

- Reference currency: EUR. This is the currency in which the net asset value of the Sub-fund is calculated and not the investment currency of the Sub-fund. Investments are made in those currencies, which best benefit, the performance of the Sub-funds.
- Dividend Policy: this Sub-fund will pursue an accumulation policy.
- Valuation Date: the NAV per share is calculated on each Wednesday. Should a Wednesday not be a business day in Luxembourg, the net asset value is calculated on the next following business day.
- Shares will be issued as non-certificated bearer or registered shares. Upon request and against payment by the shareholder of all incurred expenses, share certificates may be issued in physical form. The Board of Directors reserves the right to issue share certificates in denominations of 1 or more shares, however fractions of shares, will not be issued in certificate form.
- Portfolio Management Fee: the Management Company is entitled to a "portfolio management fee" of a maximum 1.50 % p.a. calculated on the average of the total net assets of the Sub-Fund and payable by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).
- Administration Fee: the Management Company is entitled to an "administration fee" of a maximum 0.15 % p.a., calculated on the average net assets of the Sub-fund and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).
- Custodian Fee: the Custodian Bank is entitled to a "custodian fee" of a maximum 0.35 % p.a. calculated on the average net assets of the Sub-fund during the month concerned and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).
- Distribution fee: the Management Company is entitled to a commission of 0.25 % per annum, calculated on the average total net assets of the Sub-fund during the month concerned, to be paid by the Sub-fund. For the Distribution in Italy, the Management Company is entitled to a distribution fee of 0.75 % calculated on the average net subscription monies placed through the Distributor during the reference quarter and payable by the Sub-fund. For its duties, each Distributor duly appointed by the Management Company is entitled to the above remuneration to be paid by the Management Company.
- Investment Advisory Fee: the Management Company is entitled to an "investment advisory fee" of 1.50 % p.a. calculated as a percentage per year of the average total net assets of the Sub-fund during the month concerned, and payable by the Sub-fund. For its duties, the Investment Adviser is entitled to receive the above remuneration to be paid by the Management Company.

Subscriptions

- Subscription fee: up to 5 %
- Subscription monies are to be transferred via a licensed bank to the Custodian in favour of the Sub-fund, account number 5.390.630.
- The shares of the Sub-fund may be subscribed on each Valuation Date at the then prevailing net asset value.

Redemptions

- Shares of the Sub-fund may be redeemed on each Valuation Date at the then prevailing net asset value.
- Redemption fee: none

Conversions

- Conversion fee: none

Historical performance

- The historical performance of the Sub-fund is represented by a chart inserted in the simplified prospectus.

Portfolio Turnover

The turnover rate of the portfolio, as inserted in the simplified prospectus, was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2)/M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X + Y

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in shares of the Sub-fund during the relevant period = S + T

Where S = subscriptions of shares of the Sub-fund and T = redemptions of shares of the Sub-fund

M = average monthly assets of the Sub-fund.

Total Expense Ratio ("TER")

The TER, being the ratio of the gross amount of the expenses of the Sub-fund to its average net assets, inserted in the simplified prospectus includes the following expenses: the all-in-fee, the "taxe d'abonnement", the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

LUXEMBOURG INVESTMENT FUND – U. S. Equity Plus

This specific section describes the particularity of the Subfund Luxembourg Investment Fund – U.S. Equity Plus. It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

The Sub-Fund is suitable for investors who consider investments in the Sub-Fund as a convenient way of participating in capital markets movements. The investor must be able to accept significant temporary losses, thus the Sub-Fund is suitable for investors who can afford to set aside the capital for 5 years. It is designed for the investment objective of building up capital.

Risk's profile

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risks attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions. Due to possible use of techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, investors might be exposed to greater risks and there can be no assurance that the objective sought to be obtained from such use will be achieved. For further details about the risks associated to these techniques and instruments, see below under "Risks relating to the use of derivatives".

Investment Policy and Objective

- The aim of the Subfund is to provide investors with an opportunity to invest mainly in transferable securities listed or quoted in the United States of America and to provide a consistent performance.
- The Subfund's assets are invested according to the principle of risk diversification in equity securities listed on the New York Stock Exchange or on the NASDAQ and / or in US government securities (US T Bills).
- The Subfund may hold liquidities on an ancillary basis (which may include on an ancillary basis units of US money market mutual funds providing daily liquidity).
- The part of the assets invested in units or shares of other collective investment undertakings may never exceed 10 % of the sub-fund's net assets.
- The Subfund may enter into transactions relating to options on financial instruments for a purpose of efficient portfolio management in compliance with what is provided under "Financial Techniques and Instruments" (in Section II General Provisions, 13. Investment Guidelines) and in the interest of an orderly management of its assets. Due to their high volatility, options are exposed to greater risks than direct investments in securities.

Use of Futures and Options

This Sub-fund may employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down under the section "Financial Techniques and Instruments" and provided such techniques and instruments are used for the purpose of efficient portfolio management and are in the interest of an orderly management of its assets. The purchase or sale of futures on indices will allow the Portfolio Manager to increase or decrease, at lower costs, the Sub-fund's market exposure. The purchase or sale of call or put options on transferable securities, indices will allow the Portfolio Manager to increase or decrease the exposure to the underlying with respect to the market trends/ conditions.

- **Options on transferable securities / indices:** an option on transferable securities, or indices provide the purchaser, or "Holder", with the right, but not the obligation, to purchase, in the case of a "call option", or sell, in the case of a "put option", a stated quantity of the underlying at a fixed price to a stated expiration date (or, in the case of certain options, on such date). The holder pays a nonrefundable fee for the option, referred to as the "premium", but cannot lose more than this amount, plus any related transaction costs. In comparison with a forward contract, an option imposes a binding obligation only on the seller, or "writer". Upon the holder's exercise of the option, the writer is obligated to complete the transaction by delivery of the underlying or to receive a cash settlement based on the value of the underlying. An option becomes worthless to the holder if it expires unexercised. Such options may be traded on stock exchanges, or in the over-the-counter market between first class financial institutions specialised in such transactions dealing directly with each other as principals. In purchasing an over-the-counter options, the holder is subject to the risk of default by the writer and, for this reason, purchasers of options may require writers to post

collateral or other forms of performance assurance and to grant such purchasers the right to sell, assign, use or otherwise dispose of such collateral.

- **Futures contracts:** a futures contract is a bilateral agreement providing for the purchase and sale of a specific quantity of financial instruments (such index), at a stated time in the future for a fixed price. By its terms, a futures contract provides for a specified settlement date in which the value of the index is to be delivered by the seller and acquired by the purchaser. The purchase or sale of a futures contract differs from the purchase or sale of a security or other types of instruments in that no purchase price is paid or received. Instead, an amount of cash, which varies but may be as low as 5 % or less of the value of the contract, must be deposited with a broker as "initial margin". Subsequent payments to and from the broker, referred to as "variation margin", are then made on a daily basis as the value of the index fluctuates in value. Using futures instead of using the underlying or related index results in lower transaction costs.

Risks relating to the use of derivatives

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. These include: market risk, which is attendant to all types of investment; management risk, as the use of derivative require an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions; and credit risk, as a result of the failure of another party to a derivative to comply with the terms of the derivative contract.

The credit risks for exchanged-traded derivative is generally less than for OTC derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. This guarantee is supported by the margin requirements in order to reduce the overall credit risk. For OTC derivatives, such clearing agency guarantee does not exist. As a consequence, the creditworthiness of each counterparty must be considered to evaluate potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

Other risks attached to the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, indices. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Sub-fund.

Asset Management and Investment Adviser

- UBS Third Party Management Company SA., whose registered office is at 33A avenue J.F. Kennedy, L-1855 Luxembourg has been appointed as management company of the Fund and holds the mandate as portfolio manager for the Sub-fund's assets.
- Reliance Management (Gibraltar), Limited, whose registered office is at Suite 207 Neptune House, Marina Bay, Gibraltar, has been appointed as Investment Adviser for the Sub-fund's assets and entitled to a remuneration corresponding to a part of the Portfolio Management Fee and to a part of the Performance Fee, as mentioned below, to be paid by the Management Company.

Distribution

The Management Company has delegated, under its supervision and responsibility, its distribution duties to M&B Capital Advisers, Sociedad de Valores, S.A., (the "Distributor"), registered at Plaza Manuel Gómez Moreno nº 2, 28020 Madrid, for the distribution of the the Sub-fund's assets in Spain and Portugal. The Distributor is entitled to a distribution fee corresponding to a part of the Portfolio Management Fee as mentioned below, to be paid by the Management Company. The Distributor is not authorised to accept (subscription) moneys. Therefore payments should not be transferred via the Distributor.

Investments in the Luxembourg Investment Fund – U.S. Equity Plus

General Information

- Reference currency: USD. This is the currency in which the net asset value of the Subfund is calculated and not the investment currency of the Sub-fund. Investments are made in those currencies, which best benefit, the performance of the Sub-fund.
- Category of shares: Six categories are available in this Subfund:
 - Category A and Category C and Category E Shares: USD Shares
 - Category B and Category D and Category F Shares: EUR Shares

The Subfund invests its assets into transferable securities denominated in USD and is denominated in USD.

The Category A, C and E Shares: USD Shares are denominated in USD, participate in the portfolio according to their entitlements.

The Category B, D and F Shares: EUR Shares are denominated in EUR, participate in the portfolio according to their entitlements and seek to benefit from a specific hedging complement under which the non-EUR portfolio assets attributable to it are intended to be hedged against the EUR on a roll-over monthly basis; the hedging costs are borne by the Category B, D and F Shares.

Different management fees and performance fees are applicable to Category A and B shares than to Category C and D Shares as well as to Category E and F Shares.

- Dividend Policy: this Subfund will pursue an accumulation policy.
- Valuation Day: the Net Asset Value per share is calculated as of the fifteenth day and the last business day of each month. Should the fifteenth day of the month not be a business day in Luxembourg, the NAV is calculated on the next following business day.
- Shares will be issued as non-certificated bearer or registered shares. Upon request and against payment by the shareholder of all incurred expenses, share certificates may be issued in physical form. The Board of Directors reserves the right to issue share certificates in denominations of 1 or more shares, however fractions of shares, will not be issued in certificate form.
- Portfolio Management Fee: In consideration of the portfolio management services, UBS Third Party Management Company S.A. shall receive from the Sub-fund a management fee, as determined below.

The management fee for the Subfund is up to 0.60 % p.a. for Category A and B Shares, 1.10 % for Category C and D shares, and 1.50 % for Category E and F Shares of the net assets calculated in USD, accrued on each Valuation Day and payable quarterly in arrears on the net assets over the relevant quarter (more details are given in Section II Point 11. Charges and expenses).

- Administration Fee: the Management Company is entitled to an "administration fee" of a maximum 0.05 % p.a. calculated on the average net assets of the Sub-Fund during the month concerned and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).
- Custodian Fee: the Custodian Bank is entitled to a "custodian fee" of a maximum 0.35 % p.a. calculated on the average net assets of the Sub-Fund during the month concerned and payable monthly by the Sub-fund (more details are given in Section II Point 11. Charges and expenses).

Subscriptions

- The shares of this Subfund are intended for a limited number of investors and the Fund may at its discretion refuse subscription requests.
- Subscription fee: up to 2 % of the Net Asset Value per share for the Distributor and its appointed agents. Subscription fee for shares of Category A and B is 3 % on the Net Asset Value per share.
- The shares of the Subfund may be subscribed on each Valuation Day at the then prevailing net asset value.
- Duly completed and signed applications received by the Fund at the latest by 3 hours p.m, Luxembourg time, (the "cut-off-time") five business days in Luxembourg preceding a Valuation Day shall be settled at the issue price calculated on that Valuation Day.

Minimum offerings

Minimum initial investment amount:

Shares of Category A and B: USD 250'000,- or EUR 250'000,-

Shares of Category C and D: USD 1'000'000,- or EUR 1'000'000,-

Shares of Category E and F: USD 100'000,- or EUR 100'000,-

Minimum additional subscriptions:

Shares of Category A and B: USD 100'000,- or EUR 100'000,-

Shares of Category C and D: USD 100'000,- or EUR 100'000,-

Shares of Category E and F: USD 100'000,- or EUR 100'000,-

Minimum holding:

Shares of Category A and B: USD 100'000,- or EUR 100'000,-

Shares of Category C and D: USD 100'000,- or EUR 100'000,-

Shares of Category E and F: USD 100'000,- or EUR 100'000,-

Redemptions

- The shares of the Subfund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee: up to 2 % of the Net Asset Value per share for the Distributor and its appointed agents.
- Redemption monies for this Fund will be paid in the base currency of each respective sub-fund at latest on the 10th bank business day, in Luxembourg, after the Valuation day.
- Applications for redemption must be received by the Fund at the latest by 3.00 p.m., Luxembourg time, (the "cut-off-time") five business days in Luxembourg preceding a Valuation Day.

Conversions

- Shareholders may convert from one Category to another on each Valuation Day at the prevailing net asset value.
- Conversion fee: none

Historical performance

The historical performance of the Sub-fund is represented by a chart inserted in the simplified prospectus.

Portfolio Turnover

The turnover rate of the portfolio, as inserted in the simplified prospectus dated "September 2007", was computed in compliance with the following formula:

$$\text{Turnover} = \frac{(\text{Total 1} - \text{Total 2})}{M} * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X+Y

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in shares of the Sub-fund during the relevant period = S+T

Where S = subscriptions of shares of the Sub-fund and T = redemptions of shares of the Sub-fund

M = average monthly assets of the Sub-fund.

Total Expense Ratio ("TER")

The TER, being the ratio of the gross amount of the expenses of the Sub-fund to its average net assets, inserted in the simplified prospectus dated "September 2007" includes the following expenses: the all-in-fee, the "taxe d'abonnement", the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

LUXEMBOURG INVESTMENT FUND – Secofind Income

This specific section describes the particularity of the Subfund Luxembourg Investment Fund – Secofind Income. It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

The Sub-fund is suitable for any investor type including those who are not interested in or informed about capital market topics, but who see investment funds as a convenient "savings product". It is also suitable for more experienced investors wishing to obtain defined investment objectives and seeking current income and stability along with modest potential for increase in the value of their investments over time. Experience with capital market products is not required. The investor must be able to accept moderate temporary losses, thus the Sub-fund is suitable for investors who can afford, in principle, to set aside their capital for a period of at least 2-3 years.

Risk's profile

The risks associated with investments in fixed-income securities can include significant fluctuations in their market value due to strong interest rate fluctuations (e.g. the value of any bonds held by the Sub-fund is likely to decline when interest rates rise; this risk is greater for bonds with long maturities). A less significant risk is that a bond issuer could default on principal or interest payments, causing a loss for the Sub-fund. Due to possible use of techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, investors might be exposed to greater risks and there can be no assurance that the objective sought to be obtained from such use will be achieved. For further details about the risks associated to these techniques and instruments, see below under "Risks relating to the use of derivatives".

Investment Policy and Objective

- The aim of the Sub-fund is to provide investors with an opportunity to invest mainly in bonds of prime issuers and to provide a consistent return. The Sub-fund will invest primarily in fixed-interest-rate bonds. The Sub-fund will follow a long term investment approach.
- The Sub-fund's assets are invested according to the principle of risk diversification internationally in bonds, notes, similar fixed-income and floating-rate transferable securities (debt securities), convertible bonds, convertible notes, warrant bonds and to a lesser extent shares and other certificates evidencing ownership in equity capital, such as cooperative shares and participation certificates (equities and equity rights), short-term transferable securities, dividend-right certificates. Debt securities as well as equities and equity rights are defined as those eligible investments described in Article 41 (1) a), b), c) and d) of the Law, as long as this is required by the investment restrictions detailed below (under 13. Investment Guidelines). In particular, the Sub-fund may also invest on ancillary basis in event-linked bonds, yankee/euro bonds, emerging market securities, mortgage backed securities, collateralised mortgage obligations (CMO), real estate mortgage investment conduits (REMIC), asset-backed securities (ABS), preferred stock, convertible securities, emerging market securities, un-levered structures notes and private placements as long as these investments are in compliance with the investment restrictions detailed below (under 13. Investment Guidelines).
- The Sub-fund may invest in emerging markets, which bear an increased political and economic risk. Furthermore, certain markets are in an early stage of development, which can typically be linked with high volatility of stock prices. An investment in the Company involves a high degree of economic risk, and the value of the shares may go down as well as up.
- While the prudent use of transferable securities like event-linked bonds or private placements can be beneficial, these types of investments also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments.
"Event-linked" exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events. Examples of trigger events include hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. Some event-linked bonds are commonly referred to as "catastrophe bonds." If a trigger event occurs, the Sub-fund may lose a portion or its entire principal invested in the bond. Event-linked exposure often provides for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred. An extension of maturity may increase volatility. Event-linked exposure may also expose the Sub-fund to certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences. Event-linked exposures may also be subject to liquidity risk.
"Private placement" exposure may also expose the Sub-fund to certain unanticipated risks including credit risk, counterparty risk exposures and liquidity risk.

- The Sub fund may enter into transactions relating to options on financial instruments for a purpose of efficient portfolio management in compliance with what is provided under "Financial Techniques and Instruments" (in Section II General Provisions, 13. Investment Guidelines) and in the interest of an orderly management of its assets. Due to their high volatility, options are exposed to greater risks than direct investments in securities.
- PIMCO's Euro Total Return strategy focuses on both coupon yield and capital appreciation. Many bond portfolios focus solely on yield, but bonds also provide capital gains. The return calculation that takes into account both interest income and capital gains is known as "Total Return." PIMCO's Euro Total Return strategy seeks to maximise price appreciation and current income while maintaining index-like volatility. While the majority of portfolio assets will normally be invested in euro-denominated securities, there will also be allocations to global securities, which are normally currency hedged back to euros. They utilise all major sectors of the bond markets to implement a diversified set of strategies including country, currency and sector rotation, yield curve positioning, and duration management. PIMCO's Euro Total Return strategy offers diversification, relative safety, and the possibility of higher investment returns relative to money market instruments. It searches for value in every sector of the bond market with the objective of achieving high risk-adjusted returns. Their philosophy is founded on the principle of diversification. They believe that no single strategy should dominate returns. By relying on multiple sources of value that arise from a diversified portfolio, they seek to generate a solid, consistent track record. Three key themes underlie their whole investment approach, as mentioned below:
 - 1) emphasise diversified sources of added value - including off-benchmark strategies
 - 2) focus on a longer-term investment horizon
 - 3) seek to take advantage of structural inefficiencies available in the market place.
 In order to achieve this they endorse the benefits of using the widest possible sources of added value across the fixed income markets and make use of assets such as emerging market debt on a hedged basis. They also use instruments such as swaps to take advantage of the "full fixed income toolkit". In this regard, they are focused on a genuinely global opportunity set. Swaps may also include credit default swaps and swaptions.
- The Subfund may hold liquidities on an ancillary basis.

Use of Futures and Options

This Sub-fund may employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down under the section "Financial Techniques and Instruments" and provided such techniques and instruments are used for the purpose of efficient portfolio management and are in the interest of an orderly management of its assets. The purchase or sale of futures on indices will allow the Portfolio Manager to increase or decrease, at lower costs, the Sub-fund's market exposure. The purchase or sale of call or put options on transferable securities, indices will allow the Portfolio Manager to increase or decrease the exposure to the underlying with respect to the market trends/ conditions.

- **Options on transferable securities / indices:** an option on transferable securities, or indices provide the purchaser, or "Holder", with the right, but not the obligation, to purchase, in the case of a "call option", or sell, in the case of a "put option", a stated quantity of the underlying at a fixed price to a stated expiration date (or, in the case of certain options, on such date). The holder pays a nonrefundable fee for the option, referred to as the "premium", but cannot lose more than this amount, plus any related transaction costs. In comparison with a forward contract, an option imposes a binding obligation only on the seller, or "writer". Upon the holder's exercise of the option, the writer is obligated to complete the transaction by delivery of the underlying or to receive a cash settlement based on the value of the underlying. An option becomes worthless to the holder if it expires unexercised. Such options may be traded on stock exchanges, or in the over-the-counter market between first class financial institutions specialised in such transactions dealing directly with each other as principals. In purchasing an over-the-counter options, the holder is subject to the risk of default by the writer and, for this reason, purchasers of options may require writers to post collateral or other forms of performance assurance and to grant such purchasers the right to sell, assign, use or otherwise dispose of such collateral.
- **Futures contracts:** a futures contract is a bilateral agreement providing for the purchase and sale of a specific quantity of financial instruments (such index), at a stated time in the future for a fixed price. By its terms, a futures contract provides for a specified settlement date in which the value of the index is to be delivered by the seller and acquired by the purchaser. The purchase or sale of a futures contract differs from the purchase or sale of a security or other types of instruments in that no purchase price is paid or received. Instead, an amount of cash, which varies but may be as low as 5 % or less of the value of the contract, must be deposited with a broker as "initial margin". Subsequent payments to and from the broker, referred to as "variation margin", are then made on a daily basis as the value of the index fluctuates in value. Using futures instead of using the underlying or related index results in lower transaction costs.

Risks relating to the use of derivatives

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. These include: market risk, which is attendant to all types of investment; management risk, as the use of derivative require an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions; and credit risk, as a result of the failure of another party to a derivative to comply with the terms of the derivative contract.

The credit risks for exchanged-traded derivative is generally less than for OTC derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. This guarantee is supported by the margin requirements in order to reduce the overall credit risk. For OTC derivatives, such clearing agency guarantee does not exist. As a consequence, the creditworthiness of each counterparty must be considered to evaluate potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

Other risks attached to the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, indices. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Sub-fund.

Portfolio Manager and Investment Adviser

- UBS Third Party Management Company S.A. whose registered office is at 33A avenue J.F. Kennedy, L-1855 Luxembourg has been appointed as management company of the Fund and holds the mandate as portfolio manager for the Sub-fund's assets.
- UBS Third Party Management Company S.A. has delegated, under its control and responsibility, its portfolio management duties to PIMCO Europe Limited, whose registered office is at 103 Wigmore Street, London, W1U 1QS United Kingdom, for the Sub-fund's assets.
- Secofind s.r.l., whose registered office is at Cso Italia 15/a, I-20122 Milano, Italy, has been appointed as Investment Adviser for the Sub-fund.

Investments in the Luxembourg Investment Fund – Secofind Income

General Information

- Reference currency: EUR. This is the currency in which the net asset value of the Sub-fund is calculated and not the investment currency of the Sub-fund. Investments are made in those currencies, which best benefit, the performance of the Sub-fund.
- Dividend Policy: this Sub-fund will pursue an accumulation policy.
- Valuation Date: the NAV per share is calculated on each Friday. Should a Friday not be a business day in Luxembourg, the net asset value is calculated on the next following business day.
- Shares will be issued as non-certificated bearer or registered shares. Upon request and against payment by the shareholder of all incurred expenses, share certificates may be issued in physical form. The Board of Directors reserves the right to issue share certificates in denominations of 1 or more shares, however fractions of shares, will not be issued in certificate form.
- Administration Fee: the Management Company is entitled to an "administration fee" of a maximum 0.07 % p.a., calculated on the average net assets of the Sub-Fund and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).
- Custodian Fee: the Custodian Bank is entitled to a "custodian fee" of a maximum 0.07 % p.a. calculated on the average net assets of the Sub-Fund during the month concerned and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).

Subscriptions

- The shares of this Subfund are intended for a limited number of investors and the Fund may at its discretion refuse subscription requests.
- Subscription fee: up to 5 % of the Net Asset Value per share for the Distributor and its appointed agents.
- The shares of the Subfund may be subscribed on each Valuation Day at the then prevailing net asset value.
- Duly completed and signed applications received by the Fund at the latest by 4.00 p.m, Luxembourg time, (the "cut-off-time") on the business day in Luxembourg preceding a Valuation Day shall be settled at the issue price calculated on that Valuation Day.

Initial offerings

- Subscriptions for the initial offer starting on July 31, 2006 and ending on August 4, 2006 (the "Closing Date") will be accepted at an initial subscription price per share of EUR 1'000,-. Payment for initial subscription should be made for good value on August 8, 2006 at the latest. The Closing Date can be postponed or accelerated by the Board, upon notification to the investors, in which case the new date will be communicated to the investors and this specific section will be updated.
- The minimum initial subscription for shares as well as the minimum holding in each Category is set at EUR 200'000,- per investor.

Redemptions

- The shares of the Subfund may be redeemed on each Valuation Day at the then prevailing net asset value.
- Redemption fee: none
- Redemption monies for this Fund will be paid in the base currency of each respective sub-fund at latest on the 3 bank business day, in Luxembourg, after the Valuation day.
- Applications for redemption must be received by the Fund at the latest by 4.00 p.m., Luxembourg time, (the "cut-off-time") on the business day in Luxembourg preceding a Valuation Day.

Conversions

- Shareholders may convert from one Category to another on each Valuation Day at the prevailing net asset value.
- Conversion fee: none

Management fee and advisory fee

- In consideration of the portfolio management services, PIMCO Europe Limited shall receive from the Management Company a management fee as determined below and in consideration of investment advisory services Secofind s.r.l shall receive from the Management Company an investment advisory fee.
- Portfolio Management Fee: the Management Company is entitled to a "portfolio management fee" of maximum 0.27 % p.a. calculated on the net asset of the Sub-fund and payable by the Sub-fund (more details are given in Section II Point 11. Charges and expenses).
These fees are payable monthly in arrears and are computed based on the market value of the investment portfolio as reported on the Fund's Administrator's statement computed by averaging the closing prices of market values for each month at the end of the billing period. Market value for the portfolio will be determined by aggregating the market value for each asset in the portfolio using the last sale price on the principal exchange on which the security is listed as reported by such exchange or the financial press. If such sale price is not readily available, the market price shall be determined in good faith by or at the direction of the Portfolio Manager.
- Investment Advisory Fee: the Management Company is entitled to an "investment advisory fee" of maximum 0.20 % p.a., calculated on the average of the total net assets of the Sub-fund during the month concerned and payable monthly by the Sub-fund (more details are given in Section II Point 11. Charges and expenses).

Historical performance

The historical performance of the Sub-fund is represented by a chart inserted in the simplified prospectus.

Portfolio Turnover

The turnover rate of the portfolio, as inserted in the simplified prospectus dated "September 2007", was computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2)/M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X + Y

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in shares of the Sub-fund during the relevant period = S + T

Where S = subscriptions of shares of the Sub-fund and T = redemptions of shares of the Sub-fund

M = average monthly assets of the Sub-fund.

Total Expense Ratio ("TER")

The TER, being the ratio of the gross amount of the expenses of the Sub-fund to its average net assets, inserted in the simplified prospectus includes the following expenses: the all-in-fee, the "taxe d'abonnement", the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

LUXEMBOURG INVESTMENT FUND – Global Opportunities

This specific section describes the particularity of the Sub-fund Luxembourg Investment Fund – Global Opportunities. It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

The Sub-fund is suitable for investors who consider investments in the Sub-fund as a convenient way of participating in capital markets movements. The investor must be able to accept significant temporary losses, thus the Sub-fund is suitable for investors who can afford to set aside the capital for 3 to 5 years. It is designed for the investment objective of building up capital.

Risk's profile

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risks attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

Due to possible use of techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, investors might be exposed to greater risks and there can be no assurance that the objective sought to be obtained from such use will be achieved. For further details about the risks associated to these techniques and instruments, see below under "Risks relating to the use of derivatives."

Investment Policy and Objective

The investment objective of the Sub-fund is to provide long-term capital appreciation by investing primarily in a globally diversified portfolio of equities. From time to time the manager will also invest in cash instruments, bonds and non-traditional assets as permitted by law. The principal objective over the medium term is to seek positive absolute return and not to produce returns relative to an equity index.

The portfolio manager will seek to achieve the investment objective by adhering to a strict value discipline, utilizing a bottom-up research process; buying securities that are considered trading at a discount to their intrinsic value. Various fundamental and technical analysis tools will be employed to evaluate economic value added and timing at portfolio and individual holdings' level.

The sub-fund will apply strict securities selection and risk diversification principles, and will be actively managed taking into consideration the overall asset allocation and the exposure to individual securities. Typically exchange rate risks will be hedged using active currency management. The overall asset allocation will use a top-down as well as an opportunistic approach.

The portfolio may be from time to time relatively concentrated. There is no specific limit in the holding of positions.

The Sub-fund is appropriate for investors who are interested in a broadly diversified portfolio consisting of traditional and alternative assets classes (as permitted by law) and who are prepared to invest over a full market cycle of three to five years.

The Sub-fund may enter into transactions relating to options on financial instruments for a purpose of efficient portfolio management in compliance with what is provided under "Financial Techniques and Instruments" (in Section II General Provisions, 13. Investment Guidelines) and in the interest of an orderly management of its assets. Due to their high volatility, options are exposed to greater risks than direct investments in securities.

The reference currency of the Sub-Fund is EURO.

Use of Futures and Options

This Sub-fund may employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down under the section "Financial Techniques and Instruments" and provided such techniques and instruments are used for the purpose of efficient portfolio management and are in the interest of an orderly management of its assets. The purchase or sale of futures on indices will allow the Portfolio Manager to increase or decrease, at lower costs, the Sub-fund's market exposure. The purchase or sale of call or put options on transferable securities, indices will allow the Portfolio Manager to increase or decrease the exposure to the underlying with respect to the market trends/ conditions.

- **Options on transferable securities / indices:** an option on transferable securities, or indices provide the purchaser, or "Holder", with the right, but not the obligation, to purchase, in the case of a "call option", or sell, in the case of a "put option", a stated quantity of the underlying at a fixed price to a stated expiration date (or, in the case of certain options, on such date). The holder pays a non refundable fee for the option, referred to as the "premium", but cannot lose more than this amount, plus any related transaction costs. In comparison with a forward contract, an option imposes a binding obligation only on the seller, or "writer". Upon the holder's exercise of the

option, the writer is obligated to complete the transaction by delivery of the underlying or to receive a cash settlement based on the value of the underlying. An option becomes worthless to the holder if it expires unexercised. Such options may be traded on stock exchanges, or in the over-the-counter market between first class financial institutions specialised in such transactions dealing directly with each other as principals. In purchasing an over-the-counter options, the holder is subject to the risk of default by the writer and, for this reason, purchasers of options may require writers to post collateral or other forms of performance assurance and to grant such purchasers the right to sell, assign, use or otherwise dispose of such collateral.

- **Futures contracts:** a futures contract is a bilateral agreement providing for the purchase and sale of a specific quantity of financial instruments (such index), at a stated time in the future for a fixed price. By its terms, a futures contract provides for a specified settlement date in which the value of the index is to be delivered by the seller and acquired by the purchaser. The purchase or sale of a futures contract differs from the purchase or sale of a security or other types of instruments in that no purchase price is paid or received. Instead, an amount of cash, which varies but may be as low as 5 % or less of the value of the contract, must be deposited with a broker as "initial margin". Subsequent payments to and from the broker, referred to as "variation margin", are then made on a daily basis as the value of the index fluctuates in value. Using futures instead of using the underlying or related index results in lower transaction costs.

Risks relating to the use of derivatives

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. These include: market risk, which is attendant to all types of investment; management risk, as the use of derivative require an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions; and credit risk, as a result of the failure of another party to a derivative to comply with the terms of the derivative contract.

The credit risks for exchanged-traded derivative is generally less than for OTC derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. This guarantee is supported by the margin requirements in order to reduce the overall credit risk. For OTC derivatives, such clearing agency guarantee does not exist. As a consequence, the creditworthiness of each counterparty must be considered to evaluate potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

Other risks attached to the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, indices. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Sub-fund.

Portfolio Manager

UBS Third Party Management Company S.A. whose registered office is at 33A avenue J.F. Kennedy, L-1855 Luxembourg has been appointed as management company of the Fund and holds the mandate as portfolio manager for the Sub-fund's assets.

Distribution

The Management Company has delegated, under its supervision and responsibility, its distribution duties for the Sub-Fund's assets to the following entities:

- UBS (Italia) SpA, whose registered office is at Via Del Vecchio Politecnico 3, 20121 Milano Italy, for the distribution of the Sub-fund's assets in Italy.
- Banca Albertini Syz & C.S.p.A. whose registered office is at Via Borgonuovo, 14, 20121 Milano Italy for the distribution of the Sub-fund's assets in Italy;

Correspondent Bank

The tasks of intermediating in the receipt of and making payments in connection with the subscription, redemption and conversion (if applicable) of the Sub-fund's shares made by Italian residents is performed by the following entity:

- Intesa San Paolo S.p.A. whose registered office is at Piazza Scala 6, 20121 Milano, Italy

Investments in the Luxembourg Investment Fund – Global Opportunities

General Information

- Reference currency: EUR. This is the currency in which the net asset value of the Sub-fund is calculated and not the investment currency of the Sub-fund. Investments are made in those currencies, which best benefit, the performance of the Sub-fund.
- One single class of shares

- Distribution Policy: this Sub-fund will pursue an accumulation policy.
- Valuation Date: the NAV per share is calculated on each Monday. Should a Monday not be a business day in Luxembourg, the net asset value is calculated on the next following business day.
- Valuation Day refers to any bank business day in Luxembourg (i.e. each day on which banks are open during normal hours in Luxembourg).
- Shares will be issued as non-certificated bearer or registered shares. Upon request and against payment by the shareholder of all incurred expenses, share certificates may be issued in physical form. The Board of Directors reserves the right to issue share certificates in denominations of 1 or more shares, however fractions of shares, will not be issued in certificate form.
- Administration Fee: the Management Company is entitled to an "administration fee" of a maximum 0.20 % p.a., calculated on the average net assets of the Sub-fund and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).
- Custodian Fee: the Custodian Bank is entitled to a "custodian fee" of a maximum 0.20 % p.a. calculated on the average net assets of the Sub-fund during the month concerned and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses)
- Portfolio Management Fee: in consideration of the portfolio management services, UBS Third Party Management Company S.A. is entitled to a portfolio management fee of a maximum 1.55 % p.a. calculated on the average total net assets of the Sub-fund as of the last business day of the preceding quarter for the quarter concerned and payable quarterly in arrears by the Sub-fund (more details are given in Section II Point 11. Charges and expenses).
- Performance Fee: in consideration of the portfolio management services, UBS Third Party Management Company S.A. is entitled to a performance fee of 10 % should the performance of the Sub-Fund exceed 3 months EURO LIBOR. Performance Fee (if any) will be calculated and accrued on each Valuation Date and payable annually in arrears by the Sub-fund.
- Distribution Fee: For the distribution of the Sub-fund in Italy, the Distributors will not charge any distribution fee.

Subscriptions

- The shares of this Sub-fund are intended for a limited number of investors and the Fund may at its discretion refuse subscription requests.
- The shares of the Sub-fund may be subscribed on each Valuation Day at the net asset value prevailing on the relevant Valuation Date:
example: should an investor subscribe on a Tuesday T+0 (being a Valuation Day), the net asset value prevailing on Tuesday T+0 will be calculated on Monday T+4 (being a Valuation Day).
- Subscription monies for this Sub-fund will be paid in the base currency of the Sub-fund at latest on the 3rd bank business day, in Luxembourg, after the Valuation Date.
- Duly completed and signed applications received by the Fund at the latest by 4.00 p.m, Luxembourg time, (the "cut-off-time") on a Valuation Day preceding a Valuation Date shall be settled at the net asset value prevailing on that Valuation Date.

Initial offerings

- Subscriptions for the initial offer starting on October 1st, 2007 and ending on the same day (the "Closing Date") will be accepted at an initial subscription price per share of EUR 100,-. Payment for initial subscription should be made for good value on October 4th, 2007 at the latest. The Closing Date can be postponed or accelerated by the Board, upon notification to the investors, in which case the new date will be communicated to the investors and this specific section will be updated.
- The minimum initial subscription for shares as well as the minimum holding in each Category is set at EUR 25'000,- per investor.

Redemptions

- The shares of the Sub-fund may be redeemed on each Valuation Day at the net asset value prevailing on the relevant Valuation Date:
example: should an investor redeem on a Tuesday T+0 (being a Valuation Day), the net asset value prevailing on Tuesday T+0 will be calculated on Monday T+4 (being a Valuation Day).
- Redemption fee: none
- Redemption monies for this Sub-fund will be paid in the base currency of the Sub-fund at latest on the 3rd bank business day, in Luxembourg, after the Valuation Date.
- Applications for redemption must be received by the Fund at the latest by 4.00 p.m., Luxembourg time, (the "cut-off-time") on the Valuation Day preceding a Valuation Date.

Conversions

Conversion fee: none

Historical performance

The historical performance of the Sub-fund will be represented by a chart inserted in the simplified prospectus one year after its launch.

Portfolio Turnover

The turnover rate of the portfolio will be inserted in the simplified prospectus one year after its launch and will be computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2)/M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X + Y

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in shares of the Sub-fund during the relevant period = S + T

Where S = subscriptions of shares of the Sub-fund and T = redemptions of shares of the Sub-fund

M = average monthly assets of the Sub-fund.

Total Expense Ratio ("TER")

The TER, being the ratio of the gross amount of the expenses of the Sub-fund to its average net assets, will be inserted in the simplified prospectus one year after its launch and will include the following expenses: the all-in-fee, the "taxe d'abonnement", the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

LUXEMBOURG INVESTMENT FUND – Alpha Strategies

This specific section describes the particularity of the Sub-fund Luxembourg Investment Fund – Alpha Strategies. It is part of the general sales prospectus. Therefore, all information given herein should be considered in connection with this general prospectus.

Profile of the typical investors

The Sub-fund is suitable for investors who consider investments in the Sub-fund as a convenient way of participating in capital markets movements. The investor must be able to accept significant temporary losses, thus the Sub-fund is suitable for investors who can afford to set aside the capital for 3 to 5 years. It is designed for the investment objective of building up capital.

Risk's profile

The risks associated with investments in equity (and equity-type) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Potential investors should also consider the risks attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

Due to possible use of techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, investors might be exposed to greater risks and there can be no assurance that the objective sought to be obtained from such use will be achieved. For further details about the risks associated to these techniques and instruments, see below under "Risks relating to the use of derivatives".

Investment Policy and Objective

The investment objective of the Sub-fund is to provide long term capital growth by investing worldwide (mainly EU, North America, Japan and Pacific area and, to a limited extent, in emerging countries) on a broadly diversified basis in all traditional asset classes (e.g. money market, bonds, securities, investment funds, currencies...) as well as in non-traditional asset classes as permitted by law. On an ancillary basis, the Sub-fund may hold cash and cash equivalent appropriate to provide for redemptions and/or to meet other liquidity needs.

In compliance with the principle of risk diversification, the Sub-fund is actively managed with performance objective seeking "positive absolute return" independently of a benchmark index. Active management includes asset allocation, securities selection and currency selection, with a strong emphasis on securities selection.

By using innovative derivative strategies, the Sub-fund manages market risks separately and can quickly shift among the different asset classes to take advantage even from negative markets. Most exchange-rate risks are hedged using active currency management.

The Sub-fund is appropriate for investors who are interested in a broadly diversified portfolio consisting of traditional assets classes and who are prepared to invest over a full market cycle of three to five years in order to ensure an increased likelihood of achieving the defined performance objective.

The Sub-fund's strategy is to utilize an opportunistic approach to asset selection; thus, it is not constrained by market capitalization, industry sector or geography. The portfolio may be relatively concentrated or may be relatively wide. There is no specific limit in the holding of positions.

The Sub-fund may enter into transactions relating to options on financial instruments for a purpose of efficient portfolio management in compliance with what is provided under "Financial Techniques and Instruments" (in Section II General Provisions, 13. Investment Guidelines) and in the interest of an orderly management of its assets. Due to their high volatility, options are exposed to greater risks than direct investments in securities.

The reference currency of the Sub-Fund is EUR.

Use of Futures and Options

This Sub-fund may employ techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down under the section "Financial Techniques and Instruments" and provided such techniques and instruments are used for the purpose of efficient portfolio management and are in the interest of an orderly management of its assets. The purchase or sale of futures on indices will allow the Portfolio Manager to increase or decrease, at lower costs, the Sub-fund's market exposure. The purchase or sale of call or put options on transferable securities, indices will allow the Portfolio Manager to increase or decrease the exposure to the underlying with respect to the market trends / conditions.

- **Options on transferable securities / indices:** an option on transferable securities, or indices provide the purchaser, or "Holder", with the right, but not the obligation, to purchase, in the case of a "call option", or sell, in the case of a "put option", a stated quantity of the underlying at a fixed price to a stated expiration date (or, in the case of certain options, on such date). The holder pays a non-refundable fee for the option, referred to as the "premium", but cannot lose more than this amount, plus any related transaction costs. In comparison with a forward contract, an option imposes a binding obligation only on the seller, or "writer". Upon the holder's exercise of the option, the writer is obligated to complete the transaction by delivery of the underlying or to receive a cash settlement based on the value of the underlying. An option becomes worthless to the holder if it expires unexercised. Such options may be traded on stock exchanges, or in the over-the-counter market between first class financial institutions specialised in such transactions dealing directly with each other as principals. In purchasing an over-the-counter options, the holder is subject to the risk of default by the writer and, for this reason, purchasers of options may require writers to post collateral or other forms of performance assurance and to grant such purchasers the right to sell, assign, use or otherwise dispose of such collateral.
- **Futures contracts:** a futures contract is a bilateral agreement providing for the purchase and sale of a specific quantity of financial instruments (such index), at a stated time in the future for a fixed price. By its terms, a futures contract provides for a specified settlement date in which the value of the index is to be delivered by the seller and acquired by the purchaser. The purchase or sale of a futures contract differs from the purchase or sale of a security or other types of instruments in that no purchase price is paid or received. Instead, an amount of cash, which varies but may be as low as 5 % or less of the value of the contract, must be deposited with a broker as "initial margin". Subsequent payments to and from the broker, referred to as "variation margin", are then made on a daily basis as the value of the index fluctuates in value. Using futures instead of using the underlying or related index results in lower transaction costs.

Risks relating to the use of derivatives

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. These include: market risk, which is attendant to all types of investment; management risk, as the use of derivative require an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions; and credit risk, as a result of the failure of another party to a derivative to comply with the terms of the derivative contract.

The credit risks for exchanged-traded derivative is generally less than for OTC derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. This guarantee is supported by the margin requirements in order to reduce the overall credit risk. For OTC derivatives, such clearing agency guarantee does not exist. As a consequence, the creditworthiness of each counterparty must be considered to evaluate potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

Other risks attached to the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, indices. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Sub-fund.

Portfolio Managers and Investment Advisor

- UBS Third Party Management Company S.A. whose registered office is at 33A avenue J.F. Kennedy, L-1855 Luxembourg has been appointed as management company of the Fund and holds the mandate as portfolio manager for the Sub-fund's assets.
- UBS Third Party Management Company S.A. has delegated, under its control and responsibility, a small part of its portfolio management duties to Banca Albertini Syz & C.S.p.A. whose registered office is at Via Borgonuovo, 14, 20121 Milano Italy.
- Maxos S.r.l., whose registered office is at Via L. Mascheroni, 29, 20145 Milano, Italy, has been appointed as Investment Adviser for the Sub-fund.

Distribution

The Management Company has delegated, under its supervision and responsibility, its distribution duties for the Sub-Fund's assets to the following entities:

- Banca Albertini Syz & C.S.p.A. whose registered office is at Via Borgonuovo, 14, 20121 Milano Italy for the distribution of the Sub-fund's assets in Italy;
- UBS (Italia) SpA whose registered office is at Via Del Vecchio Politecnico 3, 20121 Milano Italy for the distribution of the Sub-fund's assets in Italy.

Correspondent Bank

The tasks of intermediating in the receipt of and making payments in connection with the subscription, redemption and conversion (if applicable) of the Sub-fund's shares made by Italian residents is performed by the following entity:

- Intesa Sanpaolo S.p.A. whose registered office is at Piazza Scala 6, 20121 Milano, Italy

Investments in the Luxembourg Investment Fund – Alpha Strategies

General Information

- Reference currency: EUR. This is the currency in which the net asset value of the Sub-fund is calculated and not the investment currency of the Sub-fund. Investments are made in those currencies, which best benefit, the performance of the Sub-fund.
- 1 single class of shares
- Dividend Policy: this Sub-fund will pursue an accumulation policy.
- Valuation Day refers to any bank business day in Luxembourg (i.e. each day on which banks are open during normal hours in Luxembourg).
- Valuation Date: the NAV per share is calculated on each Monday. Should a Monday not be a business day in Luxembourg, the net asset value is calculated on the next following business day. The NAV per share shall be published in the Italian newspaper "Il Sole 24 Ore" as well as reflected on Bloomberg.
- Shares will be issued as non-certificated bearer or registered shares. Upon request and against payment by the shareholder of all incurred expenses, share certificates may be issued in physical form. The Board of Directors reserves the right to issue share certificates in denominations of 1 or more shares, however fractions of shares, will not be issued in certificate form.
- Administration Fee: the Management Company is entitled to an "administration fee" of a maximum 0.20 % p.a., calculated on the average net assets of the Sub-fund and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).
- Custodian Fee: the Custodian Bank is entitled to a "custodian fee" of a maximum 0.20 % p.a. calculated on the average net assets of the Sub-fund during the month concerned and payable monthly by the Sub-fund, (more details are given in Section II Point 11. Charges and expenses).

Subscriptions

- The shares of this Sub-fund are intended for a limited number of investors and the Fund may at its discretion refuse subscription requests.
- Subscription fee: none
- The shares of the Sub-fund may be subscribed on each Valuation Day at the net asset value prevailing on the relevant Valuation Date.:
example: should an investor subscribe on a Tuesday T+0 (being a Valuation Day), the net asset value prevailing on Tuesday T+0 will be calculated on Monday T+4 (being a Valuation Day).
- Subscription monies for this Sub-fund will be paid in the base currency of the Sub-fund at latest on the 3rd bank business day, in Luxembourg, after the Valuation Date.
- Duly completed and signed applications received by the Fund at the latest by 4.00 p.m, Luxembourg time, (the "cut-off-time") on a Valuation Day preceding a Valuation Date shall be settled at the net asset value prevailing on that Valuation Date.

Initial offerings

- Subscriptions for the initial offer starting on January 2nd, 2008 and ending on the same day (the "Closing Date") will be accepted at an initial subscription price per share of EUR 100,- (one hundred). Payment for initial subscription should be made for good value on January 4th, 2008 at the latest. The Closing Date can be postponed or accelerated by the Board, upon notification to the investors, in which case the new date will be communicated to the investors and this specific section will be updated.
- The minimum initial subscription for shares as well as the minimum holding in each Category is set at EUR 10'000,- (ten thousand) per investor.
- The minimum subsequent subscription for shares is set at EUR 5'000,- (five thousand) per investor.

Redemptions

- The shares of the Sub-fund may be redeemed on each Valuation Day at the net asset value prevailing on the relevant Valuation Date:
example: should an investor redeem on a Tuesday T+0 (being a Valuation Day), the net asset value prevailing on Tuesday T+0 will be calculated on Monday T+4 (being a Valuation Day).

- Redemption fee: none
- Redemption monies for this Sub-fund will be paid in the base currency of the Sub-fund at latest on the 3rd bank business day, in Luxembourg, after the Valuation Date.
- Applications for redemption must be received by the Fund at the latest by 4.00 p.m., Luxembourg time, (the "cut-off-time") on the Valuation Day preceding a Valuation Date.

Conversions

- Conversion fee: none.

Management fee

In consideration of the portfolio management services, UBS Third Party Management Company S.A. shall receive from the Sub-fund a management fee as determined below.

- Portfolio Management Fee: The Management Company is entitled to a "portfolio management fee" of 0.05 % p.a. calculated as a percentage per year of the average portion of the Sub-fund's net assets (managed by the Management Company) during the month concerned (all taxes included) and payable monthly in arrears by the Sub-fund. (more details are given in Section II Point 11. Charges and expenses).

In consideration of the portfolio management services, Banca Albertini Syz & C.S.p.A. shall receive from the Sub-fund a management fee as determined below.

- Portfolio Management Fee: Banca Albertini Syz & C.S.p.A. is entitled to a "portfolio management fee" of 0.80 % p.a. calculated as a percentage per year of the average portion of the Sub-fund's net assets (managed by Banca Albertini Syz & C.S.p.A.) during the month concerned (all taxes included) and payable monthly in arrears by the Sub-fund. (more details are given in Section II Point 11. Charges and expenses).

In the event the Sub-fund invests a substantial part of its assets in investment funds (open-end and/or closed-end investment funds), the aggregate Portfolio Management Fee which may be charged both to the Sub-fund itself and to the other investment funds (in which it intends to invest) is maximum 1.20 % p.a.

In the event the Sub-fund invests in investment funds (open-end and/or closed-end investment funds) that are managed by the Portfolio Manager(s) or by any other company with which the Portfolio Manager(s) is/are linked by common management or control, or by a substantial direct or indirect holding, the Portfolio Manager(s) or other company may not charge subscription (or redemption) fees on account of the Sub-fund's investment in the units/shares of those investment funds.

As a general rule, in the event the Sub-fund invests in investment funds that are not related to the Portfolio Manager(s), management, subscription and redemption fees may be charged both at the level of the target fund and at the level of the relevant Sub-fund.

Advisory fee

In consideration of the advisory services, Maxos S.r.l. shall receive from the Sub-fund an advisory fee as determined below.

- Investment Advisory Fee: Maxos S.r.l. is entitled to an "investment advisory fee" of 1.20 % p.a. calculated as a percentage per year of the average total net assets of the Sub-fund during the month concerned (all taxes included) and shall be payable monthly in arrears by the Sub-fund.

Performance fee

The Investment Advisor may, in addition to the advisory fee, be entitled to a performance fee.

The performance fee will be calculated on each Valuation Date and paid on a quarterly basis provided that the net asset value per Share before performance fee is higher than the target net asset value per Share (as defined hereafter). The target net asset value per Share is calculated by multiplying the previous quarter end net asset value per Share by the Euribor 3 months per annum rate, fixed at the beginning of the period (i.e. quarterly) adjusted by contributions and withdrawals. The Investment Advisor will only be entitled to a performance fee if the quarter end net asset value per Share is higher than any previous quarter end net asset value per Share. The performance fee will be equal to 15 % of the difference between the net asset value per Share before performance fee and the target net asset value per Share multiplied by the quarterly average number of Shares outstanding on each Valuation Date.

Distribution fee

For the distribution in Italy, the Distributor Banca Albertini Syz & C.S.p.A. is entitled to a distribution fee of 0.40 % calculated on the average net subscription monies placed through the Distributor during the reference quarter and payable by the Sub-fund. There is no distribution fee for UBS (Italia) S.p.A.

Historical performance

The historical performance of the Sub-fund will be represented by a chart inserted in the simplified prospectus one year after its launch.

Portfolio Turnover

The turnover rate of the portfolio will be inserted in the simplified prospectus one year after its launch and will be computed in compliance with the following formula:

$$\text{Turnover} = [(Total1 - Total 2)/M] * 100$$

With:

Total 1 = Total of securities transactions during the relevant period = X + Y

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in shares of the Sub-fund during the relevant period = S + T

Where S = subscriptions of shares of the Sub-fund and T = redemptions of shares of the Sub-fund

M = average monthly assets of the Sub-fund.

Total Expense Ratio ("TER")

The TER, being the ratio of the gross amount of the expenses of the Sub-fund to its average net assets, will be inserted in the simplified prospectus one year after its launch and will include the following expenses: the all-in-fee, the "taxe d'abonnement", the costs in connection with legal registrations abroad, the external audit fees, as well as the costs carried out for extraordinary measures in the interests of the shareholders.

SECTION II: GENERAL PROVISIONS

Management and Administration

Registered Office	33A avenue J.F. Kennedy L-1855 Luxembourg
Board of Directors of the Fund	
Chairman	Ralf Schröter Managing Director UBS (Luxembourg) S.A., Luxembourg
Directors	René Egger Managing Director UBS (Luxembourg) S.A., Luxembourg Alain Hondequin Executive Director UBS (Luxembourg) S.A., Luxembourg
Portfolio Managers and Advisers	The name of the respective Portfolio Managers and Advisers are disclosed for each Sub-fund under Section I.
Management Company	UBS Third Party Management Company S.A. 33A avenue J.F. Kennedy L-1855 Luxembourg
Day-to-Day Managers of the Management Company	Valérie Bernard Director UBS Fund Services (Luxembourg) S.A. Frédéric Delapierre Associate Director UBS Fund Services (Luxembourg) S.A. Christophe Hilbert Associate Director UBS Fund Services (Luxembourg) S.A.
Custodian, main Distributor and main Paying Agent	UBS (Luxembourg) S.A. 33A avenue J.F. Kennedy L -1855 Luxembourg
Administrative Agent	UBS Fund Services (Luxembourg) S.A. 33A avenue J.F. Kennedy L-1855 Luxembourg
Auditor	Ernst & Young S.A. 7, Parc d'Activité Syrdall L-5365 Munsbach

1. THE FUND

STRUCTURE OF THE FUND

LUXEMBOURG INVESTMENT FUND is an investment company qualifying as a "société d'investissement à capital variable" (SICAV) with multiple Sub-funds under the laws of the Grand Duchy of Luxembourg, which envisages to invest in transferable securities and in other liquid financial assets referred to in article 41, paragraph (1) of the Law, in accordance with the investment policy of each particular Sub-fund. The Fund complies with the requirements of the Directive EEC 85/611, 2001/107/EC and 2001/108/EC.

LUXEMBOURG INVESTMENT FUND is characterised by an "umbrella construction" which comprises several specific portfolio of assets known as "Sub-funds" for each of which various classes of shares may be issued. Such shares belonging to a particular category shall hereinafter also be called "Sub-fund shares". The entirety of the Sub-funds' net assets forms the total net assets of the Fund, which at any time correspond to the share capital of the Fund and consist of fully paid in and non-par-value shares (the "shares").

At general meetings, the shareholder has the right to one vote per share held, irrespective of the difference in value of shares in the respective Sub-funds. Shares of a particular Sub-fund carry the right of one vote per share held when voting at meetings affecting this Sub-fund.

The Fund is a single legal entity and the assets of a particular Sub-fund are only applicable to the debts, engagements and obligations of that Sub-fund. In respect of the relationship between the shareholders, each sub-fund is treated as a separate entity. The Fund is unlimited with regard to duration and total assets.

UBS Third Party Management Company S.A., incorporated under chapter 13 of the Law and having its registered office at 33A avenue J.F. Kennedy, L-1855 Luxembourg, has been appointed to act as the management company of the Fund (the "Management Company").

For this purpose, a Management Company Services Agreement (the "Agreement") was signed between the Fund and the Management Company on May 2, 2006, for an unlimited term from the date of signing of the Agreement. Either party may terminate the Agreement at any time by registered letter with acknowledgement of receipt addressed to the other party.

Under the term of the Agreement, the Management Company is responsible for the management, the administration and the distribution of the Fund's assets but is allowed to delegate, under its supervision and control, all or part of these duties to third parties. In case of changes or appointment of additional third parties, the prospectus will be updated accordingly.

The Management Company, R.C.S. Luxembourg B 45991 has been incorporated as a limited company under the name Schroeder Muenchmeyer Hengst Investment Luxembourg S.A. on 23 December 1993 as a "société anonyme" in Luxembourg for an unlimited period of time and its name changed on 27 January 2006. The paid up capital was increased from CHF 250'000,- to CHF 1'750'000,- on 27 January 2006.

Its Board Members are for the time being the following ones: André Valente, Managing Director UBS AG acting as Member and Chairman, Dirk Spiegel, Executive Director UBS AG as Member, Gerhard Fusenig, Managing Director UBS AG as Member, Aloyse Hemmen, Executive Director, UBS Fund Services (Luxembourg) S.A. as Member and Gilbert Schintgen, Executive Director UBS Fund Services (Luxembourg) S.A. as Member.

Currently, the Management Company provides its services also for the following undertakings for collective investment in transferable securities: Digital Funds, Hyposwiss (Lux) Fund, Luxalpha Sicav, Luxembourg Placement Fund, Luxembourg Selection Fund, UBS Access Sicav, UBS Luxembourg Sicav and UBS Target Fund.

LEGAL ASPECTS

LUXEMBOURG INVESTMENT FUND was incorporated on 26 August 2002 as an open-end investment company under Luxembourg law in the legal form of a share company (société anonyme) having the status of an investment company with variable capital (Société d'investissement à capital variable) in accordance with Part I of the Luxembourg law relating to undertakings for collective investment enacted on December 20, 2002. The Fund is entered under no. B 88 859 in the Luxembourg Commercial Register. Following an extraordinary general meeting of the shareholders held on March 17, 2004, the articles of incorporation were amended in order to have the Fund regulated by the Part I of the Luxembourg law of 20 December 2002 on undertakings for collective investment. The Articles of Association were published in the "Mémorial, Recueil des Sociétés et Associations", hereinafter called "Mémorial", the official gazette of the Grand Duchy of Luxembourg, of 30 September 2002 and on April 30, 2004, and were deposited together with the legal notice concerning the issue of the Fund's shares at the Commercial and

Company Register of the District Court of Luxembourg. Any amendment must be published in the "Mémorial". Such amendments become legally binding in respect of all shareholders subsequent to their approval by the general meeting of the shareholders.

The Fund's accounts are audited by Ernst & Young S.A., Luxembourg. The financial year of the Fund ends the last day of March. The annual general meeting shall be held annually on July, 31st at 11 hours a.m. at the registered office of the Fund or any address specified in the notice meeting. If July, 31st happens to be a holiday, the annual general meeting shall be held on the next following business day. The Board of Directors reserves the right, at any point in time, to launch new Sub-funds. The offering memorandum and investment policy of such Sub-funds are to be communicated through a revised Prospectus. In compliance with the regulations laid down in "Liquidation and merging of the Fund and its Sub-funds", the Board of Directors reserves the right to terminate or to merge certain Sub-funds.

Variations in the capital of the Fund can take place without further consideration or enquiry and without the need for publication or registration in the Register of Commerce. The minimum capital required is EUR 1'250'000,- This minimum has to be reached within a time frame of six months after the registration of the Fund on the official list of undertakings for collective investment.

2. INVESTMENT OBJECTIVES AND POLICY

The purpose of the Fund is to provide investors with an opportunity for investment in all types of transferable securities and/or in other liquid financial assets referred to in article 41, paragraph (1) of the Law through professionally managed Sub-funds, each with their own specific investment objectives and policies as more fully described in Section I, in order to achieve a high regular income or a maximum capital appreciation, while giving ultimate consideration to capital security and portfolio liquidity.

The Fund will use a risk-management process which enables it to monitor and measure at any time the risk of the Fund's portfolio positions and their contribution to the overall risk profile of the portfolio. It will employ a process allowing for accurate and independent assessment of the value of OTC derivative instruments.

The Fund shall ensure that the Fund's global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

3. INVESTMENTS IN THE LUXEMBOURG INVESTMENT FUND

Net Asset Value

Unless otherwise described under Section I, the Net Asset Value per share of the individual Sub-funds is calculated on each business day of the Administrative Agent (hereinafter called "Valuation Day"). In this context, "**business day**" refers to the normal bank business day (i.e. each day on which banks are open during normal hours) in Luxembourg, with the exception of individual, non-statutory rest days as well as days on which exchanges in the main countries in which the Sub-fund invests are closed or 50 % or more Sub-fund investments cannot be adequately valued. Non-statutory rest days are days on which individual banks and financial institutions are closed.

The Net Asset Value of each Sub-fund is equal to the total assets of that Sub-fund less its liabilities. The Net Asset Value of each Sub-fund will be expressed in the currency of the relevant Sub-fund as further described under Section I (except when there exists any state of affairs which, in the opinion of the Board of Directors, makes the determination in the currency of the relevant Sub-fund either not reasonably practical or prejudicial to the shareholders, the Net Asset Value may temporarily be determined in such other currency as the Board of Directors may determine) and shall be determined in respect of any Valuation Day by dividing the total net assets of the Sub-fund by the number of its shares then outstanding. The Net Asset Value per share of the individual Sub-funds is calculated on the basis of the last known prices (i.e. closing prices or if such do not reflect reasonable market value in the opinion of the Board of Directors, the last available prices at the time of valuation) on each business day in Luxembourg, unless otherwise described under Section I.

The total net assets of the Fund are expressed in EUR and correspond to the difference between the total assets of the Fund and its total liabilities. For the purpose of this calculation, the net assets of each Sub-fund, if they are not denominated in EUR, are converted into EUR and added together.

Without prejudice to the regulations of each Sub-fund, the value of the assets held by each Sub-fund is determined as follows:

- a) Securities and other investments listed on a stock exchange are valued at the last known price. If the same security or investment is quoted on several stock exchanges, the last known price on the stock exchange that represents the major market for this security will apply. In the case of securities and other investments where the trade on the stock market is thin but which are traded between securities dealers on a secondary market using usual market price formation methods, the Fund can use the prices on this secondary market as the basis for their valuation of these securities and investments. Securities and other investments that are not listed on a stock exchange, but which are

traded on another regulated market which is recognized, open to the public and operating regularly, are valued at the last known price on this market;

- b) Based on the net acquisition price and by keeping the calculated investment return constant, the value of money market instrument having a residual maturity which do not exceed 12 months are successively adjusted to the redemption price thereof. In the event of material changes in market conditions, the valuation basis is adjusted on the new market yields;
- c) Debt securities are valued at the last known price, if they are listed on an official stock exchange. If the same security is listed on several stock exchanges, the last known price on the stock exchange that represents the major market for this security will apply;
- d) Debt securities are valued at the last known price on this market, if they are not listed on an official stock exchange, but traded on another regulated market, which is recognised, open to the public and operating regularly;
- e) Time deposits with an original maturity exceeding 30 days can be valued at their respective rate of return, provided the corresponding agreement between the credit institution holding the time deposits and the Fund stipulates that these time deposits may be called at any time and that, if called for repayment, their cash value corresponds to this rate of return;
- f) Any cash in hand or on deposit, notes payable on demand, bills and accounts receivable, prepaid expenses, cash dividends, interests declared or accrued as aforesaid and not yet received shall be valued at their full nominal value, unless in any case the same is unlikely to be paid or received in full, in which case the Board of Directors may value these assets with a discount he may consider appropriate to reflect the true value thereof. Liquid funds are valued at their nominal value plus any accrued interest;
- g) Securities and other investments that are denominated in a currency other than the reference currency of the relevant Sub-fund and which are not hedged by means of currency transactions are valued at mid closing spot rates;
- h) Units of UCITS authorised according to Directive 85/611/EEC and/or other assimilated UCI will be valued at the last known net asset value for such shares or units as of the relevant Valuation Day;
- i) The value of swaps is calculated by the counterpart to the swap transactions, according to a method based on market value, recognised by the Board of Directors of the Fund.
- j) In the event that any of the securities, derivatives or other investments held in the Fund's portfolio on the relevant day are not quoted or dealt in on any stock exchange or dealt in on a regulated Market, the price as determined pursuant to the above is not representative of the relevant securities, the value of such securities will be determined based on a reasonable foreseeable price determined prudently and in good faith by the Board of Directors of the Fund.

The Fund is authorised to temporarily apply other adequate valuation principles for the assets of an individual Sub-fund if the aforementioned valuation criteria appear impossible or inappropriate due to extraordinary circumstances or events.

In the case of extensive redemption applications, the Fund may establish the value of the shares of the relevant Sub-fund on the basis of the prices at which the necessary sales of securities are effected. In such an event, the same basis for calculation shall be applied for subscription and redemption applications submitted at the same time.

Issue and Conversion of Shares

Unless otherwise stated in Section I, the Board of Directors is authorised without limitation to allot and issue shares of any Sub-fund. The Board of Directors is also authorised to fix a minimum subscription, redemption and conversion level, as well as a minimum holding for each Sub-fund.

Subscriptions can be made for a number of shares or an amount of money, conversions and redemptions can only be made for a number of shares. The minimum initial and subsequent investment and minimum holding requirements, if any, are disclosed for each Sub-fund under Section I.

The shares will be issued as non-certificated registered or bearer shares. Fractional entitlements to a share will be recognised to three decimal places. Upon request and against payment by the shareholder of all incurred expenses, share certificates may be issued in physical form. The Board of Directors reserves the right to issue share certificates in denominations of 1 or more shares, however fractions of shares, will not be issued in certificate form. Such fractional shares shall not be entitled to vote but shall be entitled to participate in the net assets of the Fund respective the net proceeds from the termination of a Sub-fund on a pro rata basis.

Investors are informed that the Board of Directors of the Fund is entitled to take adequate measure in order to prevent practices known as "Market-Timing" in relation to investments in the Fund. The Board of Directors of the Fund will also ensure that the relevant cut-off-time for requests for subscription, redemption and conversion are strictly complied with and will therefore take adequate measures to prevent practices known as "Late Trading". In the event of recourse to distributors, the Board of Directors of the Fund will ensure that the distributor duly complies with the relevant cut-off-time.

The Board of Directors of the Fund is entitled to reject requests for subscription and conversion in the event that it has knowledge or suspicions of the existence of such practices. In addition, the Board of Directors of the Fund is authorised to take any further measures deemed appropriate to prevent the above mentioned practices, without prejudice however to the provisions under Luxembourg law.

Initial subscription

Details on the initial subscription period and prices of the shares for each Sub-fund are described under Section I.

Subsequent subscription

After the closing of the initial offering period, shares will be issued at a price corresponding to the Net Asset Value per share, plus a potential subscription fee to be determined for each Sub-fund by reference to the net asset value (and as described under Section I). Any taxes, commissions and other fees incurred in the respective countries in which Fund shares are sold will also be charged.

Subscription Procedures

All subscriptions and redemption and conversion requests must be addressed to the distributor(s) or sales agents, as described for each Sub-fund under Section I, or may be presented directly to the Fund or the Central Administration. The distributor(s) may appoint further distributors based in a Member State of the Financial Action Task Force on Money Laundering (FATF).

Duly completed and signed applications received by the Fund at the latest by 4 hours p.m, Luxembourg time, unless otherwise specified under Section I of the respective sub-funds (the "cut-off-time") on the business day in Luxembourg preceding a Valuation Day shall be settled at the issue price calculated on that Valuation Day. Requests received after that cut-off-time will take effect on the following Valuation Day.

Applications shall be submitted for payment in the reference currency as defined for each Sub-fund under Section I. The issue price is calculated in the relevant reference currency as defined for each Sub-fund under Section I.

Payment must be received by the Custodian of the Fund at the latest two business days in Luxembourg after the Valuation Day.

The Fund at its discretion may accept subscriptions in kind, in whole or in part. However in this case the investments in kind must be in accordance with the respective Sub-fund's investment policy and restrictions. In addition the Fund's appointed auditor will audit these investments. The related fees will be borne by the Investor.

Distributors and sales agents of Fund units must respect the rules set out by the Luxembourg law regarding the prevention of money laundering and particularly the law of July 7, 1989 modifying the law of February 19, 1973 regarding the sale of medicinal substances and the fight against drug addiction and the laws of April 5, 1993 and of August 11, 1998 regarding the financial sector, and any subsequent regulation issued by the Luxembourg government or supervisory authorities.

Amongst others, subscribers must establish their identity with the distributors or the sales agent which collects their subscription. The distributors or the sales agent must request from subscribers the following identification documents: for individuals, certified copy of passport/identity card (certified by the distributors or the sales agent or by the local public authority); for corporations or other legal entities, certified copy of articles of incorporation, certified copy of Register of Commerce, copy of the latest annual accounts published, full identification of the beneficial owner, i.e. final shareholder.

Distributors must make sure that the sales agents are strictly observing the above identification procedure. UBS Fund Services (Luxembourg) S.A. and the Fund may at any time request assurance for compliance from the distributors. UBS Fund Services (Luxembourg) S.A. controls the observance of the above-mentioned rules for any subscription/redemption requests it receives from distributors or sales agents established in non-GAFI/FATF countries.

In addition, distributor and its appointed sales agents must also respect all rules regarding the prevention of money laundering in force in their respective country.

Without prejudice to the above, the Fund reserves the right to (a) refuse any request for subscription, (b) issue only new shares if in the interest of the existing shareholders and (c) repurchase outstanding shares held by investors who are not authorised to either buy or hold shares of the Fund.

The shares will be transferred to the investors concerned without delay upon payment of the full purchase price. They may be credited to the securities account of the shareholder's choice. Fractions will be issued.

The Fund may, in the course of its sales activities and at its discretion, cease issuing shares, refuse purchase applications and suspend or limit the sale of shares for specific periods or permanently to individuals or corporate bodies in particular countries or areas. The Fund may also at any time reclaim shares from shareholders who are excluded from the acquisition or ownership of Fund shares.

Conversion of Shares

Unless otherwise provided for each Sub-fund under Section I, the shareholder of a Sub-fund may convert some or all of his shares into shares of another Sub-fund up to the countervalue of the shares presented

for conversion, provided that the issue of shares by this Sub-fund has not, as described below, been suspended. The Board of Directors is authorised to set a minimum conversion level for each Sub-fund, in which case Section I will disclose this. For further information regarding the conversion procedure and fees, please revert to the description of the individual Sub-funds in Section I.

The same procedures apply to the submission of conversion applications as apply to the issue and redemption of shares. The Fund calculates the number of shares to be allotted after conversion using the following formula:

$$A = \frac{(B \times C \times D)}{E + F}$$

Where:

- A is the number of shares to be allocated in the new Sub-fund;
- B is the number of shares of the original Sub-fund to be converted;
- C is the net asset value per share of the original Sub-fund on the relevant Valuation Day;
- D is the actual rate of exchange on the day concerned in respect of the reference currency of the original Sub-fund and the reference currency of the new Sub-fund;
- E is the net asset value per share of the new Sub-fund on the relevant Valuation Day.
- F conversion fee, if any (as further described for each subfund in Section I)

The Shareholder can request such a conversion by indicating the number of shares and the Sub-fund to be converted in. If share certificates have been physically delivered to the shareholder, all share certificates to be converted including any coupons not yet due must be delivered to the Fund. Otherwise, the conversion cannot be executed.

Redemption of Shares

Applications for redemption must be received by the Fund at the latest by 4.00 p.m., Luxembourg time, unless otherwise specified under Section I of the respective Sub-funds (the "cut-off-time") on the business day in Luxembourg preceding a Valuation Day. They shall be settled at the redemption price calculated on that Valuation Day and shall be submitted for payment in the reference currency as defined for each Sub-fund under Section I. All redemption requests received by the Fund after the cut-off-time mentioned above will be settled at the redemption price calculated on the next Valuation Day. If share certificates are physically delivered to the shareholder, they must be enclosed with the redemption application (all non-used coupons attached if any).

The redemption price is based on the Net Asset Value per share. Any taxes, commissions and other fees incurred in the respective countries in which Fund shares are sold will be charged. Since provision must be made for an adequate supply of liquidity in the Fund's assets, payment for Fund shares is effected under normal circumstances within 2 business days after the calculation of the redemption price unless otherwise specified under Section I of the respective sub-funds or unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Fund, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

In the event of an excessively large volume of redemption applications, the Fund may decide to delay execution of the redemption applications until the corresponding assets of the Fund are sold without unnecessary delay. On payment of the redemption price, the corresponding Fund share ceases to be valid.

The Fund at its discretion may at the request of the investor accept redemptions in kind. In addition these redemption (1) must not have negative effect for the remaining investors and (2) will be audited by the Fund's appointed auditor. The related fees will be borne by the Investor.

Suspension of the Net Asset Value Calculation and of the Issue, Conversion and Redemption of Shares

The Fund may temporarily suspend calculation of the Net Asset Value and hence the issue, conversion and redemption of shares for one or more Sub-funds when:

- a) the stock exchanges or markets on which the valuation of a major part of the Fund's assets is based or when the foreign exchange markets corresponding to the currencies in which the Net Asset Value or a considerable portion of the Fund's assets are denominated, are closed, except on regular public holidays, or when trading on such a market is limited or suspended or temporarily exposed to severe fluctuations;
- b) political, economic, military or other emergencies beyond the control, liability and influence of the Fund make it impossible to access the Fund's assets under normal conditions or such access would be detrimental to the interests of the shareholders;

- c) disruptions in the communications network necessary for calculation of the Net Asset Value or any other reason make it impossible to calculate with sufficient exactitude the value of a considerable part of the Fund's net assets;
- d) limitations on exchange operations or other transfers of assets render it impracticable for the Fund to execute business transactions, or where purchases and sales of the Fund's assets cannot be effected at the normal conversion rates;
- e) when for any other reason the prices of any investments owned by the Fund cannot promptly or accurately be ascertained; or
- f) upon the publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund.

4. LIQUIDATION AND MERGING OF THE FUND AND ITS SUB-FUNDS

Liquidation of the Fund

The Fund may be wound up at any time by a decision of the general meeting of shareholders, which must be taken in the form of an amendment to the articles of association.

If the amount of the Fund's capital falls below two thirds of the minimum capital required by the articles of association, the Board of Directors shall refer the winding-up of the Fund to the meeting of shareholders. The meeting of shareholders shall decide by a simple majority of the shares represented at the meeting, without any quorum requirements.

If the amount of the Fund's capital falls below one quarter of the minimum capital required by the articles of association, the Board of Directors shall refer the winding-up of the Fund to a meeting of shareholders; the latter shall take the decision without any quorum requirement and winding up may be declared by shareholders holding one quarter of the shares represented at the meeting.

The meeting shall be convened in such a way that it is held within 40 days of the day on which it was ascertained that the net assets had fallen below two thirds or, as the case may be, one quarter of the statutory minimum capital.

Liquidation is carried out by one or more liquidators who may be physical persons or corporate entities and who are appointed with the approval of the supervisory authority by the meeting of shareholders, which also determines their powers and remuneration.

The net proceeds from the liquidation of each Sub-fund are paid out by the liquidators to the shareholders of that Sub-fund in proportion to the net asset value per share.

If the Fund is liquidated voluntarily or on account of a court decision, this liquidation shall be carried out in accordance with the provisions of the Law. This law specifies the measures that have to be taken in order to allow the shareholders to participate in the distribution of the proceeds of liquidation and it provides that any amount remaining unclaimed by a shareholder after completion of liquidation shall be deposited with the Caisse de Consignations. Any amounts deposited in this manner and remaining unclaimed within the statutory limitation period shall be forfeited.

Termination of a Sub-fund

The Board of Directors may decide at any time the termination of any Sub-fund. In the case of termination of a Sub-fund, the Board of Directors may offer to the shareholders of such Sub-fund the conversion of their classes of shares into shares of another Sub-fund, under terms fixed by the Board of Directors, or the redemption of their shares for cash at the net asset value per share (including all estimated expenses and costs relating to the termination) determined on the Valuation Day as described under section "Repurchase of Shares".

In the event that for any reason the value of the assets in any Sub-fund or of any class(es) of shares has decreased to an amount determined by the Board of Directors from time to time to be the minimum level for such Sub-fund or such class(es) of shares to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Sub-fund concerned would have material adverse consequences on the investments of that Sub-fund, the Board of Directors may decide to compulsorily redeem all the shares of the relevant class(es) issued in such Sub-fund at the net asset value per share (taking into account actual realisation prices of investments and realisation expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall inform the shareholders of the Sub-fund or of the class(es) concerned before the compulsory repurchase enters into force. A notice to this effect will indicate the reasons and the procedure of the repurchase. Owners of registered shares will be notified in writing. The Fund will inform the owners of bearer shares by a publication in the newspapers which will be determined by the Board of Directors. Unless it is otherwise decided in the interest of, or to maintain equal treatment between the shareholders, the shareholders of the Sub-fund or of the class or classes concerned may continue to request the repurchase or conversion of their shares, free of charge, before the compulsory repurchase coming into force.

Notwithstanding the powers conferred on the Board of Directors by the first paragraph hereof, the general meeting of shareholders of any one or all class(es) of shares issued in any Sub-fund may, upon proposal from the Board of Directors, redeem all the shares issued in such class(es) of the Sub-fund and refund to the shareholders the net asset value of their shares (taking into account actual realisation prices

of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders that shall decide by resolution taken by simple majority of those present or represented.

Assets which may not be distributed to their owners upon the implementation of the redemption will be deposited with the Custodian for a period of six months thereafter; after such period, the assets will be deposited with the Caisse de Consignations on behalf of the persons entitled thereto.
All the shares taken back in this manner will be cancelled.

Merger of Sub-funds or of one Sub-fund with another UCITS

Under the same, above-mentioned circumstances the Board of Directors may also decide to merge the assets of one Sub-fund with those of another Sub-fund of the Company or with another undertaking for collective investment under Luxembourg law which is subject to the provisions of Part I of the Law; it may also decide to merge them with a Sub-fund of another such undertaking for collective investment ("new Sub-fund") and to rename the class(es) of shares concerned as shares of one or more new class(es) (if necessary, after a split or consolidation and after payment – to the shareholders – of all amounts corresponding to a fraction of a share). This decision shall be published in the same manner as described under section "Termination of Sub-fund" (the publication shall list, inter alia, the characteristics of the new Sub-fund); publication must take place one month before the merger comes into effect in order to allow the shareholders who so wish to have their shares repurchased free of charge or converted free of charge during this period.

Notwithstanding the powers conferred on the Board of Directors above, the shareholders' meeting of holders of shares in the class(es) issued in a Sub-fund may decide to merge various Sub-funds of the Company. No quorum requirement applies to such a meeting and the decisions concerned may be taken by a simple majority of the shares present or represented at this meeting.

The above-mentioned merging of assets and liabilities of one Sub-fund with another undertaking for collective investment or with a Sub-fund of another such undertaking for collective investment shall be approved by the shareholders of the class(es) in the Sub-fund concerned by a simple majority of the shares present or represented at the meeting concerned.

A decision of the type referred to in the previous two paragraphs shall be published one month before it comes into effect in order to allow the shareholders who so wish to have their shares repurchased or converted at no further expense during this period.

If such a merger takes place with an undertaking for collective investment under Luxembourg law which was established in the form of an investment fund (fonds commun de placement), the decisions of the shareholders' meeting shall be binding solely on the shareholders having voted in favour of the merger.

5. DIVIDEND POLICY

The dividend policy of each of the Sub-funds is further described under Section I.

The general meeting of shareholders of the respective Sub-funds shall decide, at the proposal of the Board of Directors and after closing the annual accounts per Sub-fund, whether and to what extent distributions are to be paid out of investment income and realised gains in the Net Asset Value after deduction of all fees and expenses. The payment of distributions must not result in the Net Asset Value of the Fund falling below the minimum capital amount prescribed by law.

Entitlements to distributions and allocations not claimed within five years of the due date shall be forfeited and the corresponding assets returned to the respective Sub-fund. If the Sub-fund in question has already been liquidated, the distributions and allocations will accrue to the remaining Sub-funds of the same Fund in proportion to their respective net assets. At the proposal of the Board of Directors, the general meeting of shareholders of a specific Sub-fund may decide to issue bonus shares as part of the distribution of net investment income and capital gains.

An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

6. SPONSOR

The Sponsor of the Fund is UBS AG, Zurich and Basle, one of the world's leading financial institutions which offers a full range of commercial, trading, risk management and investment services. UBS is a publicly traded shareholder-driven company, incorporated under Swiss law. It operates from five major geographical centres: Zurich, London, New York, Singapore and Tokyo and employs 66'000 people globally, located in over 400 offices world-wide.

7. CUSTODIAN BANK

The rights and duties of the Custodian pursuant to article 34 of the Law have been assumed by UBS (Luxembourg) S.A., pursuant to a custodian agreement concluded between the Fund and the Custodian Bank.

UBS (Luxembourg) S.A., a fully fledged bank, founded on August 20, 1973, and has its registered office at 33A avenue J.F. Kennedy, Luxembourg. In addition to international banking, UBS (Luxembourg) S.A. is also active in private banking and offers a wide range of customer services, among them investment advisory and asset management services, time deposits as well as securities and foreign exchange. Since the 1st July, 1998 its share capital amounts to CHF 150 Mio.

The Custodian holds all the liquid assets and securities belonging to the Fund's assets in safekeeping for the shareholders. The Custodian performs all customary banking duties relating to the Fund's accounts and securities as well as all routine administrative work in connection with the Fund's assets. The Custodian also:

- * ensures that the sale, redemption, conversion and cancellation of shares effected for the Fund's account are in accordance with the provisions of the law and the Fund's Articles of Association;
- * ensures that, in the case of transactions relating to the Fund's assets, consideration is provided in due time;
- * ensures that the Fund's revenues/earnings are employed in accordance with the law and the Fund's Articles of Association.

The Custodian is entitled to charge commission in line with the scale of fees customarily applied by banks at the financial centre of Luxembourg. Said commission shall be calculated and charged pro rata temporis at the end of the month on the basis of the average total net assets of the Sub-funds during the respective month.

8. ADMINISTRATIVE SERVICES

Following a Central Administration and Domiciliation Agreement concluded between the Management Company, the Fund and UBS Fund Services (Luxembourg) S.A., the Management Company has delegated, under its control and responsibility, its central administration and domiciliation functions to UBS Fund Services (Luxembourg) S.A., (the "Administrative Agent."). The Administrative Agent is responsible for the general administrative duties involved in managing the Fund and prescribed by Luxembourg law. These administrative services mainly include calculation of the Net Asset Value per share, accounting as well as reporting. The administrative agent is entitled to charge commission in line with the scale of fees customarily applied at the financial centre of Luxembourg. It also carries out the other tasks of the Administrative Agent in accordance with the provisions applicable in Luxembourg. It is responsible in particular for processing share subscriptions, repurchases and conversions, as well as for transferring the relevant monies.

9. PORTFOLIO MANAGERS, INVESTMENT ADVISERS

The Fund is managed by the Management Company which has the overall responsibility for the management and administration of the Fund, its Sub-funds and if applicable, its corresponding class of shares. The Management Company is responsible for the monitoring of investment policies and restrictions of the Sub-funds.

In the performance of its duties, the Management Company may be assisted by Portfolio Managers and Investment Advisers, for each Sub-fund, according to their respective investment policy and objectives.

The Management Company may appoint different Portfolio Managers with regard to the portfolio management of the Sub-funds. The Portfolio Management comprises the active management of the Sub-fund's assets and the ongoing monitoring and adjusting of investments. The mandate is executed under supervision and the responsibility of the Management Company.

Furthermore, the Management Company is entitled to appoint Investment Advisers with regard to investment recommendations, for instance, relating to the asset allocation between the permitted investment instruments. The Management Company shall transmit the investment advises received to the respective Portfolio Managers.

The name and description of the actual advisers and managers, as well as the commission to which they are entitled are further described under Section I. Unless otherwise provided, this commission is expressed as a percentage of the average net asset value and is payable monthly.

10. TAXATION

Taxation of the Fund

According to the law and practice currently in force in the Grand Duchy of Luxembourg, the Fund is not liable to any Luxembourg tax on withholding, income, capital gains or wealth taxes. The Fund is, however, liable in Luxembourg to a tax of 0.05 per cent per annum ("Taxe d'Abonnement") of its NAV, such tax being payable quarterly on the basis of the value of the net assets of the Fund at the end of the relevant calendar quarter; provided that no tax is paid in respect of the portion of the assets of the Fund invested in other Luxembourg UCIs. The tax may be reduced for any Sub-fund or class of Sub-fund in accordance with Luxembourg law regulations.

Taxation of the Shareholders

Shareholders are advised that the law of 21 June 2005 (the "Law") has implemented into Luxembourg law, the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (defined as Savings Directive). According to the Savings Directive, as from July 1, 2005 at the earliest, cross boarder payments of interest to individuals resident in another Member State will be subject to a withholding tax system or an automatic disclosure of information. Dividends distributed by a Sub-fund of the Fund will be subject to the Savings Directive if more than 15 % of the relevant Sub-fund's assets are invested in debt claims as defined in the Directive. Proceeds realised by shareholders on the disposal of shares will be subject to such reporting or withholding if more than 40 % (as of 1.1.2011: 25 %) of the relevant Sub-fund's assets are invested in such debt claims.

Provided that the Sub-fund concerned is not subject to the Savings Directive or the shareholder is not concerned thereof, the shareholder is not subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg except for investors domiciled, resident or having a permanent establishment in Luxembourg and except for certain former residents of Luxembourg owning more than ten per cent of the shares in the Fund.

The above summary of the tax implications is not exhaustive. Investors are therefore advised to seek professional advice in relation to the laws and regulations in force and, where appropriate, seek advice on the subscription, purchase, possession and sale of shares at their place of residence.

11. CHARGES AND EXPENSES

Apart from the "taxe d'abonnement" described above, the Fund is subject to the following expenses:

- * all taxes which may be payable on the Fund's assets or income;
- * the customary commissions usually incurred on security transactions;
- * fee for the portfolio managers shall be paid monthly and shall represent an amount not exceeding a percentage specified under Section I "Available Sub-funds", calculated on the total net assets of end of month of the Sub-fund". Furthermore, Sub-funds may be subject to a performance fee as also specified in details under the above-mentioned Section I; unless agreed otherwise and specified in the concerned subfunds Section I;
- * monthly fees calculated on the average total net assets of the Sub-fund during the month concerned for services rendered by the Custodian and the Administrative Agent as well as a fee for possible distribution services provided by the distributor and the investment advisor services provided by the investment advisor unless agreed otherwise and specified in the concerned subfunds Section I;
- * the costs which may be incurred for extraordinary steps or measures to protect shareholders, in particular expert opinions or lawsuits;
- * the cost of printing the shares certificates, the cost of preparing, depositing and publishing agreements and other documents concerning the Fund, including fees for the notification of and registration with all authorities and stock exchanges, the cost of preparing, translating, printing and distributing the periodical publications and all other documents which are required by the relevant legislation or regulations, the cost of preparing and distributing notifications to shareholders, the fees for the Fund's auditors and legal advisers and all other similar expenses.

The costs of launching new Sub-funds may be written off over a period of up to five years. If this is the case, only the respective Sub-fund will be charged. More details hereof are specified under Section I.

Fees and expenses that cannot be attributed to one single Sub-fund will either be ascribed to all Sub-funds on an equal basis or will be prorated on basis of the Net Asset Value of each Sub-fund, if the amount and cause justify doing so.

Fees for the portfolio managers, Custodian, administrative agents and distributors may be regrouped in a all-in-fee calculated on the average total net assets of the Sub-fund during the month concerned as described under Section I "Available Sub-funds".

12. INFORMATION AVAILABLE TO SHAREHOLDERS

The audited annual report will be made available to shareholders free of charge at the registered office of the Fund within four months of the end of the financial year. The annual report includes reports on the Fund in general and on the individual Sub-funds. Un-audited semi-annual reports of the Sub-funds will be made available at the same places as the annual reports within two months of the end of the period to which they refer.

Other information on the Fund, as well as on the Net Asset Value, the issue, conversion and redemption prices of the Fund's shares may be obtained on any business day at the administrative address of the Fund and at the registered office of the Custodian. If necessary, any information relating to a suspension or resumption of the calculation of the Net Asset Value, the issue or redemption price as well as all notifications to shareholders will be published in the "Mémorial" and in the "D'Wort", and, if necessary in the different distribution countries.

Copies of the Articles of Association of the Fund may be obtained at the registered office of the Fund. Material provisions of the agreements referred to in this prospectus may be inspected during usual business hours on any Luxembourg business day at the registered office of the Fund. In addition, the Articles of Association, the sales prospectus as well as the latest annual and semi-annual reports are available free of charge from the Custodian. The issue and redemption prices as well as any documents mentioned above may also be obtained there.

13. INVESTMENT GUIDELINES

Investment restrictions

The Fund's investments shall be subject to the following guidelines:

(1) Investment Instruments

(A) In line with the investment policy of the respective Sub-funds, the net assets of the individual Sub-funds must solely consist of:

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market;
- b) transferable securities and money market instruments dealt in on another regulated market in a Member State of the European Union which operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another regulated market in a non-Member State of the European Union which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market are those of the countries included in Zone A defined by the CSSF Circular 01/49 as amended from time to time;
- d) recently issued transferable securities and money market instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market are those of the countries included in Zone A defined by the CSSF Circular 01/49 as amended from time to time;
 - such admission is secured within one year of issue;
- e) units of UCITS authorised according to Directive 85/611/EEC and/or other UCI within the meaning of the first and second indent of Article 1(2) of Directive 85/611/EEC, should they be situated in a Member State of the European Union or not, provided that:
 - such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - the level of guaranteed protection for unit-holders in such other UCI is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 85/611/EEC;
 - the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - no more than 10 % of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in units of other UCITS or other UCIs;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the Luxemburg Supervisory Authority as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in sub-paragraphs a), b) and c); and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that
 - the underlying consists of instruments covered by A), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives as stated in the Fund's articles of incorporation,

- the counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg Supervisory Authority, and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Fund's initiative;
- h) money market instruments other than those dealt in on a regulated market and referred to in the Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on regulated markets referred to in sub-paragraphs a), b) or c), or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and comply with prudential rules considered by the Luxembourg Supervisory Authority to be at least as stringent as those laid down by Community law, or
 - issued by other bodies belonging to the categories approved by the Luxembourg Supervisory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount at least to ten million euros (EUR 10'000'000,-) and which presents and publishes its annual accounts in accordance with Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles, which benefit from a banking liquidity line.

The Fund and/or each Sub-fund:

- a) may invest no more than 10 % of its net assets in transferable securities and money market instruments other than those referred to in paragraph (1) (A);
- b) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- c) may not acquire either precious metals or certificates representing them;
- d) may hold ancillary liquid assets.

(2) Risk Diversification

(A) In accordance with the principle of risk diversification, each Sub-fund will invest no more than 10 % of its net assets in transferable securities or money market instruments issued by the same issuing body. Each Sub-fund may not invest more than 20 % of its assets in deposits made with the same body.

The risk exposure to a counterparty of each Sub-fund in an OTC derivative transaction may not exceed 10 % of its net assets when the counterparty is a credit institution referred to in (1) (A) g), or 5 % of its net assets in the other cases.

Moreover, the total value of the transferable securities and money market instruments held by the Sub-fund in the issuing bodies in each of which it invests more than 5 % of its net assets must not exceed 40 % of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the limits laid down in the first paragraph of (2), the Sub-fund may not combine

- investments in transferable securities or money market instruments issued by,
- deposits made with and/or,
- exposures arising from OTC derivatives transactions undertaken with a single body in excess of 20 % of its net assets.

(B) The following exceptions can be made:

- (a) The aforementioned limit of 10 % can be raised to a maximum of 25 % for certain debt securities if they are issued by credit institution whose registered office is situated in an EU member state and which is subject, by virtue of law, to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts resulting from the issue of such debt securities must be invested, pursuant to the law in assets which sufficiently cover, during the whole period of validity of such debt securities, the liabilities arising there from and which are assigned to the preferential repayment of capital and accrued interest in the case of default by the issue. If the Sub-fund invests more than 5 % of its net assets in such debt securities as referred to above and

issued by the same issuer, the total value of such investments may not exceed 80 % of the value of the Sub-fund's net assets.

- (b) The aforementioned limit of 10 % can be raised to a maximum of 35 % for transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities, by a non EU member state or by public international bodies of which one or more EU member states are members.

The transferable securities referred to in exceptions (a) and (b) are not included in the calculation of the limit of 40 % laid down above.

The limits stated under (A) and (B), above, may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same body or in deposits or derivatives instruments made with this body in accordance with (A) and (B), may not, in any event, exceed a total of 35 % of the Sub-fund's net assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits contained in the present section "Risk Diversification".

The Fund may invest in aggregate up to 20 % of its assets in transferable securities and money market instruments with the same group.

- (C) Notwithstanding what is provided for under (A) and (B), above, where the Sub-fund has invested in accordance with the principle of risk spreading in transferable securities and/or money market instruments issued or guaranteed by a Member State of the European Union, by its local authorities, by an OECD Member State or by public international bodies of which one or more Member States of the European Union are members, the Sub-fund is authorised to invest up to 100 % of its net assets in such securities and/or money market instruments, provided that the Sub-fund holds securities and/or money market instruments from at least six different issues and securities and/or money market instruments from one issue do not account for more than 30 % of its total net assets.**

(3) Investment Restrictions

- (A) The Fund may acquire the units of UCITS and/or other UCIs referred to in (1) (A) e), provided that no more than 20 % of its net assets are invested in a single UCITS or other UCI.

For the purposes of applying this investment limit, each Sub-fund of a UCI with multiple Sub-funds, within the meaning of Article 133 of the Law, shall be considered as a separate entity, provided that the principle of segregation of commitments of the different Sub-funds is ensured in relation to third parties.

- (a) Investments made in units of UCI other than UCITS may not exceed, in aggregate, 30 % of the net assets of the Fund.

When the Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCI do not have to be combined in the view of the limits laid down under paragraph (2) Risk Diversification.

- (b) When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the UCITS's investment in the units of other UCITS and/or other UCI.

- (B) The Fund will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

- (C) The Fund may not acquire more than 10 % of non-voting shares of the same issuer, more than 10 % of the debt securities issued by the same issuer or more than 25 % of the units of the same undertaking for collective investment in transferable securities and/or other undertaking for collective investment or more than 10 % of the money market instruments of the same issuer.

The limits under (B) and (C) are waived as to:

- (a) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non EU member state;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members;

- (d) shares held in the capital of a company incorporated in a non EU member state and investing its assets mainly in securities of issuers having their registered office in that State, if under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of the issuers of that State. This derogation only applies if the company has an investment policy complying with the points (2) (A), (3) (A), (B) and (C) mentioned hereabove. If the limits stated in points 2 (A) and 3 (A) mentioned hereabove are exceeded, the limit under (G) shall apply mutatis mutandis;
 - (e) shares held by the Fund in the capital of one or more subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of units at shareholders' request exclusively on its or their behalf.
- (D) Any Sub-fund may not borrow more than 10 % of its total net assets, and then only from financial institutions and on a temporary basis. Each Sub-fund may, however, acquire foreign currency by means of a back to back loan. Each Sub-fund will not purchase securities while borrowings are outstanding in relation to it, except to fulfil prior commitments and/or exercise subscription rights. However, each Sub-fund can borrow up to 10 % of its net assets to make possible the acquisition of immovable property essential for the direct pursuit of its business. In this case, these borrowings and those referred to above (temporary borrowings) may not in any case in total exceed 15 % of the Sub-funds' net assets.
- (E) The Fund may not grant credits or act as guarantor for third parties. This limitation does not prevent the Fund to purchase securities that are not fully paid up, nor to lend securities as further described thereunder. This limitation does not apply to margin payments on option deals and other similar transactions made in conformity with established market practices.
- (F) Each Sub-fund will not purchase any securities on margin (except that the Sub-fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position. Deposits on other accounts in connection with option, forward or financial futures contracts, are, however, permitted within the limits provided for here below.
The Board of Directors of the Fund is authorised to introduce further investment restrictions at any time in the interests of the shareholders provided these are necessary to ensure compliance with the laws and regulations of those countries in which the Fund's shares are offered and sold.
- (G) If any of the above limitations are exceeded for reasons beyond the control of the Fund and/or each Sub-fund or as a result of the exercise of subscription rights attaching to transferable securities or money market instruments, the Fund and/or each Sub-fund must adopt, as a priority objective, sales transactions for the remedying of that situation, taking due account of the interests of its shareholders.**

Financial techniques and instruments

As set out in 1 (A)(g)), the Fund may, as a main element in achieving the investment policy, within the statutory conditions and limits defined for each subfund, use special techniques and financial instruments whose underlyings are securities, money market instruments and other financial instruments.

The Fund must use a risk management process that enables it, at any time, to monitor and measure the risk associated with its investment positions and its share in the overall risk profile of the investment portfolio; furthermore, it must use a process that allows it to determine the value of the OTC derivatives in a precise and impartial manner. It must regularly notify the CSSF in accordance with the rules set by it (les règles détaillées) of the types of derivatives contained in the portfolio, the risks associated with the underlying securities, the investment limits and the methods used for measuring the risks associated with derivatives transactions.

The Fund is also entitled to employ techniques and instruments which feature securities and money market instruments, provided such techniques and instruments are used in the interests of efficient portfolio management subject to the conditions and limits defined by the CSSF. If such transactions relate to the use of derivatives, then the terms and limits must accord with the provisions of the Luxembourg law of 20 December 2002.

The subfunds may under no circumstances deviate from its investment objectives for these transactions.

The Fund ensures that the overall risk associated with derivatives does not exceed the total net value of its portfolio.

The following are taken into account in computing risk: the market value of the underlying instruments, the risk of default, future foreseeable market developments and the period within which the positions are to be liquidated.

As part of its investment strategy, the Fund, within the limits set out in 2 (B)(b)), may invest in derivatives provided that the overall risk of the underlying assets does not exceed the investment limits cited in point 2 below. Investments by a UCITS in index-based derivatives need not be taken into account in the case of the investment limits set forth under 2.

If a derivative is embedded in a security or money market instrument, it has to be taken into account with regard to compliance with the rules of this Article.

The Fund may also lend portions of its securities portfolio to third parties ("**securities lending**"). In general, lending may only be effected via recognised clearing houses such as Clearstream International or Euroclear, or through the mediation of first-class financial institutions that specialise in such activities and in the modus specified by them. Such transactions may not be entered into for longer than 30 days, however. If the loan exceeds 50 % of the securities portfolio of the corresponding subfund, it may only be effected on condition that termination of the loan contract is possible immediately.

Securities that are related to derivative financial instruments as underlyings or that have been taken under terms of reverse repurchase agreements may not be lent.

In the case of securities lending transactions, the Fund must, in principle, receive a guarantee, the value of which on conclusion of the loan contract should at least correspond to the total valuation of the securities lent out and any accrued interest thereon. This guarantee must consist of liquid assets and / or securities issued or guaranteed by an EU or OECD Member State or its public central, regional or local authorities or by an international organisation, and which are blocked in the Fund's name until after the expiry of the aforementioned contract. Such a guarantee is not required if the securities lending transaction is effected via Clearstream International or Euroclear or another organisation which guarantees that the value of the securities lent out will be refunded.

The Fund may, for any subfund, engage on an ancillary basis in repurchase transactions ("repurchase agreements" or "reverse repurchase agreements") involving the purchase and sale of securities where the seller has the right or obligation to repurchase the securities sold from the buyer at a fixed price and within a certain period stipulated by both parties upon conclusion of the agreement.

The Fund may effect repurchase transactions either as a buyer or a seller. However, any transactions of this kind are subject to the following guidelines:

- Securities may only be purchased or sold under a repurchase agreement if the counterparty is a first-class financial institution specialising in this kind of transaction.
- For as long as the repurchase agreement is valid, the securities bought cannot be sold before the right to repurchase the securities has been exercised or the repurchase period has expired.
- In addition, it must be ensured that the volume of the liabilities of repurchase agreements of each subfund is structured in such a way that the subfund can meet its redemption obligations towards its unitholders at all times.
- Securities that are related to derivative financial instruments as underlyings, are lent or that have been taken under terms of reverse repurchase agreements may not be sold under the terms of reverse repurchase agreements.

Futures, swaps and options on currencies can be bought or sold by the portfolio management for the purpose of building up or securing foreign currency positions for the subfunds. At no time may the liabilities resulting from such transactions exceed the value of the assets of the subfund concerned.

SPECIFICATIONS FOR THE INDIVIDUAL COUNTRIES IN WHICH FUND SHARES ARE SOLD

Sale in Italy

Shares of the below mentioned Subfunds may be sold in Italy:

LUXEMBOURG INVESTMENT FUND – Amares Strategy Fund - Balanced

LUXEMBOURG INVESTMENT FUND – Secofind Value

LUXEMBOURG INVESTMENT FUND – Secofind Income

LUXEMBOURG INVESTMENT FUND – Global Opportunities

LUXEMBOURG INVESTMENT FUND – Alpha Strategies

Sale in Spain

Shares of the below mentioned Subfunds may be sold in Spain:

LUXEMBOURG INVESTMENT FUND – U.S. Equity Plus