

FALCINVEST MASTER FUND

PROSPECTUS CLASS B

FALCINVEST MASTER FUND

ADDRESSES

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IMPORTANT INFORMATION

General

Prospective members are advised to read the Prospectus and all other information that can be important to them carefully and to assure themselves that they understand the contents thereof before participating in the Fund. They should also determine, on the basis of their personal assessment, if participating in the Fund is suitable for them considering their circumstances and financial means.

No one is authorised to provide information about the Fund other than mentioned in the Prospectus and any supplements thereto, or to proclaim otherwise. Persons who acquire Units in the Fund on the basis of proclamations or statements not contained in or not consistent with the Prospectus do so exclusively at their own risk.

Neither the distribution of the Prospectus, nor the offering of Units implies in any way that no changes have occurred in the activities of the Fund since the date of the Prospectus. Changes in the activities will be communicated to the Members and, where applicable, will lead to amendment of the Prospectus.

Registration document

According to laws and regulations the Manager has filed a registration document with the Authority. This document is included in this Prospectus as a supplement.

Distribution restrictions

The distribution of the Prospectus and the offering of Units can be subject to restrictions in certain jurisdictions. Persons who obtain possession of the Prospectus, should inform themselves of, and should observe, all legal conditions and rules applicable to them. The Prospectus does not contain an offer to participate in the Fund in a jurisdiction where this is not permitted. The Manager is not responsible for any violation of any restriction by whomever in respect of the distribution of the Prospectus or for evoking anyone to participate in the Fund.

Persons who consider purchasing Units in the Fund are advised to enquire about any restriction in respect of membership of the Fund, any legal requirements, currency control and taxes that may be applicable to them on the basis of their citizenship, domicile or country of residence.

The Netherlands

The Manager has a license, in accordance with the Act, on the basis of which Units of the Fund may be offered to the public in or from the Netherlands. In accordance with the Act, the management of investment institutions is required to meet specific demands with respect to expertise and reliability. The Manager is required to meet specific demands with respect to financial warranties, administrative organisation, internal control and providing information to the public. The offices of manager and custodian are to be segregated and the auditing of annual accounts of the fund is obligatory. A financial leaflet with legally prescribed information concerning each Sub-fund, its costs and risks is available to residents of The Netherlands, allowing them to compare the Sub-funds with similar financial products.

United Kingdom

The Fund is not registered under the Financial Services Act 1986 of the United Kingdom. This Prospectus can, therefore, only be offered in the United Kingdom to persons who fall under Article 11 (3) of the Financial Services Act (Investments Advertisements) (Exemptions) Order 1996, amended, or to whom the Prospectus may otherwise lawfully be offered while Units may only be offered in the United Kingdom by authorised persons under the Financial Services Act, in accordance with the Financial Services (Promotion of Unregulated Schemes) Regulations 1991, as amended from time to time.

United States

Units in the Fund will not be registered under the Securities Act of 1933 in the United States, as amended, ('Securities Act'), nor will the Fund be registered under the Investment Company Act of 1940 of the United States, as amended. Units may not be offered, sold or delivered, directly or indirectly, for account or for the benefit of any 'US person' as defined in Regulation S of the Securities Act, in the United States, their territories or possessions and the District of Columbia, unless this is in accordance with an exemption from, or in transactions not subject to, registration requirements of the Securities Act or of any other applicable laws of the United States. Other than in cases where the Manager will allow an exception, the Manager will not accept any subscription by US persons.

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Manager's statement

The Manager is responsible for the contents of the Prospectus. Herewith we declare that the Manager, the Custodian and the Fund comply with the rules of or based on law and that the Prospectus complies with the rules of or based on the "Resolution on the supervision of investment institutions 2005".

FalcInvest Fund Management B.V.
Veenendaal, February 28, 2006

Auditors' statement

Assignment

We have taken notice of the prospectus of February 28, 2006 of FalcInvest Master Fund in Veenendaal, for the purpose of determining whether the prospectus contains at least the information that, where applicable, is required according to article 41 subsection 3 of the Resolution on the supervision of investment institutions 2005. The Prospectus has been prepared under the responsibility of the Directors of the manager. It is our responsibility to provide an auditors' statement as meant in article 41 subsection 4 of the Resolution on the supervision of investment institutions 2005.

Activities

On the basis of audit directives effective in The Netherlands, our activities are to be planned and performed in such a manner as to obtain a reasonable degree of certainty that the prospectus contains at least the information that, where applicable, is required in accordance with article 41 subsection 3 of the Resolution on the supervision of investment institutions 2005. Unless the contrary is explicitly mentioned in the prospectus, no audit has been performed on the information contained in the prospectus. We are of the opinion that our activities provide a sound basis for our judgement.

Judgement

We are of the opinion that the prospectus contains at least the information that, where applicable, is required according to article 41 subsection 3 of the Resolution on the supervision investment institutions 2005.

Rotterdam, February 28, 2006
Deloitte Accountants B.V.
E.R. Capitain

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DEFINITIONS

Act

The Dutch Act on the supervision of investment institutions.

Authority

The Netherlands Authority for the Financial Markets who, on the basis of the Act on the supervision of investment institutions, is entrusted with the behavioural supervision on and granting licenses to managers of investment institutions.

Conditions

All the information, terms and provisions mentioned in this Prospectus.

Custodian

The private limited liability company Vereenigd Trusteekantoor B.V.

Fund

FalcInvest Master Fund.

Investment manager

The private limited liability company FalcInvest Asset Management B.V.

Investments

This includes, *inter alia*, stocks, bonds, interest rate instruments, currencies, minerals, agricultural and industrial commodities and products, as well as derivative investment instruments thereof, such as futures, index, options and forward contracts, warrants and swaps. Furthermore, this is meant to include over-the-counter and interbank transactions and trade documents such as letters of credit and bank guarantees.

Manager

The private limited liability company FalcInvest Fund Management B.V.

Member

A natural or legal person that holds Units in one or more Sub-funds.

Monthly reporting date

The last day of the month.

New net profit

The joint net (realised and unrealised) investment profit generated by all Underlying funds employed by a Sub-fund during a reporting period, after deduction of any loss from previous reporting periods (going back to the last reporting date on which a New net profit was reported) and management fees charged by the Manager and the Investment Manager since that date. The New net profit so determined forms the basis for calculating the performance fee payable to the Investment manager. In case of Sub-funds that have Main Units and Series Units the New net profit of both types of Units will be determined separately.

Sub-custodian

The public limited liability company BNP Paribas Securities Services S.A., which is appointed as sub-custodian with respect to the credit facility arranged on behalf of the Fund.

Sub-fund

A separately administered part of the assets of the Fund that has been pooled for a specific investment strategy and to which certain further characteristics can be attributed and all results realized for the benefit of such assets can be allocated, after deduction of all relevant fees and expenses.

Supplementary prospectus

An addition to the Prospectus containing specific information and characteristics about a Sub-fund and forms an integral part of the Prospectus.

Underlying fund

An investment fund, investment company or investment account in the name of the Fund, in which Sub-funds invest in order to participate in the investment strategy concerned. This also includes investment funds (managed by the Manager or otherwise) and structured financial products that, in turn, invest in Underlying funds.

Units

Participation rights in a Sub-fund and fractions thereof, calculated to four decimals exactly. For certain Sub-funds, a distinction can be made between Main Units that have an indefinite duration and Series Units that have a fixed duration. Series Units are issued following a decline in the value of Main Units, for the sole purpose of avoiding material loss to holders of previously issued Units and material gain for holders of new issued Units when assigning future performance fees payable to the Investment manager. Each Sub-fund in which Main Units and Series Units can be issued will have a note to that effect in the specific Supplementary prospectus.

Unit value

The assets of a Sub-fund, divided by the number of Units issued therein, sub-divided in Main Units and Series Units where applicable, calculated to four decimals exactly.

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INTRODUCTION

The Fund offers investors a choice of Units in different Sub-funds within a so-called 'umbrella structure'. All positive and negative investment results that can be allocated to a Sub-fund, as well as income and expenses are credited, respectively debited, to the Members of the Sub-fund. Each Member participates in the result of a Sub-fund *pro rata* of the number of Units which he owns, divided in Main Units and Series Units if applicable.

As per the date of the Prospectus the following Sub-funds are available:

FalcInvest Global Markets Fund - Class A (euro)
FalcInvest Global Markets Fund - Class A (British pound)
FalcInvest Global Markets Fund - Class A (US dollar)
FalcInvest Global Markets Fund - Class B (euro)
FalcInvest Global Markets Fund - Class B (US dollar)

FalcInvest Opportunities Fund - Class A (euro)
FalcInvest Opportunities Fund - Class B (euro)

FalcInvest Managed Futures Fund - Class B (euro)

FalcInvest Specialist Finance Fund - Class A (euro)
FalcInvest Specialist Finance Fund - Class B (euro)
FalcInvest Specialist Finance Fund - Class B (US dollar)

From time to time further Sub-funds may be added to the Fund. The Prospectus will be provided with a Supplementary prospectus for each Sub-fund that is introduced after the date hereof. Periodically, the Prospectus will be updated.

The introduction of new Sub-funds will take place following a joint resolution by the Manager and the Custodian and will be published on the website of the Manager.

The reference currency of the Fund is the euro and the annual accounts of the Fund are presented in euros.

INVESTMENT OBJECTIVES AND INVESTMENT POLICY

General

The general investment objective of the Fund is to achieve capital appreciation under varying economic circumstances in the medium to long-term.

The assets of the Sub-funds are invested, directly or indirectly, in Underlying funds that predominantly employ non-traditional or 'alternative' investment strategies. Underlying funds are selected on the basis of the FalcInvest Multi-Strategy investment process, whereby the selection is determined, among other things, by the risk profile that the Manager has established for each Sub-fund.

The Sub-funds do not pay dividend. Investment proceeds are continuously reinvested. The Manager can, however, depending on market developments, fiscal and other considerations, at any point in time decide to pay dividend or to create Sub-funds for which a dividend payment policy has been determined.

Alternative investment strategies can be applied to equity and bond markets, but also to interest, currency, mineral, commodity and other markets. Unlike traditional investment strategies, that are primarily passive and greatly depend on economic growth and rising prices to generate returns, alternative investment strategies are characterized by a dynamic use of investment techniques and instruments, such as derivatives, short sales and leverage. This allows them to profit from both rising as well as falling prices and, generally, makes them better equipped to manage investment risks and also to generate positive returns during economic decline.

Alternative investment strategies can be categorised in specific 'investment styles'. The strategies are generally complex and require a thorough knowledge of the market and the investment instruments and/or techniques that can be applied there. The section 'Investment styles' provides a summary and a brief description of a number of the most common investment styles.

Investment Policy

In addition to the general investment objective of the Fund, each Sub-fund has its own specific investment policy, return objective and risk profile. Sub-funds with the same investment policy can differ from each other in matters such as base currency, minimum initial payment and expenses and, hence, in price development. The specific characteristics of each Sub-fund are described in the specific Supplementary prospectus.

By participating in one or more Sub-funds, both professional and private investors indirectly and effectively gain access to a broad range of alternative investment strategies. They can select Sub-funds that best suit their risk profile or whose investment style or combination of investment styles offers diversification for an existing investment portfolio.

Selecting Underlying funds

Underlying funds are assessed on the basis of their potential to generate positive investment returns under different circumstances rather than on their ability to track an index.

They are selected after thorough research into and analysis of the background of the asset managers concerned, their experience, integrity, investment philosophy, decision-making process and performance. In addition, an assessment is made of the extent to which the strategy contributes to the results, the stability and/or diversification of the Sub-fund concerned. The operational procedures of the asset managers, the timeliness and accuracy of reporting and matters such as transparency, risk management and internal control are also examined, as well as the (legal) structure of Underlying funds and their organization. The above research is partially conducted at the offices of the asset manager.

Following the appointment of an Underlying fund, its results are continuously examined and regular consultations take place with the asset managers concerned.

Investment styles

The following summary of alternative investment styles is meant as general information. Moreover, the number of investment styles grows steadily. Where they fit the specific investment policy of a Sub-fund one or more of the styles can be employed.

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Collateralised Commercial Finance

In this style, loans are granted whereby a variety of assets are held as collateral. Examples are the financing of debtors, inventory and real estate. Interest proceeds are the main revenues, sometimes supplemented with investment specific revenues.

Convertible arbitrage

This style combines stocks and bonds. In general, long positions in convertible bonds are held on one side, while short positions in stocks and/or options of the same company are held on the other side. By doing so, traders anticipate a more favourable valuation between the different components of the position. At the same time, the principal sum is protected against negative market fluctuations.

Currency trading

This style covers the worldwide trade in currencies, based on brief differentials in the exchange rates of two currency pairs and/or long term fluctuations that are the result of macro-economic developments.

Emerging Markets

This style includes investments in equities, bonds or trade receivables of companies or government debt from geographic regions or countries with emerging economies. Price developments of investments in these markets are often different from those in more efficient western markets or take place during a different period.

Event driven

In this style, the aim is to profit from price developments and/or price inefficiencies caused by (expected) events. This style can be subdivided into the styles risk arbitration (takeovers and acquisitions) and special situations (distressed companies/reorganisations/bankruptcies).

Fixed income arbitrage

In this style, traders try to profit from price imbalances between related interest instruments. Most traders are globally active and aim to generate regular income streams at a low risk. They focus, *inter alia*, on arbitrage in interest swaps, yield curves, US and non-US government bonds and mortgage bonds.

Global macro

In this style investments are made based on global macro-economic developments. Traders hold long and short positions in important capital and derivative markets. The positions reflect their opinion about the direction of the market on the basis of important economical developments and/or special events. The portfolios may include stocks, bonds, currencies, commodities or derivatives thereof. Most portfolios are invested globally in both developed and emerging markets.

Long/Short Equity

In this style, portfolios of long and/or short positions are structured in a large variety of company stocks. The aim is not to be market neutral but to profit from developments by adjusting positions from growth stock to value stock, for example, or from small cap to mid cap and large cap, and from an -on balance- long position to an -on balance- short position. Traders often use futures contracts and options to hedge risks. The focus can be economical/geographical (for example long American stocks and short European stocks), or

directed to a specific market sector (for example, long and short pharmacy, health care, food industry, etc.).

Managed futures

In this style futures contracts are used to trade, *inter alia*, bond and interest rate markets, currencies, stock indices and commodities markets world wide. In general, the asset managers either deploy extensively tested systematic models or base decisions on personal assessments of opportunities and risks, that can differ per transaction.

Market neutral

This style seeks to exploit price inefficiencies by simultaneously taking long and short positions in (portfolios of) shares. Usually, trades are made within the same industry and in equal portions. Characteristic of this style is that the direction of stock markets have a minimal impact.

SPECIAL CONDITIONS AND INVESTMENT RESTRICTIONS

Generally, there are no restrictions with respect to the kind and type of Underlying funds, investment markets or Investments in which the Fund may invest. If 20% or more of the Fund assets is invested in an Underlying fund, information about that fund and agreements made in respect of the fees of that fund and the distribution thereof will be explained in the (semi-)annual account of the Fund.

The Manager generally does not have voting rights in Underlying funds and, therefore, cannot influence the investment policy or investment strategy concerned. Should the Manager have or acquire voting rights, then he will only apply his influence if this serves the interest of the Members.

In addition to selecting investment strategies from non-related asset managers, the Investment manager is authorized to select its own investment strategies or investment strategies of asset managers associated with the Manager, providing this meets the objective and the investment policy of the Fund.

The Manager is authorised to borrow up to two times the assets of the Fund for the purpose of leveraging the investment volume of Sub-funds and/or obtaining temporary liquidity to facilitate the redemption of Units. Consequently, the Manager and the Custodian have entered into a credit facility on behalf of the Fund. All costs and obligations resulting from this facility are charged to (the result of) the Sub-funds concerned. In respect of this credit facility the Sub-custodian has been appointed.

The Fund is not authorized to grant loans or to issue guarantees to third parties.

At least 10% of the Fund's assets are held in the form of liquid assets, certificates of deposit, short or medium-term fixed interest securities, time deposits, exchange listed securities or stand-by facilities.

For practical and economical reasons the Manager may, partially or in whole, pool the assets of a Sub-fund with the assets of other Sub-funds that invest in the same Underlying fund. The assets will, thus, be invested collectively and the proceeds will be shared proportionally by the Sub-funds.

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The Manager may, from time to time, change the special conditions or may establish further investment restrictions if, for example, this is imposed by law or regulations in jurisdictions where Units of the Fund are being offered. Where applicable, the Members will be informed about the changes (also see 'Other information - Conditions and changes').

RISK FACTORS

General

Participating in the Fund involves financial risk. Members can not be guaranteed that the investment objective of individual Sub-funds will be realised. The value of Units can fluctuate. Past performance provides no guarantee for future performance. The development of the Unit value depends, *inter alia*, on developments in the financial markets and the choices that are made on the basis of the investment policy.

When terminating the investment, the value thereof may be lower than the initial value. In that case, a debt will remain if the purchase of Units was financed.

Furthermore, the value can decline due to inflation, the withdrawal of more funds than the gains realised and other external factors, such as the tax regime applicable to the Member.

The Members' risks resulting from participating in the Fund is limited to the value of their investments, irrespective of whether funds have been borrowed by the Fund (also see 'Special conditions and investment restrictions').

The success of the investment strategies deployed by Underlying funds depends largely on being able to correctly judge future price movements. No assurance can be given that those strategies will be successful or that the investment objectives of Underlying funds, and therewith those of the Fund and Sub-funds, will be achieved. At the same time, no representation is made that past performance of Underlying funds or Sub-funds is indicative of future performance.

All risks resulting from transactions performed on behalf of the Fund, will be borne by the Members and all results of the Fund belong to the Members.

Fund and market related risks

The following overview is intended to give an indication of the risks the Fund may face from time to time. The overview is not limited and, therefore, no guarantee is given that other risks that are not mentioned, will not occur.

Investing in Underlying funds

Investments in Underlying funds usually take place by subscribing to units through appointed issuers and not through regulated, open markets or exchanges.

Although an endeavour is made to select Underlying funds that offer the possibility to redeem their units within a reasonable period of time, such redemption can, in certain circumstances, be restricted or subject to larger restrictions than those applicable to the Sub-fund concerned. Moreover, there generally is no secondary market for units issued by Underlying funds. Therefore, no assurance can be given that Underlying funds will at all times be able to comply with redemption requests when such requests are made or that

redemption can take place at a reasonable price or at no cost. This restriction may affect both the dealing in Units and the Unit value.

Underlying funds are often, primarily for tax reasons, established in countries where there is less or no supervision on such institutions. Although the Manager, in such case, may obtain assurances that other provisions are in place to protect the interests of the Members, such protection may prove less effective than in the case of (stricter) supervision of the activities of the Underlying fund by a supervisory authority. In addition, Underlying funds are generally subject to less severe requirements regarding the publication of data and the providing of information in such countries. As a consequence, public information about Underlying funds, their assets and results may be available to a lesser degree.

The valuation of Underlying funds relies primarily on independent information from third parties. If this information later proves to be incomplete or incorrect, it may adversely effect the Unit value.

Leverage

The Manager and some Underlying funds can apply leverage in order to increase the volume of the investment activities. Consequently, the total value of positions held by Underlying funds can exceed the assets of the Sub-fund concerned. The use of leverage can increase the profit potential as well as the volatility in the Unit value and, therefore, also the risk of loss for the specific Sub-fund. All costs and obligations resulting from the use of leverage, including the providing of collateral, are charged to the Sub-fund.

Third-party risks

Some Underlying funds use brokers or custodians that, in certain cases, do not have the same credit rating as a bank, which may increase the risk for the Sub-fund concerned. In addition, and in contrast to custodian banks in more regulated countries, these brokers or custodians only provide custody services without any supervisory obligations. In private transactions, banks or other financial institutions are the counterparty of the Fund, instead of an exchange. When a counterparty becomes insolvent, the Sub-fund concerned runs an additional risk.

Suspension of the valuation of Units and suspension of trade

In certain circumstances, the valuation of Units can be temporarily suspended, as a result of which Members cannot redeem or sell Units when they want to do so. Some examples of circumstances that may lead to suspension of valuation are the following.

- For the valuation of Units, the Fund is dependent on, *inter alia*, price information from third parties and unit value information from Underlying funds. If this information is not available (in time) it could lead to a delay in the valuation of Units.
- Exchanges on which and/or banks with which trades are executed may (have to) decide to suspend trading in the securities for which they maintain a market due to, *inter alia*, market rules, trading circumstances or failure of communications lines. As a result, Underlying funds can be restricted in their possibilities to freely liquidate positions, which may lead to loss or delay in the settlement of transactions.

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- Volatility or the lack of liquidity can restrict the trade in Investments and cause losses. As a result, it might not be possible to sell Investments quick enough and/or their proceeds may be lower than would have been the case if liquidity had been sufficient. Also, it may prevent the determination of the Unit value and thereby the issue or redemption of Units.
- Requests for redemptions of a large number of Units may require more rapid liquidation of Investments of a Sub-fund than desirable, thus adversely affecting the Unit value.

Suspension of the valuation of Units is done in the interest of the Members. Although the Manager has no influence on most of the circumstances that can cause suspension, he will endeavour to limit the period of suspension or the payment of Unit proceeds as much as possible when it occurs.

Investing and dealing in Investments

Underlying funds can actively trade Investments with high-risk characteristics. The possibility to trade Investments can be or can become restricted due to market circumstances, concentration of investments or by measures taken by exchanges or governments. The price of Investments can be influenced by the degree of availability at the time of trading. Investments of Underlying funds can be made Over-The-Counter or on the basis of private placement, as a result of which the value of such Investments may be determined less well. Further, it may be difficult or impossible to liquidate such Investments, while they may also be subject to less and/or different supervision than Investments traded on an exchange. Investments in certain regions or sectors, such as emerging countries and/or emerging markets, may be subject to greater or other risks than Investments in more developed regions and/or markets, such as limited liquidity, larger price fluctuations, currency restrictions, changes in political and/or economic policies and changing international relations.

Exceeding investment restrictions

For various reasons, such as price, currency or market developments, investment restrictions may be exceeded. In such a situation the Manager or the Investment manager will take measures to remedy the situation as soon as possible, within the possibilities at their disposal. Although they will act in the interest of the Members, no assurance can be given that the Sub-fund concerned will not incur a loss as a result of exceeding the restrictions or the neutralisation thereof.

Currency risk

The base currency of Underlying funds can deviate from the base currency of a Sub-fund. Where applicable, this base currency risk is hedged as much as possible by the Investment manager by means of, for example, currency swaps, whereby the costs are charged to the Sub-fund concerned.

Risks between Sub-funds

Within the structure of an umbrella fund (see: 'Legal structure') the assets of the sub-funds of such a fund are not segregated assets. This means that the assets of a sub-fund can, in principle, become subject to claims in case of a deficit in one of the other sub-funds of the umbrella fund.

With respect to the Sub-funds of the Fund, the investments take place in such a manner that the Manager considers the

risk that a Sub-fund will be held liable for any deficit in any other Sub-fund practically non-existent .

The results of any Sub-fund have no influence on the results and value of any other Sub-fund, other than in case of dissolution of one or more Sub-funds. Members have no interest in any part of the assets of the Fund other than assets of the Sub-fund in which they participate. In case of liquidation, all assets of a Sub-fund are subject to the claims of the general creditors of the Fund.

DEALING IN UNITS

Subscriptions

Prospective members can subscribe to Units of each Sub-fund open to investment on a monthly basis. Subscriptions are made by submitting a completed and signed subscription form together with all other legally required information. Actual participation takes place after the Prospectus and, where applicable, all other legally required information regarding the Fund has been made available to the prospective member and the payment has been received in the bank account of the Fund.

The Manager is authorized to change minimum subscription or redemption amounts and to restrict or close subscription to Units. This can, for example, be the case when the size of the Sub-fund is so large that it would influence the proper functioning of markets or so small that its continuation is no longer considered appropriate. In addition the Manager may reject subscriptions, partly or in whole, without explanation and may return any payment already received, without interest compensation and after deducting any bank and transaction charges. This can, for example, be the case when the subscription appears to have been made on the basis of an offer in a jurisdiction where this is not permitted, or when the payment has been financed with funds derived from criminal activities. Furthermore, the Manager is authorized to diverge from applicable minimum investment or redemption amounts at his discretion.

Membership

Membership is final and irrevocable when the payment has been received by the Custodian in the designated bank account. For payments received on the 20th day of the month at the latest, membership will start on the first-following Monthly reporting date. The issue and redemption of Units takes place at the Unit value of that date. Membership is confirmed to the Member whereby , *inter alia*, the number of Units that have been allocated is specified.

Membership concerning payments that are received after the 20th day of the month will not start on the first-following Monthly reporting date but on the one thereafter. However, the Manager may deviate from this rule if circumstances, at his sole discretion, allow membership to take place per the first-following Monthly reporting date as yet.

Investments can be made in any currency, albeit that amounts received in another currency than the base currency of the Sub-fund concerned will be converted to that base currency upon receipt, whereby all bank charges will be for the account of the Member or prospective member.

The Manager maintains a ledger with the names and addresses of all the Members of the Fund, as well as a specification of the number of Units held by each of them

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and the dates of issue and redemption. Only the ledger serves as evidence of membership of the Fund and any change in the number of Units held by the Member, unless the information therein is proven to be incorrect. In case confirmations of membership, or subsequent summaries with particulars of membership, contain information that differs from the ledger, the ledger will prevail.

At the request of a Member, the Manager may pledge Units owned by the Member in favour of a bank, finance company or similar institution. The redemption of pledged Units can only be effected by offering them to the Fund. Each request for transfer or notification of a pledge has to be made in writing and will be recorded in the membership ledger. Changes in rights are confirmed to the Member in writing.

With reference to the situations mentioned under 'Subscriptions', the Manager is authorized to terminate memberships of the Fund without further consultation with the Members concerned and/or the need to disclose the reasons therefore.

Identification requirement

In order to prevent money laundering practices, prospective members must make their identity known to the Manager, other than in cases for which the law makes an exception.

The Manager shall inform the prospective member if identification is required. Documents that be used for identification purposes include passport, driver's license or identity card. Legal persons must submit a valid extract from the Commercial Register of the Chamber of Commerce and must submit a new valid extract for each additional payment.

According to law and regulations the Manager must establish the identity and the background of prospective members before issuing Units of the Fund. The information concerned will only be disclosed to the appropriate authorities, if requested.

Switching Sub-funds

Members can convert their Units in a Sub-fund to Units in another Sub-fund at no cost.

Redemption of Units

At the request of the Members, the Fund is required to redeem Units and to repay the value thereof to the Members.

Units can be redeemed in the manner described in and consistent with the conditions mentioned in the Supplementary prospectus concerned. The Manager ensures that, except for legal conditions and any applicable liquidity restrictions (see 'Risk factors') at the time of redemption, there are sufficient warranties to meet the obligation to make redemption payments.

An instruction to redeem Units has to be submitted in writing and needs to contain the appropriate legal signature(s). Instructions for redemption on the first-following Monthly reporting date must be received by the Manager on the 20th of the month at the latest. Instructions received on a later date will not be executed on the first-following Monthly reporting date but on the following Monthly reporting date. Instructions can be submitted by letter or by fax.

There is no secondary market for Units. Therefore, the redemption of Units or termination of membership can only take place in the manner described above.

Units are held personally and may not be traded. They can only be redeemed by offering them to the Fund or, only in the case of natural persons, be transferred to direct next of kin. The death of a Member will, subsequent to the submission of the required documents, be considered a notice of termination, unless covered by an authorised transfer of rights. In case of bankruptcy, all rights will transfer to the legal representative. The rights of Members are determined by the Conditions.

Amounts due for payments will be paid 31 days following the Monthly reporting date concerned at the latest, except in circumstances as described under 'Risk factors: Suspension of the valuation of Units and suspension of trade' and under 'Dissolution'. Amounts will be paid to the bank account originally provided by the Member, unless the Member included another bank account in his payment instruction. In that case the Member will be contacted in order to verify the authenticity of the instruction.

The Manager is authorized to repay all Units of a Sub-fund if the assets of the Sub-fund, in his opinion, are insufficient to continue the operations of the Sub-fund.

VALUATION AND REPORTING

At the end of each month the Manager prepares a report with commentary including, *inter alia*, the net asset value of the Fund and each Sub-fund, the total value and composition of investments, the Unit value of each Sub-fund and the development of the number of Units outstanding. Assets, as mentioned above, means the assets as determined on the previous Monthly reporting date and all (realized and unrealized) investment results achieved during the month, increased by the sum of all additions to the assets and any interest accruals and decreased by the sum of all withdrawals since that day and all fees and expenses relating to the reporting period concerned. The Unit value of each Sub-fund is determined on the Monthly reporting date by dividing the assets concerned by the number of Units of the Sub-fund outstanding, sub-divided in Main and Series Units, where applicable. A copy of the report, signed by the Manager and the Custodian, as well as a summary that contains at the least the above information is available for review at the office of the Manager.

Underlying funds will be valued at the last published intrinsic value. If the information is not available in time, the value will be determined on the basis of prices the Manager considers to represent the value fairly. All other balance sheet items will be stated at nominal value.

If, following the publication of the Unit value, the net asset value of a Sub-fund appears to have been determined on the basis of incorrect or incomplete information and the deviation from the net asset value subsequently determined is more than 1%, then the Unit value concerned and any subsequently published Unit values will be revised. In such case the membership register will be adjusted and additional payments will be made to Members who did not receive full payment, while excess payments to Members who were overpaid will be reclaimed, as far as possible. For Sub-funds

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for which he deems it possible, the Manager may apply a lower percentage of deviation than mentioned above.

The Fund's financial year runs from January 1 to December 31. Each year, per June 30 and December 31, a semi-annual respectively annual report is prepared that will be published within two respectively four months from date thereof on the website of the Manager or made available to Members and prospective members at no cost. The reports contain the consolidated Profit and Loss Account and Balance Sheet of the Fund, the Unit value and number of Units outstanding for each Sub-fund, sub-divided in Main and Series Units, where applicable, as well as a summary of all expenses paid or due. Profits and losses are allocated relative to the period concerned. In the (semi-)annual reports, the Manager will further report on any changes made to the Fund in accordance with the Conditions.

The annual report contains a summary with comparative results over the past three years and will comply with current regulations incorporated in the Resolution on the supervision of investment institutions 2005, the Resolution of July 18, 1995 amending the Resolution on annual accounting models, the directive for Investment institutions of the Council for Annual reporting and title 9 of the Civil Code Book 2. The annual accounts of the Fund are audited by the Fund auditors and the auditors' statement concerning the accuracy of the justification of accounts is included in the annual report.

FEES AND COSTS

Fund charges

Each Sub-fund is charged with the applicable management fees and expenses, as mentioned in the relevant Supplementary prospectus. The Manager can apply part of the management fee to pay agents and/or intermediaries involved in guiding Members. In addition, each Sub-fund is charged with all directly attributable general expenses, including incorporation expenses of the Sub-fund, as mentioned in the Supplementary prospectus, as well as with a proportionate share of the general expenses that are charged to the Fund as a whole. General expenses include, *inter alia*, reporting costs, auditors, regulators, membership meetings, brochures, production costs of the Prospectus and Supplementary prospectuses, mailing costs, bank charges, exchange listings, obtaining and maintaining registrations, external consultants, taxes, insurance (if applicable), legal procedures and indemnities, as well as any extraordinary costs not resulting from the day to day activities, including VAT, where applicable. General expenses are based on annualized estimates by the Manager and are attributed to the Sub-funds monthly.

Costs of Underlying funds

Underlying funds are selected on the basis of the contribution they can make to the return, the stability and/or diversification of the Sub-fund concerned. All costs made by Underlying funds are specific and inherent to the relevant investment strategy and therefore are part of the net investment result, or 'absolute return' they provide. In general, Underlying funds charge a management fee between 0% and 3% of the assets they manage and a performance fee between 0% and 25% of the net asset growth. Performance fees are generally calculated according to the

New net profit method, whereby a hurdle may or may not be taken into account. Managers of Underlying funds can apply the costs charged by them to pay parties who introduce clients.

In cases where an Underlying fund is related to the Manager, the purchase and sale of membership rights and membership in that fund will take place in line with common market practices and at prices determined by independent parties. The fees and expenses concerned will be published in the (semi-)annual report of the Fund.

Introduction and sales charges, intermediary fees

Members are charged introduction fees on each payment, as mentioned on the subscription form. These fees are deducted from the subscription amount and are payable to the Manager or the agent or intermediary who arranged the introduction of the Member.

In some Sub-funds a sales charge is applicable when Units are redeemed. Some Sub-funds also charge an intermediary fee, which is deducted from the assets of the Sub-fund. Where sales charges and/or intermediary fees are applicable, this will be mentioned in the Supplementary prospectus. In individual cases, the Manager may reduce the sales charge at his discretion.

Explanations on all costs of the Fund will be provided in the (semi-)annual report, *inter alia* by means of the Total Expense Ratio.

TAXES

The Fund is 'tax transparent', which means the tax authorities look through the Fund, as it were, to the participating Members. Therefore, based of current law and regulations in The Netherlands, the Fund is not subject to taxation on either its assets or its returns.

The tax treatment of subscriptions in the Fund can vary for each Member, partly depending on citizenship, domicile or country of residence and can be subject to change. Prospective members are advised to consult a tax specialist when considering to participate in the Fund.

For Dutch residents subscriptions in the Fund can be subject to capital gains tax.

MANAGEMENT ORGANISATION

Legal structure

The Fund is a 'collective investment institution' established on January 1, 1983. The Fund is structured as a semi-open end unit trust which means Members cannot subscribe to or redeem Units on a daily basis and that the valuation and redemption of Units can temporarily be suspended in certain circumstances (see 'Risk factors').

The Fund is established at the offices of the Manager and is managed in accordance with the Conditions by the Manager and the Custodian. The activities of the Fund are performed for an indefinite period. The Prospectus and any supplement thereto is subject exclusively to Dutch law. Any disputes will be presented to the competent Dutch court.

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The Fund is organised as an umbrella fund. A characteristic of umbrella funds is that their sub-funds are, in theory, liable to the size of their combined assets for any deficit that may occur in one or more sub-funds. (also see 'Risk factors – risks between Sub-funds').

Investment Manager

The Manager has delegated the execution of the investment policy of the Sub-funds to the Investment manager. Within the objectives of the investment policy concerned and the directives of the Manager, the Investment manager selects Underlying funds and advises the Manager with respect to the allocation of assets. The Investment manager is specifically in charge of ensuring that the investments by the Sub-funds take place in accordance with the restrictions that apply to the Sub-funds from time to time. The Investment manager reports to the Manager regularly.

In addition to the activities above, the Investment manager is in charge of executing the hedging policy that minimises the currency risks to Sub-funds, where applicable.

Considering the involvement of the Investment manager in the execution of the investment policy, the Authority considers the Investment manager as co-policy maker of the Fund. As such, the Investment manager formally qualifies as manager of the Fund in respect of the Act on the supervision of investment institutions.

Further information about the management and custody of the Fund is provided in the Registration document that is attached as an appendix to the Prospectus.

OTHER INFORMATION

Main and Series Units

For Sub-funds with Main Units and Series Units only the Unit value of Main Units is published.

Historical results

During its existence the Fund has undergone several changes, including its structure, investment strategy, investment policy and costs. The current umbrella structure was realised in 2004, together with the introduction of most Sub-funds. From time to time new Sub-funds may be added to the Fund. Performance data over a longer period is, therefore, not available for all Sub-funds. The development of the net asset value of the Fund and the performance of the Fund over the past three years is published in the (semi-) annual reports.

Membership meetings

Within six months following the end of each calendar year, a General Meeting of Members is convened. This meeting is informal and informative of nature and is held in order to report to the Members on the activities and the development of the Fund in the preceding year and to present and comment on the annual accounts. The announcement of the meeting will be made at least 14 days prior to the date thereof, by advertisement in a national Dutch daily newspaper or to the address of each Members and on the website of the Manager. The Manager will preside over the meeting. The Members have no voting rights. Therefore, no voting takes place on the agenda.

Other than annual General Meeting of Members a meeting of Members will only be convened in case of dissolution of the Fund (see below) or when the Manager or the Custodian is replaced (see "Registration document").

Dissolution

The Fund will only be dissolved if, in case of the replacement of the Manager or the Custodian, no replacement can be found or in the situation that the assets have fallen to such a level that continuation of the activities, in the opinion of the Manager, is no longer possible. In such case, the Manager will inform the Members in writing of its intention to dissolve the Fund and will convene a members' meeting in respect thereof, which meeting will be held within four weeks after the announcement has been sent.

Upon dissolution of the Fund, the Manager will instruct an extra audit and report thereon to the Members, before instructing the repayment of all assets. Payment will be effected only after the Custodian has given its approval to the contents of the audit report. The payment and the composition thereof will be announced in an advertisement in a national Dutch daily newspaper or to the address of each Member as well as on the website of the Manager.

Conditions and amendments

The Dutch language version of the Prospectus has precedence over any other version, summary or publication.

Each proposal to amend the Conditions will be made jointly by the Manager and the Custodian and will be announced by advertisement in a national Dutch daily newspaper or will be sent to the address of each Member and will also be published on the website of the Manager, together with an explanation. Simultaneously with the announcement of the amendment proposal the Authority will be informed. The amendment of the Conditions will announced by the Manager by advertisement in a national Dutch daily newspaper or will be sent to the address of each Member and be also be published on the website of the Manager, together with an explanation. Simultaneously with the announcement of the amendment of the Conditions the Authority will be informed.

Amendments to the Conditions that reduce the rights or assurances of the Members or impose a burden on them, or changes in the investment policy will not become effective until three months after being announced. Within this period Members may redeem their Units under the usual conditions.

These Conditions, as well as the documents referred to herein or constituting a part hereof, replace all previous agreements, whether oral or in writing, between the Manager and the Custodian and the Members, with reference to the provision of services by the Manager and the Custodian, which agreements are no longer considered valid by the parties and the Members.

In all matters not covered by these Conditions, the Manager and the Custodian will mutually make further arrangements.

Except in case of replacement of the parties, these Conditions cannot be transferred to third parties.

Claims by Members to payment under these Conditions expire twenty years after payment became due or so much earlier as the law dictates.

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Communication

All announcements that are to be made in accordance with these Conditions will be made in writing to the address of the Member as mentioned in the membership ledger, or such other address as the Member has provided, and to the office address of the Manager and the Custodian.

All announcements made to the Member, whether made by mail, telegram, fax, courier or otherwise, are deemed to have been delivered personally and, in case of mail, to have been received within four days after having been sent.

Material contracts

The following material contracts relate to the activities of the Fund and are considered relevant:

- a. an agreement between the Manager and the Custodian with respect to the conditions of management and custody;
- b. an agreement between the Manager and the Investment manager with respect to the execution of the investment policy of the Fund;
- c. agreements between the Manager and the Underlying funds that are employed on behalf of Sub-funds from time to time, in respect of the execution of the investment strategy deployed by the asset manager concerned;
- d. an agreement between the Manager, the Custodian and the Sub-custodian with respect to the custody of the investments of the Fund.

The above mentioned contracts can be inspected at the office address of the Manager. Requests thereto can be addressed to the Manager, who has the right to reject such requests, other than in cases in which the law makes inspection obligatory.

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REGISTRATION DOCUMENT

Management and Custody

The Manager is responsible for the investment policy and the administration and periodic reporting of the Fund, as well as the registration of changes in the Membership ledger and the supervision of external payments of the Fund.

The Manager also manages other investment funds that primarily invest in securities. A current summary of these other investment funds is included in the semi-annual respectively annual report of the Fund and on the website of the Manager.

The Custodian is responsible for the custody of all assets of the Fund, the monitoring of compliance with investment restrictions and subscriptions and redemptions, the supervision on the calculation of costs and the execution of all external payments. The Custodian holds the assets of the Fund in bank accounts in the name of the Fund.

The Custodian ensures that custody is organised in such a way that only the Manager and the Custodian together can manage assets of the Fund held in custody. The Custodian will ensure that the calculation of the Unit value and the issue, repayment and redemption of Units occurs in accordance with the Conditions and applicable laws and regulations, that the counter-performance with respect to transactions involving assets of the Fund are settled within the customary periods and that the proceeds of the Fund are distributed in accordance with the Conditions and applicable laws and regulations.

The Manager and the Custodian perform their duties in the exclusive interest of the Members. The Custodian is to execute instructions given by the Manager, unless such instructions are in violation of the Conditions and/or applicable laws and regulations. A transaction executed in violation of the Conditions can be reversed by the Custodian at the expense of the Manager. Transfers from bank accounts of the Fund by the Custodian will only be made following written instructions of the Manager, whereby the latter confirms that the transfer is required in respect of the normal execution of management duties.

During the period in which he acts as Custodian to the Fund, the Custodian will be sufficiently insured against damage liabilities resulting from fire, the transportation of monies and securities, fraud or robbery.

The Manager and/or the Custodian can delegate their activities for the Fund, in full or partly, to third parties by agreement, whereby the Manager respectively the Custodian will at all times remain responsible therefore. The Custodian is liable towards the Fund and the Members for any damage resulting from reproachable non-performance or insufficient performance of its duties, also when the Custodian has delegated the custody of all or part of the assets entrusted to him to a third party.

During the lifetime of these Conditions, no Director of the Manager will hold a management position at the Custodian, and vice versa, nor will the Manager participate, directly or indirectly, in the share capital of the Custodian, and vice versa.

Neither the Manager, nor the Custodian, nor their shareholders, employees, agents or intermediaries, or respectively successors or power of attorneys, are liable towards the Members for any action, default, negligence of one of the parties mentioned, or third parties, including Underlying Funds and their counterparties, or for any occurrence or circumstance whatsoever on which they, in all reason, have no influence, including exceeding investment restrictions, resulting in loss or damage to Members, unless the same is due to reproachable non-performance or insufficient performance of their duties, in which case the Manager and the Custodian will be only be responsible for what they themselves or their employees have caused. Any liability hereunder is limited to the maximum amounts covered by the relevant insurance of the Manager and the Custodian.

The Directors of the Manager and the Custodian do not perform any other activity relating to the activities of the Fund other than those mentioned herein.

General information with respect to the Manager

The Manager is a private limited liability company, with its statutory seat in Ede and offices in Veenendaal, The Netherlands. The company was established on March 5, 1982 and is registered with the Chamber of Commerce in Utrecht under number 20070834. The Manager is a subsidiary of FalcInvest B.V.

The primary objective of the Manager is managing investment funds and providing related administrative services. The financial year runs from January 1 to December 31. The annual report is prepared within five months after the end of the financial year, except for a six months' extension granted by the General Meeting of Shareholders. The company is managed by a board consisting of at least two directors, who are appointed by the shareholders, and is represented by at least two directors acting together.

The directors of the Manager are C.J.F. Fink, M.I.J. van Doorn and M.H.M. Janssen. Mr. Fink is also a director of FalcInvest B.V. and FalcInvest Asset Management B.V. Mr. Van Doorn is also a director of FalcInvest Financial Services B.V. and corporate controller and compliance officer of the FalcInvest group. The policy of the Manager is also determined by Mr. C.J. van Schaik and Mr. J.F. Søgaard-Andersen, co-directors of FalcInvest B.V.

The Manager, and/or an associated company of the Manager, can maintain a relationship with other parties involved in the activities of the Fund, which relationship can lead to financial benefit to the Manager and/or the associated company. Where this is the case, such relationship will be explained in the (semi-)annual report of the Fund.

General information with respect to the Custodian

The Custodian is a private limited liability company, with its statutory seat and offices in Amsterdam. The company was established on January 24, 1927 and is registered with the Chamber of Commerce in Amsterdam under number 33143523. The Custodian is an indirect subsidiary of N.V. Algemeen Nederlands Trustkantoor ANT.

FALCINVEST MASTER FUND

The primary objective of the Custodian is to act as custodian to one or more investment institutions, as referenced in article 1 part c of the Act and as such to hold custody of assets and provide administrative services relating to investments. The financial year runs from January 1 to December 31. The annual report is prepared within five months after the end of the financial year, except for a six months' extension granted by the General Meeting of Shareholders. The company is managed by a board of at least two directors, who are appointed by the shareholders. Each director is individually authorised to represent the Custodian.

The directors of the Custodian are L.J.J.M. Lutz and F. Ketting. Mr. Lutz is also director of N.V. Algemeen Nederlands Trustkantoor ANT. Mr. Ketting is also head of the investors giro department of N.V. Algemeen Nederlands Trustkantoor ANT.

The policy of the Custodian is also determined by R.P. Voogd, H.M. Geurkes and M.W. Dekker, members of the Supervisory board of N.V. Algemeen Nederlands Trustkantoor ANT.

The Manager and the Custodian are in possession of a recent statement of an auditor that confirms their compliance with the minimum capital requirement under the Act of Euro 225.000 and Euro 112.500 respectively. In addition, the Manager and Custodian are in possession of a recent statement from an accountant concerning the accuracy of the justification of accounts included in their respective annual report.

Replacement of the Manager and the Custodian

If the Manager or the Custodian decides to resign from office a six months notice period will be applied. During this period, the Conditions will remain valid, while the parties assume the obligation to continue their customary duties to the Fund and to do everything possible to find a replacement for the vacant office.

The intention of a party to resign from office will be notified to the other party as well as to the Members and the Authority in writing. Within four weeks after having sent the notification, a members' meeting will be convened to appoint the replacement of the party resigning.

Replacement of a party will in any case take place in case of dissolution, an application for extension of payment or bankruptcy on the part of the Manager or the Custodian.

The resigning party will not be discharged from its obligations until after being replaced or, in the case of dissolution of the Fund, until all monies have been returned to the Members.

A request of a party to the Authority to revoke its licence will be announced in a Dutch national daily newspaper or to the address of each Member as well as on the website of the Manager.

Providing of information

Units of the Fund are offered on the basis of the information in the Prospectus, the most recent annual report and subsequently issued semi-annual report, which forms an integral part of the Prospectus, copies of which will be freely available at no cost.

Information about, *inter alia*, the development of Unit values of the Fund will be published monthly on the website of the Manager.

Annually, or more frequently if deemed desirable by the Manager or ordained by law, the Manager will send a summary to the Members with the value of their holding and any changes in the number of Units held by them during the period concerned.

Copies of the auditors' statement concerning the assets of the Manager and the Custodian can be obtained from or are available on the website of the Manager and the Custodian respectively. The articles of association, the annual accounts and annual reports of the Manager and the Custodian are available for inspection at their respective office address. Copies thereof, as well as of the semi-annual accounts of the Manager, can be obtained at no cost on request.

The licence of the Manager is available for inspection at its office address. Copies thereof as well as of the management and custody agreement and information about the Manager, the Fund and the Custodian which are required to be registered in the Register of Commerce under any legal regulation as well as the report of the Manager referred to under 'Valuation and reporting' will be made available on request at no more than cost price.

FALCINVEST MASTER FUND

SUPPLEMENTARY PROSPECTUS FALCINVEST GLOBAL MARKETS FUND - CLASS B (EURO)

Investment objective and investment policy

The general objective of the Sub-fund is to realise capital growth in the medium to long term under various economic circumstances.

In addition, the policy of the Sub-fund aims to realise this capital growth in a consistent as possible manner. To that affect, a balanced and very broadly diversified portfolio of alternative investments is maintained that means to avoid large interim fluctuations in the Unit value.

Risks

The Fund and market related risks mentioned in the Prospectus can more or less apply to specific Sub-funds, also depending upon the specific investment policy of the Sub-fund, the type of investments, the strategy deployed by Underlying funds and the degree of diversification maintained in the portfolio.

The diversification maintained for the Sub-fund stimulates stable price development and contributes strongly to limiting the overall investment risk of the portfolio. Based on the composition of the portfolio, the risk profile of the Sub-fund is characterised as "Defensive".

Issue price

The issue price of Main Units is equal to their Unit value of the relevant Monthly reporting date. Main Units have an indefinite lifetime. Series Units have a limited lifetime and are always issued at an initial Unit value of 100 Euro.

Minimum payment and subscription period

The initial payment must be at least 250,000 Euro. Additional payments can be made from 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller payments. There is no minimum subscription period for the Sub-fund.

Attribution of performance fees

Following a decline in the Unit value, equalisation takes place between Units that are outstanding and new Units that are issued for the purpose of attributing performance fees. After a decline in the value of Main Units, Series Units are created on the following Monthly reporting date. Main Units and Series Units share proportionally in the result of the Sub-fund but their Unit values develop separately. The issue of Series Units allows future performance fees to be attributed only to Units without a carry forward loss from previous reporting periods. This means that new Series Units are created for all new subscriptions for as long as Main Units and all existing Series Units continue to have a carry forward loss. As soon as the carry forward loss of Main Units has been recovered, all existing Series Units will be converted to Main Units automatically and free of charge and will subsequently be cancelled.

Redemption of Units

Withdrawals can be made for amounts of at least 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller withdrawals. Partial withdrawals can be made down to a balance of 200,000 Euro. When this level is reached, further partial withdrawals can only be made after approval from the Manager, who has the right, following consultation with the Member, to convert the investment to Class A Units or to terminate the investment. Withdrawals during the first 12 months following receipt of a payment will carry a charge of 1%. This charge applies to each payment made by the Member. This percentage is reduced to 0.5% in the next 12 months. Starting with the third year, no costs will be charged on withdrawals.

Fund charges

The following costs are charged to the Sub-fund, calculated on the assets thereof:

- a monthly management fee, equal to 0.25% per annum
- a monthly fee in respect of administration, membership registration and custody, equal to 0.75% per annum, increased with VAT, where applicable
- all general expenses directly attributable to the Sub-fund as well as a proportionate share of the general expenses payable by the Fund as a whole, such as mentioned in the Prospectus. At a Fund size of approximately 50 million Euro these expenses, which are charged to the Fund's assets at cost, are estimated to amount to 0,25% per annum plus VAT, where applicable,

The Investment manager receives a monthly fee equal to 1% per annum of the assets of the Sub-fund, in respect of the selection of Underlying funds and the execution of the investment policy. In addition, the Investment manager receives a performance fee of 10% of New net profit realized for the Sub-fund.

The sum of all costs charged to the assets of the Sub-fund amounts to 2.25% per annum. These costs together with performance fees, if any, are included in the Unit value and will be explained in the (semi-)annual report.

Exchange listing

The Sub-fund is not listed on an exchange.
ISIN code NL0000046522

FALCINVEST MASTER FUND

SUPPLEMENTARY PROSPECTUS FALCINVEST GLOBAL MARKETS FUND - CLASS B (US DOLLAR)

Investment objective and investment policy

The general objective of the Sub-fund is to realise capital growth in the medium to long term under various economic circumstances.

In addition, the policy of the Sub-fund aims to realise this capital growth in a consistent as possible manner. To that affect, a balanced and very broadly diversified portfolio of alternative investments is maintained that means to avoid large interim fluctuations in the Unit value.

Risks

The Fund and market related risks mentioned in the Prospectus can more or less apply to specific Sub-funds, also depending upon the specific investment policy of the Sub-fund, the type of investments, the strategy deployed by Underlying funds and the degree of diversification maintained in the portfolio.

The diversification maintained for the Sub-fund stimulates stable price development and contributes strongly to limiting the overall investment risk of the portfolio. Based on the composition of the portfolio, the risk profile of the Sub-fund is characterised as "Defensive".

Issue price

The issue price of Main Units is equal to their Unit value of the relevant Monthly reporting date. Main Units have an indefinite lifetime. Series Units have a limited lifetime and are always issued at an initial Unit value of 100 US dollar.

Minimum payment and subscription period

The initial payment must be at least 250,000 US dollar. Additional payments can be made from 10,000 US dollar at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller payments. There is no minimum subscription period for the Sub-fund.

Attribution of performance fees

Following a decline in the Unit value, equalisation takes place between Units that are outstanding and new Units that are issued for the purpose of attributing performance fees. After a decline in the value of Main Units, Series Units are created on the following Monthly reporting date. Main Units and Series Units share proportionally in the result of the Sub-fund but their Unit values develop separately. The issue of Series Units allows future performance fees to be attributed only to Units without a carry forward loss from previous reporting periods. This means that new Series Units are created for all new subscriptions for as long as Main Units and all existing Series Units continue to have a carry forward loss. As soon as the carry forward loss of Main Units has been recovered, all existing Series Units will be converted to Main Units automatically and free of charge and will subsequently be cancelled.

Redemption of Units

Withdrawals can be made for amounts of at least 10,000 US dollar at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller withdrawals. Partial withdrawals can be made down to a balance of 200,000 US dollar. When this level is reached, further partial withdrawals can only be made after approval from the Manager, who has the right, following consultation with the Member, to convert the investment to Class A Units or to terminate the investment. Withdrawals during the first 12 months following receipt of a payment will carry a charge of 1%. This charge applies to each payment made by the Member. This percentage is reduced to 0.5% in the next 12 months. Starting with the third year, no costs will be charged on withdrawals.

Fund charges

The following costs are charged to the Sub-fund, calculated on the assets thereof:

- a monthly management fee, equal to 0.25% per annum
- a monthly fee in respect of administration, membership registration and custody, equal to 0.75% per annum, increased with VAT, where applicable
- all general expenses directly attributable to the Sub-fund as well as a proportionate share of the general expenses payable by the Fund as a whole, such as mentioned in the Prospectus. At a Fund size of approximately 60 million US dollar these expenses, which are charged to the Fund's assets at cost, are estimated to amount to 0,25% per annum plus VAT, where applicable,

The Investment manager receives a monthly fee equal to 1% per annum of the assets of the Sub-fund, in respect of the selection of Underlying funds and the execution of the investment policy. In addition, the Investment manager receives a performance fee of 10% of New net profit realized for the Sub-fund.

The sum of all costs charged to the assets of the Sub-fund amounts to 2.25% per annum. These costs together with performance fees, if any, are included in the Unit value and will be explained in the (semi-)annual report.

Exchange listing

The Sub-fund is not listed on an exchange.
ISIN code NL0000185627

FALCINVEST MASTER FUND

SUPPLEMENTARY PROSPECTUS FALCINVEST OPPORTUNITIES FUND - CLASS B (EURO)

Investment objective and investment policy

The general objective of the Sub-fund is to realize capital growth in the medium and long term under various economic circumstances.

In addition, the policy of the Sub-fund is aimed at stimulating this capital growth by, *inter alia*, applying a dynamic asset allocation policy that is executed by the investment manager. A balanced portfolio of alternative investments is maintained which has the potential to realize high returns in specific market circumstances or as a result of specific expertise of the asset managers.

Risks

The Fund and market related risks mentioned in the Prospectus can more or less apply to specific Sub-funds, also depending upon the specific investment policy of the Sub-fund, the type of investments, the strategy deployed by Underlying funds and the degree of diversification maintained in the portfolio.

The diversification maintained for the Sub-fund contributes to limiting the overall investment risk of the portfolio. Based on the composition of the portfolio, the risk profile of the Sub-fund is characterised as "Neutral".

Issue price

The issue price of Main Units is equal to their Unit value of the relevant Monthly reporting date. Main Units have an indefinite lifetime. Series Units have a limited lifetime and are always issued at an initial Unit value of 100 Euro.

Minimum payment and subscription period

The initial payment must be at least 250,000 Euro. Additional payments can be made from 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller payments. There is no minimum subscription period for the Sub-fund.

Attribution of performance fees

Following a decline in the Unit value, equalisation takes place between Units that are outstanding and new Units that are issued for the purpose of attributing performance fees. After a decline in the value of Main Units, Series Units are created on the following Monthly reporting date. Main Units and Series Units share proportionally in the result of the Sub-fund but their Unit values develop separately. The issue of Series Units allows future performance fees to be attributed only to Units without a carry forward loss from previous reporting periods. This means that new Series Units are created for all new subscriptions for as long as Main Units and all existing Series Units continue to have a carry forward loss. As soon as the carry forward loss of Main Units has been recovered, all existing Series Units will be converted to Main Units automatically and free of charge and will subsequently be cancelled.

Redemption of Units

Withdrawals can be made for amounts of at least 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller withdrawals. Partial withdrawals can be made down to a balance of 200,000 Euro. When this level is reached, further partial withdrawals can only be made after approval from the Manager, who has the right, following consultation with the Member, to convert the investment to Class A Units or to terminate the investment. Withdrawals during the first 12 months following receipt of a payment will carry a charge of 1%. This charge applies to each payment made by the Member. This percentage is reduced to 0.5% in the next 12 months. Starting with the third year, no costs will be charged on withdrawals.

Fund charges

The following costs are charged to the Sub-fund, calculated on the assets thereof:

- a monthly management fee, equal to 0.25% per annum
- a monthly fee in respect of administration, membership registration and custody, equal to 0.75% per annum, increased with VAT, where applicable
- all general expenses directly attributable to the Sub-fund as well as a proportionate share of the general expenses payable by the Fund as a whole, such as mentioned in the Prospectus. At a Fund size of approximately 50 million Euro these expenses, which are charged to the Fund's assets at cost, are estimated to amount to 0,25% per annum plus VAT, where applicable,

The Investment manager receives a monthly fee equal to 1% per annum of the assets of the Sub-fund, in respect of the selection of Underlying funds and the execution of the investment policy. In addition, the Investment manager receives a performance fee of 10% of New net profit realized for the Sub-fund.

The sum of all costs charged to the assets of the Sub-fund amounts to 2.25% per annum. These costs together with performance fees, if any, are included in the Unit value and will be explained in the (semi-)annual report.

Exchange listing

The Sub-fund is not listed on an exchange.
ISIN code NL0000046548

FALCINVEST MASTER FUND

SUPPLEMENTARY PROSPECTUS FALCINVEST MANAGED FUTURES FUND - CLASS B (EURO)

Investment objective and investment policy

The general objective of the Sub-fund is to realize capital growth in the medium and long term under various economic circumstances.

In addition, the policy of the Sub-fund is aimed at stimulating this capital growth by employing strategies that are predominantly active within the investment style 'Managed Futures', or comparable investment styles, that have the potential to realise high returns in the medium to long term. The activities take place world wide in a large number of different markets, including stocks, bonds, interest, energy, agricultural and industrial commodities and currencies.

Risks

The Fund and market related risks mentioned in the Prospectus can more or less apply to specific Sub-funds, also depending upon the specific investment policy of the Sub-fund, the type of investments, the strategy deployed by Underlying funds and the degree of diversification maintained in the portfolio.

The diversification maintained for the Sub-fund contributes to reducing the overall investment risk of the portfolio. Based on the composition of the portfolio and the type of strategies employed the risk profile of the Sub-fund is characterised as 'Offensive'.

Issue price

The issue price of Main Units is equal to their Unit value of the relevant Monthly reporting date. Main Units have an indefinite lifetime. Series Units have a limited lifetime and are always issued at an initial Unit value of 100 Euro.

Minimum payment and subscription period

The initial payment must be at least 250,000 Euro. Additional payments can be made from 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller payments. There is no minimum subscription period for the Sub-fund.

Attribution of performance fees

Following a decline in the Unit value, equalisation takes place between Units that are outstanding and new Units that are issued for the purpose of attributing performance fees. After a decline in the value of Main Units, Series Units are created on the following Monthly reporting date. Main Units and Series Units share proportionally in the result of the Sub-fund but their Unit values develop separately. The issue of Series Units allows future performance fees to be attributed only to Units without a carry forward loss from previous reporting periods. This means that new Series Units are created for all new subscriptions for as long as Main Units and all existing Series Units continue to have a carry forward loss. As soon as the carry forward loss of Main Units has been recovered, all existing Series Units will be converted to Main Units automatically and free of charge and will subsequently be cancelled.

Redemption of Units

Withdrawals can be made for amounts of at least 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller withdrawals. Partial withdrawals can be made down to a balance of 200,000 Euro. When this level is reached, further partial withdrawals can only be made after approval from the Manager, who has the right, following consultation with the Member, to convert the investment to Class A Units or to terminate the investment. Withdrawals during the first 12 months following receipt of a payment will carry a charge of 1%. This charge applies to each payment made by the Member. This percentage is reduced to 0.5% in the next 12 months. Starting with the third year, no costs will be charged on withdrawals.

Fund charges

The following costs are charged to the Sub-fund, calculated on the assets thereof:

- a monthly management fee, equal to 0.25% per annum
- a monthly fee in respect of administration, membership registration and custody, equal to 0.75% per annum, increased with VAT, where applicable
- all general expenses directly attributable to the Sub-fund as well as a proportionate share of the general expenses payable by the Fund as a whole, such as mentioned in the Prospectus. At a Fund size of approximately 50 million Euro these expenses, which are charged to the Fund's assets at cost, are estimated to amount to 0,25% per annum plus VAT, where applicable,

The Investment manager receives a monthly fee equal to 1% per annum of the assets of the Sub-fund, in respect of the selection of Underlying funds and the execution of the investment policy. In addition, the Investment manager receives a performance fee of 10% of New net profit realized for the Sub-fund.

The sum of all costs charged to the assets of the Sub-fund amounts to 2.25% per annum. These costs together with performance fees, if any, are included in the Unit value and will be explained in the (semi-)annual report.

Exchange listing

The Sub-fund is not listed on an exchange.
ISIN code NL0000046555

FALCINVEST MASTER FUND

SUPPLEMENTARY PROSPECTUS FALCINVEST SPECIALIST FINANCE FUND - CLASS B (EURO)

Investment objective and investment policy

The general objective of the Sub-fund is to realize capital growth in the medium and long term under various economic circumstances.

In addition, the policy of the Sub-fund aims to realise this capital growth in a very consistent manner, with a very high percentage of profitable months. The selected alternative investment strategies are predominantly active in 'asset backed finance'. In this investment style loans are granted to third parties to finance such matters as debtors, stockpiles and real estate or investments are made in portfolios of multiple third party loans, subdivided in assets such as mortgages, bank loans and consumer credit. In all cases collateral is provided on the loans. The most important source of income is interest, which is sometimes supplemented with investment specific revenues.

Risks

The Fund and market related risks mentioned in the Prospectus can more or less apply to specific Sub-funds, also depending upon the specific investment policy of the Sub-fund, the type of investments, the strategy deployed by Underlying funds and the degree of diversification maintained in the portfolio.

The diversification maintained for the Sub-fund stimulates a very stable price development and contributes strongly to limiting the overall investment risk of the portfolio. Based on the composition of the portfolio and the type of strategies employed the risk profile of the Sub-fund is characterised as 'Defensive'.

Issue price

The issue price of Main Units is equal to their Unit value on the relevant Monthly reporting date. Main Units have an indefinite lifetime. Series Units have a limited lifetime and are always issued at an initial Unit value of 100 Euro.

Minimum payment and subscription period

The initial payment must be at least 250,000 Euro. Additional payments can be made from 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller payments. There is no minimum subscription period for the Sub-fund.

Attribution of performance fees

Following a decline in the Unit value, equalisation takes place between Units that are outstanding and new Units that are issued for the purpose of attributing performance fees. After each decline in the value of Main Units, Series Units are created on the following Monthly reporting date. Main Units and Series Units share proportionally in the result of the Sub-fund but their Unit values develop separately. Issuing Series Units allows future performance fees to be attributed only to Units that do not have a carry forward loss from previous reporting periods. This means that new Series Units are created for all new participations as long as the Main Units and all outstanding Series Units continue to have a carry forward loss. As soon as the carry forward loss of Main Units has been recovered, all outstanding Series Units will

automatically be converted to Main Units free of charge, whereby all Series Units will be liquidated.

Redemption of Units

Withdrawals can be made for amounts of at least 10,000 Euro at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller withdrawals. Partial withdrawals can be made down to a balance of 200,000 Euro. When this level is reached, further partial withdrawals can only be made after approval from the Manager, who has the right, following consultation with the Member, to convert the investment to Class A Units or to terminate the investment. Withdrawals during the first 12 months following receipt of a payment will carry a charge of 1%. This charge applies to each payment made by the Member. This percentage is reduced to 0.5% in the next 12 months. Starting with the third year, no costs will be charged on withdrawals.

Fund charges

The following costs are charged to the Sub-fund, calculated on the assets thereof:

- a monthly management fee, equal to 0.25% per annum
- a monthly fee in respect of administration, membership registration and custody, equal to 0.75% per annum, increased with VAT, where applicable
- all general expenses directly attributable to the Sub-fund as well as a proportionate share of the general expenses payable by the Fund as a whole, such as mentioned in the Prospectus. At a Fund size of approximately 50 million Euro these expenses, which are charged to the Fund's assets at cost, are estimated to amount to 0,25% per annum plus VAT, where applicable,

The Investment manager receives a monthly fee equal to 1% per annum of the assets of the Sub-fund, in respect of the selection of Underlying funds and the execution of the investment policy. In addition, the Investment manager receives a performance fee of 10% of New net profit realized for the Sub-fund.

The sum of all costs charged to the assets of the Sub-fund amounts to 2.25% per annum. These costs together with performance fees, if any, are included in the Unit value and will be explained in the (semi-)annual report.

Exchange listing

The Sub-fund is not listed on an exchange.
ISIN code NL0000185643

FALCINVEST MASTER FUND

SUPPLEMENTARY PROSPECTUS FALCINVEST SPECIALIST FINANCE FUND - CLASS B (US DOLLAR)

Investment objective and investment policy

The general objective of the Sub-fund is to realize capital growth in the medium and long term under various economic circumstances.

In addition, the policy of the Sub-fund aims to realise this capital growth in a very consistent manner, with a very high percentage of profitable months. The selected alternative investment strategies are predominantly active in 'asset backed finance'. In this investment style loans are granted to third parties to finance such matters as debtors, stockpiles and real estate or investments are made in portfolios of multiple third party loans, subdivided in assets such as mortgages, bank loans and consumer credit. In all cases collateral is provided on the loans. The most important source of income is interest, which is sometimes supplemented with investment specific revenues.

Risks

The Fund and market related risks mentioned in the Prospectus can more or less apply to specific Sub-funds, also depending upon the specific investment policy of the Sub-fund, the type of investments, the strategy deployed by Underlying funds and the degree of diversification maintained in the portfolio.

The diversification maintained for the Sub-fund stimulates a very stable price development and contributes strongly to limiting the overall investment risk of the portfolio. Based on the composition of the portfolio and the type of strategies employed the risk profile of the Sub-fund is characterised as 'Defensive'.

Issue price

The issue price of Main Units is equal to their Unit value on the relevant Monthly reporting date. Main Units have an indefinite lifetime. Series Units have a limited lifetime and are always issued at an initial Unit value of 100 US dollar.

Minimum payment and subscription period

The initial payment must be at least 250,000 US dollar. Additional payments can be made from 10,000 US dollar at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller payments. There is no minimum subscription period for the Sub-fund.

Attribution of performance fees

Following a decline in the Unit value, equalisation takes place between Units that are outstanding and new Units that are issued for the purpose of attributing performance fees. After each decline in the value of Main Units, Series Units are created on the following Monthly reporting date. Main Units and Series Units share proportionally in the result of the Sub-fund but their Unit values develop separately. Issuing Series Units allows future performance fees to be attributed only to Units that do not have a carry forward loss from previous reporting periods. This means that new Series Units are created for all new participations as long as the Main Units and all outstanding Series Units continue to have a carry forward loss. As soon as the carry forward loss of Main Units has been recovered, all outstanding Series Units will

automatically be converted to Main Units free of charge, whereby all Series Units will be liquidated.

Redemption of Units

Withdrawals can be made for amounts of at least 10,000 US dollar at a time. In individual cases or in specific applications of the Sub-fund, the Manager may allow smaller withdrawals. Partial withdrawals can be made down to a balance of 200,000 US dollar. When this level is reached, further partial withdrawals can only be made after approval from the Manager, who has the right, following consultation with the Member, to convert the investment to Class A Units or to terminate the investment. Withdrawals during the first 12 months following receipt of a payment will carry a charge of 1%. This charge applies to each payment made by the Member. This percentage is reduced to 0.5% in the next 12 months. Starting with the third year, no costs will be charged on withdrawals.

Fund charges

The following costs are charged to the Sub-fund, calculated on the assets thereof:

- a monthly management fee, equal to 0.25% per annum
- a monthly fee in respect of administration, membership registration and custody, equal to 0.75% per annum, increased with VAT, where applicable
- all general expenses directly attributable to the Sub-fund as well as a proportionate share of the general expenses payable by the Fund as a whole, such as mentioned in the Prospectus. At a Fund size of approximately 60 million US dollar these expenses, which are charged to the Fund's assets at cost, are estimated to amount to 0,25% per annum plus VAT, where applicable,

The Investment manager receives a monthly fee equal to 1% per annum of the assets of the Sub-fund, in respect of the selection of Underlying funds and the execution of the investment policy. In addition, the Investment manager receives a performance fee of 10% of New net profit realized for the Sub-fund.

The sum of all costs charged to the assets of the Sub-fund amounts to 2.25% per annum. These costs together with performance fees, if any, are included in the Unit value and will be explained in the (semi-)annual report.

Exchange listing

The Sub-fund is not listed on an exchange.
ISIN code NL0000185650

FALCINVEST MASTER FUND

Notes

SUBSCRIPTION:

I/We wish to participate in the following sub-fund(s) of FalcInvest Master Fund:

- | | | | |
|---|--------|----------------------|----------------|
| <input type="checkbox"/> FalcInvest Global Markets Fund Class B (euro) | amount | <input type="text"/> | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Opportunities Fund Class B (euro) | amount | <input type="text"/> | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Managed Futures Fund Class B (euro) | amount | <input type="text"/> | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Specialist Finance Fund Class B (euro) | amount | <input type="text"/> | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Global Markets Fund Class B (US dollar) | amount | <input type="text"/> | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Specialist Finance Fund Class B (US dollar) | amount | <input type="text"/> | (min. 250,000) |

I/We opt to apply the Capital Protection Plan to this subscription (available only for FalcInvest Global Markets Fund sub-funds).

INVESTMENT PROFILE FORM:

Total number of points: Risk category:

METHOD OF PAYMENT:

By cheque By international bank transfer expected date of payment:

Clearance of cheques may take several weeks. Cheques must be issued in the name of the custodian :

Vereenigd Trusteekantoor B.V.
Herengracht 420, 1017 BZ Amsterdam, Amsterdam, The Netherlands.

Clearance of international bank transfers may take several days. Bank transfers in Euro and US Dollar should be made to:

Bank : ABN AMRO Bank
Address : De Entree 99, Amsterdam, The Netherlands
Swift code : ABNANL2A
For account of : NedAdmTrust / FalcInvest Funds
IBAN : NL93ABNA0576027081
Reference : [the name of the fund you have subscribed to]

Please send the **completed** and **signed** subscription form and **all other required documents** to FalcInvest at the following address:

By e-mail to : membershipregistration@falcinvest.com
By fax to : +31 318 580781
By regular mail to : FalcInvest Fund Management B.V., P.O. Box 1047, 3900 BA Veenendaal, The Netherlands

The investment cannot be effected until the original subscription form is received by FalcInvest or its local representative.

NOTES TO THE SUBSCRIPTION FORM

GENERAL

Subscription

Subscriptions are made by completing and signing the subscription form and submitting it to FalcInvest Fund Management B.V. ('FalcInvest'), **together with the information specified therein**. The subscription form should be received by FalcInvest **no later than the 20th** of the month preceding the desired month of participation.

Registration

Membership can be registered in the name of one or two natural persons, or in the name of a legal entity ('Member'). When registered in the name of two natural persons, only one investment account number will be issued. The subscription form should indicate if an 'and'-account or an 'and/or'-account is desired. Members with an '**and'-account are only authorized jointly**', while Members with an '**and/or'-account are authorized individually**' to provide instructions regarding their membership in the fund and are also only jointly respectively individually creditor to any claims they may have on the fund. With an 'and/or'-account FalcInvest, at all times, is authorized to act upon an instruction of one of the Members, even despite conflicting instruction from the other Member. On the other hand, it is authorized not to act on an instruction of one of the Members, or not to allow such instruction to be executed, as long as no confirmation has been received from the other Member or the rightful claimant(s) or legal representative of that Member.

Legal requirements

As required by law and regulations, prospective members must submit a copy of their identification document and a fully completed investment profile form upon subscribing. For purposes of identification, a passport, ID-card or other identification document issued by an official body will be accepted. Legal entities must, at all times, submit a current extract from the Commercial Register of the Chamber of Commerce, or similar

FALCINVEST MASTER FUND

institution, while the subscription form must be signed by an authorised person, who should also provide a copy of his/her identification document. In case of additional payments or withdrawals, legal entities must submit a new current extract.

No units of sub-funds will be issued until the identity of the prospective member, in the opinion of FalcInvest, has been satisfactorily established and the investment profile form has been received. The information concerned only serves to comply with law and regulations and will only be made public to the competent authority, when so requested.

Payments

Payments made by or on behalf of the Member should be received in the bank account of the fund **no later than the 20th** of the month preceding the desired month of membership, referencing **the account number that was issued at the time of subscription and the name of the selected sub-fund**. Once the payment is received the subscriptions is final. During the month following the receipt of the first payment, membership will be confirmed. Additional payments can be made from **10,000 Euro** or **US dollar** respectively.

Pledge

In accordance with the conditions of FalcInvest Master Fund, units in a sub-fund can be pledged to third parties.

Calculation of principal

Each payment is subject to introduction costs. The applicable percentage is indicated in the Subscription Form. The remaining sum is the principal amount that is invested in the sub-fund.

Duration

There is no minimum or fixed duration for membership of the sub-fund. Membership can be terminated at the end of each month. It is advised to subscribe to a sub-fund only if your investment horizon is longer than three years.

Withdrawals

Except in case of pledge, it is possible to make withdrawals from the fund of **10,000 Euro** or **US Dollar** at a time. Partial withdrawals can be made down to a balance of **200,000 Euro** or **US Dollar** respectively per subscription. When this level is reached, further partial withdrawals can only be made with the approval of FalcInvest, that has the right, however, after consulting with the Member to convert the subscription to the corresponding Class A sub-fund or to terminate the investment. A written instruction for withdrawal in a specific month has to be received by FalcInvest **no later than the 20th** of that month. **Except for circumstances as described in the prospectus, payments are made to the bank account last confirmed by the Member in writing within 31 days after month end.** Besides any bank transfer charges, withdrawals during the first 12 months following a subscription will carry a charge of 1%. This charge applies to each payment made by the Member. This percentage is reduced to 0.5% in the next 12 months. Starting with the third year, no costs will be charged on withdrawals for the subscription concerned.

A holding of units in the sub-fund cannot be used for payments to third parties.

Indemnity

FalcInvest is not responsible for any delay caused by (a) the late dispatch of subscription forms, withdrawal instructions or transfer of payments or (b) not being able to process subscription forms or withdrawal instructions due to incomplete or incorrect information or changes thereto and/or the absence of correct signature(s). Subscription forms and withdrawal instructions that are received later than the dates indicated will not be processed until the first following subscription date or redemption date and, in case of incomplete or incorrect information or changes, until the missing or correct information has been received or the changes have been verified.

CAPITAL PROTECTION PLAN

Stop Loss level

The object of the Capital Protection Plan is to provide a high level of protection of the principal and the profit realised during the life-time of the investment against investment risks. To achieve this, each plan is protected with a **Stop Loss**. The Stop Loss level is determined as follows:

- a) 85% of the unit value applicable to the first payment, plus
- b) 70% of the largest increase in the unit value, calculated from the date of participation.

Additional payments are not provided with a separate Stop Loss level but are subject to the same Stop Loss level that applies to the first payment. Withdrawals do not influence the Stop Loss level but, as they reduce the number of units, do influence the amount that is protected by the Stop Loss.

Power of attorney

FalcInvest has a power of attorney to activate the Stop Loss and thereby terminate membership of the sub-fund, if and as soon as the monthly unit value of the sub-fund reaches or exceeds the Stop Loss level. The date on which the Stop Loss is activated is the last business day of the month, even if the Stop Loss level was reached earlier in the month. This means that the value at which the investment is liquidated can be lower than the value that corresponds to the Stop Loss level. FalcInvest is not responsible for the consequences of exceeding the Stop Loss level, unless the same is due to reproachable non-performance or insufficient performance of its obligation to terminate membership under this power of attorney.

FALCINVEST MASTER FUND

SUBSCRIPTION FORM - CLASS B

All applicable information requested in the grey fields needs to be provided (PLEASE PRINT OR USE CAPITALS).
Please also read the notes on the following pages.

SUBSCRIBER (OR AUTHORISED PERSON IN CASE OF A CORPORATION):

Full name			
Date of birth		Sex	<input type="checkbox"/> M <input type="checkbox"/> F
Passport No.*			
Bank account details (International Bank Account Number)			
Bank address			

IN CASE OF A JOINT SUBSCRIPTION:

Full name joint subscriber			
Date of birth		Sex	<input type="checkbox"/> M <input type="checkbox"/> F
Passport No.*			
Preferred investment account	<input type="checkbox"/> 'and' account	<input type="checkbox"/> 'and/or' account	

IN CASE OF A CORPORATE OR PROFESSIONAL SUBSCRIPTION:

Name			
Date established		Corp./Profess. Register**	
Tax no.			

* enclose a copy (see the section "Notes to the Subscription Form")

** enclose a copy

ADDRESS DETAILS:

Residential/Corporate address			
City/Zip code		Country	
Telephone		Fax	
E-mail address			

To ensure swift and secure delivery of information, all communications will be sent to your e-mail address.
If you prefer to receive information at another address, please mark the appropriate box below.

to the above residential/corporate address to the above fax number to my agent to the following address:

SUBSCRIPTION:

I/We wish to subscribe to the following sub-fund of FalcInvest Master Fund:

- | | | | |
|---|--------|--|----------------|
| <input type="checkbox"/> FalcInvest Global Markets Fund - Class B (euro) | amount | | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Opportunities Fund - Class B (euro) | amount | | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Managed Futures Fund - Class B (euro) | amount | | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Specialist Finance Fund - Class B (euro) | amount | | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Global Markets Fund - Class B (US dollar) | amount | | (min. 250,000) |
| <input type="checkbox"/> FalcInvest Specialist Finance Fund - Class B (US dollar) | amount | | (min. 250,000) |

I/We opt for the Capital Protection Plan for this subscription (available only for FalcInvest Global Markets Fund sub-funds).

FALCINVEST MASTER FUND

METHOD OF PAYMENT:

By cheque

By international bank transfer

expected date of payment:

- - 200

INVESTMENT PROFILE FORM:

Total number of points:

Risk category:

STATEMENTS AND DECLARATIONS:

- The initial payment and each subsequent payment will be charged an introduction fee of %.
- This subscription form is not an instruction to purchase units in the fund. The purchase of units will be effected only after receipt of the payment in the bank account of the Custodian (NedAdmTrust/FalcInvest Funds).
- Copies of the most recent annual and semi-annual reports are available on the FalcInvest website (www.falcinvest.com).
- By signing this subscription form I/we agree that the information provided herein will be filed electronically and may be used for information and marketing purposes by the FalcInvest Group.
- (only if Capital Protection Plan has been selected): **By effecting my/our subscription in the selected sub-fund, FalcInvest Fund Management B.V. is automatically granted an irrevocable power of attorney to terminate the investment should the Stop Loss level be exceeded.**

date

signature subscriber/
authorized person

signature second subscriber
(in case of joint account)

signature parent/guardian
(in case of a minor)

To be completed by the agent or FalcInvest representative:

Agent code: _____ Enclosures: Investment Profile Form Copy ID other, namely: _____

Remarks: _____

I hereby confirm that the enclosed copy ID is that of the person(s) who has(have) completed and signed this Subscription Form.

Signature of the agent