

FINAL TERMS

NORDEA BANK FINLAND PLC (the “Issuer”)

Issue of

EUR 23,450,000

BRIC Notes

Issued under the

Euro 5,000,000,000 Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 10 January 2006 which constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at Nordea Bank Danmark A/S, Strandgade 3, 1401 Copenhagen K, Denmark.

1.	Issuer:	Nordea Bank Finland Plc
2.	(i) Series Number:	11/2006D
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Euro ("EUR")
4.	Aggregate Nominal Amount:	
	(i) Issue:	EUR 23,450,000
	(ii) Tranche:	EUR 23,450,000
5.	Issue Price:	100.00 per cent of the Aggregate Nominal Amount
6.	Specified Denominations:	EUR 50,000
7.	Issue Date:	27 February 2006
	(i) Interest Commencement Date:	Not Applicable
	(ii) Term of the Loan:	8 years
	(iii) Subscription period:	Not Applicable
	(iv) Place of subscription:	Not Applicable
8.	Maturity Date:	27 February 2014
9.	Interest/return Basis:	Not Applicable
10.	Redemption at par	Fund Linked Redemption
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Call Options:	Not Applicable
13.	Status of the Notes:	Unsubordinated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	Not Applicable
15.	Floating Rate Note Provisions	Not Applicable

16.	Zero Coupon Note Provision	Not Applicable
17.	Index-Linked Note/other variable-linked interest/ return Provisions	Applicable
	(i) Index/Formula/other variable:	BRIC Markets Fund, see paragraph 1 of Schedule 1 hereto
	(ii) Calculation Agent responsible for calculating the principal or interest due:	Nordea Bank Danmark A/S
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	Not Applicable
	(iv) Specified Period(s)/Specified Interest/return Payment Date(s)	Not Applicable
	(v) Business Day Convention:	Following Business Day Convention
	(vi) Any relevant modification to the definition of Business Day for the purposes of Condition 7(2)(i):	Not Applicable
	(vii) Minimum Rate of Interest:	Not Applicable
	(viii) Maximum Rate of Interest:	Not Applicable
	(ix) Day Count Fraction:	Not Applicable
	(x) Termination of a hedging instrument:	Not Applicable
	(xi) Other terms/additional terms:	Not Applicable
18.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION AND EARLY REDEMPTION

19.	Call Option	Not Applicable
20.	Redemption in case the hedging instrument becomes illegal:	Not Applicable
21.	Early redemption as a result of a change in taxation:	Not Applicable
22.	Final Redemption Amount	See paragraph 1 of Schedule 1 hereto
	(i) Index/Formula/variable:	See paragraph 1 of Schedule 1 hereto
	(ii) Calculation Agent responsible for determining the Final Redemption Amount:	Nordea Bank Danmark A/S
	(iii) Provisions for determining Final	See paragraph 1 of Schedule 1 hereto

Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:

- | | | |
|--------|--|-----------------------|
| (iv) | Determination Date(s): | See Schedule 1 hereto |
| (v) | Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | See Schedule 1 hereto |
| (vi) | Payment Date: | 27 February 2014 |
| (vii) | Minimum Final Redemption Amount: | 100.00 per cent. |
| (viii) | Maximum Final Redemption Amount: | Not Applicable |
| 23. | Early Redemption Amount | Not Applicable |
| | Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required for if different from that set out in the Conditions): | Not Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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|-----|--|---|
| 24. | Form of Notes: | Bearer Notes. The Notes will be registered as bearer Notes in uncertificated book-entry form with the VP on the Issue Date.

Nordea Bank Danmark A/S is acting as Account Holding Bank (Da. "Kontoførende Institut") in relation to VP.

For the avoidance of doubt, Notes registered in VP are negotiable Notes not subject to any restrictions on the free negotiability within the Kingdom of Denmark, under Danish Law. |
| 25. | Additional cities for the purposes of the definition of Relevant Financial Centre or other special provisions relating to Payment Dates: | Copenhagen, London and Target |
| 26. | Talons for future Coupons or Receipts to be attached to Notes (and dates on which such Talons mature): | No |
| 27. | Details relating to Partly Paid Notes: amount of such payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right | Not Applicable |

of the Issuer to forfeit the Notes and interest due on late payment:

- | | | |
|-----|--|---|
| 28. | Details relating to Instalment Notes:
amount of each instalment, date on which
each payment is to be made: | Not Applicable |
| 29. | Redenomination provisions: | Not Applicable |
| 30. | Consolidation provisions: | Not Applicable |
| 31. | Other terms or special conditions: | The Notes will be subscribed by Nordea Bank Danmark A/S with the intention of immediately selling these to investors at the Issue Price.

Nordea Bank Danmark A/S intends to provide discretionary liquidity in respect of the Notes by purchasing Notes. However, Nordea Bank Danmark A/S is not obliged to purchase Notes, and if it does so purchase Notes, will have total discretion with regards to the terms, price and amount of such purchases.

For further special conditions, see Schedules attached hereto |

DISTRIBUTION

- | | | |
|-----|---|----------------|
| 32. | The issue will be distributed on a non-syndicated/syndicated basis. | Non-syndicated |
| 33. | Additional selling restrictions: | Not Applicable |

PART B – OTHER INFORMATION

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|-----|---|--|
| 34. | LISTING | Application has been made for the Notes to be listed on the Copenhagen Stock Exchange with effect from 28 February 2006 |
| 35. | NOTIFICATION | The FSA, has provided the Danish financial supervisory authority (Finanstilsynet) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. |
| 36. | INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER | Not Applicable |
| 37. | REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES | |
| | (i) Reasons for the offer: | See “Use of Proceeds” wording in the Base Prospectus |
| | (ii) Estimated net proceeds: | 100.00 per cent. of Aggregate Nominal Amount |
| | (iii) Estimated total expenses: | Approximately DKK 180,000 (listing, clearing and paying agent) |

38. **YIELD**

Indication of yield: See Schedule 1

39. **HISTORIC INTEREST RATES**

Not Applicable

40. **PERFORMANCE OF INDEX/ FORMULA/
OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND
ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

The historical performance of the HSBC Global Investment Funds – BRIC Markets sub-fund, can be found on Bloomberg screen page HSBRMZC LX (Equity). Please see Annex 1 – Fund Documents for further information on the fund.

Additionally the Portfolio Level will daily be available on the Reuters Screen Page HSF1.

For a description of the Risk Factors relating to the issuer please see the Base Prospectus. For a description of the risk factors relating to the Notes please see Schedule 4 Risk Factors.

41. **PERFORMANCE OF RATE[S] OF EXCHANGE AND
EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable

42. **OPERATIONAL INFORMATION**

ISIN Code: DK0030026083

Any clearing system(s) other than
FCSD

and the relevant identification number(s): VP Securities Services (Værdipapircentralen A/S,
CVR-no.: 21599336)

43. Delivery: Delivery against payment

44. Additional Paying Agent(s) (if any): Nordea Bank Danmark A/S

45. Applicable law and place of jurisdiction: Danish law and SØ-og Handelsretten in Copenhagen

46. Taxation: Not Applicable

24 February 2006

Nordea Bank Finland Plc

SCHEDULE 1

REDEMPTION AMOUNT

(this Schedule forms part of the Final Terms to which it is attached)

FINAL REDEMPTION AMOUNT

Unless previously redeemed or purchased and cancelled, the Issuer shall redeem the Notes on the Maturity Date at an amount in EUR in respect of each Note determined by the Calculation Agent as the product of EUR 50,000 and the greater of:

- (a) the Final Protected Level divided by 100; and
- (b) the Final Portfolio Level divided by 100,

provided that if a Fund Disruption Event occurs or is subsisting on the Final Valuation Date then the Calculation Agent may determine the Final Redemption Amount in its own and absolute discretion acting in a commercially reasonable manner and in accordance with the principles contained in these Final Terms.

YIELD TABLE

Issue Price	100.00
Initial portfolio level	99.00

Portfolio level	Increase in fund value	Yield p.a.
100	1	0.000%
105	6	0.612%
110	11	1.199%
115	16	1.762%
120	21	2.305%
125	26	2.829%
130	31	3.334%
135	36	3.823%
140	41	4.296%
145	46	4.754%
150	51	5.199%
155	56	5.631%
160	61	6.051%
165	66	6.460%
170	71	6.858%
175	76	7.246%
180	81	7.624%
185	86	7.993%
190	91	8.354%
195	96	8.706%
200	101	9.051%

SCHEDULE 2

DESCRIPTION OF THE PORTFOLIO

(this Schedule forms part of the Final Terms to which it is attached)

1. GENERAL

The Portfolio described herein (the “**Portfolio**”) is calculated and published by the Calculation Agent as described in paragraph 6 (Calculation Agent) and paragraph 9 (Publication of the Portfolio Level) below. The Portfolio comprises a holding of Fund Units and Safe Units. The allocation of the Portfolio to Fund Units and Safe Units will be adjusted by the Calculation Agent from time to time in accordance with paragraph 4 (Recomposition).

2. PORTFOLIO LEVEL

The Portfolio shall be established on the Portfolio Commencement Date.

The level of the Portfolio (the “**Portfolio Level**”) shall be:

- (1) on the Portfolio Commencement Date, an amount equal to 99.00 (the “**Initial Portfolio Level**”); and
- (2) on any Valuation Date after the Portfolio Commencement Date, an amount rounded to eight decimal places for the purposes of determining any payments (with 0.000000005 being rounded upwards), determined by the Calculation Agent with reference to the following formula:

Fund Units Value + Safe Units Value,

in each case as of the relevant Valuation Date.

3. PROTECTED LEVEL

- (a) The Protected Level shall be equal to 100 on the Portfolio Commencement Date (the “**Initial Protected Level**”).
- (b) Subsequently, the Calculation Agent shall determine the Protected Level on the last Valuation Date of each month as being the greater of:
 - (a) the Protected Level immediately prior to such Valuation Date; and
 - (b) the sum of:
 - (A) the Initial Protected Level; and
 - (B) the product of:
 - I. the highest integer of 10 such that the Initial Portfolio Level plus this number is equal to or less than the current Portfolio Level; and
 - II. 30 per cent.

provided that in no circumstances shall the Protected Level be greater than 205.

- (c) 15 calendar days after a Profit Lock-in, the Calculation Agent shall verify the Fund NAV at the end of the prior month. If the Calculation Agent determines that an adjustment is required to such Fund NAV and that no Profit Lock-in would have occurred if such Fund NAV as adjusted were used to determine the Portfolio Level at the end of the prior month, then such Profit Lock-in will be invalidated and the Protected Level shall be adjusted to the Protected Level as at the prior Profit Lock-in (or, if there have been no such prior Profit Lock-ins, at the Initial Protected Level).
- (d) Other than as provided in paragraph (c) above, once increased in accordance with this paragraph 3, the Protected Level will in no circumstances be decreased, notwithstanding a subsequent decrease in the Portfolio Level.

4. RECOMPOSITION

4.1 Recomposition Events

On each Valuation Date the Calculation Agent shall recompose the allocation of the Portfolio into Fund Units and Safe Units (a “**Recomposition**”) in accordance with the following procedures:

(1) Increase in Fund Units Value

If on any Valuation Date the Actual Multiplier is less than the Minimum Multiplier, the allocation of the Portfolio into Fund Units shall be increased on the next Valuation Date (a “**Fund Units Increase**”) by an amount, if positive, equal to the sum of:

- (i) the product of:
 - a. the Target Exposure; and
 - b. the Portfolio Level; minus

- (ii) the Fund Units Value,

subject to the Fund Units Value never being more than 100 per cent. of the Portfolio Level.

(2) Decrease in Fund Units Value

If on any Valuation Date the Actual Multiplier is greater than the Maximum Multiplier, the allocation of the Portfolio into Fund Units shall be decreased on the next Valuation Date (a “**Fund Units Decrease**”) by an amount, if positive, equal to the sum of:

- (i) the Fund Units Value; minus
- (ii) the product of:
 - a. the Target Exposure; and
 - b. the Portfolio Level.

4.2 Recomposition Procedures

(a) Fund Units Increase

Upon a Fund Units Increase, the allocation of the Portfolio into Safe Units shall be decreased such that the Safe Units Value of the Safe Units being removed from the Portfolio is equal to the Fund Units Value of the additional Fund Units being allocated to the Portfolio, subject to the allocation of Safe Units being no less than zero such that the Portfolio Level immediately after such Recomposition shall be equal to the Portfolio Level immediately prior to such Recomposition.

(b) Fund Units Decrease

Upon a Fund Units Decrease, the allocation of the Portfolio into Safe Units shall be increased such that the Safe Units Value of the Safe Units being added to the Portfolio is equal to the Fund Units Value of the remaining Fund Units being removed from the Portfolio, subject to the allocation of Fund Units being no less than zero, such that the Portfolio Level immediately after such Recomposition shall be equal to the Portfolio Level immediately prior to such Recomposition.

(c) Recomposition Settlement

Any increase or decrease in Fund Units or Safe Units on any Valuation Date shall be made at the Fund Unit Index or, Safe Unit Index applicable on such Valuation Date (which, for the avoidance of doubt, will occur on the Valuation Date following the date on which it is determined that a Recomposition is required in accordance with this paragraph 4).

4.3 Portfolio Adjustments

In addition to Recompositions effected in accordance with paragraph 4.2 above, the Calculation Agent may from time to time effect Recompositions in order to correct an incorrect or inaccurate determination of the Net Asset Value by the Fund, to adjust the Portfolio to take into account any non-execution or partial execution of subscription and/or redemption orders in respect of Fund Units or any delay between execution of subscription and/or redemption orders in respect of units in the Fund and the calculation of the Fund NAV or any delay in the execution of an acquisition or disposal of investment holdings of the Fund or otherwise to take into account such other actions or events by or in respect of the Fund and/or the Investment Advisor which, in the Calculation Agent's opinion, requires an adjustment to the Portfolio.

4.4 Recomposition Calculations

The Calculation Agent shall make calculations to determine the Portfolio Level, the Fund Units Value, the Safe Units Value, the Actual Multiplier, the Target Exposure and the Target Multiplier on each Valuation Date, provided that if for any reason (including, without limitation, a systems failure or similar circumstance) the Calculation Agent is unable to make such calculations on any such day, the Calculation Agent shall adjust the procedures herein as it deems appropriate in order to determine the Portfolio Level, the Fund Units Value, the Safe Units Value, the Actual Multiplier, Target Exposure and Target Multiplier on such day.

5. PORTFOLIO DISRUPTION EVENTS AND ADJUSTMENT EVENTS

5.1 Portfolio Disruption Events

In the event that a Portfolio Disruption Event occurs on any Dealing Day falling after the Portfolio Commencement Date, the Calculation Agent may (but is not required to) declare in its sole and absolute discretion such event to be a “**Deleverage Event**” and, on the following Valuation Date (the “**Deleverage Date**”):

- (a) the Target Exposure shall be adjusted to zero;
- (b) a Recomposition will be effected such that:
 - (i) the allocation of the Portfolio into Fund Units shall be decreased to zero; and
 - (ii) the number of Safe Units will be equal to the quotient of:
 - (A) the greater of the Reference Level and the Portfolio Level immediately prior to the Recomposition effected in accordance with this paragraph 5.1(b); divided by
 - (B) the Safe Unit Index on the Deleverage Date;
- (c) the Issuer shall notify Noteholders of the occurrence of such Deleverage Event and Deleverage Date in accordance with Condition 11; and
- (d) no further allocation into Fund Units may be made on or after the Deleverage Date.

5.2 Adjustment Events

In the event of an Adjustment Event occurring on or prior to the Maturity Date the Calculation Agent shall determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any provisions of the Portfolio to account for the Adjustment Event and determine the effective date of that adjustment.

6. CALCULATION AGENT

All determinations and calculations of the Calculation Agent made under the Portfolio and the Notes shall be made in its sole and absolute discretion and shall be binding on the Noteholders in the absence of manifest error. The Noteholders shall (in the absence as aforesaid) not be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by it of its obligations, duties and discretions pursuant to the Notes or the Portfolio.

7. RECORDS

The Calculation Agent shall maintain detailed records (the “**Records**”) with respect to the Portfolio, which shall include the following information with respect to the Portfolio Commencement Date and each Valuation Date:

- (1) the Fund Units Value;
- (2) the Safe Units Value; and
- (3) the Portfolio Level.

All information contained in the Records shall, in the absence of manifest error, be final and binding on the Issuer and the Noteholders as to the matters to which they relate.

8. CHANGE IN PORTFOLIO METHODOLOGY

The Calculation Agent will, subject as provided below, employ the methodology described above and its application of such methodology shall be conclusive and binding. While the Calculation Agent currently employs the above described methodology to calculate the Portfolio, no assurance can be given that fiscal, market, regulatory, juridical or financial circumstances will not arise that

would, in the view of the Calculation Agent, necessitate a modification of or change to such methodology. The Calculation Agent may also make modifications to the terms of the Portfolio in any manner that it may deem necessary or desirable, including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any defective provision contained in this Schedule 2. The Calculation Agent will publish notice of any such modification or change in accordance with paragraph 9 (Publication of the Portfolio Level) below.

9. PUBLICATION OF THE PORTFOLIO LEVEL AND PORTFOLIO COMPOSITION

The Calculation Agent shall:

- (a) make available for inspection at the office of the Calculation Agent, details on a weekly basis of:
 - (i) the Portfolio Level;
 - (ii) the Protected Level;
 - (iii) the Fund Units Value divided by the Portfolio Level; and
 - (iv) any other information specified in the Final Terms as being required to be published in accordance with this paragraph 9; and
- (b) publish details on a weekly basis of the items specified in sub-paragraphs (a)(i) to (iii) above on Reuters.

SCHEDULE 3

DEFINITIONS

As used in the Final Terms:

Actual Multiplier means, on any Valuation Date, the Fund Units Value divided by the Distance, in each case on such Valuation Date;

Adjustment Event means the occurrence or existence of any of the following:

- (A) (i) a distribution or dividend in respect of any shares in the Fund of cash or (ii) shares in the Fund or (iii) other share capital or securities granting the right to payment of the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of shares in the Fund or (iv) any other type of securities, rights or certificates or other assets, in any case for payment (in cash or otherwise) at less than the fair value as determined by the Calculation Agent; or
- (B) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative or other effect on the theoretical value of any Fund Units;

Administration Agent means Dexia Banque Internationale à Luxembourg S.A., which expression includes any successor in such capacity acceptable to the Calculation Agent;

Annualised Historical Volatility means, on any Valuation Date, the annualised standard deviation of the daily percentage changes in the Fund NAV (or, if the Fund NAV is not available, the estimated percentage changes in the value of the Fund as determined by the Calculation Agent, which may be based on such benchmark indices as considered appropriate by the Calculation Agent) for the previous 130 Business Days, expressed as a percentage, as determined by the Calculation Agent;

Averaging Factor means:

- (A) in respect of any Valuation Date up to and including the Valuation Date which is 15 Business Days prior to the Final Valuation Date, 1.0; and
- (B) in respect of each Valuation Date thereafter, an amount representing the decrease on a straight-line basis of the Averaging Factor to zero on the Valuation Date immediately prior to the Final Valuation Date;

Concentration Risk Restrictions means the concentration risk restrictions as described in the Investment Guidelines;

Country Event means, in respect of any country (such country and any Government Authority in respect of such country together being referred to as the **Relevant Country**), the occurrence of one or more of the following events as determined by the Calculation Agent:

- (a) after expiry of any applicable grace period (after satisfaction of any conditions precedent to the commencement of such grace period), the failure by the Relevant Country to make, when and where due, any payments in an aggregate amount of not less than US\$ 1,000,000 under one or more obligations, in accordance with the terms of such obligations at the time of such failure;
- (b) an authorised officer of the Relevant Country (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more obligations of the Relevant Country or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more obligations of the Relevant Country;

- (c) with respect to one or more obligations of the Relevant Country and in relation to an aggregate amount of not less than US\$ 10,000,000, any one or more of the following events occurs in a form that binds all holders of such obligation, is agreed between the Relevant Country and a sufficient number of holders of such obligation to bind all holders of the obligation or is announced (or otherwise decreed) by the Relevant Country in a form that binds all holders of such obligation, and such event is not expressly provided for under the terms of such obligation as of the date as of which such obligation is issued or incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of the date or dates of either the payment or accrual of interest or the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any obligation of the Relevant Country, causing the subordination of such obligation to any other obligation of the Relevant Country; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;
- (d) any action by the Relevant Country which materially interferes with foreign exchange transactions in respect of the national currency of such Relevant Country including the inconvertibility of such currency to other currencies;
- (e) the 5-year credit default spread in respect of the Relevant Country is equal to or greater than 10.00 per cent.;
- (f) any action by the Relevant Country which amounts to actual or purported expropriation, confiscation, requisition or nationalisation of any non-local banks operating or owning assets in the Relevant Country;
- (g) the declaration by the Relevant Country of a banking moratorium or suspension of payments by local banks in the Relevant Country, whether generally applicable or specific to persons not being resident in the Relevant Country; or
- (h) any other event in relation to the Relevant Country which, in the opinion of the Calculation Agent, may have a material adverse affect on any investments of the Fund in such Relevant Country;

Country Exposure Restrictions means the country exposure restrictions as described in the Investment Guidelines;

Custodian means Dexia Banque Internationale à Luxembourg S.A., which expression includes any successor in such capacity acceptable to the Calculation Agent;

Daily Net Portfolio Fee Amount means, on any Valuation Date, the sum of:

- (a) one; less
- (b) the product of:
 - (i) the Portfolio Fee; multiplied by

- (ii) the number of days from, but excluding, the immediately preceding Valuation Date to, and including, such Valuation Date; divided by
- (iii) 365;

Dealing Day means any day (other than a Saturday or Sunday) on which banks are open for normal banking business in London and Luxembourg (other than days during a period of suspension of dealing in shares of the Fund and other than the Business Day immediately following the end of a period of such suspension) and on which the security markets on which a substantial part of the investments of any sub-fund of the Fund is normally traded are open;

Deleverage Event and **Deleverage Date** have the respective meanings given to those terms in paragraph 5.1 (Portfolio Disruption Events) of Schedule 2 of the Final Terms;

Discount Spread means 0.20 per cent.;

Distance means, on any Valuation Date, the Portfolio Level less the Reference Level, in each case on such Valuation Date and subject to a minimum of zero;

Excess means, on any Valuation Date, zero and the sum of the following amounts as determined by the Calculation Agent:

- (a) if a Country Event occurs and is subsisting, 3.5 multiplied by the proportion of the assets of the Fund which at such time are allocated to either cash in the local currency of the country in respect of which the Country Event has occurred or equity investments in such country, otherwise zero;
- (b) if and for so long as the Annualised Historical Volatility of the Fund is equal to or greater than 35 per cent., the quotient of:
 - (i) the Annualised Historical Volatility less 35 per cent.; divided by
 - (ii) 35 per cent.,
 otherwise zero;
- (c) if, in the opinion of the Calculation Agent, the determination of the Fund NAV fails to take sufficient account of outstanding liabilities of the Fund, the quotient of:
 - (i) 3.5 multiplied by the value of such liabilities; divided by
 - (ii) the Fund NAV at such time,
 otherwise zero;
- (d) if, in the opinion of the Calculation Agent, the determination of the Fund NAV fails to take sufficient account of the application of any taxation imposed on entities or individuals investing or divesting in any of the countries in which the Fund invests and such taxation would result in a decline in the value of the relevant investments, 3.5 multiplied by the estimated amount by which such value is likely to decline as a result of such taxation, otherwise zero;
- (e) if the Fund and/or the Investment Advisor is in breach of the Investment Guidelines:
 - (i) upon an investment by the Fund outside the Permissible Universe of Investments, 3.5 multiplied by the quotient of the total value of investments of the Fund which are outside the Permissible Universe of Investments divided by the Fund NAV at such time;

- (ii) upon a breach of the Country Exposure Restrictions, 3.5 multiplied by the quotient of the excess allocation of investments of the Fund in breach of the Country Exposure Restrictions divided by the Fund NAV at such time;
- (iii) upon a breach of the Local Exchange Exposure Restrictions, 3.5 multiplied by the quotient of the excess allocation of investments of the Fund in breach of the Local Exchange Exposure Restrictions divided by the Fund NAV at such time; and
- (iv) upon a breach of the Concentration Risk Restrictions, 3.5 multiplied by the quotient of the excess allocation of investments of the Fund in breach of the Concentration Risk Restrictions divided by the Fund NAV at such time,

otherwise zero; and

- (f) if, in the opinion of the Calculation Agent, there has been a Potential Portfolio Disruption Event, an amount between 0 per cent. and 35 per cent. as determined by the Calculation Agent based on the severity of the Potential Portfolio Disruption Event for a period of no less than 14 days, otherwise zero;

Factor means, on any Valuation Date, the quotient of:

- (a) the Averaging Factor on such Valuation Date; divided by
- (b) the sum of:
 - (i) 1.0; and
 - (ii) the Excess on such Valuation Date;

Final Portfolio Level means the Portfolio Level on the Final Valuation Date;

Final Protected Level means the Protected Level on the Final Valuation Date;

Final Valuation Date means 10 business days prior to the Maturity Date.

Fund means BRIC Markets Fund, a sub-fund of HSBC Global Investment Funds, an investment company constituted in the Grand Duchy of Luxembourg. References to the Fund shall be deemed to include a reference to any party acting on its behalf if the context so requires;

Fund Disruption Event means, in respect of a share in the Fund on any day:

- (a) the occurrence or continuation of a postponement of the date as of which the Fund is scheduled, according to the documentation governing the Fund, to determine the Net Asset Value of such shares for the purposes of calculating the redemption proceeds to be paid to an investor that has submitted a timely and valid notice for redemption;
- (b) the occurrence or continuation of a postponement of the reporting by the Fund to its investors or, if applicable, the publishing by the Fund or the relevant publishing service, in each case of the Net Asset Value of such shares; and/or
- (c) the occurrence or continuation of a postponement in the payment of the redemption proceeds relating to such shares,

in each case as determined by the Calculation Agent on such day;

Fund NAV means, in respect of each Valuation Date:

- (a) the last available Net Asset Value of the Fund in EUR as on the relevant Valuation Date, as published in accordance with the terms of the Fund Prospectus; or
- (b) if such Net Asset Value is not published on such Valuation Date or is not made available in sufficient time in order to determine whether any of the conditions set out in paragraph 4.1 of Schedule 2 are satisfied and therefore whether a Recomposition will be effected on the next Valuation Date or does not fully reflect the investment holdings of the Fund or the execution of subscription and/or redemption orders in respect of units in the Fund as a result of a delay in execution, the estimated net asset value of the Fund in EUR as of the relevant Valuation Date as determined by the Calculation Agent (provided that, for the avoidance of doubt, if such estimated net asset value is used for the purposes of determining a Recomposition then no subsequent adjustment will be made in respect of such Recomposition if such estimated net asset value is subsequently determined to be different from the Net Asset Value on such Valuation Date), each as determined by the Calculation Agent by reference to such source(s) as it may in its sole and absolute discretion consider appropriate;

Fund Prospectus means the prospectus dated June 2005 as such prospectus may be amended and/or supplemented from time to time, copies of which are available at the specified office of the Agent;

Fund Unit means a notional investment in the shares of the Fund;

Fund Unit Index means:

- (a) on the Portfolio Commencement Date, 100; and
- (b) on any Valuation Date after the Portfolio Commencement Date, the value determined by the Calculation Agent as the product of:
 - (1) the Fund Unit Index on the immediately preceding Valuation Date; multiplied by
 - (2) the Fund NAV on such Valuation Date; divided by
 - (3) the Fund NAV on the immediately preceding Valuation Date; multiplied by
 - (4) the Daily Net Portfolio Fee Amount.

Fund Units Value means, on any Valuation Date, the number of Fund Units in the Portfolio multiplied by the Fund Unit Index on such Valuation Date, provided that on the Portfolio Commencement Date the number of Fund Units in the Portfolio shall equal the Initial Fund Unit Number;

Government Authority means, in respect of a country, any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administration or other government authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of such country or of the jurisdiction of organisation of such country;

Initial Fund Unit Number means the aggregate of:

- (a) the Initial Target Exposure; multiplied by
- (b) the Portfolio Level on the Portfolio Commencement Date; divided by
- (c) 100;

Initial Portfolio Level has the meaning given to that term in paragraph 2 (Portfolio Level) of Schedule 2 of the Final Terms;

Initial Safe Unit Number means the aggregate of:

- (a) the greater of:
 - (1) zero; and
 - (2) 100 per cent. minus the Initial Target Exposure; multiplied by
- (b) the Portfolio Level on the Portfolio Commencement Date; divided by
- (c) 100;

Initial Target Exposure means 70 per cent.;

Investment Adviser means HSBC Investments (UK) Limited, which expression includes any successor in such capacity acceptable to the Calculation Agent;

Investment Guidelines means the investment guidelines as set out in Part I of Annex 1 of these Final Terms;

Local Exchange Exposure Restrictions means the local exchange exposure restrictions as described in the Investment Guidelines;

Maximum Multiplier means, on any Valuation Date, the Target Multiplier on such Valuation Date plus 0.40;

Minimum Multiplier means, on any Valuation Date, the Target Multiplier on such Valuation Date less 0.25;

Minimum Target Exposure means zero;

Net Asset Value means the net asset value of the Fund in EUR or, as the case may be, a share in the Fund, in each case as determined and published in accordance with the Fund Prospectus;

Permissible Universe of Investments means the permissible universe of investments as described in the Investment Guidelines;

Permitted Currency means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc, or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof;

Portfolio has the meaning given to that term in paragraph 1 (General) of Schedule 2 of the Final Terms;

Portfolio Commencement Date means 27 February 2006, or, if such day is not a Dealing Day, the immediately following Dealing Day;

Portfolio Disruption Event means, in the determination of the Calculation Agent, the occurrence or existence of any of the following:

- (A) a breach by the Fund and/or the Investment Advisor of (i) the Investment Guidelines or (ii) any reporting requirements or obligations in respect of which it is bound;
- (B) the non-execution or partial execution by the Fund for any reason of a subscription or redemption order in respect of any shares in the Fund given by the Issuer, other than a partial execution or a delay in execution which the Calculation Agent considers to be in the usual course and except as provided in the Fund Prospectus;
- (C) the winding-up, dissolution, liquidation or other cessation of trading of (i) the Fund or (ii) unless replaced with a successor acceptable to the Calculation Agent, the Administration Agent, the Investment Adviser or the Custodian;
- (D) a sub-division, consolidation or reclassification of any shares in the Fund;
- (E) the Administration Agent, the Investment Adviser or the Custodian ceases to act in its capacity as administrator or manager of or adviser or custodian to the Fund, as the case may be, and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (F) a material modification of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines (however described and, for the avoidance of doubt, including any reporting requirements and the Investment Guidelines) of the Fund;
- (G) a material modification (other than any modifications referred to in (f) above) of the Fund (including but not limited to a modification of the Fund Prospectus or the articles of association or other constitutional documents of the Fund) or the occurrence of a change or any event materially affecting the Fund (including, but not limited to, the interruption, breakdown or suspension of the calculation of the Net Asset Value unless such interruption, breakdown or suspension is cured within two Dealing Days);
- (H) a material modification of the type of assets in which the Fund invests or the trading practices of the Fund (including but not limited to a material deviation from the investment policy and investment objectives set out in the Fund Prospectus) which, in the determination of the Calculation Agent, has or is likely to have a material effect on the hedging arrangements entered into by the Issuer or any of its affiliates in respect of the Notes;
- (I) (i) the Fund suspends redemptions of any shares in the Fund or (ii) the Fund repurchases or compulsorily redeems any shares in the Fund or (iii) the Fund imposes any restriction, charge or fee in respect of a redemption or issue of shares in the Fund (other than any restriction, charge or fee in existence as at the Portfolio Commencement Date);
- (J) on any Valuation Date, the Distance being equal to or less than 0.0 per cent. of the Portfolio Level;
- (K) a Fund Disruption Event;
- (L) the Fund or the Investment Adviser has its authorisation or registration cancelled by any applicable regulatory authority;
- (M) either the Investment Adviser or the Administration Agent (i) is involved in legal or regulatory proceedings which, in the opinion of the Calculation Agent, may have a material adverse affect on its ability to perform its function in respect of the Fund, (ii) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of the Fund; (iii) makes any material misrepresentation under any document in respect of the Fund or (iv) announces its intention to cease the business of investment management;

- (N) any government, government agency or court takes any action (including, for the avoidance of doubt, the imposition of exchange controls or asset expropriation) which has the effect of restricting investments in any country in which the Fund has invested;
- (O) (i) the cancellation or cessation of any index in respect of which any investment made by the Fund is based upon (a “**BRIC Index**”) or (ii) a material change in the formula for or the method of calculating or any other material modification to a BRIC Index (other than a modification prescribed in that formula or method to maintain such BRIC Index in the event of changes in constituent stock and capitalisation and other routine events) or (iii) the relevant sponsor of a BRIC Index fails to calculate and announce such BRIC Index; or
- (P) the Calculation Agent determines that any arrangements made to hedge the Issuer's obligations under the Notes have or will (i) become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power (a **Law**), or in the interpretation of a Law or (ii) be materially adversely affected by the introduction of or any change in (or in the interpretation, administration or application of) any Law (including, for the avoidance of doubt, a reduction in the rate of return of the Issuer's overall capital, an additional or increased cost or the imposition of any taxes, duties, assessments or government charges of whatever nature);

Portfolio Fee means, in respect of each Valuation Date:

- (a) if the number of Fund Units in the Portfolio is greater than zero, 1.30 per cent. per annum; or
- (b) otherwise, zero;

Portfolio Level has the meaning given to that term in paragraph 2 (Portfolio Level) of Schedule 2 of the Final Terms;

Potential Portfolio Disruption Event means an event which may become, with the passage of time, the giving of notice and/or the making of a determination in respect of the Notes, a Portfolio Disruption Event;

Profit Lock-in means an increase in the Protected Level in accordance with paragraph 3 (Protected Level) of Schedule 2 of the Final Terms;

Protected Level means the amount determined in accordance with paragraph 3 (Protected Level) of Schedule 2;

Reference Level means, on any Valuation Date, the product of:

- (a) the Zero Coupon Unit Price divided by EUR 1.00; and
- (b) the Protected Level,

in each case on such Valuation Date;

Safe Unit means a notional investment in a Zero Coupon Unit;

Safe Unit Index means:

- (a) on the Portfolio Commencement Date, 100; and
- (b) on any Valuation Date after the Portfolio Commencement Date, the value determined by the Calculation Agent as the product of:

- (1) the Safe Unit Index on the immediately preceding Valuation Date; multiplied by
- (2) the Zero Coupon Unit Price on such Valuation Date; divided by
- (3) the Zero Coupon Unit Price on the immediately preceding Valuation Date; multiplied by
- (4) the Daily Net Portfolio Fee Amount;

Safe Units Value means, on any Valuation Date, the number of Safe Units in the Portfolio multiplied by the Safe Unit Index on such Valuation Date, provided that on the Portfolio Commencement Date the number of Safe Units in the Portfolio shall equal the Initial Safe Unit Number;

Scale means 2;

Surplus means 12;

Target Exposure means:

- (a) on the Portfolio Commencement Date, the Initial Target Exposure; and
- (b) on any Valuation Date from but excluding the Portfolio Commencement Date to but excluding the Deleverage Date, the greater of:
 - (1) the Minimum Target Exposure; and
 - (2) the lesser of:
 - (A) 100 per cent.; and
 - (B) the quotient of:

the Target Multiplier multiplied by the Distance; divided by

the Portfolio Level,

in each case on such Valuation Date; and
- (c) on the Deleverage Date and any subsequent Valuation Date, zero;

Target Multiplier means, on any Valuation Date, if the Distance is zero, then zero, otherwise, the product of:

- (a) the lesser of:
 - (1) 3.50; and
 - (2) the quotient of:

the Scale multiplied by the sum of:

the Distance on such Valuation Date; plus

the Surplus; divided by

the Distance on such Valuation Date; and

(b) the Factor;

Valuation Date means each Dealing Day on which dealings in the Fund can take place;

Zero Coupon Unit means a notional investment in a zero coupon bond issued by the Issuer which matures and pays a face amount of EUR 1.00 on the Final Valuation Date;

Zero Coupon Unit Price means, on any Valuation Date, the value of a Zero Coupon Unit for settlement 4 Business Days following such Valuation Date (calculated by the Calculation Agent by reference to indicators of market interest rates selected by the Calculation Agent, including but not limited to the then current EURIBOR, deposit, futures and swap rates) and increased by taking into account the Discount Spread.

SCHEDULE 4
RISK FACTORS

(this Schedule forms part of the Final Terms to which it is attached)

The information in this section "Risk Factors" relates to certain risks in relation to the Notes but does not purport to be a full or complete description of such risks. There may be other risks that a prospective purchaser of the Notes should consider that are relevant to its own particular circumstances or generally. More than one investment risk may have simultaneous effects with regard to the value of the Notes and the effect of any single investment risk may not be predictable. In addition, more than one investment risk may have a compounding effect and no assurance can be given as to the effect that any combination of investment risks may have on the value of the Notes.

Prospective Noteholders should also consider the Fund Prospectus which has been made public via the Copenhagen Stock Exchange.

Unless otherwise defined, terms in this section shall have the meanings given to them in the Notes and the definitions contained in Schedule 3 of the Final Terms

1. GENERAL

1.1 Important Considerations

PROSPECTIVE INVESTORS IN THE NOTES SHOULD (AND BY PURCHASING THE NOTES WILL BE DEEMED TO HAVE ACKNOWLEDGED THE FOLLOWING):

BE SOPHISTICATED INVESTORS WHO ARE WILLING TO TAKE CERTAIN RISKS, CAN ABSORB A COMPLETE LOSS OF THEIR INVESTMENT IN THE NOTES (SUBJECT TO PRINCIPAL PROTECTION OF THE PRINCIPAL AMOUNT ONLY UPON MATURITY) AND ARE EXPERIENCED WITH RESPECT TO TRANSACTIONS INVOLVING NOTES SUCH AS THE NOTES, IN TERMS OF BOTH THE RISKS ASSOCIATED WITH THE ECONOMIC TERMS OF THE NOTES AND THE RISKS ASSOCIATED WITH THE WAY IN WHICH THE ISSUE OF THE NOTES IS STRUCTURED;

UNDERSTAND THE CHARACTERISATION OF THE NOTES AND ANY RISKS AND POTENTIAL CONSEQUENCES ASSOCIATED WITH AN INVESTMENT IN THE NOTES;

UNDERSTAND THAT THE VALUE OF THE NOTES MAY BE AFFECTED BY ACTIONS OF THE ISSUER, ITS AFFILIATES AND THE INVESTMENT ADVISOR IN RESPECT OF THE FUND, BUT THAT THE ISSUER DOES NOT OWE ANY LEGAL DUTY TO ACT IN THE INTERESTS OF THE NOTEHOLDERS IN TAKING SUCH ACTIONS;

UNDERSTAND THAT THE FUND WILL BE SEPARATELY ESTABLISHED WITH SPECIFIC INVESTMENT GUIDELINES, AND THAT ITS VALUE WILL NOT NECESSARILY MOVE IN LINE WITH ANY OTHER FUND OR INVESTMENT MANAGED BY THE INVESTMENT ADVISER;

CONDUCT SUCH INDEPENDENT APPRAISAL OF THE ISSUER, THE NOTES, THE FUND AND ALL OTHER RELEVANT MARKET AND ECONOMIC FACTORS AS THEY THINK APPROPRIATE TO EVALUATE THE MERITS AND RISKS OF AN INVESTMENT IN THE NOTES;

ONLY REACH AN INVESTMENT DECISION AFTER CAREFUL CONSIDERATION, WITH THEIR OWN LEGAL, INVESTMENT, ACCOUNTING AND TAX ADVISORS OF THE SUITABILITY OF AN INVESTMENT IN THE NOTES IN THE LIGHT OF THEIR OWN PARTICULAR FINANCIAL, FISCAL AND OTHER CIRCUMSTANCES AND THE INFORMATION SET OUT IN THIS DOCUMENT;

RECOGNISE THAT THE NOTES MAY DECLINE IN VALUE AND SHOULD BE PREPARED TO SUSTAIN A SIGNIFICANT LOSS OF THEIR INVESTMENT IN THE NOTES (SUBJECT TO PRINCIPAL PROTECTION OF THE PRINCIPAL AMOUNT ONLY UPON MATURITY);

RECOGNISE THAT THE CALCULATION AGENT DOES NOT MAKE ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THE PORTFOLIO LEVEL, THE FUND OR THE ALLOCATION AS BETWEEN FUND UNITS AND SAFE UNITS AS OF ANY TIME ON ANY DAY AND THE CALCULATION AGENT SHALL NOT BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE PORTFOLIO AND SHALL NOT BE OBLIGED TO NOTIFY ANY PERSON OF ANY ERROR THEREIN; AND

RECOGNISE THAT IF THE NOTES ARE REDEEMED PRIOR TO THEIR STATED MATURITY THE AMOUNT PAYABLE TO NOTEHOLDERS MAY BE LESS THAN THEIR INITIAL INVESTMENT IN THE NOTES.

AN INVESTMENT IN THE NOTES SHOULD ONLY BE MADE AFTER ASSESSING THE DIRECTION, TIMING AND MAGNITUDE OF POTENTIAL FUTURE CHANGES IN THE VALUE OF THE FUND, AS THE RETURN OF ANY SUCH INVESTMENT WILL BE DEPENDENT, INTER ALIA, UPON SUCH CHANGES.

1.2 Suitability of the Notes for Investment

Prospective investors in the Notes should not rely on any communication (written or oral) of the Issuer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of these Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.

Investment in the Notes is only suitable for investors who:

have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;

have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; and

are capable of bearing the economic risk of an investment in the Notes for the full term of the Notes.

1.3 Independent Review and Advice

Each prospective purchaser must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes and consequential exposure to the Portfolio and the value of the Fund Units (i) is fully consistent with its (or, if it is acquiring the Notes in a fiduciary capacity, its beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for its beneficiary), notwithstanding the risks inherent in investing in or holding the Notes.

2. RISKS RELATING TO THE NOTES

2.1 General

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, form their own views of the merits of an investment related to the Shares based upon such investigations and not in reliance upon any information given in this document. There are risks inherent in the underlying which investors should be sure to understand before making the investment. Neither Nordea nor the Manager assumes any liability vis-à-vis the Instrument holders as to the economic success or failure of the investment in the Instrument or the development of the underlying values.

Holders of secured obligations of Nordea will have claims that are prior to the claims of the holders of the Notes to the extent of the value of the assets securing those other obligations. The Notes are effectively subordinated to secured indebtedness to the extent of the value of the assets securing those other obligations. In the event of any distribution of our assets or payment in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, the assets securing the claims of secured creditors will be available to satisfy the claims of those creditors, if any, before they are available to unsecured creditors, including the holders of the Notes. In any of the foregoing events, Nordea cannot assure prospective investors that there will be sufficient assets to pay amounts due on the Notes. As a result, Noteholders may receive less, rateably, than holders of the secured obligations.

Nordea will generally hedge its position by buying or selling a quantity of the relevant underlying asset. While efforts will always be made to effect such hedging without materially affecting the price of the relevant asset it is possible that where hedging takes place before and/or during the period used for pricing the issue or during the period used for calculating the redemption or payout amount it may have the effect of or contribute to alterations to the price of the underlying asset and therefore the amount paid.

In addition, certain Notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Prospective investors may not be able to sell such Notes readily or at prices that will enable them to realise their anticipated yield. Prospective investors should not purchase such Notes unless they understand and are able to bear the risks that such Notes may not be readily

saleable, that the value of such Notes will fluctuate over time and that such fluctuations may be significant.

Finally, Nordea's credit ratings may not reflect the potential impact of the various risks that could affect the market value of the Notes. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks an investment in the Notes may entail and the suitability of the Notes in light of their particular circumstances.

2.2 Principal Protection

Although the value of the Notes may go up as well as down, the Notes provide for a redemption amount in respect of each Instrument on the Maturity Date equal to the product of EUR 50,000 and the greater of (a) the Final Protected Level divided by 100 and (b) the Final Portfolio Level divided by 100. If held until maturity, investors will receive an amount which will be at least equal to their initial investment in the Notes plus any increases in the Protected Level representing any Profit Lock-ins (as described in paragraph 3 (Protected Level) of Schedule 2 of the Final Terms).

Prospective purchasers may receive an amount less than their initial investment if (i) the Notes are redeemed prior to the Maturity Date or (ii) investors sell their Notes prior to the Maturity Date. Whilst repayment of principal at maturity is protected under the terms of the Notes, there can be no assurance that an Holder of Notes would receive an amount in excess thereof.

2.3 Fees

In determining the Portfolio Level on any Valuation Date, for so long as part of the Portfolio is allocated to Fund Units, the Portfolio Fee will be deducted from each of the Fund Units Value and Safe Units Value on such Valuation Date. As a result the return (if any) on the Portfolio is less than would otherwise be the case.

The shares in the Fund are subject to underlying fees as set out in the Fund Prospectus. Such underlying fees are reflected in the Net Asset Value which in turn is reflected in the Fund Unit Index used in determining the Portfolio Level. The overall effect of underlying fees in relation to the Fund may be to cause the Portfolio Level to be significantly lower than would otherwise be the case.

In connection with the issue of the shares in the Fund and the placement and distribution of the Notes, the Investment Adviser may pay to the Issuer and/or any affiliate such commissions or fees as the Issuer and such party may agree. The Issuer and/or any affiliate may also pay to distributors of the Notes such commissions or fees as such parties may agree (including in the form of a discount to the purchase price of the Notes). In addition, following the Issue Date such parties may pay or receive such fees on an on-going basis.

2.4 Credit Risk

Each investor assumes the credit risk of the Issuer. The rating of the Issuer reflects the independent opinion of the relevant rating agencies and is not a guarantee of the Issuer's credit quality.

2.5 Taxation

Potential investors and sellers of the Notes should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Notes are transferred.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

2.6 Secondary Market of the Notes

The Notes are intended for investors who purchase and hold the Notes to maturity. It is unlikely that any secondary market in the Notes will exist. Whilst application has been made to admit the Notes to listing on the Copenhagen Stock Exchange, no assurance can be given as to whether or not, or when, such applications will be granted.

The market value of the Notes is expected to fluctuate significantly according to various factors including but not limited to the performance of the Fund, option volatility of the Fund, interest rates, exchange rates, time remaining to maturity and changes in the credit rating of the Issuer. The price at which an Instrumentholder will be able to sell the Notes on the secondary market prior to the maturity of the Notes may be at a discount from the principal amount, which could be substantial, and there is no assurance that such Instrumentholder will realise any return on its investment in the Notes.

Nordea Bank Danmark A/S intends to provide discretionary liquidity in respect of the Notes. However, Nordea Bank Danmark A/S is not obliged to purchase Notes, and if it does so purchase Notes, will have total discretion with regards to the terms and price of such purchases. Such price may be less than the principal amount of the Notes. The “buy-and-hold” nature of the Notes will be reflected in the “bid-offer” spread and in that additional trading costs is likely to apply in the first years of the lifetime of the Notes.

2.7 Further and other Issues

The Issuer shall be at liberty from time to time without the consent of Noteholders to create and issue further notes so as to be consolidated with and form a single series with the outstanding Notes. In addition, the Issuer may issue other issues of notes and/or other notes relating to the Fund. Such issues may have an adverse effect on the value of the Notes.

2.8 Legality of Purchase

The Issuer has no responsibility and assumes no responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser, whether under the laws of the jurisdiction of the purchaser's incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. In particular, prospective purchasers are referred to the restrictions contained in the section "Subscription and Sale" in the Base Prospectus.

3. RISKS RELATING TO THE FUND UNITS

3.1 Fund Units

The Notes are linked to the performance of the Portfolio which comprises, amongst other things, the Fund Units. The Fund Units are notional investments in the shares of the Fund.

Prospective purchasers should note that the Fund Units are speculative investments and that all the risks inherent in investing in the Fund directly will be inherent in an investment in the Notes to the extent the Portfolio is allocated to Fund Units (subject to principal protection of the principal amount only upon maturity). Prospective purchasers should however note that the Notes do not entitle the Noteholders to any of the rights of holders of shares of the Fund. Prospective purchasers should note that Noteholders shall have no legal or beneficial ownership or interest in the shares of the Fund or any other component of the Portfolio and shall have no contractual relationship with any of the Fund, the Administration Agent, the Custodian or the Investment Adviser.

The Issuer does not make any representation, warranty or guarantee (express or implied) regarding the condition (financial or otherwise) of the Portfolio, the Fund or the performance of the Fund Units.

There will be no linear relation between the value of the Fund Units and the value of the Notes. Therefore, investors in the Notes will not receive the same return as they would if they invested directly in the Fund Units.

3.2 Composition of the Portfolio

As set out in Schedule 2 (Description of the Portfolio) of the Final Terms, the Portfolio comprises the Fund Units and the Safe Units. The allocation of the Portfolio to Fund Units and Safe Units may be recomposed on each Valuation Date depending on the Fund NAV, the Fund Unit Index, the Portfolio Level, the Protected Level and the Zero Coupon Unit Price on such Valuation Date. Any such recomposition may result in an increase or decrease in the notional number of Fund Units in the Portfolio.

The periodic adjustment of the Portfolio will have the effect of altering the relative composition of the Portfolio based on multiple factors, including but not limited to the performance of the Fund, option volatility of the Fund, interest rates, exchange rates and time remaining to maturity. Generally, as the relative historical performance of the Fund or prevailing interest rates decrease, or the volatility of the Fund increases, the portion of the Portfolio allocated to Fund Units decreases. As a result, Noteholders should understand that they may receive less than what they may have received had they invested in the Fund directly.

Specifically, if the Fund experiences a period or periods of volatility, the recomposition procedure will effectively require a reduction in (selling of) notional Fund Units as they are falling in price, and increases in (purchasing of) notional Fund Units as they are rising in price. Such notional purchases and sales will negatively affect the Portfolio Level, particularly if prolonged or numerous periods of volatility are experienced.

Prospective Noteholders should note that the allocation of the Portfolio to Fund Units as at any Valuation Date are dependent upon, amongst other things, the Fund NAV. The Fund NAV as at any Valuation Date is calculated by reference to the last available Net Asset Value as on the relevant Valuation Date. If such Net Asset Value is not published or made available when required for the

purposes of determining any Recomposition, the Fund NAV shall be the net asset value determined by the Calculation Agent as of the relevant Valuation Date by reference to such source(s) as it may in its sole and absolute discretion consider appropriate. Such net asset value may be different to the Net Asset Value of the Fund were such amount published in accordance with the Fund Prospectus on such Valuation Date and no subsequent adjustment will be made in respect of any Recomposition if such estimated net asset value is subsequently determined to be different from the Net Asset Value on such Valuation Date.

There may be a delay between calculation of the Fund NAV for the purposes of adjustments to be made to the Portfolio, execution of subscription orders in respect of units in the Fund, execution of an acquisition or disposal of investment holdings of the Fund and the reflection of such executions in the Fund NAV. A redemption of units in the Fund is also subject to liquidity constraints which can further delay this process. Accordingly, such redemptions or subscriptions may not be for value until the Investment Adviser has realised the proceeds of a corresponding liquidation in the assets of the Fund, which may itself take time depending upon market conditions (including the liquidity of such assets) and settlement practices prevailing in the relevant market at that time. In such cases, the Calculation Agent may make adjustments to the Portfolio in accordance with Paragraph 4.3 (Portfolio Adjustments) of Schedule 2 of the Final Terms to take account of such settlement delay.

3.3 Deleverage

Prospective Noteholders should note that a Portfolio Disruption Event may occur in certain circumstances described in the Description of the Portfolio - see Schedule 1 for a description of the Portfolio Disruption Events.

Upon the occurrence of a Portfolio Disruption Event, the Calculation Agent may declare a Deleverage Event to have occurred, in which case on the following Valuation Date the allocation of the Portfolio to Fund Units shall be decreased to zero and no further allocation into Fund Units may subsequently be made. In such circumstances, the Notes will represent notional investments in Safe Units only, Noteholders will receive no further economic exposure to the Fund and they may receive an amount that would be less than what they may have received had they invested in the Fund directly.

Upon the occurrence of an event which the Calculation Agent determines may become, with the passage of time, the giving of notice and/or the making of a determination in respect of the Notes, a Portfolio Disruption Event, the Calculation Agent may increase the Excess by a percentage value of up to 35 per cent. for a period of no less than 14 days. An increase in the Excess will have the effect of decreasing the Target Multiplier and may therefore result in a Recomposition of the Portfolio by a decrease in the allocation to Fund Units.

3.4 Adjustment Events

Prospective Noteholders should note that an Adjustment Event may occur in certain circumstances described in the Description of the Portfolio - see Schedule 1 for a description of the Adjustment Events. If an Adjustment Event occurs, adjustments may be made by the Calculation Agent to the Portfolio which may affect the Portfolio Level and thus the amount payable on redemption of the Notes.

3.5 Other Adjustments

In addition to the Adjustment Events discussed above, the Calculation Agent may adjust the Portfolio methodology to take account of certain fiscal, market, regulatory, juridical or financial circumstances or may adjust the Portfolio in any manner that it may deem necessary or desirable, including

(without limitation) to correct any manifest or proven error or cure, correct or supplement any defective provision therein. Any such adjustments may affect the Portfolio Level and thus the amount payable on redemption of the Notes. As such, purchasers of the Notes are dependent upon the exercise of such discretion by the Calculation Agent.

The Calculation Agent also has the discretion to effect Reconstructions in order to correct an incorrect or inaccurate determination of the Net Asset Value by the Fund or otherwise to take into account such other actions or events by or in respect of the Fund and/or the Investment Advisor which, in the Calculation Agent's opinion, requires an adjustment to the Portfolio.

3.6 Fund Disruption Event

Prospective purchasers should note that the payment of the redemption amount on the Maturity Date may be postponed if a Fund Disruption Event occurs or is subsisting on the Final Valuation Date.

3.7 Target Multiplier

Prospective Noteholders should note that upon the occurrence of certain events as described in the definition of "Excess", the Target Multiplier will decrease, which shall therefore result in a Reconstruction of the Portfolio by a decrease in the allocation to Fund Units.

3.8 Limited Information

Investors should note that the Fund was established as a sub-fund of HSBC Global Investment Funds on 31 May 2005 and no historical information in relation to the shares in the Fund is available. No representation or warranty, whether implied or otherwise, is given by the Issuer as to the past, present or future performance of the shares in the Fund.

The Issuer is not a source of advice, information or credit analysis with respect to the Fund, the Investment Adviser, the shares in the Fund or the underlying assets of the Fund. In particular, this Prospectus does not constitute investment advice. The Issuer does not assume any obligation to or relationship of agency or trust with any purchaser or prospective purchaser of the Notes.

3.9 No Independent Investigation of Investment by Issuer

The Issuer has not undertaken any investigation of the Fund or the Investment Adviser. In addition, the Issuer has not independently verified or confirmed the Fund Prospectus.

The Issuer does not make any representation or warranty, express or implied, regarding the likely investment performance of the Fund or the Notes; the ability of the Investment Adviser to identify and recommend investments that will show positive performance in respect of the Fund Units over the life of the Notes; the suitability of the Notes for any investor or for the accuracy, completeness or adequacy of the information contained in the Fund Prospectus and the Investment Guidelines and no liability to any party is accepted by the Issuer in connection with any of the above matters.

3.10 Tax and Currency Risk

The tax status of the Fund in those jurisdictions in which it conducts its business and/or any change in taxation rules or treatment in such jurisdictions could affect the value of the shares in the Fund (and consequently the Portfolio Level and the Notes) or affect the ability of the Fund to achieve its investment objectives and consequently adversely affect the value of the Notes.

In addition, remittance of income and capital gains generated by underlying investments of the Fund in certain countries may be dependent on there being liquidity in the relevant local currency and the absence of foreign exchange controls which inhibit or prevent the repatriation of such gains. In any such circumstances the value of the shares in the Fund may be adversely affected and as a result the Portfolio Level and the value of the Notes may be adversely affected.

The base currency of the BRIC Markets Fund is USD. To the extent this fund invests in non-USD securities, this fund is exposed to currency risk. Since the NAV of the BRIC Markets Fund is converted into EURs in the calculation of the Portfolio Level, the Holders of the Notes are exposed to EUR-USD currency risk. The Protected Level is in the base currency of the Notes (EUR) and therefore not exposed to currency risk.

3.11 Class of Investments

Prospective purchasers should note that as a result of certain investment objectives and restrictions as described in the Fund Prospectus and the Investment Guidelines, the Fund is limited in the investments it may make and returns (if any) on the Fund Units may be more or less than would otherwise be the case. Nevertheless the Fund has certain discretions in relation to its investments and no assurance can be given that the exercise of such discretions will achieve the investment objectives of the Fund.

4. MARKET CONSIDERATIONS

4.1 Market Risk

The market value of the Notes is expected to fluctuate significantly according to various factors including but not limited to the performance of the Fund, option volatility of the Fund, interest rates, exchange rates, time remaining to maturity and changes in the credit rating of the Issuer.

4.2 Emerging Markets Risks

Because of the special risks associated with investing in emerging markets, the Fund, and therefore the allocation of the Portfolio to Fund Units, should be considered speculative. Prospective purchasers are advised to consider carefully the special risks of investing in emerging market securities. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in emerging markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require the Fund to accept greater custodial risks in order to invest. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it dif-

difficult to conduct such transactions. The inability of the Fund to make intended securities purchases due to settlement problems could cause the Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to the Fund due to subsequent declines in value of the portfolio security or, if the Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the Fund's securities in such markets may not be readily available.

Prospective purchasers should note that changes in the political climate in emerging market countries may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. Such changes may, for instance, result in taxes or penalties being levied against foreign investors. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of the Fund.

Prospective purchasers should be aware of the risk associated with investment in Russian equity securities. Markets are not always regulated in Russia and at present time, there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may temporarily result in illiquid equity markets in which prices are highly volatile.

4.3 Allocation between BRIC Countries

There is no guarantee that the Fund will stay invested in each of Brazil, Russia, India and China (the “**BRIC Countries**”). The proportion of the Fund's assets which are invested in each of the BRIC Countries will normally be based on equal weightings between these countries but the Investment Advisor may allocate a larger or smaller amount of the Fund's assets in one or more BRIC Countries from time to time. The allocation of the Fund's assets invested in a BRIC Country may be affected by factors such as exchange controls and taxation in and changes in the political climate of such BRIC Country. See the Investment Guidelines in Part I of Annex 1.

4.4 Investment Risk

There can be no assurance that the Fund will achieve its investment objectives. Its value may rise or fall as the capital value of the securities in which it invests fluctuate. The investment income of the Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

4.5 Volatility

The Fund may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists, in which case market prices will tend to be more volatile.

If substantial redemption of shares in the Fund is required, this may necessitate the rapid liquidation of positions by the Fund, which could adversely affect the Fund NAV and therefore the amount payable in respect of the Notes.

4.6 Industry Concentration

The Fund's investments are spread among a number of industries, however the BRIC Countries' markets are comprised of significant weightings in the natural resources sectors. This means that the

Fund's investments may be relatively concentrated in these sectors and the performance of the Fund could be sensitive to movements in these sectors.

4.7 Valuation of the Fund

Prospective purchasers should be aware that an investment in the Notes involves valuation risk as regards the Fund. Prospective purchasers should be experienced with respect to transactions in securities with a value derived from underlying securities and/or other assets and/or indices.

The value of the Fund may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro economic factors and speculation. The Fund will invest in a portfolio comprised of various assets and fluctuations in the value of any one asset may be offset or intensified by fluctuations in the value of other assets which comprise the portfolio of the Fund.

The historical performance of the investments made by the Fund will not necessarily be an indication of their future performance.

5. OTHER RISK FACTORS

5.1 Risks Relating to Calculation Agent

Dependence upon the Calculation Agent

Investors in the Notes are highly dependent upon the Calculation Agent to calculate the Portfolio Level and allocate exposure between Fund Units and Safe Units. If for any reason (including, without limitation, a systems failure or similar circumstance) the Calculation Agent is unable to make any calculations required to be made, the Calculation Agent shall adjust the procedures set out in Schedule 2 (Description of the Portfolio) to the Final Terms as it deems appropriate in order to make such determinations.

Determination of Portfolio Disruption Events and Adjustment Events

The Calculation Agent may determine in its sole and absolute discretion the occurrence of a Portfolio Disruption Event or an Adjustment Event. In the case of the occurrence of a Portfolio Disruption Event, the Calculation Agent shall determine in its sole and absolute discretion whether to declare that a Deleverage Event has occurred and, in the case of the occurrence of an Adjustment Event, the Calculation Agent shall determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the Portfolio.

Determination of Fund NAV

The Calculation Agent is entitled to use its determination of the Fund NAV in certain circumstances, which may result in a different allocation to the Fund Units and a potentially lower return to the Noteholders.

Methodology

In determining the composition of the Portfolio, the Calculation Agent will employ the methodology described in Schedule 2 (Description of the Portfolio) to the Final Terms.

The Calculation Agent will make all determinations and calculations required of it in accordance with the terms of the Notes. Any determination by the Calculation Agent will be in its sole and absolute discretion and will be conclusive and binding on all parties, except in the case of manifest error.

If market, regulatory, judicial or fiscal circumstances or, without limitation, any other circumstances arise that would, in the determination of the Calculation Agent, necessitate a modification or change to such methodology, then the Calculation Agent may make such changes as it considers appropriate to deal with the circumstances.

5.2 Risks Relating to the Investment Adviser

Discretion of the Investment Adviser

The Investment Adviser will manage the Fund in accordance with the Investment Guidelines. Within the Investment Guidelines, the Investment Adviser has retained discretion to recommend investments to the Fund in a variety of highly risky investments.

Past performance of the Investment Adviser does not indicate future results and there can be no assurance of its performance.

Amendment to the Investment Guidelines

There is no assurance that the Investment Guidelines which sets forth the duties and responsibilities of the Investment Adviser or the Investment Guidelines will not be amended. Prospective investors should note that the Investment Guidelines may be reviewed annually by mutual agreement of the parties thereto and amended without consideration of the interests of the Noteholders. Such amendment may result in the occurrence of a Portfolio Disruption Event.

5.3 Provision of Information

The Issuer does not make any representation as to the creditworthiness of the Fund, the Administration Agent, the Investment Adviser or the Custodian or the performance of the Fund, the Investment Adviser or the Fund Units. The Issuer may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Fund, the Administration Agent, the Investment Adviser, the Custodian, the Fund or the Fund Units. The Issuer is not under any obligation to make such information available to Noteholders.

5.4 Potential Conflicts of Interests

Prospective purchasers should note that the Issuer or any of its affiliates may, but is not obliged to, in connection with its hedging obligations under the Notes, hold shares in the Fund or maintain positions relating to any other assets notionally comprised in the Portfolio. Prospective purchasers should note that any such entity holding shares in the Fund or maintaining any such position will have rights in connection therewith and may exercise such rights in such manner as it deems necessary or appropriate to protect its interests and to manage the hedging strategy in respect of the Notes without regard to the consequences for any Instrumentholder.

Prospective Noteholders should note that, as well as the Notes, the Issuer or affiliates of the holding company of the Issuer may have offered or may offer other financial products which have a return linked to the Fund. In such a case the Issuer or such affiliates may buy and sell shares in the Fund

for the purposes of hedging their obligations under such other financial products. Such trading in shares in the Fund may have an effect on the value of the Fund and therefore may have an effect on the return on or value of the Notes.

ANNEX 1

FUND DOCUMENTS

Part I

INVESTMENT GUIDELINES OF THE FUND

In monitoring and managing the Fund from time to time, the Investment Advisor will comply with the Investment Guidelines as set out below as such Investment Guidelines may be amended from time to time.

The Investment Objective of the Fund

The Fund seeks to track the total return performance of indices representing the equity and equity equivalent securities of companies in Brazil, Russia, India and China (including Hong Kong SAR) (each a “**BRIC Country**”). The allocation between the BRIC countries will normally be based on the equal weightings between these countries but the Investment Adviser may over- or under-allocate as considered appropriate. The indices will typically be dominated by large company stocks in terms of their aggregate weight in the relevant index. The index tracking investment process will be executed by investing in either all of the stocks in the index or a representative sample (partial replication). The Fund may acquire local currencies by means of back-to-back loans with highly rated credit institutions.

Subsidiary Accounts and Country Benchmarks

Equity (or equity-equivalent) investments of the Fund are allocated to one of four subsidiary accounts, representing the equity and equity equivalent securities of companies in a single BRIC Country (each such subsidiary account being a “**Subsidiary Account**”).

A single benchmark index (a “**Country Benchmark**”) is associated with each Subsidiary Account, specifically:

- MSCI USD Brazil;
- MSCI USD Russia;
- MSCI USD India; and
- MSCI USD China.

(collectively the **Country Benchmarks**).

Substitution of any benchmark index with another index is only possible following prior approval from HSBC Bank plc (“**HBEU**”).

Investment Guidelines

The investments of the Fund shall be managed subject to the Investment Restrictions contained in the latest Prospectus of the Fund. In addition, such investments will be managed in compliance with the guidelines and restrictions detailed below (the “**Investment Guidelines**”).

All calculations should be based on the daily valuations determined by the Administrative Agent, as detailed on Dexia Fund Services On-Line. For the purpose of calculating exposure restrictions, all calculations are in USD, with non-USD investments being converted to USD at the relevant market spot exchange rates appropriate for the relevant Valuation Date (based on the Reuters price as at 09.10 CET).

1. **Permissible Universe of Investments**

Permissible equities over which the Subsidiary Accounts may invest are confined to those in respect of which the relevant issuers are listed as a constituent of one of the four Country Benchmarks.

Investments of the Subsidiary Accounts will only comprise:

- local currency for operational liquidity purposes only;
- long only positions in equity stock of issuers listed as a constituent of a relevant Country Benchmark;
- long only positions in depository receipts with respect to such equities;
- long only positions in equity participation notes; and
- long only positions in exchange traded funds.

2. **Country Exposure Restrictions**

The value of equity investments in any one BRIC Country (a “**Country Allocation**”) is defined to be the value of all investments in equities (including depository receipts and equity participation notes with respect to such equities), including any share holdings of exchange traded funds related to the relevant Country Benchmark, divided by the Net Asset Value of the Fund.

The following restrictions apply in relation to Country Allocations:

- a Country Allocation within the Fund may not exceed 40 per cent.;
- the sum of any two Country Allocations within the Fund may not exceed 70 per cent.; and
- the sum of any three Country Allocations within the Fund may not exceed 90 per cent.

3. **Local Exchange Exposure Restrictions**

The Fund may invest in equity directly via local exchanges in local currency (a “**Local Exchange Exposure**”) subject to the value of any single Local Exchange Exposure being no more than 30 per cent. of the relevant Subsidiary Account.

4. **USD Cash Restriction**

There are no restrictions on holdings of USD cash.

5. **Deviation from Country Benchmarks**

At each month-end, the ex-ante tracking error of each Subsidiary Account will be reported to HBEU. Deviation from the relevant Country Benchmarks by more than 5 per cent. is only permitted to the extent it is necessary in order to comply with other Investment Guidelines or the Investment Restrictions.

6. **Concentration Risks**

The Fund will observe the following single issuer exposure limits within each Subsidiary Account:

- exposure of the Fund to any single issuer of equities or depository receipts of any single issuer may not exceed 2.5 per cent. of the issued share capital of that issuer;
- exposure to any single issuer to be less than 20 per cent. of the value of the respective Subsidiary Account;

- exposure to two issuers to be less than 35 per cent. of the value of the respective Subsidiary Account; and
- exposure to three issuers to be less than 42.5 per cent. of the value of the respective Subsidiary Account.

7. Liquidity

The Fund will only invest in relatively liquid instruments. Liquidity will dominate tracking error considerations at all stages during the investment process.

Part II

FUND PROSPECTUS

The Fund Prospectus will be made public via the Copenhagen Stock Exchange in connection with the listing of the Notes.