

PROSPECTUS

DATED 18 OCTOBER 2006



**ABN AMRO Bank N.V.**

*(incorporated in The Netherlands with its statutory seat in Amsterdam)*

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PROSPECTUS RELATING TO

EUR50,000,000 AXA REIM EUROPEAN REAL ESTATE OPPORTUNITY II CERTIFICATES;

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**PROSPECTIVE PURCHASERS OF THE EUR 50,000,000 AXA REIM EUROPEAN REAL ESTATE OPPORTUNITY II CERTIFICATES (THE “SECURITIES”) SHOULD ENSURE THAT THEY UNDERSTAND FULLY THE NATURE OF THE SECURITIES AND THE EXTENT OF THEIR EXPOSURE TO THE RISKS ASSOCIATED WITH THE SECURITIES. THE MARKET PRICE AND / OR VALUE OF THE SECURITIES MAY BE VOLATILE AND HOLDERS OF THE SECURITIES MAY SUSTAIN A TOTAL LOSS IN THE VALUE OF THEIR INVESTMENT. PROSPECTIVE PURCHASERS NEED TO CONSIDER THE SUITABILITY OF AN INVESTMENT IN THE SECURITIES IN LIGHT OF THEIR OWN FINANCIAL, FISCAL, REGULATORY AND OTHER CIRCUMSTANCES. PLEASE REFER, IN PARTICULAR, TO THE SECTION “RISK FACTORS” IN THIS PROSPECTUS FOR A MORE COMPLETE EXPLANATION OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE SECURITIES.**

This document constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the “**Prospectus Directive**”).

ABN AMRO Bank N.V. (the “**Issuer**”) accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application may be made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Securities. Neither the delivery of this document nor any information provided in the course of a transaction in the Securities shall be regarded as a recommendation by the Issuer to enter into any transaction with respect to any Securities. Each prospective investor contemplating a purchase of the Securities should make its own independent investigation of the risks associated with a transaction involving the Securities.

The delivery of this document does not at any time imply that there has been no change in the affairs of the Issuer since the date of this Prospectus. The Issuer does not intend to provide any post-issuance information.

The distribution of this document and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.

All references to “**EUR**” or “**euro**” in this Prospectus refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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## RISK FACTORS

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*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Securities are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay principal or other amounts on or in connection with the Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*Before making an investment decision with respect to the Securities, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Securities and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Words and expressions defined elsewhere in this Prospectus shall have the same meaning in this section.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under the Securities**

Each potential investor in the Securities should refer to the Risk Factors section of the Registration Document (as defined below) incorporated by reference in this Prospectus for a description of those factors which may affect the Issuer's ability to fulfil its obligations under the Securities.

### **Factors which are material for the purpose of assessing the market risks associated with the Securities**

*The Securities are securities linked to the value of an underlying class of units of a fund which entail particular risks*

The Securities are investment instruments which, on one or more Settlement Dates, pay a Cash Amount determined by reference to the value of the Final Index Level, subject to the terms of the Securities. As each Fund Component Unit shall be initially comprised of a notional investment in Shares of the Underlying, the Securities entail a similar level of risk as a direct investment in the Underlying. Investors should be aware that their entire investment may be lost in the event that the

Underlying is valued at zero. Since the Securities are of limited maturity due to automatic exercise on the Expiration Date, unlike direct investments, investors are not able to hold them beyond the Exercise Date in the expectation of a recovery in the price of the Underlying.

The price at which a Holder will be able to sell the Securities prior to the Expiration Date may be at a potentially substantial discount to the market value of the Securities at the Issue Date, if, at such time and in addition to any other factors, the value of the Underlying is below, equal to or not sufficiently above the value of the Underlying at the Issue Date.

***The Securities may not be a suitable investment for all investors***

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for payments under the terms of the Securities is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

### *The value of the Securities may fluctuate*

The value of the Securities may move up and down between the date of purchase of the Securities and the final Settlement Date. Holders of Securities (the “**Holders**”) may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand fully the nature of the Securities before they invest in the Securities.

Several factors, many of which are beyond the Issuer's control, will influence the value of the Securities at any time, including the following:

- (a) *Valuation of the Underlying.* The market price of the Securities at any time is expected to be affected primarily by changes in the level of the Underlying to which the Securities are linked. It is impossible to predict how the level of the Underlying will vary over time. Factors which may have an affect on the level of the Underlying include the rate of return of the Underlying and the financial position and prospects of the Fund. In addition, the value of the Underlying may depend on a number of interrelated factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. Potential investors should also note that whilst the market value of the Securities is linked to the Underlying and will be influenced (positively or negatively) by it, any change may not be comparable and may be disproportionate. It is possible that while the Underlying is increasing in value, the value of the Securities may fall. Further, where no market value is available for the Underlying, the Calculation Agent may determine its value to be zero notwithstanding the fact that there may be no Market Disruption Event and/or no Fund Adjustment Events which apply.
- (b) *Volatility.* The term “volatility” refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to the Underlying. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of the Underlying will move up and down over time (sometimes more sharply than others).
- (c) *Interest Rates.* Investments in the Securities may involve interest rate risk with respect to the currency of denomination of the Underlying and/or the Securities. A variety of factors influence interest rates such as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Securities at any time prior to valuation of the Underlying relating to the Securities.

- (d) *Exchange Rates.* Even where payments in respect of the Securities are not expressly linked to a rate or rates of exchange between currencies, the value of the Securities could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Securities is to be made and any currency in which the Underlying is traded, appreciation or depreciation of any such currencies and any existing or future or governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any relevant currencies which are current rates at the Issue Date will be representative of the relevant rates of exchange used in computing the value of the relevant Securities at any time thereafter.
- (e) *Disruption.* In accordance with the Conditions, the Calculation Agent may determine that a Market Disruption Event has occurred or exists at a relevant time. Any such determination may affect the value of the Securities and/or may delay settlement in the respect of the Securities.

Prospective purchasers should review the Conditions to ascertain how such provisions apply to the Securities.

- (f) *Creditworthiness.* Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and of Holding (pursuant to its declaration under Article 2:403 of the Netherlands Civil Code) and has no rights against any other person. The Securities constitute general, unsecured, contractual obligations of the Issuer and of no other person. The Securities rank *pari passu* among themselves.

***There may not be a secondary market in the Securities***

Potential investors should be willing to hold the Securities through their life. The nature and extent of any secondary market in the Securities cannot be predicted. As a consequence any person intending to hold the Securities should consider liquidity in the Securities as a risk. Even though the Securities are intended to be listed or quoted on an exchange or quotation system this does not imply greater or lesser liquidity than if the Securities were not so listed or quoted. However, if the Securities are not listed or quoted there may be a lack of transparency with regard to pricing information. Liquidity may also be affected by legal restrictions on offers for sale in certain jurisdictions. The Issuer may affect the liquidity of the Securities by purchasing and holding the Securities for its own account during trading in the secondary market. Any such Securities may be resold at any time into the market.

***Purchasing the Securities as a hedge may not be effective***

Any person intending to use the Securities as a hedge instrument should recognise the correlation risk. The Securities may not be a perfect hedge to an Underlying or portfolio of which the Underlying forms a part. In addition, it may not be possible to liquidate the Securities at a level which directly reflects the price of the Underlying or portfolio of which the Underlying forms a part.

***Actions taken by the Issuer may affect the value of the Securities***

The Issuer and/or any of its affiliates may carry out activities that minimise its and/or their risks related to the Securities, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Underlying whether for risk reduction purposes or otherwise. In addition, in connection with the offering of the Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Underlying. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Underlying which may affect the market price, liquidity or value of the Underlying and/or the Securities and which could be deemed to be adverse to the interests of the Holders. The Issuer and/or its affiliates are likely to modify their hedging positions throughout the life of the Securities whether by effecting transactions in the Underlying or in derivatives linked to the Underlying. Further, it is possible that the advisory services which the Issuer and/or its affiliates provide in the ordinary course of its/their business could lead to an adverse impact on the value of the Underlying.

***Holders have no ownership interest in the Underlying***

The Securities convey no ownership interest in the Underlying. The Issuer may choose not to hold the Underlying or any derivatives contracts linked to the Underlying. There is no restriction through the issue of the Securities on the ability of the Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in the Underlying or any derivatives contracts linked to the Underlying.

***Actions taken by the Calculation Agent may affect the Underlying***

The Calculation Agent is the agent of the Issuer and not the agent of the Holders or any of them. The Issuer shall initially act as the Calculation Agent. The Calculation Agent will make such adjustments to the number of units of the Fund Component then comprised in the Index as it considers appropriate as a consequence of certain changes affecting the Underlying. In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every change affecting the Underlying.



### ***Taxes may be payable by investors***

Potential purchasers and sellers of the Securities 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 Securities are transferred. Holders are subject to the provisions of General Condition 9 and payment of any amount due in respect of the Securities will be conditional upon the payment of any Expenses as provided in the Product Conditions.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers 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.

### ***The Securities may be terminated prior to the Expiration Date***

If the Issuer determines that the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason or the Issuer determines that it is no longer legal or practical for it to maintain its hedging arrangement with respect to the Securities for any reason, the Issuer may at its discretion and without obligation terminate early the Securities. If the Issuer terminates early the Securities, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Security an amount determined by the Calculation Agent to be its fair market value less the cost to the Issuer of unwinding any underlying related hedging arrangements notwithstanding the illegality or impracticality.

### ***Risks associated with Securities held in global form***

The Securities will initially be held by or on behalf of the clearing systems specified in the Product Conditions (each a “**Relevant Clearing System**”), in the form of a Global Security which will be exchangeable for definitive Securities only in the event of the closure of all Relevant Clearing Systems. For as long as the Securities are represented by a Global Security held by or on behalf of a Relevant Clearing System, payments of principal and any other amounts on a Global Security will be made through the Relevant Clearing System against presentation or surrender (as the case may be) of the Global Security. The registered holder of the Global Security, typically a depositary or a nominee for a depositary for the Relevant Clearing System, shall be treated by the Issuer and any Paying Agent as the sole holder of the Securities represented by such Global Security with respect to the payment of principal and any other amounts payable in respect of the Securities.

The Securities will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

### ***Risk associated with nominee arrangements***

Where a nominee service provider is used by an investor to hold the Securities or such investor holds interests in any Security through accounts with a Relevant Clearing System, such investor will receive payments in respect of principal or any other amounts due solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or Relevant Clearing System, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or Relevant Clearing System to distribute all payments attributable to the Securities which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or Relevant Clearing System, as well as the Issuer.

In addition, such a Holder will only be able to sell any Securities held by it prior to the Expiration Date with the assistance of the relevant nominee service provider.

None of the Issuer or any Paying Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Relevant Clearing System nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Relevant Clearing System.

### ***There may be a change of law which may affect the value of the Securities***

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law or administrative practice after the date of this Prospectus.

### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### ***The return on an investment in the Securities will be affected by charges incurred by investors***

An investor's total return on an investment in the Securities will be affected by the level of fees charged by the nominee service provider and/or Relevant Clearing System used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of securities, custody services and on payments of principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the Securities.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Securities are legal investments for it, (ii) the Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

***Market Disruption Event***

In the event of the occurrence of Market Disruption Event on the Settlement Date, the Settlement Date may be delayed, which delay could be lengthy. A Market Disruption Event includes the declaration of a general moratorium in respect of banking activities in the country or countries in which the Fund Component is located, incorporated or are deemed to have its principal place of business; and/or (ii) the Management Company is generally unable to execute and/or settle any corresponding hedging arrangements with the Issuer such that the Issuer receives full settlement in accordance with customary market practice in respect of the relevant underlying; and /or (iii) the occurrence of a Fund Adjustment Event.

## SELLING RESTRICTIONS

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*The statements which follow are of a general nature. Potential purchasers in each jurisdiction must ensure that they are able validly to take delivery of the Securities and any assets into which they may convert or be settled. Additional certifications may be required by the Issuer and/or any clearance system at the time of exercise and/or settlement.*

### 1. GENERAL

No action has been or will be taken by the Issuer that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the Issuer.

### 2. EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Issuer represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

3. UNITED STATES OF AMERICA

The Securities have not been and will not be registered under the Securities Act of 1933 (as amended) (the “**Securities Act**”) and trading in the Securities has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act of 1922. The Securities may not at any time be offered, sold, delivered, traded or exercised, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person and a U.S. person may not, at any time, directly or indirectly, maintain a position in the Securities. Offers, sales, trading or deliveries of the Securities in the United States or to, or for the account or benefit of, U.S. persons may constitute a violation of the United States law governing commodities trading. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Issuer will not offer, sell or deliver the Securities at any time within the United States or to, or for the account or benefit of, any U.S. person, and it will require all those dealers participating in the distribution of the Securities not to offer, sell, deliver or trade, at any time, directly or indirectly, any Securities in the United States or to, for the account or benefit of, any U.S. person. In addition, the Issuer will send to each dealer to which it sells Securities at any time a confirmation or other notice setting forth the restrictions on offers, sales and deliveries of the Securities in the United States or to, or for the account or benefit of, U.S. persons. As used in this and the above paragraph “**United States**” means the United States of America, its territories or possessions, any state of the United States, the District of Columbia or any other enclave of the United States government, its agencies or instrumentalities, and “**U.S. person**” means:

- (a) any person who is a U.S. person as defined in Regulation S under the Securities Act;
- (b) any person or entity other than one of the following:
  - (1) a natural person who is not a resident of the United States;

- (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a jurisdiction other than the United States and which has its principal place of business in a jurisdiction other than the United States;
- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by U.S. persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. persons; or
- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

#### 4. UNITED KINGDOM

The Issuer represents, warrants and agrees that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer and it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

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#### DOCUMENT INCORPORATED BY REFERENCE

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The Issuer's registration document dated 30 June 2006, as supplemented by the supplement to the registration document dated 8 August 2006, (together the “**Registration Document**”) prepared in accordance with Article 5(3) of the Prospectus Directive was published prior to the date of this Prospectus, has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in its capacity as competent authority under the Securities Transactions Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*) (the “**Competent Authority**”). The Registration Document shall be incorporated in, and form part of, this Prospectus.

Copies of the Registration Document can be obtained from the registered office of the Issuer at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and on [www.abnamro.com](http://www.abnamro.com).

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## TAXATION

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*Potential purchasers who are in any doubt about their tax position on purchase, ownership or transfer of the Securities should consult their professional tax advisers.*

1. GENERAL

Purchasers of the Securities may be required to pay stamp taxes and other charges in accordance with the laws of practices of the country of purchase in addition to the issue or purchase price of each Security.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty or other payment which may arise as a result of the ownership or transfer of the Securities.

2. THE NETHERLANDS

The following paragraph, which is intended as a general guide only, is based on current law and practice in The Netherlands. It summarises certain aspects of taxation in The Netherlands only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be of relevance.

All payments by the Issuer in respect of the Securities will be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless such withholding is, in the future, required by law.

3. LUXEMBOURG

The following paragraph is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Please be aware that the residence concept used in the present section applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or Luxembourg concepts only.

Under Luxembourg general tax laws currently in force and subject to the Luxembourg laws of 21 June 2005 and 23 December 2005 mentioned below, there will be no Luxembourg withholding tax on payments of principal, premium or interest made to the Holders of the



Securities, nor on accrued but unpaid interest in respect of the Securities, nor there will be any Luxembourg withholding tax payable upon redemption or repurchase of the Securities.

Under the laws of 21 June 2005 (the **Laws**) implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a Luxembourg withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15% during the first three-year period starting 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Laws would at present be subject to withholding tax of 15%.

Under the law of 23 December 2005 (the **Law**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a Luxembourg withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Law would be subject to withholding tax of 10%.

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## GENERAL INFORMATION

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### **Authorisation**

The issue of the Securities has been duly authorised by a resolution of the Board of Managing Directors of the Issuer dated 8 June 2004. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of the Securities.

### **Listing**

Application may be made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange.

### **Documents available**

For so long as the Securities remain outstanding, copies of the following documents will, when published, be available, free of charge, from the registered office of the Issuer and from the specified office of the Paying Agent:

- (a) an English translation of the Certificate of Incorporation and the most recent Articles of Association of the Issuer;
- (b) the audited financial statements of Holding for the financial years ended 2004 and 2005 and the most recently available published interim financial statements (quarterly figures) of Holding (in English), in each case together with any audit reports prepared in connection therewith;
- (c) a copy of the Registration Document; and
- (d) a copy of this Prospectus.

### **Notices**

Notices with regard to the Securities will be published in accordance with Condition 4 of the General Securities as set out below.

### **Clearing and settlement systems**

The Securities have been accepted for clearance through Euroclear (its address being 1 Boulevard du Roi Albert II, B-1210 Brussels) and Clearstream, Luxembourg (its address being 42 Avenue JF

Kennedy, L-1855 Luxembourg). The Common Code is 27179223 and the International Securities Identification Number is XS0271792235.

### **Material change**

Save as disclosed in this Prospectus or any document incorporated by reference in it, there has been no material adverse change in the prospects of Holding (taken as a whole) or the Issuer since 31 December 2005. There has been no significant change in the financial or trading position of Holding (taken as a whole) or the Issuer since 31 December 2005.

### **Litigation**

In several jurisdictions legal proceedings have been initiated against Holding or its group companies whose financial statements have been included in Holding's consolidated annual accounts for the financial year ended 31 December 2005. On the basis of information presently available, neither the Issuer nor Holding is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holding are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or Holding.

### **Auditors**

The auditors of Holding are Ernst & Young Accountants, registered accountants, of Drentestraat 20, 1083 HK Amsterdam, The Netherlands, who have audited Holding's accounts, without qualification, in accordance with generally accepted auditing standards in The Netherlands for each of the two financial years ended 31 December 2005. The auditors of Holding have no material interest in Holding.

The reports of the auditors of Holding are incorporated in the form and context in which they are incorporated, with the consent of the auditors who have authorised the contents of that part of this Prospectus.

### **Interest material to the offer**

So far as the Issuer is aware, no person (other than the Issuer in its separate capacities as Issuer and Calculation Agent, see "*Risk Factors – Actions taken by the Calculation Agent may affect the Underlying*") involved in the issue of the Securities has an interest material to the offer.

### **Information on the Underlying**

Information about the past and future performance of the Underlying and its volatility can be obtained from the Issuer upon e-mail request to [DSG\\_Structuring@abnamro.com](mailto:DSG_Structuring@abnamro.com) or from the Management Company upon e-mail request to Biren Amin and Steven Fobel at [Biren.Amin@axa-im.com](mailto:Biren.Amin@axa-im.com) and

[Steven.Fobel@axa-im.com](mailto:Steven.Fobel@axa-im.com) respectively. Please also see the Section headed “Description of the Fund”.

**Number of Certificates represented by the Securities**

The number of certificates represented by the Securities issued by the Issuer on the Issue Date will be 100.

**Issue Price per Security**

The issue price per Security on the Issue Date will be EUR 500,000.

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## CONDITIONS: GENERAL CONDITIONS

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*The General Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be printed on the Definitive Securities or attached to the Global Security representing the Securities.*

1. DEFINITIONS

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions.

2. STATUS

The Securities constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

3. EARLY TERMINATION

The Issuer shall have the right to terminate the Securities if it shall have determined in its absolute discretion that for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power (“**Applicable Law**”). In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4.

4. NOTICES

- (a) Validity. Unless otherwise specified in an Offering Supplement, announcements to Holders will be valid if delivered to the Clearing Agent(s).

- (b) Delivery. Any such announcement issued pursuant to General Condition 4(a) shall be deemed to be effective on the day following its delivery to the Clearing Agent (and if delivered to more than one Clearing Agent on the date first delivered to a Clearing Agent) or, if published as specified in the relevant Offering Supplement on the date of such publication (and if published in more than one country then on the date first published).

5. HEDGING DISRUPTION

- (a) Notification. The Issuer shall as soon as reasonably practicable give instructions to the Calculation Agent to notify the Holders in accordance with General Condition 4(a):
  - (i) if it determines that a Hedging Disruption Event has occurred; and
  - (ii) of the consequences of such Hedging Disruption Event as determined by the Issuer pursuant to General Condition 5(c).
- (b) Hedging Disruption Event. A “**Hedging Disruption Event**” shall occur if the Issuer determines that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially to establish, re-establish, substitute or maintain a relevant hedging transaction (a “**Relevant Hedging Transaction**”) it deems necessary or desirable to hedge the Issuer's obligations in respect of the Securities. The reasons for such determination by the Issuer may include, but are not limited to, the following:
  - (i) any material illiquidity in the market for the relevant instruments (the “**Disrupted Instrument**”) which from time to time are included in the reference asset to which the Securities relate; or
  - (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or
  - (iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any such Relevant Hedging Transaction; or
  - (iv) the general unavailability of (A) market participants who will agree to enter into a Relevant Hedging Transaction; or (B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

- (c) Consequences. The Issuer, in the event of a Hedging Disruption Event, may determine to:
- (i) terminate the Securities. In such circumstances the Issuer will, however, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Security held by such Holder an amount calculated by it as the fair market value of the Security immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date, any such amount to be paid under this General Condition shall not be less than the present value of such minimum assured return of principal and/or interest or coupons, such present value being determined by the Calculation Agent. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 4;
  - (ii) make an adjustment in good faith to the relevant reference asset by removing the Disrupted Instrument at its fair market value (which may be zero). Upon any such removal the Issuer may:
    - (A) hold any notional proceeds (if any) arising as a consequence thereof and adjust the terms of payment and/or delivery in respect of the Securities; or
    - (B) notionally reinvest such proceeds in other reference asset(s) if so permitted under the Conditions (including the reference asset(s) to which the Securities relate);
  - (iii) make any other adjustment to the Conditions as it considers appropriate in order to maintain the theoretical value of the Securities after adjusting for the relevant Hedging Disruption Event. Where the Securities contain provisions which provide a minimum assured return of principal, howsoever expressed, on the Settlement Date or Maturity Date as applicable, or a minimum assured return of interest or coupons, howsoever expressed, on a relevant Interest Payment Date, any such adjustment will in no way affect the Issuer's obligations to make payment to the Holders not less than the minimum

assured return of principal and/or interest or coupons on the relevant Settlement Date or Maturity Date, or Interest Payment Date, as applicable.

6. PURCHASES, FURTHER ISSUES BY THE ISSUER AND PRESCRIPTION

- (a) Purchases. The Issuer or any Affiliate may, except under certain circumstances, purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held, surrendered for cancellation or reissued or resold, and Securities so reissued or resold shall for all purposes be deemed to form part of the original series of Securities.

In this General Condition 6(a) “**Affiliate**” means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein “**control**” means the ownership of a majority of the voting power of the entity and “**controlled by**” and “**controls**” shall be construed accordingly.

- (b) Further Issues. The Issuer shall be at liberty from time to time without the consent of the Holders or any of them to create and issue further securities so as to be consolidated with and form a single series with the Securities.
- (c) Prescription. Any Security or Coupon which is capable of presentation and is not so presented by its due date for presentation shall be void, and its value reduced to zero, if not so presented within five years of such due date. For the avoidance of doubt, any Securities which are subject to provisions relating to their exercise shall be void, and their value shall be zero, if not exercised in accordance with their provisions.

7. DETERMINATIONS AND MODIFICATIONS

- (a) Determinations. Any determination made by the Issuer shall (save in the case of manifest error) be final, conclusive and binding on the Holders.
- (b) Modifications. The Issuer may without the consent of the Holders or any of them, modify any provision of the Conditions which is (1) of a formal, minor or technical nature, (2) made to correct a manifest error, or (3) in its absolute discretion, not materially prejudicial to the interests of the Holders. Notice of any such modification will be given to the Holders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.



8. SUBSTITUTION

- (a) Substitution of Issuer. The Issuer may at any time, without the consent of the Holders substitute for itself as principal obligor under the Securities any company (the “**Substitute**”), being any subsidiary or affiliate of the Issuer, subject to: (1) the obligation of the Substitute under the Securities being guaranteed by ABN AMRO Holding N.V. (“**Holding**”) (unless Holding is the Substitute); (2) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and (3) the Issuer having given at least 30 days’ prior notice of the date of such substitution to the Holders in accordance with General Condition 4. In the event of any substitution of the Issuer, any reference in the Conditions to the Issuer shall from such time be construed as a reference to the Substitute.
- (b) Substitution of Office. The Issuer shall have the right upon notice to the Holders in accordance with General Condition 4 to change the office through which it is acting and shall specify the date of such change in such notice.

9. TAXATION

The Issuer shall not be liable for or otherwise be obliged to pay any tax, duty, withholding or other similar payment which may arise as a result of the ownership, transfer or exercise of any Securities. In relation to each Security the relevant Holder shall pay all Expenses as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax duty or other charge whatsoever). The Holder shall be liable for and/or pay, any tax, duty or charge in connection with, the ownership of and/or any transfer, payment or delivery in respect of the Securities held by such Holder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable such amount, as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. Each Holder shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other payment as referred to above in respect of the Securities of such Holder.

10. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Agent (or such other place of which notice shall have been given to Holders in accordance with General Condition 4) upon payment by the claimant of

the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued.

11. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

- (a) Redenomination. The Issuer may, without the consent of any Holder, on giving notice to the Holders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in such notice, certain terms of the Securities shall be redenominated in euro. The election will have effect as follows:
  - (1) where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;
  - (2) where the Conditions contain a rate of exchange or any of the Conditions are expressed in a currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, whether as from 1999 or after such date, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and
  - (3) such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.
- (b) Adjustment to Conditions. The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.
- (c) Euro Conversion Costs. Notwithstanding General Condition 11(a) and/or General Condition 11(b), none of the Issuer, the Calculation Agent nor any Agent shall be

liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

- (d) Definitions Relating to European Economic and Monetary Union. In this General Condition, the following expressions have the meanings set out below.

“**Adjustment Date**” means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls, if the currency is that of a country not initially participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, on or after such later date as such country does so participate;

“**Established Rate**” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 123(4), formerly 109 L (4) of the Treaty;

“**National Currency Unit**” means the unit of the currency of a country as those units are defined on the day before the start of the third stage of European Economic and Monetary Union pursuant to the Treaty or, in connection with the expansion of such third stage, of any country which has not initially participated in such third stage; and

“**Treaty**” means the treaty establishing the European Community.

## 12. AGENTS

- (a) Principal Agent and Agents. The Issuer reserves the right at any time to vary or terminate the appointment of any agent (the “**Agent**”) and to appoint further or additional Agents, provided that no termination of appointment of the principal agent (the “**Principal Agent**”) shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country required by the rules and regulation of each such stock exchange and each such jurisdiction and provided further that, if and to the extent that any of the Securities are in registered form, there shall be a Registrar and a Transfer Agent (which may be the Registrar), if so specified in the relevant Product Conditions. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Holders in accordance with General Condition 4. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of

agency or trust for or with, the Holders or any of them. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

- (b) Calculation Agent. The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**” which expression shall include any successor Calculation Agent) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any termination or appointment will be given to the Holders in accordance with General Condition 4.

The Calculation Agent (except where it is the Issuer) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. Where the Issuer acts in the capacity of the Calculation Agent it does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. In any event, any calculations or determinations in respect of the Securities made by the Calculation Agent (whether or not the Issuer) shall (save in the case of manifest error) be final, conclusive and binding on the Holders.

The Calculation Agent (except where it is the Issuer) may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate. Where the Calculation Agent is the Issuer it may delegate any of its obligations and functions to a third party as it deems appropriate.

### 13. SURRENDER OF UNMATURED COUPONS

Each Security should be presented for redemption, where applicable, together with all unmatured Coupons relating to it. Upon the due date for redemption of any Security, where applicable, all unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

### 14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any Condition. The preceding sentence shall not affect any right or remedy of any person which exists or is available apart from that Act.

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## CONDITIONS: PRODUCT CONDITIONS

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*The Product Conditions which follow relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions (whether or not attached to this document). The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.*

### 1. DEFINITIONS

“**Agent**” means ABN AMRO Bank N.V. (acting through its London branch), 250 Bishopsgate, London EC2M 4AA as principal agent (the “**Principal Agent**”) which expression shall include any other Agent appointed pursuant to the provisions of General Condition 12;

“**Annex 1**” means the supplement to these Product Conditions which details information on the Index. For the avoidance of doubt, the provisions set out in Annex 1 shall form part of these Product Conditions;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and a day on which each Clearing Agent is open for business;

“**Capital Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

Any Capital Distributions (as specified in Annex 1) multiplied by the Entitlement, which may be equal to but not less than zero;

“**Cash Amount**” means an amount determined by the Calculation Agent in accordance with the following formula, less Expenses:

Final Index Level multiplied by Entitlement;

The above amount shall be converted into the Settlement Currency at the prevailing Exchange Rate, if so specified. The aggregate Cash Amount payable to a Holder shall be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

“**Cash Component**” shall have the meaning given to it in Annex 1;

“**Clearing Agent**” means Euroclear Bank S.A. and/or Clearstream Banking S.A. and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the

Issuer from time to time and notified to the Holders in accordance with General Condition 4 (each a **“Clearing Agent”** and together the **“Clearing Agents”**);

**“Coupon Amount”** means any Income Distributions (as specified in Annex 1). Income Distributions will be distributed as a Coupon on a pro rata basis per Security following receipt by the Issuer of any income distribution in relation to the Underlying.;

**“Entitlement”** means 1;

**“EUR”** or **“euro”** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

**“Exchange Rate”** means the rate of exchange between the relevant currency and the Settlement Currency (expressed as a number of units of the Settlement Currency for which such relevant currency can be exchanged) as determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

**“Expenses”** means all taxes, duties and/or expenses, including all applicable depository, transaction or exercise charges, stamp duties, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (i) the exercise of a relevant Security and/or (ii) any payment or delivery due following exercise or otherwise in respect of a relevant Security;

**“Expiration Date”** means the earlier of (i) the Issuer Call Date and (ii) the Final Unwind Date of the Underlying;

**“Fair Market Value”** means an amount calculated and determined in good faith by the Calculation Agent as being the fair market value of one Security less the cost to the Issuer of unwinding any related hedging arrangements;

**“Final Index Level”** means the Index Level as calculated by the Index Agent on the Valuation Date, equal to (i) the value of the Cash Component (which may be negative) plus (ii) the value of the Fund Component, based on the realised final unwind value achieved by the Issuer on the disposal, redemption or unwind of its hedge in respect of the Fund Component;

**“Final Unwind Date”** means the date specified in the Fund Documents as the Term of the Fund;

**“First Closing Date”** means the date of the first closing of the Fund, as determined by the Management Company, which is expected to be 20<sup>th</sup> October 2006;

**“Form”** means Global;

**“Fund”** means European Real Estate Opportunity Fund II (REOF II) managed by the Management Company;

**“Fund Adjustment Event”** means each event specified as such in Product Condition 4;

**“Fund Component”** shall have the meaning given to it in Annex 1;

**“Fund Documents”** means the information memorandum, together with the limited partnership agreement and other and constituent documents of the Fund as may be amended from time to time, under which the Fund will be constituted;

**“Fund Transactions”** means any subscription or redemptions of shares or units in the Underlying on a Trading Day;

**“Index”** means the index described in Annex 1;

**“Index Agent”** means ABN AMRO Bank N.V., (acting through its London branch) which expression shall include any successor Index Agent appointed pursuant to the provisions of General Condition 12;

**“Index Component”** shall have the same meaning as in Annex 1;

**“Index Level”** shall have the same meaning as in Annex 1;

**“Index Start Date”** means the Issue Date;

**“Initial Index Level”** means EUR 500,000;

**“Issue Date”** means 18 October 2006;

**“Issue Price”** means EUR 500,000;

**“Issue Size”** means EUR 50,000,000;

**“Issuer Call Date”** means the Business Day falling 10 years after the Index Start Date;

**“Issuer Early Termination Event”** means if at any time, on or after the Issue Date, a Fund Adjustment Event occurs;

**“Management Company”** means AXA Investment Managers GS Limited or such successor management company;

**“Market Disruption Event”** means each event specified as such in Product Condition 4;

**“Number of Certificates”** means 100;

**“Payment Day”** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

**“Realised Index Capital Payment”** shall have the same meaning as in Annex 1;

“**Securities**” means the EUR 50,000,000 AXA REIM European Real Estate Opportunity II Certificates (ISIN: XS0271792235; Common Code: 27179223) (and each a “**Security**”). The Securities are primary payment obligations of ABN AMRO Bank N.V.;

“**Settlement Currency**” means EUR;

“**Settlement Date**” means (i) in respect of a Capital Amount, the fifth Payment Day following the receipt by the Issuer of a Realised Index Capital Payment and (ii) in respect of the Cash Amount, the fifth Payment Day following the Valuation Date;

“**Share**” means one partnership right, share or interest in respect of the Underlying;

“**Trading Day**” means each Business Day;

“**Underlying**” shall have the same meaning as in Annex 1;

“**Valuation Date**” means the Expiration Date or, if such date is not a Trading Day, the first Trading Day thereafter unless, in the determination of the Calculation Agent, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each Trading Day following the original date which (but for the Market Disruption Event) would have been the Valuation Date until the day that is 120 calendar days following the Valuation Date (or if such day is not a Trading Day, the next following Trading Day). In that case (a) the Trading Day that falls 120 calendar days following the Valuation Date shall be deemed to be the Valuation Date (regardless of the Market Disruption Event) and (b) the Calculation Agent shall determine the Fair Market Value (which may be zero) having regard to the then prevailing market conditions, the last reported or disseminated price of the Underlying and such other factors as the Calculation Agent determines to be relevant.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

## 2. FORM

The Securities are represented by a Global Security (the “**Global Security**”) which will be deposited with the Clearing Agent and will be transferable only in accordance with the applicable law and the rules and procedures of the relevant Clearing Agent through whose systems the Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular unit quantity of the Securities (in which regard any certificate or other document



issued by the relevant Clearing Agent as to the unit quantity of the Securities standing to the credit of the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and each Agent as the holder of such unit quantity of the Securities (and the term “**Holder**” shall be construed accordingly) for all purposes, other than with respect to any payment and/or delivery obligations, the right to which shall be vested as regards the Issuer and the Agents, solely in the bearer of the Global Security.

### 3. RIGHTS AND PROCEDURES

- (a) Exercise. The Securities will be deemed to be automatically exercised on the Expiration Date.
- (b) Cash Amount. The Cash Amount shall be paid in a single payment or in portions thereof depending on whether there are one or more Settlement Dates.
- (c) Capital Amount. The Securities shall entitle the Holders to receive from the Issuer any Capital Amount in the Settlement Currency on the relevant Settlement Date, as determined by the Calculation Agent.
- (d) Interest. The Securities may bear interest at the Coupon Amount, and shall be paid to Holders as soon as reasonably practicable after the Issuer receives such amount with respect to the Underlying. A Coupon Amount (if any) shall not be re-invested in the Cash Amount (or otherwise) and shall not itself bear interest.
- (e) Issuer Early Termination. If an Issuer Early Termination Event occurs at any time on or after the Issue Date, the Issuer may terminate the Securities against payment of the Fair Market Value at the time the Issuer elects to carry out such termination.
- (f) Early Redemption. An early redemption event (an “**Early Redemption Event**”) will occur where the Issuer notifies the Holders in accordance with General Condition 4, on or before the Index Start Date, that the Underlying will not be fully operational for the purpose of the Securities for the Index Start Date (“**Early Redemption Date**”).

For the purpose of the definition of Early Redemption Event, the Underlying is deemed to be fully operational for the purpose of the Securities if (but without limitation): (i) all the constitutive documents relating to the Underlying (the “**Underlying Documentation**”) are duly and legally and validly signed by each of the parties thereto and constitute the legal, valid and binding obligations of each of the parties thereto, enforceable in accordance with their respective terms; (ii) the Underlying issues on or before the Index Start Date the necessary number of Shares so that the Issuer can properly and adequately hedge its obligations in respect of the

Securities and from the Index Start Date and thereafter, the Underlying is able to do all transactions (including, subscription, purchase, redemption or sale of Shares) with the Issuer required for the purpose of the Issuer being able to hedge its position in respect of the Securities with the Shares; (iii) the Underlying or the Management Company are able to operate the Underlying in accordance with its investment objective and policy as set out in the Fund Documents; (iv) all authorisations, consents, clearances or approvals required by law, contractually or otherwise in whichever jurisdiction are obtained to the satisfaction of each of the parties to the Underlying Documentation; and (v) all such things that need to be done, formalities to be carried out, documents to be executed or established in connection with the Underlying are done, carried out, executed or established to the satisfaction of each of the parties to the Underlying Documentation.

If an Early Redemption Event occurs at any time on or before the Index Start Date, the Issuer (i) will not have any obligation of whatsoever nature to pay any Cash Amount (or any other amounts except as referred to in (ii) below); and (ii) will pay (less Expenses) in respect of each Securities outstanding, an amount equal to the Issue Price plus interest calculated on the basis of daily compounding (and actual number of days) for the period beginning on and including the Issue Date until and excluding the Early Redemption Date using the relevant overnight EURIBOR rate.

- (g) Cash Settlement. Subject to the delivery by the Holder of a duly completed Notice including certification as to non-U.S. beneficial ownership, each Security entitles its Holder to receive, from the Issuer on the Settlement Date, or five Business Days following the delivery of a Notice if later and subject to General Condition 6(c), the Cash Amount.
- (h) Payment Day. If the date for payment of any amount in respect of the Securities is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.
- (i) General. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent nor any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Amount.
- (j) Notice. All payments shall be subject to the delivery of a duly completed notice (a “**Notice**”) to a Clearing Agent with a copy to the Principal Agent. The form of the Notice may be obtained during normal business hours from the specified office of each Agent.

A Notice shall:

- (i) specify the number of Securities to which it relates;
  - (ii) specify the number of the account with the Clearing Agent to be debited with the Securities to which it relates;
  - (iii) irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date such account with such Securities;
  - (iv) specify the number of the account with the Clearing Agent to be credited with the Cash Amount (if any) for such Securities;
  - (v) certify that neither the person delivering the Notice nor any person on whose behalf the Notice is being delivered is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (A) an individual who is a resident or a citizen of the United States; (B) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (C) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (D) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (E) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (B) above; (F) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (A) to (E) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (G) any other “**U.S. person**” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; and
  - (vi) authorise the production of such Notice in any applicable administrative or legal proceedings.
- (k) Verification. In respect of each Notice, the relevant Holder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities.

- (l) Settlement. The Issuer shall pay or cause to be paid the Cash Amount (if any) for each Security with respect to which a Notice has been delivered to the account specified in the relevant Notice for value on the Settlement Date.
- (m) Determinations. Failure properly to complete and deliver a Notice may result in such notice being treated as null and void. Any determination as to whether a Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Holder. Subject as set out below, any Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered to a Clearing Agent as provided in the Conditions shall be void.

If such Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Notice submitted at the time such correction is delivered to such Clearing Agent and copied to the Principal Agent.

Any Security with respect to which a Notice has not been duly completed and delivered in the manner set out above by the time specified in Product Condition 3 shall become void.

The Principal Agent shall use its best efforts promptly to notify the relevant Holder if it has determined that a Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (n) Delivery of a Notice. Delivery of a Notice by or on behalf of a Holder shall be irrevocable with respect to the Securities specified and no Notice may be withdrawn after receipt by a Clearing Agent as provided above. After the delivery of a Notice, the Securities which are the subject of such notice may not be transferred.
- (o) Exercise and Settlement Risk. Exercise and settlement of the Securities is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### 4. ADJUSTMENTS

- (a) **Market Disruption.** The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders in accordance with General Condition 4 if it determines that a Market Disruption Event has occurred.

“**Market Disruption Event**” means that (i) a general moratorium is declared in respect of banking activities in the country or countries in which the Fund Component is located, incorporated or are deemed to have its principal place of business; and/or (ii) the Management Company is generally unable to execute and/or settle any corresponding hedging arrangements with the Issuer such that the Issuer receives full settlement in accordance with customary market practice in respect of the relevant underlying; and/or (iii) a Fund Adjustment Event, as defined below, has occurred.

- (b) **Adjustments to the Fund Component.** Following a Fund Adjustment Event, the Calculation Agent will determine the effect of such Fund Adjustment Event and may determine the appropriate adjustment, if any, to be made to any one or more of the Conditions and/or the Index to account for such event and determine the effective date of that adjustment. Such adjustment may result in the early termination of the Securities (in accordance with Product Condition 3(e)).

The occurrence of one or more of the following events on or prior to the Expiration Date shall be deemed to be a “**Fund Adjustment Event**”:

- (i) the relevant Fund Component’s investment objectives and investment restrictions (including without limitation a change to the days on which Fund Transactions can take place), prospectus or information memoranda, which are in force as at the Issue Date, are, in the determination of the Calculation Agent, materially changed, not complied with or the method of calculating the net asset value of a Share of the Fund Component is materially changed;
- (ii) the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the relevant Fund Component or its fund manager to carry-out their activities as they are or should be carried out for the purpose of the Securities;
- (iii) the Fund is liquidated, dissolved or otherwise ceases to exist or it or the Management Company is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law or the Fund Component is subject to any fraud;
- (iv) the relevant Fund Component and/or the Management Company ceases for

any reason whatsoever, to provide, publish or make available the net asset value of the Fund Component (the “NAV”) a day on which the relevant Fund Component normally provides, publishes or makes available the NAV (“**Publication Days**”) and the relevant Fund Component fails to provide, publish or make available the NAV for five consecutive Publication Days;

- (v) the compulsory redemption of all Shares in the Fund Component for any reason, prior to the Expiration Date;
- (vi) any dealing or payment restrictions (and/or amendments to relevant documentation) related to the Fund Component and/or Fund Transactions by its relevant Management Company, affiliate, agent, or intermediary platform through which the Issuer may contract (via a trading agreement or other ancillary document) in order to carry out Fund Transactions;
- (vii) the change of control or of management of the Fund Component or of the Management Company including without limitation any of Biren Amin or Steven Fobel cease to hold the same or substantially the same position as of the Index Start Date with the Fund Component’s manager unless, in the sole opinion of the Issuer, the relevant replacements are one or more individuals who are reputable and experienced in their field and satisfy the compliance, due diligence and other control procedures of the Issuer;
- (viii) a disposal of a material part of the assets and/or liabilities or a material change in business of the Fund Component or of the Management Company;
- (ix) the imposition of, change in, or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the Index (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price of the Index from what it would have been without that imposition, change or removal;
- (x) there is a discrepancy in (1) the number of units in the Underlying affecting the number of units held by the Issuer or for its account or (2) the number of units held by the Issuer or for its account and in either case, such error is not promptly rectified upon the Issuer’s request; or
- (xi) any other event which, in the opinion of the Issuer, has an analogous effect to any of the events specified above.

- (c) Merger Event, Nationalisation and Insolvency. If a Merger Event, Nationalisation or Insolvency occurs in relation to the Fund Component, the Issuer in its sole and absolute discretion may take the action described in (1), (2) or (3) below:
- (1) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of these Conditions to account for the Merger Event, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but is under no obligation to) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Nationalisation or Insolvency made by any exchange or related exchange, if any to options contracts or futures contracts or other derivatives contracts on the Shares if any and if traded on an exchange or related exchange; or
  - (2) cancel the Securities by giving notice to Holders in accordance with General Condition 4. If the Securities are to be cancelled the Issuer will pay an amount to each Holder in respect of each Security held by him which amount shall be the fair market value of a Security (taking into account the Merger Event, Nationalisation or Insolvency (as the case may be)) on the day selected for cancellation as shall be selected by the Issuer in its sole and absolute discretion adjusted to account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any equity options or selling or otherwise realising any Shares or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with General Condition 4; or
  - (3) following any adjustment to the settlement of terms of options contracts or futures contracts or any other derivatives contracts on the shares of the Fund Component if any, traded as the case may be on any exchange or related exchange, require the Calculation Agent to make a corresponding adjustment to any of the other terms of these Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the exchange or related exchange. If options contracts or futures contracts or other derivatives

contracts on the shares of the Fund Component are not traded on an exchange or a related exchange, the Calculation Agent will make such adjustment, if any, to any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by any relevant exchange or related exchange to account for the Merger Event, Nationalisation or Insolvency (as the case may be) that in the determination of the Calculation Agent would have given rise to an adjustment by the relevant exchange or related exchange if such options contracts or futures contracts or other derivatives contracts were so traded.

Upon the occurrence of a Merger Event, Nationalisation or Insolvency, the Calculation Agent shall notify the Holders in accordance with General Condition 4, stating the occurrence of such Merger Event, Nationalisation or Insolvency (as the case may be) and action proposed to be taken in relation thereto.

**“Merger Date”** means the date upon which all holders of the shares of the Fund Component (other than, in the case of a take-over offer, shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their shares.

**“Merger Event”** means any (1) reclassification or change to the shares of the Fund Component that results in a transfer of or an irrevocable commitment to transfer all outstanding shares of such Fund Component; (2) consolidation, amalgamation or merger of the Fund Component with or into another entity (other than a consolidation, amalgamation or merger in which such Fund Component is the continuing entity and which does not result in any such reclassification or change to all the outstanding shares of the Fund Component); or (3) other take-over offer for the shares of the Fund Component that results in a transfer of or an irrevocable commitment to transfer the shares of the Fund Component (other than any such shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Expiration Date.

**“Nationalisation”** means that all the shares of the Fund Component or all the assets or substantially all the assets of the Fund Component are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting the Fund Component (1) all the Shares are required to be transferred to a receiver, trustee,



liquidator or other similar official or (2) holders of the shares of that Fund Component become legally prohibited from transferring them.

- (d) The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Holder of any determination made by it pursuant to this Product Condition 4 on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Holders copies of any such determinations.

## 5. GOVERNING LAW

The Conditions pertaining to the Securities shall be governed by and shall be construed in accordance with English law.

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**ANNEX 1 TO THE PRODUCT CONDITIONS**  
**INFORMATION RELATING TO THE INDEX**

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*The following describes the Index and its method of calculation and provides certain additional information with regard to the Index. The Index is a proprietary index and no use or publication may be made of it without the prior written consent of ABN AMRO Bank N.V.*

Terms in capitals which are not defined herein shall have the meaning ascribed to them in the Product Conditions or the General Conditions.

**1. THE INDEX**

1.1 The Index (the “**Index**”) will comprise:

- (i) the Fund Component (as defined below) (“**FC**”); and
- (ii) the Cash Component (as defined below) (“**CC**”),

each an “**Index Component**” and together the “**Index Components**”.

At any time from and including the Index Start Date, the amount notionally allocated to each Index Component will be determined in accordance with the Index rules (the “**Index Rules**”) below.

1.2 The Index Agent shall determine the level of the Index (the “**Index Level**”). The Index Level on any Trading Day is given by the following formula:

$$IL_{(t)} = FC_{(t)} + CC_{(t)}$$

Where:

$IL_{(t)}$  is the Index Level on any Trading Day;

$FC_{(t)}$  is the Value of the Fund Component (as specified in Clause 2.2 below); and

$CC_{(t)}$  is the Value of the Cash Component (as specified in Clause 3 below).

1.3 On the Index Start Date the Initial Index Level will be EUR 500,000.

**2. INVESTMENT UNITS IN THE FUND COMPONENT**

2.1 Each investment unit of the Fund Component (a “**Fund Component Unit**”) shall be initially comprised of a notional investment in Shares of the Underlying, subject to adjustment as described in this Annex 1.

- 2.2 The value of the Fund Component on a given Trading Day is determined as follows: (i) the Index Agent shall determine on the Trading Day it is valuing the Fund Component (such day, the “**Fund Component Valuation Date**”) the number of Fund Component Units (the “**Number of Fund Component Units**”) notionally invested in the Fund Component; (ii) the Number of Fund Component Units on a Fund Component Valuation Date is equal to the sum of each amount allocated to the Fund Component since the Index Start Date (each such amount, an “**Allocated Amount**”) divided by the Value of a Fund Component Unit on the day an Allocated Amount is allocated to the Fund Component; and (iii) the Number of Fund Component Units on a Fund Component Valuation Date shall be multiplied by the Value of a Fund Component Unit on the that Fund Component Valuation Date: this product will be equal to the value of the Fund Component on the Fund Component Valuation Date. Any Underlying not quoted in the Index Currency shall be converted into the Index Currency if necessary, at such time using the then prevailing Index Exchange Rate as determined by the Index Agent. The maximum notional allocation to the Fund Component may never exceed the Issue Size.

### **3. THE CASH COMPONENT**

The Cash Component shall comprise a notional investment in a EUR cash deposit account, equal to the notional allocation from time to time in the Cash Component, determined as the sum of (a) minus (b) where (a) means (i) any subscribed but undrawn amounts in respect of the Fund Component plus (ii) all cash receipts from the Underlying (pending distribution to the Holder(s) as Income Distributions or Capital Distributions (as defined below)), together with interest thereon at the EUR Interbank Overnight Deposit Rate (Bloomberg: EUDRIT<Curncy>) as determined by the Calculation Agent and (b) means accrued Index Fees commencing with effect from the Issue Date. The Cash Component may be negative (but solely as a result of the deduction of the accrued Index Fees). The amount from time to time allocated to the Cash Component may be reduced pursuant to Clause 4.3.

### **4. INDEX RULES**

- 4.1 On the Index Start Date the allocation between the Index Components will be as follows:
- (i) Fund Component: EUR 0; and
  - (ii) Cash Component: EUR 500,000.
- 4.2 On the First Closing Date the allocation between the Index Components will be as follows:
- (i) Fund Component: to be determined by the Index Agent on the First Closing Date, as the aggregate amount (which may not exceed the Issue Size) to be initially paid in by the Issuer in respect of the Underlying, such an aggregate amount to be divided by the

Number of Certificates; and

- (ii) Cash Component: to be determined by the Index Agent on the First Closing Date, as the Issue Price minus the allocation to the Fund Component (as determined pursuant to Clause 4.2(i) on the First Closing Date.
- 4.3. At any time after the First Closing Date the Index Agent shall reduce the allocation to the Cash Component as and when the Issuer (as investor in the Underlying) is required by the Management Company to pay in all or part of the remainder of the Issuer's subscription for the Shares in accordance with appropriate written instructions received PROVIDED always that (i) the total aggregate investment of the Issuer in connection with the Securities in the Shares shall not exceed the Issue Size; (ii) interest accrued in the Cash Component may not be invested in Shares (unless otherwise decided by the Issuer in its sole discretion); and (iii) the Cash Component can only be negative as a result of deduction of accrued Index Fees.
- 4.4 In the event of a change in the Underlying having a diluting or concentrative effect on the theoretical value of the Shares, the Calculation Agent may make such corresponding adjustments to the number of units of the Fund Component then comprised in the Index as are appropriate to account for such change.

## 5. DEFINITIONS

The following definitions shall apply in this Annex 1:

**“Capital Distributions”** means (i) any “Realised Index Capital Payment” (which term shall mean any distribution to the Issuer which the Management Company notifies the Issuer as comprising a return of capital in respect of the Underlying), net of applicable withholding taxes (if any), plus (ii) any interest accrued to the date thereof on the Cash Component, less (iii) pro rated Index Fees accrued to the date of receipt by the Issuer, as determined by the Calculation Agent in good faith and in its sole and absolute discretion.

**“Income Distributions”** means (i) any distribution to the Issuer which the Management Company notifies the Issuer as comprising a return of income in respect of the Underlying and which does not constitute a Realised Index Capital Payment, net of applicable withholding taxes (if any), plus (ii) any interest accrued to the date thereof on the Cash Component, less (iii) pro rated Index Fees accrued to the date of receipt by the Issuer, as determined by the Calculation Agent in good faith and in its sole and absolute discretion.

**“Index Currency”** means EUR;

**“Index Exchange Rate”** means the rate of exchange between the relevant currency and the Index Currency (expressed as a number of units of the Settlement Currency for which such relevant currency can be exchanged) as determined by the Calculation Agent by reference to

such sources as the Calculation Agent may reasonably determine to be appropriate at such time;

**“Index Fee”** means an index fee of 100 basis points per annum applied to the Initial Index Level. The Index Fee will accrue on a daily basis from the Issue Date and will be calculated by the Index Agent on the basis of the relevant Initial Index Level;

**“Underlying”** means the Fund, in respect of which the Issuer shall commit EUR 50,000,000 as limited partner; and

**“Value”** means a value expressed in the Index Currency and determined by the Index Agent from such price sources as it shall determine, including without limitation the last reported trading price of the relevant Fund Component Unit as published or made available by a reputable provider of market data and shall be converted into the Index Currency if necessary, at such time using the then prevailing Index Exchange Rate as determined by the Index Agent.

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## DESCRIPTION OF THE FUND

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*The following is a brief description of the Fund which has been accurately reproduced, without material adjustment, from the Fund Documents. As far as the Issuer is aware and is able to ascertain from information published by the Management Company, no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors of the Securities should be aware that the rights and obligations of the holders of the Underlying are governed by English law. Terms used but not defined in this section shall bear the meanings contained elsewhere in this Prospectus or in the Fund Documents.*

*Holders and/or potential holders of the Securities may obtain copies of the Fund Documents by submitting requests to the Issuer or the Management Company to the details specified in the section headed Information on the Underlying in the General Information section above.*

The Fund aims to provide Investors with attractive risk adjusted returns by making and managing investments in real estate assets in Europe, driven primarily by capital appreciation rather than income distribution. Investments will be predominantly located in Western Europe and selectively in Central and Eastern Europe.

The Fund will be structured as an English limited partnership, managed and operated by the Management Company. AXA Real Estate Investment Managers (“AXA REIM”) will provide advice to the Management Company with respect to the investments of the Fund.

The Fund has a target size of Euro 200 million. The Manager has reserved the right to close the Fund with a minimum level of commitments of Euro 75 million. It anticipated that the Fund will have an investment period of 3 years and a target term of 7 years from the Final Closing Date (being a maximum of 12 months following First Closing Date (which is expected to be 20th October 2006). The termination date of the Fund may be extended by one or more periods of up to two years in total in order to permit the orderly liquidation of investments. The AXA group is expected to make a significant commitment to the Fund. The target return for the Fund is a net fund IRR of 15% on drawn down commitments. No assurance or guarantee is given that this return will be achieved. The Fund has a right to borrow to up to 75% of the Fair Value of its Investments, unless otherwise agreed by the

Investors' Advisory Committee. The Fund's distribution policy is 100% to Investors until: (i) all commitments drawn down to pay the acquisition cost of investments which have been realised or written off with the Preferred Return; and (ii) the Realised Investment Proportion of all Partnership Expenses (including the Management Fee) together with the Preferred Return have been returned to investors. Preferred Return is 11% per annum. The fund manager will be entitled to 20% of the Carried Interest, which will be received by the Carried Interest Partner. The Carried Interest Partner is an investment vehicle through which AXA REIM and certain investment professionals will participate in Carried Interest. The Management Company will be entitled to receive a Management Fee of 1.75% per annum of total commitments until the end of the Investment Period and 1.75% on drawn down and contractually committed Commitments less the cost of all realised Investments and write-offs thereafter. Organisational Expenses are payable by the Fund, subject to a maximum of EUR 1,000,000.

## **AXA REIM**

AXA REIM, a wholly-owned subsidiary of AXA Investment Managers, is a specialist in European real estate with over €30 billion of assets under management as at 30 June 2006. AXA REIM will provide investment advice to the Manager with respect to the Portfolio. AXA REIM has an extensive local real estate infrastructure, with over 420 staff operating in fourteen European countries. As such, it is one of Europe's largest and most diversified real estate investment management businesses, providing extensive multi-disciplinary expertise across a broad variety of property types.

AXA REIM has local expertise in all the major property types (office, retail and warehouse), as well as the residential and hotel sectors in a number of markets. In addition, AXA REIM offers specialist local capability in areas such as transaction execution, development, project management, tax, legal, accounting, risk management and compliance. This is complemented by global and local real estate market research, delivery of tax-efficient cross-border structures, and property financing.

## ***The AXA Group***

AXA REIM is ultimately owned by AXA S.A. ("AXA"), which ranks as one of the world's leading providers of financial protection and wealth management services. AXA is present in some 60 countries with 110,000 staff and 50 million clients world-wide. AXA has total assets

under management of €1,064 billion as at 30 June 2006. AXA's financial ratings are as follows: Fitch IBCA – AA; Moody's – Aa3; and Standard & Poor's – AA-.



## **ISSUER**

### **ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

## **PRINCIPAL AGENT**

### **ABN AMRO Bank N.V.**

(acting through its branch in London)

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United Kingdom

## **CALCULATION AGENT**

### **ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

## **AUDITORS**

### **Ernst & Young Accountants**

Drentestraat 20  
1083 HK Amsterdam  
The Netherlands