

PROSPECTUS

for

Kempen Global Bond Fund

January 2010

DRAFT

CONTENTS

DRAFT

DEFINITIONS

'Affiliated Investment Fund'	An Investment Fund managed by a party affiliated with the Management Company or Investment Fund
'AFM'	Netherlands Authority for the Financial Markets
'Annexes'	The annexes to the Prospectus, being the three most recent (semi-)annual reports, as far as applicable, the Articles of Association and the registration document
'Articles of Association'	The Articles of Association of the Investment Fund
'Bgfo'	Decree on the Supervision of the Conduct of Financial Enterprises (<i>Besluit gedragstoezicht financiële ondernemingen</i>) as applicable from time to time
'Bloomberg Composite Rating'	Credit assessment for financial instruments, being the average credit rating for these financial instruments as provided by various credit rating agencies
'Business Day'	A day on which Euronext Amsterdam is open for trading
'CET'	Central European Time
'Cut-off Time'	The time (16:00 CET) by which orders must be received by the Fund Agent to be accepted for execution on the next Business Day
'€'	Euro
'Euronext Amsterdam'	The Euronext Fund Services segment of the Euronext Amsterdam stock exchange operated by NSYE Euronext
'Financial Year'	1 January–31 December
'Fund Agent'	The party acting on behalf of the Investment Fund which facilitates the acceptance and execution of issue and redemption applications
'Fund Conditions'	The conditions applying between the Investment Fund and the Shareholders, as set forth <i>inter alia</i> in the Prospectus
'Investment Fund'	Kempen Global Bond Fund N.V.
'Kempen Capital Management'	Kempen Capital Management N.V.
'Kempen & Co'	Kempen & Co N.V.
'Management Company'	Kempen Capital Management, a manager within the meaning of Section 1, subsection 1, of the Financial Supervision Act (Wft), which is the management company of <i>inter alia</i> the Investment Fund
'Net Asset Value'	The net asset value
'Net Asset Value per Share'	The Net Asset Value divided by the number of outstanding shares

'Priority Share'	The priority share with a nominal value of €2.40 in the capital of the Investment Fund
'Priority Shareholder'	The holder of the Priority Share
'Prospectus'	The Investment Fund's prospectus and the accompanying Annexes and inserts
'Share'	An ordinary share with a nominal value van €2.40 in the capital of the Investment Fund
'Shareholder'	The holder of one or more Shares
'Supervisory Committee'	The supervisory committee of the Investment Fund
'Transaction Price'	The price at which the Investment Fund issues or redeems Shares, equal to the Net Asset Value marked up or down by a charge
'Website'	www.kempen.nl
'Wft'	Act on Financial Supervision (<i>Wet op het financieel toezicht</i>) and the generally binding regulations under or pursuant to Wft, as applicable from time to time,

Unless expressly stated otherwise, a definition given here for a term in the singular also applies to the plural and vice-versa.

IMPORTANT INFORMATION

This Prospectus replaces previously published prospectuses relating to the Investment Fund.

This Prospectus has been compiled in accordance with the requirements of the Wft. The Prospectus is intended to provide information on the Investment Fund and the Shares, so that investors are able to make an informed judgment of the Investment Fund and the costs and risks associated with an investment.

The Shares are offered exclusively on the basis of the information provided in this Prospectus. Prospective Shareholders are expressly advised that investment entails financial risk. They are expressly advised that they should read this Prospectus with care and acquaint themselves with the entire contents before deciding whether to purchase Shares. The information provided in this Prospectus is not intended as investment advice.

With regard to all information provided in this Prospectus on actual or expected returns, the value of the Share may rise or fall and past performance is no guarantee of future results. Investors may lose part or all of their investment.

Only the Management Company is authorised to provide information or make representations relating to this Prospectus. Investors who buy Shares on the basis of information different from that provided in the Prospectus do so entirely at their own risk. It cannot be guaranteed that the information contained in this Prospectus is still correct after the date of publication of this Prospectus.

The publication and distribution of this Prospectus and the offering, sale and delivery of Shares may, in certain jurisdictions, be restricted by law. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Shares in a jurisdiction in which such offer or solicitation is not permitted or to a person to whom it is not permitted to make such offer or solicitation. The Investment Fund requests all persons coming into the possession of this Prospectus to acquaint themselves with and observe such restrictions. The Investment Fund accepts no liability whatsoever for non-observance of these restrictions, irrespective of whether it concerns a prospective investor in Shares in the Investment Fund.

The Shares have not been (and will not be) registered under the Securities Act of the United States of America of 1933 as amended (the 'Securities Act') and may not directly or indirectly be offered or sold in or delivered to any state of the United States, its territories or possessions or the District of Columbia (the 'United States') except in accordance with Regulation S of the Securities Act or on the basis of an exception to or exemption from the registration requirements under the Securities Act.

This Prospectus (with the exception of the Annexes) is governed by the laws of the Netherlands and is compiled and published in English. Any translations made of this Prospectus are made purely for convenience. The Prospectus in English should be regarded at all times as the authoritative text. In the event of any differences of interpretation between the Prospectus in English and a translation of this Prospectus, the Prospectus in English should be taken as the source text.

1. GENERAL INFORMATION

LEGAL STRUCTURE

The Investment Fund is an investment company with variable capital within the meaning of Section 76.a of Book 2 of the Netherlands Civil Code (Burgerlijk Wetboek) and was incorporated on 21 June 1985. The Investment Fund has its registered office in Amsterdam and is entered in the Trade Register of the Amsterdam Chamber of Commerce under no. 16049819.

<i>Office address</i>	<i>Management Company</i>	<i>Auditors</i>
Kempen Global Bond Fund N.V. Beethovenstraat 300 1077 WZ Amsterdam Netherlands	Kempen Capital Management N.V. Beethovenstraat 300 1077 WZ Amsterdam Netherlands	Deloitte Accountants B.V. Orlyplein 50 1043 DP Amsterdam Netherlands
<i>Mail address</i> P.O. Box 75666 1070 AR Amsterdam Netherlands	Website: www.kempen.nl	
Tel: +31 (0)20 348 8910 e-mail: info@kempen.nl	<i>Depository bank/Paying Agent</i> Kempen & Co N.V. Beethovenstraat 300 1077 WZ Amsterdam Netherlands	<i>Tax adviser</i> Deloitte Belastingadviseurs B.V. Sophialaan 30 8901 BP Leeuwarden Netherlands
Website: www.kempen.nl		

MANAGEMENT COMPANY

Kempen Capital Management is the director and management company of the Investment Fund. The members of the Executive Board of Kempen Capital Management are:

- H.Th. Luttenberg;
- P.A.M. Gerla.

H.Th. Luttenberg is also a member of the Board of Directors of Orange Alternative Investment Fund SICAV, chairman of the Board of Directors of Kempen International Funds SICAV and a director of Kempen Capital Management (UK) Ltd. P.A.M. Gerla is a director of Kempen Capital Management (UK) Ltd. and Kempen & Co.

Kempen Capital Management is licensed as an asset manager pursuant to Section 2:96 of the Wft and as a management company pursuant to Section 2:65 of the Wft.

Kempen Capital Management is the management company of the following investment funds, in which capacity it is required pursuant to the Wft to be licensed to offer units and is under the supervision of the AFM:

Kempen European High Dividend Fund N.V., Kempen Best Selection European Property Fund N.V., Kempen European Smallcap Fund N.V., Kempen Orange Fund N.V., Kempen Oranje Participaties N.V., Kempen SeNSE Fund N.V., Kempen European Participations N.V., Kempen Global High Dividend Fund N.V., Kempen Euro Credit Fund N.V., Kempen Global Bond Fund N.V. and Van Lanschot Global Index Fund N.V., Kempen Absolute Return Credit Fund, Kempen Allocation Overlay Fund.

Kempen Capital Management is also management company of a number of investment funds, in which capacity it is not required pursuant to the Wft to be licensed to offer units. These investment funds are not under the supervision of the AFM.

SUPERVISORY COMMITTEE

The members of the Supervisory Committee of the Investment Fund are:

- C.S.M. Molenaar (until 20xx);
- R.W.J.M. Bonnier (until 20xx);
- B. Vos (until 2010xx);
- G.H. Heida (until 20xx);
- G.Th.M. Krijnen (until 20xx);
- W.A. Pierhagen (until 20xx);
- G.L. Sirks (until 20xx).

In order to offer Shareholders safeguards as to the Investment Fund's sound conduct of business and careful provision of services, as described in Wft, the Management Company adheres to the code of conduct drawn up by the Dutch Fund and Asset Management Association. This code of conduct entails the recording of Fund Governance best practices and offers more detailed guidelines for the organisational set-up and working practices of investment companies in order to ensure that the management company acts in the best interest of the participants in its investment funds, as well as to ensure that its organisation is set up in such a manner that conflicts of interest will be prevented. The Management Company has published its "Principles of Fund Governance" ('Principles') on the Website. These Principles detail the above-mentioned legal 'principles' regarding the reputable conduct of business by management companies.

These Principles do not only contain various options for an efficient planning of the organisational structure, including an independent oversight function, but also raise concrete subjects for which policies should be adopted, tailored to the own organisation, in order to prevent conflicts of interest. The implementation of these Principles also ensures the embedding of the legal principle that the management company shall act in the interest of the investors in its investment funds.

Serving as independent 'oversight' function, a supervising Supervisory Committee has been established. This board will operate critically and at arm's length from the Management Company and Affiliated Parties. In order to fulfil their duties, the members of the Supervisory Committee will have access to all relevant information, such as reports, and to any additional information required. The Supervisory Committee advises the Management Company in accordance with the agreed rules of procedure. The Supervisory Committee is an advisory body of the Investment Fund that is not recognised by law and not regulated. Nevertheless, the Management Company will submit important proposals, such as investment policy and management fee changes, to the Supervisory Committee prior to implementation. The rules of procedure are available at the Management Company's office address and can be consulted on the Website.

PRIORITY SHARE

The Priority Share is held by Stichting 'De Zonnewijser'. The Executive Committee of Stichting 'De Zonnewijser' consists of:

- J. W. Meeuwis;
- M.C.T. van de Coevering.

The Priority Shareholder may make recommendations concerning the appointment, suspension and dismissal of the Management Company.

AUDITORS

The financial statements for the Investment Fund's most recent Financial Year have been audited by Deloitte Accountants B.V., the Investment Fund's auditors.

RELATED PARTIES

Kempen Capital Management is a wholly owned subsidiary of Kempen & Co., which in turn is a wholly owned subsidiary of F. van Lanschot Bankiers N.V.

The Investment Fund and the Management Company may avail themselves of the services of related parties. The Management Company considers that the services are provided by related parties on arm's length terms and conditions. If transactions in financial instruments with related parties are entered into other than on a regulated market or on another market in financial instruments, it will be on the basis of an independent valuation or a valuation by one or more of the parties to the transaction.

AGREEMENTS WITH RELATED PARTIES

The Investment Fund and Kempen & Co have agreed that Kempen & Co will act as depository bank and paying agent for the Investment Fund and custodian of the financial instruments in which the Investment Fund invests and will settle the securities transactions.

The Investment Fund may also obtain credit from or deposit cash with Kempen & Co and/or F. van Lanschot Bankiers N.V. on a temporary or longer-term basis. Further conditions will be agreed as and when such a transaction arises.

Kempen & Co's position as Fund Agent is defined in an agreement between the Investment Fund and Kempen & Co. This agreement is available for inspection by Shareholders at the Management Company's offices.

Information on any fees charged to the Investment Fund relating to the aforementioned agreements is given in Section 7 'Costs and Charges'.

2. INVESTMENT POLICY

INTRODUCTION

The Investment Fund employs a top-down investment strategy to construct a diversified portfolio of mainly government bonds denominated in Euro complemented with fixed income securities worldwide.

The Investment Fund primarily aims to generate a better long-term return than the benchmark, comprising capital gains or losses plus net interest. The benchmark comprises the total return of 75% Citigroup Euro Government Bonds All Maturities index and 25% Citigroup World Government Bonds All Maturities index.

The Shareholder's return will comprise movements in the price of Shares in the Investment Fund as well as dividends to be paid by the Investment Fund, if any.

INVESTMENT UNIVERSE

The Investment Fund invests mainly in government bonds denominated in Euro. The Investment Fund may invest worldwide in fixed income securities, structured finance products, asset backed securities, subordinated debt, collateralised debt or similar products and deposits issued by (semi)government institutions, banks, companies and other financial instruments that the Management Company considers suitable for the Investment Fund. Investments may be made in all available sectors and there are no constraints regarding the maturity of fixed income securities.

The financial instruments in which the Investment Fund invests are traded privately or on regulated markets or other markets in financial instruments.

The Investment Fund may also invest in liquidities and deposits.

INVESTMENT GUIDELINES

The Investment Fund may invest in the selected instruments either directly or indirectly, by investing in other investment funds, or by using derivatives (*aŕgeleide financiële instrumenten*), techniques or structures such as options, warrants, futures, (interest rate) swaps, caps, floors.

INVESTMENT RESTRICTIONS

The following investment restrictions apply to implementation of the investment policy:

The Investment Fund will invest:

- at least 40% of the total assets in financial instruments with a rating of at least AAA according to the Bloomberg Composite Rating at the time of purchase. If no rating is available, the Management Company may establish a rating using internal models;
- at least 90% of the total assets in financial instruments with a rating of at least BBB- according to the Bloomberg Composite Rating at the time of purchase. If no rating is available, the Management Company may establish a rating using internal models;
- maximum 10% of the total assets in government bonds issued by emerging markets ('emerging market debt') with a rating of at least BB- according to the Bloomberg Composite Rating at the time of purchase. If no rating is available, the Management Company may establish a rating using internal models;
- the Investment Fund may finance up to 20% of its total assets with borrowed capital.

The Management Company may exceed the constraints on ratings if this is deemed to be in the interest of the Shareholders and when non-compliance with the restrictions is caused by downgrading of the ratings of financial instruments.

The Management Company has the power to depart from the investment policy, having due regard to Shareholders' interests, provided that such departure is due to an event outside the Management Company's control, a situation such as that which might arise with a merger or acquisition of a company in which the Investment Fund has invested, or one resulting from a substantial change in the composition of the Benchmark.

AFFILIATED INVESTMENT FUNDS

The Investment Fund may invest in Affiliated Investment Funds. Affiliated Investment Fund transactions will be executed in accordance with the terms and conditions of the relevant Affiliated Investment Funds.

The documentation concerning the Affiliated Investment Fund which is in the public domain, such as prospectuses, annual reports, interim reports and financial information leaflets, are posted on the Website.

RETURN

Information on the return and a comparative summary of the equity, income and expenses of the Investment Fund for the past three years can be found in the Investment Fund's annual reports for those years.

DRAFT

3. RISK FACTORS

The Investment Fund is suitable for investors who accept that the Investment Fund's return is volatile and there is significant downside risk.

The value of a Share in the Investment Fund is affected by movements on the financial markets and may go down as well as up. Past performance is no guarantee of future returns. The investment may rise in value, but it is also possible that it will generate little or no income and, and if prices fall, all or part of the investment may be lost.

The Investment Fund considers the following risk factors to be relevant to your investment. These risk factors, which may adversely affect the value of and return on the Shares to a greater or lesser extent, are discussed below in order of relevance. The following summary of risk factors is not limitative and circumstances may arise that are not covered here but may result in the actual returns differing from the expected returns indicated in this Prospectus.

Before deciding to invest in the Investment Fund, prospective Shareholders should also carefully consider the other information presented in this Prospectus as well as the risk factors.

1. MARKET RISK

The Investment Fund's investments are exposed to normal market movements and the risks inherent in investing in financial instruments. The value of the underlying holdings may fluctuate and may rise or fall depending on many factors, such as expectations of economic growth, inflation and prices on commodity and currency markets. The value of the investments may also fluctuate, for example, in response to political and monetary developments. Market risk may vary from asset class to asset class, but may be increased by restricting the investments to a particular region or sector and/or by the selection of individual investments. It is possible for the entire market or a particular region or sector to fall.

The main factor affecting the return on bonds is interest-rate risk, reflected in variation in the bond price due to movements in interest rates and the shape of the yield curve. Bond values generally fall as interest rates rise. The expected trend in inflation is a significant factor affecting the market interest rate.

2. RETURN RISK

It is not certain that the Investment Fund will achieve its investment target. The Management Company may vary the allocation to the various asset classes of the investments it has selected in the light of the market outlook. The Investment Fund is required to invest in accordance with the investment policy set out in the Prospectus and cannot therefore respond to developments in financial instruments and markets if such action is inconsistent with the Investment Fund's investment policy. The selected individual investments may have a positive or negative effect on Investment Fund's risk and return. The return generated by the Investment Fund between the purchase and sale of a Share in the Investment Fund is not fixed in advance and is in no way guaranteed by the Investment Fund.

3. CURRENCY RISK

The Investment Fund may invest part or all of the portfolio in financial instruments denominated in currencies other than the Euro. In that case, the value of the investments may also be affected by movements in the exchange rates of the currencies in which the investments are denominated. Exchange rates can fluctuate sharply. Exchange rate movements may have a positive or negative effect on the value of the Investment Fund's investments.

4. CREDIT RISK

Credit risk on fixed-income securities varies by type of issuing institution (government or corporate). The Investment Fund invests in fixed-income securities that incur credit risk. Upgrading or downgrading of the issuing institution's credit rating may affect the value of the fixed-income security. The issuing institution may not be able to meet its interest and repayment liabilities, which may result in the Investment Fund sustaining losses.

5. INFLATION RISK

The investment returns in real terms may be affected by inflation (loss of value of money).

6. COUNTERPARTY RISK

The Investment Fund's counterparty may fail to perform its obligations towards the Investment Fund, which may result in a loss being sustained by the Investment Fund. The Investment Fund minimises this risk by carefully selecting counterparties.

The Investment Fund may use derivatives. These may involve leverage, which could enlarge the volatility of the Fund. Some derivatives, particularly derivatives traded over-the-counter ("OTC"), may be valued in various ways. In case a counterparty fail to perform its obligations, the settlement mechanism for these derivatives traded over-the-counter will have an impact on the net replacement value.

7. CONCENTRATION RISK

The Investment Fund may restrict its investments to financial instruments issued by institutions that are active in the same sector, region or on the same market. As a consequence, developments affecting those institutions may have a greater influence on the value of the Investment Fund's portfolio than if it were less concentrated.

8. LIQUIDITY RISK

It may happen that investments cannot be sold promptly and/or can only be sold on unfavourable terms owing to lack of liquidity in the market due to imbalance of supply and demand.

9. CUSTODY RISK

The Investment Fund is exposed to the risk of loss of financial instruments and funds placed in custody due to the insolvency of or negligence or fraud by the custodian or sub-custodian of the financial instruments. The Management Company seeks to manage this risk by entering into custody agreements only with financially sound custodians of good standing.

10. SETTLEMENT RISK

The Investment Fund is exposed to the risk of a settlement not being executed as expected via a payment system because a counterparty fails to pay for or deliver financial instruments or fails to do so on time or as expected.

Failure of a counterparty to pay for or deliver financial instruments or to do so on time may result in a loss being sustained by the Investment Fund.

11. RISKS ON INVESTMENTS IN OTHER INVESTMENT FUNDS

The Investment Fund may invest in other investment funds, including Affiliated Investment funds. In that case, the Investment fund's performance is partly dependent on the return, the marketability, the quality of service and the risk profile of the investment funds in which it invests.

12. FINANCING RISK

The Investment Fund may finance up to 20% of the assets with borrowed capital. The financing of investments with borrowed capital also involves risk. If investments which the Investment Fund has financed with borrowed capital do not achieve the desired result, the loss will be greater than if the investment had not been financed with borrowed capital. Such use of borrowed capital also incurs interest and other expense, which may affect the return.

13. RISK OF CHANGES IN TAX LEGISLATION

Because the applicable tax regime may vary during the life of the Investment Fund as a result changes, retroactive and otherwise, in tax and other legislation and case law. This may also have implications for tax refunds, if any, by the relevant tax authorities. It is therefore not possible to predict the tax treatment that will apply at any time in the future. Prospective Shareholders who are in any doubt as to their tax position are advised to consult their own tax adviser.

If the Investment Fund ceases at any time to satisfy any of the conditions of qualification as a *fiscale beleggingsinstelling*, (see Section 9 'Tax Position'), the Investment Fund may become liable for corporation tax at the standard rate.

14. MARKETABILITY RISK

Because the Investment Fund has a semi-open-ended structure, it may in theory be faced at any time with a large number of applications for redemption of Shares. In that case, it may have to sell investments at short notice in order to meet its payment obligations, which could be detrimental to its performance.

In exceptional circumstances, the Investment Fund may be unable to issue or redeem Shares for a shorter or longer period. This might arise if Euronext Amsterdam decided under its rules to suspend trading in the Shares or reverse completed transactions. The Management Company is also authorised temporarily to suspend or restrict applications for the redemption or issue of Shares, as explained in Section 5 'Share Transactions'. This may also result in impaired marketability of the Shares.

15. CAPITAL EROSION RISK

The Investment Fund is exposed to the risk of changes in the value of the capital, including the potential risk of erosion due to the redemption of Shares and distributions that exceed the profit in any Financial Year.

4. CAPITAL AND SHARES

The Investment Fund's authorised capital amounts to €40,800,002.40 and is divided into 17,000,000 Shares and the Priority Share.

The Shares are either registered shares or bearer shares. All bearer shares are embodied in a collective share certificate (Global Share). The Global Share cannot be converted into a single or multiple share certificates. The Global Share has been entrusted to the custody of Euroclear Nederland (a trading name of the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.).

Unless issued free of charge, the Shares are only issued when the net issue price has been paid into the Investment Fund's capital by the set date.

The Articles of Association make provision for the authorised capital to be increased to €60,000,002.40, divided into 25,000,000 Shares and the Priority Share as from the date on which a decision to that effect on the part of the Priority Shareholder has been filed with the Trade Register of the Amsterdam Chamber of Commerce.

DRAFT

5. SHARE TRANSACTIONS

A. General

The Investment Fund is an investment company with variable capital and a semi-open-ended structure, meaning that it will normally be issuing and buying back Shares every Business Day. The Shares are listed on Euronext Amsterdam and may only be bought through a bank or broker.

ISIN code: NL0006311623.

Sufficient guarantees are in place for the Investment Fund to be able to meet its redemption obligation. Redemption will only be prevented by statutory provisions or in the exceptional situations itemised below under Section C 'Suspension or limitation'.

The special tax status of a qualifying Investment Fund (see Section 9 'Tax Position') means that various legal limits are imposed on the number of Shares that a Shareholder may hold. The Management Company will monitor these limits to the best of its ability. More information can be found in the Articles of Association, which constitute an integral part of this Prospectus.

The Investment Fund has appointed Kempen & Co as Fund Agent. The Fund Agent is responsible for acceptance or refusal of orders in line with the terms and conditions set forth in this Prospectus at any time up to 16:00 CET each Business Day. The Fund Agent is also responsible for publishing the Transaction Price on the Euronext Amsterdam platform by 10:00 CET each Business Day.

B. Issue and redemption of Shares

The issue and redemption of Shares leads to costs for the Investment Fund if its portfolio has to be adjusted to accommodate this inflow or outflow of funds. These costs comprise transaction costs, such as brokers' fees, and costs due to the impact on the market, if any. Market impact occurs if executing orders significantly affects the price of the underlying asset. As compensation for these costs, the buying and selling of shares is subject to a charge at the Net Asset Value per Share plus a premium or discount: the Transaction Price. If the Investment Fund makes a net issue of Shares on a particular Business Day, the Transaction Price is equal to the Net Asset Value plus a premium and if there is a net redemption of Shares on the day, the Transaction Price is equal to the Net Asset Value minus a discount. For the sake of transparency and simplicity, the Management Company has set the maximum transaction premium or discount at 0.30% of the Net Asset Value per Share. Partly in the interests of the Shareholders, the Management Company may adjust this percentage if it turns out that the market situation has brought about a change in the long-term average or if warranted, in the Management Company's opinion, by an exceptional market situation.

Transaction premiums or discounts are used for investors who buy or sell shares and are credited to the Investment Fund.

Current premium or discount percentages are published on the Website.

As the Investment Fund is listed on Euronext Amsterdam, it normally trades once each Business Day. Orders must be received by the Fund Agent before 16:00 CET on a Business Day in order to be executed the following Business Day. Only orders received by the Fund Agent before this Cut-Off Time will be executed at the Transaction Price as calculated at 10:00 CET the following Business Day. Orders received after the Cut-Off Time will not be executed the following Business Day but one Business Day later.

C. Suspension or limitation

The Management Company has the power to request that the issue or redemption of Shares be temporarily or permanently suspended or limited in exceptional situations, partly in the interests of the Shareholders. Situations in which the Management Company may take such a decision include:

- temporary suspension of the calculation of the Net Asset Value, as described in Section 6 'Valuation Method';

- receipt of one or more issue or redemption applications which would result in more than 10% of the total Shares in issue needing to be redeemed or issued;
- if due to the issuance or redemption of Shares the threshold applicable to a fiscal investment institution would be exceeded;
- a redemption application which, if accepted, would result in the nominal Share Capital held by third parties falling below the minimum of 10% of the Investment Fund's authorised capital required by law.

If the Management Company (temporarily) suspends the issue or redemption of Shares, this decision will be immediately posted on the Website. If a limit is imposed on some or all orders, the Management Company will advise the bank or broker with whom investors have placed the orders concerned accordingly.

DRAFT

6. VALUATION METHOD

The Net Asset Value is calculated daily in Euros, with the investments and the other assets and liabilities in principle measured on the following bases:

- listed financial instruments at their most recent quoted market price after the Cut-Off Time but before the Investment Fund's trading time (forward pricing principle); if this price is deemed not to be representative of the current market value, generally accepted valuation methods for the type of financial instrument concerned are used instead;
- units in unlisted investment funds at the latest net asset values published by the investment funds concerned;
- current assets and liabilities at face value;
- all other assets and liabilities are measured by the Management Company at current value using the applicable generally accepted valuation methods.

The Management Company has the power to use different valuation methods, including fair value pricing, provided that this is also in the Shareholders' interests and is done according to generally accepted valuation methods. Such a situation might arise, for example, with highly volatile markets.

The Net Asset Value per Share is determined by dividing the Net Asset Value by the number of Shares in issue on the date of the calculation. The Net Asset Value per Share is calculated before 10:00 CET every Business Day. This daily Net Asset Value per Share figure is obtainable from the offices of the Investment Fund and is published on the Website.

Shareholders suffering losses due to publication of an incorrect Net Asset Value per Share resulting from a calculation error that is attributable to the Management Company only have the right to compensation from the Management Company and not from third parties performing outsourced activities on behalf of the Management Company. Such a right to compensation will only exist if (i) the error relative to the actual Net Asset Value per Share exceeds 0.5% and (ii) the amount of compensation per Shareholder is at least €100.

TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE

Calculation of the Net Asset Value may be suspended:

- a) if the calculation of the Net Asset Value of a significant proportion of the units of other investment funds has been suspended for a period, except for the usual days on which the markets are closed for business, or during a period in which trading has been limited or suspended;
- b) during a period in which an important regulated market or other market in financial instruments on which a significant proportion of the Investment Fund's assets are listed or regularly traded is closed, except for the usual days on which the markets are closed for business, or during a period in which trading has been limited or suspended;
- c) if a political, economic, military, monetary or social situation or any instance of *force majeure* arises which is outside the control of the Investment Fund or the Management Company, making it impossible to measure the value of a significant proportion of the assets or to obtain a valuation in a reasonable and normal manner without financial detriment to the Shareholders;
- d) at times when communication systems normally used to arrive at the price or value of the Investment Fund's assets or to ascertain the current prices on any particular market (regulated or otherwise) are out of action;
- e) if currency restrictions or restrictions on the movement of capital prevent the execution of the transactions on behalf of the Investment Fund or if the buying and selling of financial instruments cannot be accomplished at normal exchange rates;
- f) if, for any reason whatsoever, the prices and values of the Investment Fund's assets cannot be determined immediately with enough accuracy;
- g) whenever the Management Company has good grounds for deciding that such suspension is necessary to protect the general interests of the Shareholders concerned.

The issue and redemption of Shares will also be suspended if, for instance, the calculation of the Net Asset Value is suspended on any of the above grounds and in the circumstances described in Section 5 'Share transactions'.

DRAFT

7. COSTS AND CHARGES

GENERAL

The costs mentioned in this section are charged against the Investment Fund's result and are therefore indirectly borne by the Shareholders. Investors also incur direct costs connected with making investments in or taking investments out of the Investment Fund, which will partly depend on the charges made by banks and brokers. For the charges made by the Investment Fund when funds are invested or investments are cashed in, see Section 5 'Share Transactions'.

START-UP COSTS

The Investment Fund's start-up costs have been fully amortised.

MANAGEMENT FEE

The Management Company charges the Investment Fund a monthly management fee amounting to 0.54% annually, calculated each month on the Net Asset Value as at the last day of the month and payable the following month.

PERFORMANCE FEE

The Management Company charges the Investment Fund a performance based incentive fee ('Performance Fee'). The Performance Fee amounts to 20% of the outperformance, based on a rolling period of three years and is calculated at the end of each year on basis of the Net Asset Value after costs and payable one month later. This Performance Fee is only applicable if the total return of the Investment Fund in absolute terms after costs over a year is positive.

OPERATIONAL SERVICE FEE

In addition to the management fee and the Performance Fee, the Management Company charges an operational service fee each month covering the Investment Fund's normal expenses, such as administration costs, custody fees, the paying agent's fees, audit fees, professional fees for tax and legal consultants, regulatory costs, the costs of the Supervisory Board and of Shareholders' meetings and charges made by third parties. This operational service fee does not include the management fee, the transaction costs, taxes, costs associated with indirect investments, and extraordinary expenses connected with the costs of legal counsel and tax consultants, for example, in exceptional or unforeseen circumstances.

If the Net Asset Value as of the last day of the previous Financial Year:

- is below or equal to €100 million, the operational service fee amounts to 0.25% annually;
- is above €100 million but below €300 million, the operational service fee amounts to 0.20% annually;
- is above €300 million, the operational service fee amounts to 0.15% annually.

The operational service fee will be calculated each month on the Net Asset Value on the last day of the month and payable the following month.

TRANSACTION COSTS

The Management Company will instruct brokers, including Kempen & Co, to execute transactions. The choice of broker will depend on various considerations, such as the quality and promptness of the execution and settlement.

It is the Management Company's policy that all transactions by the Investment Fund should be executed at market rates. The commission payable to brokers will be a maximum of 0.5%.

TOTAL MAIN COSTS

The total amount of the management fee and the operational service fee (excluding Performance Fee) chargeable to the Investment Fund will not exceed 0.79% of the average Net Asset Value of the Investment Fund over the year.

Marketing costs are not chargeable to the Investment Fund. Return commission and distribution fees payable to third parties will be paid by the Management Company and will not be charged to the Investment Fund.

All costs will be recognised in the Investment Fund's income statement and will be charged to the Investment Fund's shareholders' equity. These costs will be recognised in the period to which they relate. Transaction costs will generally be included in the buying or selling price of the financial instruments. Transaction costs and costs charged to the share premium account for the reinvestment of dividends received will not be recognised in the income statement.

Where a value-added tax (VAT = Dutch BTW) is payable on all the above costs and fees, the tax will be borne by the Investment Fund. The Investment Fund cannot reclaim VAT. The operational service fee mentioned includes VAT payable, if any.

In the event that the Net Asset Value calculation is suspended, the last known Net Asset Value will be used to calculate the fees.

COSTS OF INDIRECT INVESTMENTS

If the Investment Fund invests either directly or indirectly in other investment funds, the costs associated with these investment funds (such as management and administration fees, transaction costs and other costs) will indirectly be borne by the Investment Fund. Any return commission receivable will be credited to the Investment Fund. If the Investment Fund invests in Affiliated Investment Funds, it will avoid paying a double management fee (unless there is a separate performance fee), for instance by obtaining a (partial) refund of the management fee paid or by having the management fee (partly) waived in the first place. Any commission income received will be credited to the Investment Fund. Where the Investment Fund invests in other investment funds, the costs associated with the investment funds concerned will be disclosed in the Investment Fund's annual report in compliance with the current regulations.

At the time of publication of this Prospectus, the Investment Fund held one or more stakes of more than 10% in other investment funds. Such stakes vary depending on the interpretation of the investment policy. The costs incurred will be recognised in the Investment Fund's financial statements.

SOFT-DOLLAR ARRANGEMENTS

The practice on the part of an investment company of providing products and services (e.g. research and information services) to an asset manager in consideration of the award of the execution of orders in financial instruments is referred to as a 'soft-dollar arrangement' and specifically involves the Management Company receiving research reports from investment companies executing orders in financial instruments on its behalf as well as from other sources. With soft-dollar arrangements of this kind, the Management Company does not incur any cash liability as consideration, so the value which they represent cannot be quantified.

TOTAL EXPENSE RATIO

The total expense ratio (TER) is the ratio of the total costs for a year, except for transaction costs, interest, costs charged to the share premium account for the reinvestment of dividends received and charges concerned with the issue and redemption of Shares, that are chargeable to the result and directly to the equity of the Investment Fund related to the Investment Fund's average shareholders' equity for the year. The TER can be found in the Investment Fund's financial statements.

DRAFT

8. PROFIT DISTRIBUTION POLICY

In order to satisfy the requirements incumbent on a *fiscale beleggingsinstelling* (an investment company enjoying the special tax status of an investment fund), the Investment Fund must pay out the taxable profit within eight months of the end of each Financial Year. The Investment Fund may pay out more than the taxable profit in any one year. The amount and frequency of the payout may vary from year to year and there may be years in which the payout is nil. The Investment Fund is at liberty to distribute interim dividends.

Information about the payment of profit distributions to Shareholders, the composition of the pay-out and the manner in which it will be made payable will normally be announced in an advertisement placed in a Dutch national daily newspaper and on the Website.

DRAFT

9. TAX POSITION

CORPORATE INCOME TAX

The Investment Fund has opted for the status of 'fiscal investment fund' (*fiscale beleggingsinstelling*) (hereafter also: FBI) within the meaning of Article 28 of the Dutch Corporate Income Tax Act of 1969. This means that the Investment Fund is subject to 0% corporate income tax, if and only if certain conditions are met.

One of the conditions is that the taxable profit is distributed to the Shareholders within eight months of the end of each Financial Year. Briefly put, capital gains and losses realised on the investments do not have to be distributed.

The FBI status also entails that certain 'shareholder requirements' have to be met. A natural person may not hold an interest of 25% or more in the Investment Fund, for instance. In addition, an entity (or two or more related entities) subject to corporate income tax may not hold an interest of 45% or more in the Investment Fund.

Dividend tax

In principle, the Investment Fund will withhold 15% dividend tax on the dividends paid to the Shareholders. The FBI status entitles the Investment Fund to apply a rebate on its dividend tax remittance obligation. This means that the dividend tax withheld by the Investment Fund does not have to be (fully) remitted to the Dutch tax authorities. Under certain conditions, the dividend tax withheld may be set off against Dutch dividend taxes and foreign withholding taxes (at the tax treaty rate of up to 15%) withheld on dividends or coupons received by the Investment Fund. The withheld but non-remittable dividend taxes accrue to the Investment Fund's income.

In case more foreign withholding tax has been withheld on dividends or coupons received than is allowed under a tax treaty, the Investment Fund can submit a refund claim with the foreign tax authorities requesting the surplus of withholding taxes withheld to be refunded.

TAX ASPECTS APPLICABLE TO SHAREHOLDERS

Dutch shareholders

Income tax

Shares held by persons resident in the Netherlands are generally taxed in box 3 (income from savings and investments). A notional yield (*forfaitaire rendement*) is levied on the value of the asset components in box 3 as at the beginning of the calendar year, insofar as these box 3 assets surpass the applicable tax-free allowances. The notional yield of 4% is subsequently taxed at 30%. This means that the annual return on assets levy is effectively 1.2%. As such, the actual gains or losses realised on the Shares are not relevant for income taxation in the Netherlands.

Shareholders resident in the Netherlands holding shares that are taxable in box 1 (corporate income) or box 2 (substantial interests) are advised to consult their own tax adviser regarding the tax aspects applicable to their investment.

Corporate income tax

For Shareholders registered in the Netherlands that are subject to corporate income tax, the actual returns realised on these Shares will generally be taxed at the regular corporate income tax rate. These returns usually involve dividends as well as capital gains and losses realised. The participation exemption is not applicable on their Shares.

Dividend tax

For Shareholders resident or registered in the Netherlands, the dividend tax withheld on dividends paid by the Investment Fund serves as an advance levy for the income taxes. This means that taxable Shareholders can set off this dividend tax against their taxes payable.

Entities that are not subject to corporate income tax may ask the Dutch tax authorities for a (partial) refund of the dividend taxes withheld, provided that certain conditions are met. The information required for such a refund request can be found on the Website

Non-Dutch Shareholders

Shareholders that are not resident or registered in the Netherlands are advised to consult their own tax adviser regarding the tax aspects applicable to their investment.

CONCLUDING REMARKS

The above is a general summary of the most important tax aspects applicable to the Investment Fund and to investments in its Shares. This summary is exclusively based on Dutch regulations (legislation, policy rules and legal precedents) as in force on the publication date of the prospectus. These regulations may be changed after this date, whether or not retroactively. Given its general nature, this summary should be read with due care. Prospective investors are advised to consult their own tax adviser regarding the tax aspects applicable to their investment.

DRAFT

10. REPORTING AND OTHER INFORMATION

INFORMATION ON THE INVESTMENT FUND

Kempen Capital Management's license as Management Company is available for inspection at the Management Company's offices. A copy of this license is obtainable by Shareholders on request at cost.

The Investment Fund's Articles of Association are available for inspection at the Management Company's offices and form an integral part of the Prospectus. Copies of the Articles of Association are available on request free of charge.

The particulars of the Investment Fund and the Management Company as entered in the Amsterdam Trade Register are available for inspection at the Investment Fund's office address. Copies of these trade register entries are available to any interested party on request at cost.

A Financial Information Leaflet has been prepared for the Investment Fund, containing information on the Investment Fund, the costs and the risks. You should request a copy of the leaflet and read it carefully before buying any Shares in the Investment Fund. The Financial Information Leaflet is available at the office address of the Investment Fund and on the Website.

PERIODICAL INFORMATION

Information on the Investment Fund will be published periodically on the Website. The following information on the Investment Fund, as required under Section 50, subsection 2, of the Bgfo, will also be published on the Website each month:

- I. the total value of the assets;
- II. a statement showing the asset mix;
- III. the number of Shares in issue;
- IV. the most recent calculation of the Net Asset Value and the date on which the calculation was made.

This information will be sent to Shareholders on request at no more than cost.

Each year within four months of the end of the Financial Year, the Management Company will prepare and publish an annual report containing the financial statements. Similarly, within nine weeks of the end of the first half of each Financial Year, the Management Company will publish a semi-annual report.

Copies of the published annual reports and semi-annual reports for the last three years are deemed to form part of this Prospectus and are available free of charge from the offices of the Management Company or the Website. Amongst other information, these reports contain a comparative summary of the equity, the income and expenses and the total expense ratio of the Investment Fund for the past three years.

AMENDMENT OF THE FUND CONDITIONS

The Management Company has the power to amend the Fund Conditions, with the exception of the Articles of Association, with immediate effect by means of a resolution passed by the director. The General Meeting of Shareholders only has the power to amend the Articles of Association on the proposal of the Priority Shareholder.

Any amendment (or proposed amendment) of the Fund Conditions will be published in a Dutch national daily newspaper and on the Website. The background to any such proposed and/or actual amendment will be published on the Website.

Amendments of the Fund Conditions will in principle come into effect immediately. Amendments of the Fund Conditions resulting in the impairment of Shareholders' rights or safeguards, in charges being incurred by Shareholders or in changes in the investment policy will not come into effect until three months after the announcement of the changes (or a shorter period where prescribed by law). During this three-month period, Shareholders will be given the opportunity to exit on the existing terms and conditions.

GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders will be convened each year within the period as stipulated by relevant legislation. Extraordinary general meetings of Shareholders will be convened as and when the Management Company deems appropriate, in situations when an extraordinary general meeting is required by law or as soon as the Priority Shareholder or one or more Shareholders entitled to cast at least ten per cent of the total number of eligible votes requests the Management Company to convene such a meeting, stating the business to be considered. In the General Meeting of Shareholders each Share and the Priority Share confer the right to cast one vote.

Notices of Shareholders' meetings will be given by an advertisement placed in a Dutch national daily newspaper and on the Website. The notice will be published at least fifteen days prior to the date of the General Meeting of Shareholders.

LIQUIDATION AND WINDING-UP

On the proposal of the Priority Shareholder the Shareholders' Meeting may resolve to liquidate the Investment Fund. The Management Company will then be responsible for the winding-up of the Investment Fund. Out of the net proceeds of the liquidation of the Investment Fund, the nominal value of the Priority Share will first be paid out to the Priority Shareholder. The remainder will then be distributed among the Shareholders in proportion to the number of Shares held. After the Investment Fund has been wound up, its books, documents and other media holding information will be kept by the person/entity appointed for that purpose by the liquidators for the period required by the then applicable statutory provisions.

COMPLAINTS PROCEDURE

Each Shareholder will have the right to lodge complaints concerning the Investment Fund by writing to the Management Company, who will acknowledge the receipt of the formal complaint and will respond to it within six weeks. If the Management Company is unable to respond to the complaint within six weeks, it will write to the Shareholder, stating when a response can be expected.

13. AUDITORS' REPORT

DRAFT

14. DECLARATION BY THE MANAGEMENT COMPANY

We hereby declare that Kempen Capital Management, as Management Company for the Investment Fund, and the Investment Fund comply with the rules laid down in the Wft. We also declare that the Prospectus satisfies the requirements laid down in the Wft.

Amsterdam, [] [] 2010

Kempen Capital Management N.V.

DRAFT

INVESTMENT FUND ARTICLES OF ASSOCIATION

DRAFT

MANAGEMENT COMPANY REGISTRATION DOCUMENT

Amsterdam, [] [] 2010

Kempen Capital Management N.V.

DRAFT