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Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so. The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**{ XE "Securities Act" }"), or the securities laws of any state of the U.S. or any other jurisdiction and the Notes may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

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The document has been sent to you in the belief that you are (a) a person of the kind described in Article 9(1)(a) to (c) of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the "**Prospectus Regulations**{ XE "Prospectus Regulations" }") or who otherwise falls outside of the scope of the Prospectus Regulations so that Part 4 of the Prospectus Regulations does not apply to the Issuer and (b) a person to whom the document can be sent lawfully in accordance with all other applicable securities laws. If this is not the case then you must return the document immediately.

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Restrictions: Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any other jurisdiction. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States or to or for the account or benefit of any U.S. Person (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration.

ARGENTUM CAPITAL S.A.

(a public limited liability company (société anonyme)

incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 51, Avenue J.-F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg trade and companies register under number B.182.715 and subject to the Securitisation Act 2004)

acting in respect of Compartment 2015-28

issue of

Series 2015-28

Up to €100,000,000 Secured Repackaged Notes due 2023

*Linked to a lower tier 2 subordinated bond
and with a fund performance overlay*

Argentum Capital S.A. (the "**Company**{ XE "Company" }"), and acting in respect of Compartment 2015-28 (as defined below), the "**Issuer**{ XE "Issuer" }") will issue up to €100,000,000 of Secured Repackaged Notes due 2023 (the "**Notes**{ XE "Notes" }") on or about 22 July 2015 (or such other date as may be specified as such in a notice published by or on behalf of the Issuer) (the "**Issue Date**{ XE "Issue Date" }"). The Notes will be issued in respect of a separate compartment ("**Compartment 2015-28**{ XE "Compartment 2015-28" }") created by the board of directors of the Company (the "**Board**{ XE "Board" }"). The Company is subject to the Luxembourg act dated 22 March 2004 on securitisation, as amended (the "**Securitisation Act 2004**{ XE "Securitisation Act 2004" }") and the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the "**Companies Act 1915**{ XE "Companies Act 1915" }"). The Notes will be issued and secured pursuant to a deed to be dated on or about the Issue Date and made between (among others) the Issuer and BNY Mellon Corporate Trustee Services Limited in its capacity as trustee for holders of the Notes (the "**Trustee**{ XE "Trustee" }") (the "**Issue Deed**{ XE "Issue Deed" }").

Application will be made to the Central Bank of Ireland (the "**Central Bank**{xe "Central Bank"}"), as competent authority under Directive 2003/71/EC (as amended, the "**Prospectus Directive**{ xe "Prospectus Directive"}") for approval of this Prospectus (the "**Prospectus**{xe "Prospectus"}"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area ("**Member State**{ XE "Member State" }"). There can be no assurance that such listing and admission to trading will be granted. This Prospectus constitutes the Prospectus for the purposes of the Prospectus Directive.

The Issuer also intends to apply for the Notes to be listed and admitted to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange. There can be no assurance that such listing and admission to trading will be granted.

See "*Risk Factors*" for a description of certain factors which should be considered by prospective investors in connection with an investment in the Notes offered hereby.

Any person (an "**Investor**{ XE "Investor" }") intending to acquire or acquiring any securities from any person (an "**Offeror**{ XE "Offeror" }") should be aware that, in the context of an offer of securities to the public as defined under the Prospectus Directive, the Issuer may be responsible to the Investor for this Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for this Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each European

Economic Area Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents it should take legal advice.

CREDIT SUISSE INTERNATIONAL

Arranger

The date of this Prospectus is 18 May 2015.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In addition, the Issuer accepts responsibility, in each Member State for which it has given its consent referred to herein, for the content of this Prospectus in relation to any person (an "**Investor**{ XE "Investor" }") to whom an offer of any Notes is made by any financial intermediary to whom it has given its consent to use this Prospectus (an "**Authorised Offeror**{ XE "Authorised Offeror" }"), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Prospectus. However, neither the Issuer nor the Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., as management company (the "**Management Company** { XE "Management Company" }") to the YI active spezial (ISIN: AT0000A1CV54) (the "**Fund**{ XE "Fund" }") accepts responsibility for the information contained in this Prospectus in the section headed "*Information relating to the Fund*" and for any other information contained this Prospectus and relating to the Fund. To the best of the knowledge and belief of the Management Company, having taken all reasonable care to ensure that such is the case, such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained in this Prospectus relating to the Fund and in the section headed "*Information relating to the Fund*" has been extracted from information provided to the Issuer by the Management Company. The Issuer confirms the accurate reproduction of the extracted information but accepts no further or other responsibility in respect of such information. So far as the Issuer is aware or able to ascertain from such published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not been responsible for, nor has it undertaken, any investigation or verification of statements, including statements as to foreign law, contained in such information. The Issuer has not conducted any due diligence on such information. The Issuer has only made very limited enquiries with regards to such information. Otherwise, the Issuer has not made any enquiries in relation to such information. The Issuer does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of such information and prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the same.

The Issuer consents to the use of this Prospectus in connection with the offer of the Notes during the period commencing from, and including, 20 May 2015 to, and including, 15 July 2015 (the "**Offer Period**{ XE "Offer Period" }") by each of the following financial intermediaries in the Member State(s), and subject to the conditions set out below against their names for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC):

<u>Financial intermediary</u>	<u>Member State</u>	<u>Conditions</u>
Each of Erste Group Bank AG and each other placer specified in the section of this Prospectus entitled " <i>Details of the Offer</i> "	Austria	Each specified financial intermediary has the Issuer's consent to use the Prospectus in respect of offers of the Securities made in the specified Member State provided that it complies with all applicable laws and regulations.

The Issuer may give consent to additional financial intermediaries after the date of this Prospectus and, if it does so, it will publish the above information in relation to them at www.argentumcapital.lu at the relevant time during the Offer Period.

An offer of the Notes may be made, subject to the conditions set out above, during the Offer Period by any of the Issuer, the Dealer or any Authorised Offeror.

Other than as set out above, neither the Issuer nor the Dealer has authorised the making of any offer of the Notes by any person in any circumstances and such person is not permitted to use this Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by the Dealer or any Authorised Offerors and none of the Issuer or the Dealer or any Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALER) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

DISCLAIMER

None of Credit Suisse International as Arranger (in such capacity, the "**Arranger**{ XE "Arranger" }"), Credit Suisse International as Dealer (in such capacity, the "**Dealer**{ XE "Dealer" }"), the Trustee or any Agent (each a "**Disclaiming Party**{ XE "Disclaiming Party" }") has separately verified the information contained herein. No Disclaiming Party makes any representation, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information in this Prospectus. None of this Prospectus, or any other information supplied in connection with the Issuer should be considered as a recommendation by the Issuer or any Disclaiming Party that any recipient thereof should subscribe or purchase Notes. No Disclaiming Party undertakes to review the financial condition or affairs of the Issuer or any other entity whatsoever during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in any Notes of any information coming to its attention which is not included in this Prospectus.

No Disclaiming Party or any person other than the Issuer has any obligation to any holders of Notes to ensure payment or discharge of principal, interest and/or any other obligations in respect of the Notes.

UNAUTHORISED INFORMATION

No person has been authorised to give any information or to make representations other than those contained in this Prospectus or any documents incorporated by reference in this Prospectus in connection with the issue or sale of, or grant of a participation in, the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or by the Arranger. The delivery of this Prospectus, or any sale made in connection herewith shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Issuer is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

INFORMATION AS TO PLACEMENT

The Notes described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**{ XE "Securities Act" }") or the securities laws of any state of the United States or any other jurisdiction. The Notes described herein will be offered outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**{ XE "Regulation S" }"). The Notes described herein may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S). There will be no offer of the Notes described herein in the United

States. The issuer has not been nor will be registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**{ XE "Investment Company Act" }"), and investors will not be entitled to the benefit of the Investment Company Act. The Notes described herein will be subject to certain restrictions on transfer. Each purchaser of the Notes described herein will be deemed to have made, or in limited circumstances be required to expressly make, certain acknowledgements, representations and agreements as set out in this Prospectus.

Prospective purchasers of Notes are hereby notified that the Issuer, the Arranger and the Dealer are relying on the exemption from the registration requirements of the Securities Act provided by Regulation S under the Securities Act.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer, the Trustee and the Dealer do not and will not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by the Issuer, the Trustee or the Dealer (save as specified in "*Subscription and Sale and Transfer Restrictions*" below) which is intended to permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Luxembourg, Ireland and Austria) and Switzerland (see the section entitled "*Subscription and Sale*" on pages 244 to 247 of the Base Prospectus and the section of this Prospectus entitled "*Subscription and Sale and Transfer Restrictions*" below).

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**{ XE "Relevant Member State" }) other than offers (the "**Permitted Public Offers**{ XE "Permitted Public Offers" }) which are made on or prior to 15 July 2015 and which are contemplated in the Prospectus in Austria once the Prospectus has been approved by the Central Bank in Ireland and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Austria will be made pursuant to an exemption under the Prospectus Directive as implemented in that Relevant Member State from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this Prospectus other than the Permitted Public Offers may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive in each case, in relation to such offer. Neither the Issuer nor the Dealer have authorised nor do they authorise, the making of any offer (other than Permitted Public Offers) of Notes in circumstances in which an obligation arises for the Issuer or the Dealer to publish or supplement a prospectus for such offer.

GENERAL NOTICES

*The Company has been established as a special purpose vehicle for the purpose of issuing asset backed securities having adopted the form of a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg. The Company's activities are subject to the Securitisation Act 2004 and the Company is a regulated entity within the meaning of the Securitisation Act 2004. Copies of the Articles as at the date of this document have been lodged with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) ("**RCS**{ XE "RCS" }) and the Company is registered with the Luxembourg trade and companies register under number B.182.715.*

*The Articles are published in the Mémorial, Recueil des Sociétés et Associations (the "**Mémorial**{ XE "Mémorial" }").*

Under the Securitisation Act 2004, the Company, as a regulated entity within the meaning of the Securitisation Act 2004, is entitled to issue securities or its shares to the public on an ongoing basis.

Noteholders, by subscribing for the Notes, expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and in particular, the provisions on limited recourse, no petition, subordination and priority of payments and deliveries.

In connection with the issue of the Notes, no stabilisation will take place and the Dealer will not be acting as stabilising manager in respect of the Notes.

This Prospectus contains references to credit ratings granted by Fitch Ratings Limited ("**Fitch**{ XE "Fitch" }") and Moody's Investors Service Ltd ("**Moody's**{ XE "Moody's" }"). Each of Fitch and Moody's are established in the European Community and are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**{ XE "CRA Regulation" }"). A rating is not a recommendation to buy, sell or hold a security and may be subject to revision or withdrawal at any time by the assigning rating agency. There can be no assurance that the assigning rating agency will continue to monitor its rating during the life of the Notes or that such rating may not be downgraded or withdrawn.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

See the section headed "*Index of Defined Terms*" for details of the pages on which capitalised terms used herein are defined.

CURRENCIES

References herein to "**U.S.\$**{ XE "U.S.\$" }", "**USD**{ XE "USD" }" and "**U.S. dollars**{ XE "U.S. dollars" }" are to the lawful currency of the United States of America and references to "**Euro**{ XE "Euro" }", "**euro**{ XE "euro" }", "**EUR**{ XE "EUR" }" and "**€**{ XE "€" }" are 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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SUMMARY

Summaries are made up of disclosure requirements known as "Elements." These Elements are numbered in sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in this Summary because of the type of securities and issuers, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention of "Not applicable."

This Summary relates to the up to EUR 100,000,000 Secured Repackaged Notes due 2023 (the "Notes{ XE "Notes" }").

Element	Disclosure requirement	
A.1	Introduction and warnings	<p>This summary must be read as an introduction to this Prospectus. A decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by the investor, including the documents incorporated by reference. No civil liability will attach to the responsible person(s) in any Member State in which the Prospectus Directive has been implemented solely on the basis of this summary including any translation thereof, unless if it is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus, before the legal proceedings are initiated.</p>
A.2	Consent to the use of the prospectus, the offer period and other conditions of use	<p>Argentum Capital S.A. (the "Company{ XE "Company" }"), acting in respect of Compartment 2015-28 (the "Issuer{ XE "Issuer" }") consents to the use of this Prospectus in connection with the offer of the Notes during the period commencing from, and including, 20 May 2015 to, and including, 15 July 2015 (the "Offer Period{ XE "Offer Period" }") by each of the following financial intermediaries in the Member State(s), and subject to the conditions, set out against their names for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC):</p> <p>Intermediary: Each of: Erste Group Bank AG and Sparkassen in Austria (as listed by federal state)</p> <p>(a) Niederösterreich:</p> <p style="padding-left: 40px;">Sparkasse der Stadt Amstetten AG, Sparkasse Baden, Sparkasse Hainburg-Bruck-Neusiedl AG, Sparkasse Haugsdorf, Sparkasse Herzogenburg-Neulengbach Bank AG, Sparkasse Horn-Ravelsbach-Kirchberg AG, Sparkasse Korneuburg AG, Kremser Bank und Sparkassen AG, Sparkasse Langenlois, Sparkasse Neunkirchen, Sparkasse Niederösterreich Mitte West AG, Sparkasse Pottenstein, N.Ö. Sparkasse Poysdorf AG, Sparkasse Scheibbs AG, Waldviertler Sparkasse Bank AG, Wiener</p>

		<p>Neustädter Sparkasse;</p> <p>(b) Oberösterreich:</p> <p>Sparkasse Salzkammergut AG, Sparkasse Eferding-Peuerbach-Waizenkirchen, Sparkasse Frankenmarkt AG, Sparkasse Lambach Bank AG, Sparkasse Mühlviertel-West Bank AG, Sparkasse Neuhofen Bank AG, Allgemeine Sparkasse Oberösterreich Bank AG, Sparkasse Pregarten-Unterweißenbach AG, Sparkasse Ried im Innkreis-Haag am Hausruck</p> <p>(c) Salzburg:</p> <p>Sparkasse Mittersill Bank AG, Salzburger Sparkasse Bank AG;</p> <p>(d) Tirol:</p> <p>Sparkasse Imst AG, Tiroler Sparkasse Bankaktiengesellschaft Innsbruck, Sparkasse der Stadt Kitzbühel, Sparkasse Kufstein, Tiroler Sparkasse von 1877, Lienzer Sparkasse AG, Sparkasse Rattenberg Bank AG, Sparkasse Reutte AG, Sparkasse Schwaz AG;</p> <p>(e) Vorarlberg:</p> <p>Sparkasse Bludenz Bank AG, Sparkasse Bregenz Bank AG, Dornbirner Sparkasse Bank AG, Sparkasse der Gemeinde Egg, Sparkasse der Stadt Feldkirch</p> <p>(f) Steiermark:</p> <p>Sparkasse Mürzzuschlag AG, Sparkasse Pöllau AG, Steiermärkische Bank und Sparkassen AG, Sparkasse Voitsberg-Köflach Bank AG; and</p> <p>(g) Kärnten:</p> <p>Sparkasse Feldkirchen/Kärnten, Kärntner Sparkasse AG.</p> <p>Member State: Austria</p> <p>Conditions: Each specified financial intermediary has the Issuer's consent to use the Prospectus in respect of offers of the Securities made in the specified Member State provided that it complies with all applicable laws and regulations.</p> <p>The Issuer may give consent to additional financial intermediaries after the date of this Prospectus and, if it does so, it will publish the above information in relation to them at www.argentumcapital.lu at the relevant time during the Offer Period.</p> <p>An offer of the Notes may be made, subject to the conditions</p>
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		<p>set out above, during the Offer Period by any of the Issuer, the Dealer or any Authorised Offeror.</p> <p>Other than as set out above, neither the Issuer nor the Dealer has authorised the making of any offer of the Notes by any person in any circumstances and such person is not permitted to use this Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by the Dealer or any Authorised Offerors and none of the Issuer or the Dealer or any Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p> <p>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALER) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.</p>
B.1	Legal and commercial name of Issuer	Argentum Capital S.A., acting in respect of its Compartment 2015-28.
B.2	Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	The Company has been established as a special purpose vehicle for the purpose of issuing asset backed securities having adopted the form of a public limited liability company (<i>société anonyme</i>) incorporated under the laws of the Grand Duchy of Luxembourg, and its activities as an authorised securitisation undertaking are subject to the Luxembourg law dated 22 March 2004 on securitisation, as amended (the " Securitisation Act 2004 ").
B.16	Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control	<p>The Company has 31,000 shares, all of which are fully paid and held by Stichting Argentum. Stichting Argentum is a foundation (<i>stichting</i>) incorporated under the laws of The Netherlands and is not owned or controlled by any person.</p> <p>Stichting Argentum has no beneficial interest in and derives no benefit from its holding of the issued shares. It will apply any income derived by it from the Company solely for charitable purposes.</p> <p>Stichting Argentum's Deed of Incorporation (which includes its articles of association) contains certain provisions ensuring Stichting Argentum does not abuse its position of control, including an express objects clause which stipulates that it exercises any and all rights attached to the shares of</p>

		the Company in such a manner as to safeguard the interests of the Company and any and all persons concerned to the best of the foundation's ability, including in relation to any of the voting rights to the shares in the Company and to perform any and all acts that may be related, incidental or which may be conducive to safeguarding such interests.
B.17	Credit ratings assigned to an Issuer or its debt securities at the request of the Issuer in the rating process	Not applicable – neither the Issuer nor the Notes are, or are anticipated to be, rated by any rating agency.
B.20	A statement whether the Issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities	The Company has been established as a special purpose vehicle for the purpose of issuing asset backed securities.
B.21	A description of the Issuer's principal activities including a global overview of the parties to the securitisation programme including information on the direct or indirect ownership or control between those parties	<p>The Company's principal activities are to enter into, perform and serve as a vehicle issuing asset backed securities for any securitisation transactions as permitted under the Securitisation Act 2004.</p> <p>It is anticipated that in respect of an issue of Notes, Credit Suisse International will act as the Swap Counterparty under a Swap Agreement as well as Disposal Agent and Calculation Agent.</p> <p>Credit Suisse International is also the Arranger and a Dealer, The Bank of New York Mellon, London Branch is the Issuing and Paying Agent, BNY Mellon Corporate Trustee Services Limited is the Trustee, The Bank of New York Mellon (Luxembourg) S.A. is the Custodian, Luxembourg Paying Agent, Registrar and Transfer Agent and Sanne Group (Luxembourg) S.A. is the Corporate Services Provider in respect of the Issuer (and together with Credit Suisse International, The Bank of New York Mellon, London Branch, BNY Mellon Corporate Trustee Services Limited and The Bank of New York Mellon (Luxembourg) S.A., each such entity is a "Programme Party { XE "Programme Party" }").</p> <p>Each Programme Party's relationship with the Issuer is to act in its respective capacity described above.</p>
B.22	Statement that the Issuer has not commenced operations and no financial statements have been made up as at the date of the Prospectus	Not applicable - the Issuer has commenced operations and has prepared financial statements.
B.23	Selected key historical financial information about the Issuer	Selected historical key financial information of the Issuer with respect to the year ended 31 December 2013 and the year ended 31 December 2014 (which has been extracted from the Issuer's audited financial statements which are both

		incorporated by reference into this Prospectus):																																																						
		<table> <thead> <tr> <th></th> <th style="text-align: right;">As at 31 December 2014 (Audited)</th> <th style="text-align: right;">As at 31 December 2013 (Audited)</th> </tr> <tr> <th></th> <th style="text-align: right;">€</th> <th style="text-align: right;">€</th> </tr> </thead> <tbody> <tr> <td colspan="3">Fixed assets</td> </tr> <tr> <td>Securities and other financial instruments held as fixed assets</td> <td style="text-align: right;">1,438,638,954</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="3">Current assets</td> </tr> <tr> <td>Other receivables becoming due and payable within one year</td> <td style="text-align: right;">717,122</td> <td style="text-align: right;">96,932</td> </tr> <tr> <td>Cash at bank, cash in postal cheque accounts, cheques and cash in hand</td> <td style="text-align: right;">30,848</td> <td style="text-align: right;">30,913</td> </tr> <tr> <td>TOTAL ASSETS</td> <td style="text-align: right;">1,439,386,924</td> <td style="text-align: right;">127,845</td> </tr> <tr> <td colspan="3">Capital and reserves</td> </tr> <tr> <td>Subscribed capital</td> <td style="text-align: right;">31,000</td> <td style="text-align: right;">31,000</td> </tr> <tr> <td>Profit or loss brought forward</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="3">Provisions</td> </tr> <tr> <td>Other provisions</td> <td style="text-align: right;">339,365,648</td> <td style="text-align: right;">9,200</td> </tr> <tr> <td colspan="3">Non subordinated debts</td> </tr> <tr> <td>Non convertible loans becoming due and payable after more than one year</td> <td style="text-align: right;">1,099,338,106</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Tax debts</td> <td style="text-align: right;">803</td> <td style="text-align: right;">535</td> </tr> <tr> <td>Other creditors becoming due and payable within one year</td> <td style="text-align: right;">651,367</td> <td style="text-align: right;">87,110</td> </tr> <tr> <td>TOTAL LIABILITIES</td> <td style="text-align: right;">1,439,386,924</td> <td style="text-align: right;">127,845</td> </tr> </tbody> </table>		As at 31 December 2014 (Audited)	As at 31 December 2013 (Audited)		€	€	Fixed assets			Securities and other financial instruments held as fixed assets	1,438,638,954	-	Current assets			Other receivables becoming due and payable within one year	717,122	96,932	Cash at bank, cash in postal cheque accounts, cheques and cash in hand	30,848	30,913	TOTAL ASSETS	1,439,386,924	127,845	Capital and reserves			Subscribed capital	31,000	31,000	Profit or loss brought forward	-	-	Provisions			Other provisions	339,365,648	9,200	Non subordinated debts			Non convertible loans becoming due and payable after more than one year	1,099,338,106	-	Tax debts	803	535	Other creditors becoming due and payable within one year	651,367	87,110	TOTAL LIABILITIES	1,439,386,924	127,845
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B.24	Description of any material adverse change since the date of	There has been no material adverse change in the prospects of the Issuer since 31 December 2014, being the date of its																																																						

	the Issuer's last published audited financial statements	last audited accounts.
B.25	Description of the underlying assets	<p>The assets securing the Notes comprise, among other things:</p> <p>(a) 3.91% lower tier 2 subordinated bonds due 2023 (ISIN: AT000YOUINV0) (the "Original Collateral { XE "Original Collateral" } ") denominated in EUR, issued by Erste Group Bank AG (the "Original Collateral Obligor { XE "Original Collateral Obligor" } "), having an aggregate nominal amount which will be notified by or on behalf of the Issuer on or around the Issue Date and will be equal to not less than 70 per cent. and not more than 85 per cent. of the Aggregate Nominal Amount of the Notes issued; and</p> <p>(b) the rights of the Issuer under the swap transaction (the "Swap Agreement{ XE "Swap Agreement" }") relating to the Notes under which the Issuer is entitled to receive amounts equal to the interest amounts and the final redemption amount (which includes the Upside Participation Amount) payable on the Notes from Credit Suisse International as the Swap Counterparty (in each case on the business day prior to the relevant payment date), and the Issuer will pay amounts corresponding to all amounts payable on from the Original Collateral to the Swap Counterparty (in each case on the relevant scheduled date for payment).</p> <p>The Swap Counterparty as at the Issue Date is Credit Suisse International, whose business is banking and financial services and which is incorporated in England and Wales.</p> <p>The Swap Agreement provides that amounts equal to the interest amounts and final redemption amount on the Notes are payable by the Swap Counterparty to the Issuer on the business day prior to the relevant payment date under the Notes. Accordingly, the securitised assets (including the rights of the Issuer under the Swap Agreement) have characteristics that demonstrate capacity to produce funds to service the relevant amounts due and payable on the Notes.</p>
B.26	Parameters within which an actively managed pool of assets backing the issue is managed	Not applicable – neither the Issuer nor any third party will actively manage a pool of assets backing the Notes.
B.27	Statement regarding fungible issues	<p>The Issuer shall be at liberty from time to time, without the consent of the Noteholders, to create and issue further securities so as to be consolidated and form a single Series (or a Class thereof) with the relevant existing Series of Notes (or Class thereof).</p> <p>The Issuer acting in respect of other Compartments shall be at liberty from time to time, without the consent of the Noteholders, to create and issue further securities to form a separate Series from the existing Series of Notes upon such</p>

		terms as the relevant Issuer may, in its absolute discretion, at the time of the issue thereof determine.
B.28	Description of the structure of the transaction	<p>On 22 July 2015 (or such other date as may be specified as such in a notice published by or on behalf of the Issuer) (the "Issue Date{ XE "Issue Date" }"), the Issuer will deliver the Notes to the Dealer in consideration of the entry by the Dealer into the Swap Agreement. The Swap Agreement provides that amounts equal to the interest amounts and final redemption amount (which includes the Upside Participation Amount) on the Notes are payable by the Swap Counterparty to the Issuer on the business day prior to the relevant payment date under the Notes. The Upside Participation Amount (which may be zero) is determined by reference to the performance of the YI active spezial (ISIN: AT0000A1CV54) (the "Fund{ XE "Fund" }"), a special purpose fund established pursuant to the 2011 Austrian Investment Fund Act. On the Issue Date the Issuer will purchase the Original Collateral from Credit Suisse Securities (Europe) Limited. The Issuer will procure that any Collateral constituting "liquid assets and securities" for the purposes of Article 22 of the Securitisation Act 2004 is delivered to the Custodian on the Issue Date.</p> <p>The Custodian will then hold such Collateral on behalf of the Issuer subject to the Security, the conditions set out in the Securitisation Act 2004 and the terms of the Issue Deed.</p>
B.29	Description of the flow of funds and other material forms of credit enhancement and providers thereof	<p>The Issuer will enter into a Swap Agreement in connection with the Notes, the purpose of which is to allow the Issuer to perform its scheduled obligations under the Notes. Under the Swap Agreement the Issuer will, <i>inter alia</i>, exchange the payments received under the Collateral for the payment flows required to meet the amounts due under the Notes. The Swap Agreement provides that amounts equal to the interest amounts and final redemption amount (which includes the Upside Participation Amount) on the Notes are payable by the Swap Counterparty to the Issuer on the business day prior to the relevant payment date under the Notes. The Issuer will also enter into a collateralisation arrangement in connection with the Swap Counterparty by way of entry into a Credit Support Annex to the Swap Agreement, the purpose of which is, amongst other things, to provide the Issuer with a degree of protection against its exposure to the Swap Counterparty under the Swap Agreement, by requiring the Swap Counterparty to post an amount of eligible credit support (comprised of cash and transferable securities) to the Issuer.</p>
B.30	The name and description of the originators of the securitised assets	Credit Suisse Securities (Europe) Limited, a company incorporated in England and Wales, whose business is banking and financial services.
B.33	The following information in respect of the collective investment undertaking:	

	<p>B.1</p> <p>Legal and commercial name of the collective investment undertaking</p>	<p>YI active spezial</p>
	<p>B.2</p> <p>Domicile and legal form of the collective investment undertaking, the legislation under which the collective investment undertaking operates and its country of incorporation</p>	<p>The Fund's designation is YI active spezial, special purpose fund pursuant to §§ 163 ff in conjunction with §§ 166 Austrian Investment Fund Act 2011 ("InvFG") as amended in conjunction with the Alternative Fund Manager Act (AIFMG).</p> <p>The Fund is a special purpose fund in the form of an "other asset portfolio" pursuant to the InvFG as amended in conjunction with the Alternative Fund Manager Act (AIFMG). The Fund will be an alternative investment fund (AIF) and does not comply with Directive 2009/65/EC. Therefore, the Fund is subject to the provisions of both the InvFG 2011 and the AIFMG as well as any other applicable legal regulations.</p> <p>The Fund is established in Austria.</p>
	<p>B.5</p> <p>If the collective investment undertaking is part of a group, a description of the group and the collective investment undertaking's position within the group</p>	<p>Not applicable – the Fund has no subsidiaries and is not a part of any such group.</p>
	<p>B.6</p> <p>In so far as is known to the collective investment undertaking, the name of any person who, directly or indirectly, has an interest in the collective investment undertaking's capital or voting rights which is notifiable under the collective investment undertaking's national law, together with the amount of each such person's interest.</p> <p>Whether the collective investment undertaking's major shareholders have different voting rights, if any.</p>	<p>Not applicable – the share certificates of the Fund do not provide any voting rights. The shareholders of the Fund as at the date hereof are Credit Suisse International and Erste Asset Management GmbH.</p>

	To the extent known to the collective investment undertaking, state whether the collective investment undertaking is directly or indirectly owned or controlled and by whom and describe the nature of such control	
	B.7 Selected historical key financial information and any significant change to the collective investment undertaking's financial condition and operating results	Not applicable – The Fund was established on 17 April 2015 and no financial statements have been made up as at the date hereof.
	B.8 Selected key pro forma financial information	Not applicable – No financial statements of the Fund have been made up as at the date hereof.
	B.9 Profit forecast or estimate	Not applicable – No profit forecast or estimate has been made in respect of the Fund as at the date hereof.
	B.10 Qualifications in the audit report on historical financial information	Not applicable – No financial statements of the Fund have been made up as at the date hereof.
	C.3 Number of shares issued and fully paid and issued but not fully paid. The par value per share, or that the shares have no par value	As of 30 April 2015, there are 1,000 issued and fully paid shares and there are no issued but not fully paid shares. The number of shares in the Fund is unlimited. The par value per Fund share is EUR 100.
	C.7 A description of dividend policy	Not applicable – The Fund shares are non-dividend shares.
	D.2 Key information on the key risks that are specific to the collective investment undertaking	There are certain factors which are material for the purpose of assessing the risks associated with the Fund. These include the following: Certain events may occur in relation to the Fund or the units or shares of the Fund which may result in adjustments to the terms of the Notes or the Swap Agreement, including: <ul style="list-style-type: none"> • the deferral of the maturity of the Notes. Such deferral may be lengthy and investors will not be compensated

		<p>for such deferral by payment of additional interest;</p> <ul style="list-style-type: none"> the use of estimates in calculation of the Upside Participation Amount payable on the Notes. Such estimates may include amounts reflecting the risk of holding the Fund as a hedge and the risk of inability to liquidate the Fund in full and without restrictions, which may result in a significant reduction of the Upside Participation Amount payable on the Notes; substitution of the Fund with one or more funds and allocating the weighting of each such replacement fund. This would affect the underlying risk profile of the Notes and could result in a significant reduction of the Upside Participation Amount payable on the Notes; calculating an unscheduled termination amount to be payable in lieu of the Upside Participation Amount. Such unscheduled termination amount may be calculated at any time during the term of the Notes and may not reflect the actual performance of the Reference Portfolio at the final valuation date, and could result in a significant reduction of the final redemption amount payable on the Notes. <p>The value of the Fund at any specific date may not reflect the prior or future performance. There can be no assurance as to the future performance of the Fund or that any return on an investor's initial investment in the Notes will be equal to or exceed the return that such investor might have achieved by placing such investment on deposit.</p> <p>The Fund will not be held by the Issuer for the benefit of Noteholders and, as such, Noteholders have no right of ownership in the Fund.</p> <p>The Issuer and Credit Suisse International may have acquired or may from time to time acquire non-public information with respect to the Fund, but will not be obliged to disclose any such information to any investor in the Notes.</p>
B.34	A description of the investment objective and policy, including any investment restrictions of the collective investment undertaking	<p>The Fund aims to achieve capital growth. In order to meet this objective, the Fund buys and sells assets that are permitted according to the Austrian Investment Fund Act and the Fund terms and conditions, subject to investment restrictions, including without limitation, the following investment limits or investment guidelines to be adhered to by the Fund Manager (expressed as a percentage of the Fund assets): (i) securities and money market instruments that do not meet the criteria regarding listing or trading on a regulated market or securities exchange pursuant to the InvFG may comprise up to 10% in total, and (ii) concentration in any fund position must be less than 20%.</p>
B.35	Borrowing and/or leverage limits of the collective investment undertaking	<p>The maximum value of leverage for the Fund is (according to the gross method) 710% of the net asset value, and (according to the commitment method) 210% of the net asset value. Short-term loans of up to 10% of the Fund assets may be taken out. Securities lending is not permitted.</p>

B.36	Regulatory status of the collective investment undertaking and name of regulator in country of incorporation	The Fund is a special purpose fund in the form of an “other asset portfolio” pursuant to the Austrian Investment Fund Act 2011 (“InvFG”) as amended in conjunction with the Alternative Fund Manager Act (AIFMG). The relevant regulator in its country of establishment is the Financial Market Authority in Austria.
B.37	Brief profile of typical investor for whom the collective investment undertaking is designed	The Fund is designed for the purpose of determination of the Upside Participation Amount (as defined below) comprising the final redemption amount of the Notes. The minimum investment by any natural person acquiring shares in the Fund is EUR 250,000. The Fund is only suitable for experienced investors who are capable of assessing the risks and the value of the investment.
B.38	<p>Where more than 20% of the gross assets of the collective investment undertaking may be:</p> <p>(a) invested in a single underlying asset; or</p> <p>(b) invested in one or more collective investment undertakings which may in turn invest more than 20% of gross assets in other collective investment undertakings; or</p> <p>(c) exposed to creditworthiness or solvency of any one counterparty,</p> <p>the identity of the entity should be disclosed together with a description of the exposure (eg. counterparty) as well as information on the market in which its securities are admitted</p>	Not applicable – the Fund is subject to investment guidelines that do not permit any such investment or exposure in excess of the relevant limit.
B.39	<p>Where a collective investment undertaking may invest in excess of 40% of its gross assets in another collective investment undertaking, a brief explanation of either:</p> <p>(a) the exposure, identity of the underlying collective</p>	Not applicable – the Fund is subject to investment guidelines that do not permit any such investment in excess of the relevant limit.

	<p>investment undertaking, and such information as required in a summary note by that collective investment undertaking; or</p> <p>(b) where the securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market, the identity of the underlying collective investment undertaking</p>	
B.40	A description of the service providers of the collective investment undertaking, including maximum fees payable	<p>The Fund management company is ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., domiciled at Habsburgergasse 1a, A-1010 Vienna. The annual fee payable to the Fund management company for its administrative activities amounts up to 1.2% of the Fund assets, accrued on a daily basis.</p> <p>The Fund custodian bank is Erste Group Bank AG, Vienna. The custodian bank will receive a fee in the amount of 0.5% of the Fund assets upon liquidation. The custodian bank will also be paid a monthly fee for maintaining the Fund accounts and for publishing the Fund price and the theoretical maximum value of such fee at or around the date of this Prospectus amounts to 2% of the Fund assets.</p>
B.41	Identity and regulatory status of any investment manager, investment advisor, custodian, trustee or fiduciary (including any delegated custody arrangements) of the collective investment undertaking	<p>The Fund management company is ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., domiciled at Habsburgergasse 1a, A-1010 Vienna. ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. is a management company for the purposes of InvFG. It has the form of a limited liability company under Austrian commercial law (<i>Gesellschaft mit beschränkter Haftung, GmbH</i>), is subject to Austrian law, and is registered with the Commercial Court of Vienna under registry number FN 81876 g.</p> <p>The Fund custodian bank is Erste Group Bank AG, Vienna. Erste Group Bank AG is registered as a joint-stock corporation (<i>Aktiengesellschaft</i>) in the Austrian Companies Register (<i>Firmenbuch</i>) at the Vienna Commercial Court (Handelsgericht Wien) and has the registration number 33209 m.</p> <p>The custodian bank may make use of sub-custodians in various jurisdictions. As at the date hereof, there are no sub-custodians holding in custody any assets of the Fund.</p>
B.42	A description of how often the collective investment undertaking	<p>The Fund net asset value is calculated on every Austrian bank business day and will be made available to investors on</p>

	net asset value will be determined and method of communication to investors	Bloomberg and/or Reuters.
B.43	In the case of an umbrella collective investment undertaking, a statement of any cross liability between classes or investment in other collective investment undertaking	Not applicable. The Fund is not an umbrella collective investment undertaking.
B.44	Selected historical key financial information regarding the collective investment undertaking or where the collective investment undertaking has not commenced operations and no financial statements have been made up, a statement to that effect	Not applicable – The Fund was established on 17 April 2015 and no financial statements have been made up as at the date hereof.
B.45	A description of the collective investment undertaking's portfolio	As at the date hereof, the portfolio of the Fund includes fund share certificates in various funds which may include without limitation, funds issued and/or managed by ERSTE-SPARINVEST Kapitalanlagegesellschaft mbH, Pictet Funds (Europe) S.A., Candriam Luxembourg S.A., AXA Rosenberg Management Ireland Ltd., Schroder Investment Management, JPMorgan Asset Management (Europe) S.à r.l., HSBC Investment Funds (Luxembourg) S.A., Erste Group Bank AG, and/or State Street Global Advisors France S.A..
B.46	An indication of the most recent net asset value per security (if applicable)	The net asset value of the Fund is available on Bloomberg and/or Reuters and as at 6 May 2015 was EUR 96.46.
C.1	A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number	The Notes are to be issued as a single series and form a single class. The Notes are in bearer form and have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code for the Notes is 122833194 and the International Securities Identification Number for the Notes is XS1228331945.
C.2	Currency	The Notes will be issued in EUR.
C.5	A description of any restrictions on the free transferability of the securities	Selling restrictions apply to offers, sales or transfers of Notes under the applicable laws in various jurisdictions.
C.8	Rights attached to the securities including ranking and limitations	Status and Security The Notes are secured limited recourse obligations of the

	<p>to those rights</p>	<p>Issuer, ranking <i>pari passu</i>, without any preference among themselves.</p> <p>The Issuer will grant security to the Trustee to secure its obligations in respect of the Notes over all Collateral held on behalf of the Issuer, the rights of the Issuer under the Swap Agreement, any securities or cash accounts established in relation to the Notes and ancillary rights. Such security will comprise a Luxembourg law pledge and an English law charge and assignment.</p> <p>Investors should note that where any Collateral and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral and/or property, sums and assets, as the case may be, rather than a charge over such Collateral and/or property, sums and assets derived therefrom themselves.</p> <p>Limited Recourse and Non-Petition</p> <p>Claims against the Issuer by holders of the Notes and each other creditor relating to such Notes will be limited to the proceeds of the Notes and the Collateral.</p> <p>If the net proceeds of the Notes and the net proceeds of the realisation of the Collateral are not sufficient to make all payments due in respect of the Notes and due to each other creditor relating to the Notes, no other assets of the Issuer will be available to meet such shortfall and the claims of the Noteholders and any other creditors relating to the Notes in respect of any such shortfall shall be extinguished.</p> <p>No party will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall.</p> <p>Priority of Claims</p> <p>Following any Liquidation or on an enforcement of the Security, the rights of the Noteholders to be paid amounts or delivered assets due under the Notes will be subordinated to (i) amounts owing to the Swap Counterparty pursuant to the Credit Support Annex, (ii) the Issuer's share of the payment or satisfaction of all taxes owing by the Issuer, (iii) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the Security (including any taxes to be paid, legal fees and remuneration), (iv) certain amounts owing to the Custodian, the Paying Agents and the other Agents in respect of reimbursement for sums paid by them in advance of receipt by them of the funds to make such payment and fees, costs, charges, expenses and liabilities, (v) fees of the Disposal Agent, (vi) any amounts owing to the Swap Counterparty under the Swap Agreement, (vii) the Issuer's share of fees of the Corporate Services Provider owing by the Issuer and (viii) any other claims as specified in the Conditions as may be amended by the Issue Deed relating to the Notes, that rank in priority to the Notes.</p>
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Negative Pledge/Restrictions

There is no negative pledge. However, so long as any Note remains outstanding, the Issuer will not, without the consent of the Trustee and the Swap Counterparty, engage in any business other than the issuance or entry into of bonds, notes or other securities or the entry into of loans or other agreements for the payment or repayment of borrowed money, subject to the provisions of the Securitisation Act 2004 and the articles of incorporation of the Issuer, and provided always that such obligations are secured on assets of the Issuer other than the Issuer's share capital and those assets securing any other obligations of the Issuer and that they are entered into on a limited recourse and non-petition basis. In addition, the Issuer will be subject to certain other restrictions including that it will not, without the consent of the Trustee and the Swap Counterparty, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any further shares.

Events of Default

The conditions of the Notes contain the following events of default (each an "**Event of Default**{ XE "Event of Default" }"):

- (i) default is made for more than 14 days in the payment of any interest in respect of the Notes or any of them, other than any interest due and payable on the Maturity Date, and other than where any such default occurs as a result of a Collateral Event, a Note Tax Event, an Original Collateral Tax Event, a Swap Termination Event or a Swap Counterparty Event;
- (ii) the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been effectively given to the Issuer by the Trustee; or
- (iii) certain bankruptcy or insolvency events occur in relation to the Issuer.

Extraordinary Events

The Calculation Agent may adjust the terms of the Notes if certain disruption events, adjustment events, substitution events or defeasance events occur in relation to the Fund. In addition the Notes will be redeemed prior to the Maturity Date if a Collateral Event or certain other events occur. A "**Collateral Event**{ XE "Collateral Event" }" broadly means any of (i) an event of default or failure to pay in relation to the Collateral, (ii) the redemption or conversion of the Collateral, or (iii) a currency redenomination in respect of

the Collateral.

Meetings

The conditions of the Notes will contain provisions for convening meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

Publication

All notices during the lifetime of this product will be provided to Noteholders via the clearing systems and can also be requested from the registered office of the Issuer (51 Avenue J.-F. Kennedy, L-1855 Luxembourg).

Governing Law

The Notes are governed by English law. Articles 86 to 97 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended ("**Companies Act 1915** { XE "Companies Act 1915" }") are excluded.

C.9	<p>Interest and yield; name of representative of debt security holders</p>	<p>See C.8 above, plus:</p> <p>Save that the final redemption amount at maturity will be at least the nominal amount per Note, the Notes are not otherwise capital protected during the tenor of the Notes.</p> <p>Interest</p> <p>The Notes will pay fixed interest annually at a rate equal to 0.50 per cent. per annum, provided that if a Collateral Event determination date occurs, interest will cease to accrue from and including the immediately preceding Interest Payment Date (or, if none, the Issue Date).</p> <p>Redemption</p> <p>Unless redeemed earlier, the Notes will mature on the later of (i) 5 May 2023 and (ii) the 3rd Payment Business Day following the date on which the Swap Counterparty notifies the Calculation Agent that it has received in full all of the proceeds of redemption, realisation or settlement of any hedge in respect of the Notes and the Swap Agreement (the "Maturity Date{ XE "Maturity Date" }"). On the Maturity Date the final redemption amount will be EUR 1,000 per Note, plus a proportionate share per Note of an Upside Participation Amount.</p> <p>Upside Participation Amount</p> <p>The upside participation amount (the "Upside Participation Amount{ XE "Upside Participation Amount" }") will be payable on the Maturity Date and will be equal to the greater of zero and the performance of a reference portfolio during the term of the Notes. The reference portfolio consists of an allocation to the Fund and an allocation to cash, the return on which is linked to the EONIA overnight benchmark interest rate. The allocations to the Fund and cash within the reference portfolio are adjusted daily on the basis of the volatility linked algorithm (automatic formula driven allocation) with a target volatility of 8%.</p> <p>Yield</p> <p>Subject to any early redemption, the annual yield (excluding the performance of the reference portfolio) on the Notes may be calculated at the Issue Date on the basis of the Issue Price, although the actual yield on the Notes will also depend on the performance of the reference portfolio during the term of the Notes. The Upside Participation Amount cannot be less than zero, which means that investors will not suffer any deduction to the outstanding principal amount per Note if the Reference Portfolio return is less than zero.</p> <p>Name of representative of debt security holders</p> <p>BNY Mellon Corporate Trustee Services Limited (acting in its capacity as Trustee) shall be the representative of the debt security holders.</p>
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C.10	Explanation on how the interest amount is affected by the value of the underlying	Not applicable. The interest amount does not have a derivative component linked to the value of the Original Collateral.
C.11	Listing and admission to trading on a regulated market	Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the " Official List {xe "Official List"}") and trading on its regulated market.
C.12	Minimum Denomination	The denomination of each Note will be EUR 1,000.
D.2	Key information on the key risks that are specific to the Issuer	<p>There are certain factors that are material for the purpose of assessing the risks associated with the Issuer. In purchasing the Notes, investors assume the risks associated with such factors, which could materially adversely affect the Issuer and its ability to make payments due under the Notes. These factors include the following:</p> <p>Securitisation Act 2004 and Compartments: The Company is established as a <i>société anonyme</i> (public limited liability company) within the meaning of the Securitisation Act 2004, which means that claims against the Company by the Noteholders will be limited to the net proceeds of each Series of Notes and to the Collateral relating to such Series included in the relevant Compartment.</p> <p>The Issuer is a special purpose vehicle: The Issuer has, and will have, no assets other than its issued and paid-up share capital, fees (as agreed) payable to it in connection with the issue of the Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which the Series of Notes or other obligations are secured.</p> <p>Contracting on limited recourse basis: The rights of Noteholders to participate in the assets of the Issuer is limited to the net proceeds of the Notes and to the Collateral relating to the Series of Notes.</p> <p>Allocation of Liabilities Among All Noteholders: Any liability which is not a Series-specific liability (that is, it does not relate to any Compartment in respect of which any Series of Notes is issued), which is not otherwise funded, may be apportioned between the Series.</p> <p>Consequences of Winding-up Proceedings: The Company is insolvency-remote, not insolvency-proof.</p> <p>Fees and Expenses: Fees and expenses payable by the Issuer in respect of the Notes (including fees payable to the Arranger and/or the Trustee) may rank senior to payments of principal of the Notes.</p> <p>Possibility of U.S. withholding tax on payments: The application of U.S. withholding tax to payments by the Issuer is not clear on the date of this Prospectus.</p> <p>Regulation of the Issuer by any regulatory authority: The Issuer is not required to be licensed, registered or</p>

		<p>authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. However, any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the Noteholders.</p>
D.3	Key information on the key risks that are specific to the debt securities	<p>There are also certain factors which are material for the purpose of assessing the risks associated with the Notes. These include the following:</p> <p>Limited recourse obligations: The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property over which security is given by the Issuer in favour of the Trustee on behalf of the Noteholders and other Secured Creditors.</p> <p>Security: The Notes will have the benefit of English and Luxembourg law-governed security interests which are granted to the Trustee over the Collateral allocated to the Compartment.</p> <p>Meetings of Noteholders and modification: The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and permit defined majorities or the Trustee to bind all Noteholders.</p> <p>Trustee indemnity and remuneration: Where the Trustee takes certain actions, on behalf of the Noteholders, in respect of the Notes, the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. The Issuer indemnifies the Trustee against costs and liabilities in these circumstances. The Trustee shall in no circumstances be obliged to take any action, step or proceeding whether pursuant to the Trust Deed, any other Security Document or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.</p> <p>Priority of Claims: Following a liquidation or on an enforcement of the security, the rights of the Noteholders to be paid amounts under the Notes will be subordinated.</p> <p>No gross-up: The Noteholders will not be entitled to receive grossed-up amounts if any withholding tax or deduction for tax is imposed on payments in respect of the Notes.</p> <p>Early Redemption: The amount payable to Noteholders on an early redemption may be significantly lower than their initial investment and may even be zero as a result of an early redemption event (for example following a Collateral Event, certain tax events in respect of the Issuer, termination of the Swap Agreement or due to illegality).</p> <p>Market Value of Notes: The market value of the Notes will be volatile.</p> <p>Offer Period: The Issuer reserves the right to refrain from commencing the offer of the Notes prior to the commencement of the Offer Period or withdrawing the offer of Notes at any time during the Offer Period.</p>

	<p>Exposure to Credit Suisse International: Credit Suisse International acts as the Swap Counterparty under the Swap Agreement as well as Disposal Agent, Valuation Agent and Calculation Agent and, as such, Noteholders are exposed to the credit risk of Credit Suisse International in each of these capacities.</p> <p>Nature of the Notes: The Notes are highly complex investments that involve a high level of risk. Prospective investors may lose their entire investment.</p> <p>The Credit Support Annex: There can be no assurance that any amount realised from the sale of the Eligible Securities delivered and held by the Issuer pursuant to the Credit Support Annex, together with net cash balances transferred thereunder, will be equal to the amount otherwise payable by the Swap Counterparty as a result of the termination of the Swap Agreement.</p> <p>Possibility of U.S. withholding tax on payments: The application of U.S. withholding tax to payments by the Issuer is not clear on the date of this Prospectus, which has consequential impact on liquidity, credit, increased regulation and nationalisation and systematic risk.</p> <p>Recent Global Events: Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.</p> <p>No disclosure of information; disclosure of confidential information: The Notes do not create any obligation on the part of the Issuer or Credit Suisse International or any other person to disclose to any Noteholder any such relationship or information (whether or not confidential).</p> <p>Exposure to the Original Collateral and the Fund: The Notes are linked to the performance of a lower tier 2 subordinated bond issued by Erste Group Bank AG and to the performance of an Austrian fund. An investment in the Notes therefore carries a high degree of risk. Save that the final redemption amount at maturity will be at least the nominal amount per Note, the Notes are not capital protected. Hence, only a small part of an investor's available funds should be invested in the Notes, and not all available funds or funds financed by credit should be invested into the Notes. Investors should participate in the investment only if they are in a position to consider carefully the risks (either alone or with a financial advisor) associated with the Notes, and the Notes should be viewed as a long term investment.</p> <p>The Fund: Certain events may occur in relation to the Fund or the units or shares of the Fund which may result in adjustments to the terms of the Notes or the Swap Agreement, including:</p> <ul style="list-style-type: none"> • the deferral of the maturity of the Notes. Such deferral may be lengthy and investors will not be compensated for such deferral by payment of additional interest; • the use of estimates in calculation of the Upside Participation Amount payable on the Notes. Such
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		<p>estimates may include amounts reflecting the risk of holding the Fund as a hedge and the risk of inability to liquidate the Fund in full and without restrictions, which may result in a significant reduction of the Upside Participation Amount payable on the Notes;</p> <ul style="list-style-type: none"> • substitution of the Fund with one or more funds and allocating the weighting of each such replacement fund. This would affect the underlying risk profile of the Notes and could result in a significant reduction of the Upside Participation Amount payable on the Notes; • calculating an unscheduled termination amount to be payable in lieu of the Upside Participation Amount. Such unscheduled termination amount may be calculated at any time during the term of the Notes and may not reflect the actual performance of the Reference Portfolio at the final valuation date, and could result in a significant reduction of the final redemption amount payable on the Notes. <p>The value of the Fund at any specific date may not reflect the prior or future performance. There can be no assurance as to the future performance of the Fund or that any return on an investor's initial investment in the Notes will be equal to or exceed the return that such investor might have achieved by placing such investment on deposit.</p> <p>The Fund will not be held by the Issuer for the benefit of Noteholders and, as such, Noteholders have no right of ownership in the Fund.</p> <p>The Issuer and Credit Suisse International may have acquired or may from time to time acquire non-public information with respect to the Fund, but will not be obliged to disclose any such information to any investor in the Notes.</p> <p>The Original Collateral: The Original Collateral will be a subordinated bond. If the Original Collateral is required to be sold or valued in connection with the early redemption of the Notes, the value or the related disposal proceeds may be low or zero.</p> <p>Limited Liquidity: Investors should note that there can be no assurance as to the liquidity of any trading market for the Notes or that an active public market will develop.</p> <p>Correlated risk: The obligor of the Original Collateral acts as custodian of the Fund. The manager of the Fund is a member of the same corporate group as the obligor of the Original Collateral. The credit risk of the Original Collateral and the risk of under-performance of the Fund may therefore be correlated.</p> <p>Others: Other risks, including, without limitation, sovereign risk, Eurozone risk and political, economic, geographical or industry related risks that are not directly related to the Notes may also materially affect the value and performance of the Notes.</p>
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E.2b	Reasons for the offer and use of proceeds	The net proceeds of the Notes will be applied by the Issuer, subject to the provisions of the Securitisation Act 2004, to purchase the Collateral and/or in meeting certain expenses and fees payable in connection with the operations of the Issuer and the issue of the Notes.
E.3	A description of the terms and conditions of the offer	<p>Offer Period</p> <p>Applications to subscribe for the Notes may be made during the Offer Period (from 20 May 2015 to 15 July 2015), subject to passporting of this Prospectus into Austria.</p> <p>Early Closing of the Subscription of the Notes or other adjustment of Offer Period</p> <p>The Offer Period is subject to adjustment by or on behalf of the Issuer for any reason. Any adjustment to the Offer Period will be published on the Irish Stock Exchange's website (www.ise.ie).</p> <p>Description of the application and settlement process</p> <p>A prospective investor should contact the relevant Distributor during the Offer Period. A prospective investor will acquire the Notes in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally and not directly with the Issuer or the Dealer.</p> <p>Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than Austria wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted due to selling restrictions and thus that the application may be rejected by the Distributor; and (b) contact its financial adviser, bank or financial intermediary for more information.</p> <p>The Notes will be issued on the Issue Date. Payment to the Issuer of the net subscription moneys will be by debit of a cash account on or before the Issue Date or in accordance with other procedures specified by the Distributor. Allotted Notes will be delivered to a securities account of each Noteholder as soon as practicable after the Issue Date.</p> <p>Offer Price</p> <p>The Issue Price includes a commission of up to 3% of the Aggregate Nominal Amount of Notes issued, and, in addition, any Distributor and/or sub-distributor may charge additional fees of up to 3% of the Aggregate Nominal Amount of Notes issued to investors in connection with a purchase of Notes. Accordingly, the Offer Price may be up to 103% of the Aggregate Nominal Amount of Notes issued (or up to the sum of the relevant Issue Price and 3% of the Aggregate Nominal Amount of Notes).</p> <p>Conditions to which the offer is subject and results of the offer</p> <p>Offers of the Notes are conditional upon their issue and the establishment of the Fund by the Issue Date and the issuance</p>

		<p>of the Original Collateral by the Business Day prior to the Issue Date. If the Fund or the Original Collateral is not established or, as the case may be, issued by the relevant date, the offer will be withdrawn and cancelled.</p> <p>The offer of the Notes may also be withdrawn in whole or in part at any time before the Issue Date at the discretion of the Issuer for any reason.</p> <p>The Offer Period is subject to adjustment by or on behalf of the Issuer for any reason.</p> <p>Any adjustment to the Offer Period will be published on the Irish Stock Exchange's website (www.ise.ie).</p> <p>The Issuer will in its sole discretion determine the final amount of Notes issued up to a limit of EUR 100,000,000. Notes will be allotted subject to availability in the order of receipt of investors' applications. The final Aggregate Nominal Amount of Notes issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the number of Notes which have been agreed to be purchased as of 15 July 2015. The precise Aggregate Nominal Amount of Notes to be issued will be published on the Irish Stock Exchange's website (www.ise.ie) and filed with the Central Bank.</p>
E.4	Interest material to the offer including conflicts of interests	<p>The total commission payable by the Issuer to the Dealer in respect of the issue of the Notes will not exceed 3% of the Aggregate Nominal Amount of Notes issued. The Issuer will fund the payment of such commission using a portion of the issue proceeds, which amount will be deducted by the Dealer from the subscription moneys payable to the Issuer in respect of the Notes. The Dealer will use such commission payable by the Issuer to pay a corresponding commission to Erste Group Bank AG as Distributor, in respect of which a portion may be paid to the sub-distributor. Any Distributor and/or sub-distributor may charge additional fees to investors in connection with a purchase of Notes.</p> <p>Erste Group Bank AG is a Distributor and intermediary as well as the Original Collateral Obligor and is a member of the same group of companies as the entity providing fund management/advisory services to the Fund. The Original Collateral Obligor also acts as custodian of the assets of the Fund. Any such entities may have interests that are contrary to the interests of the Issuer and the Noteholders when acting in their different capacities.</p>
E.7	Estimated expenses charged to the investor	<p>A commission is payable by the Issuer to the Dealer of up to 3% of the Aggregate Nominal Amount of Notes issued. Any Distributor and/or sub-distributor may charge additional fees to investors in connection with a purchase of Notes.</p>

RISK FACTORS

The purchase of the Notes may involve substantial risks and is suitable only for sophisticated purchasers who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. The Issuer believes that the following factors may affect either its ability to fulfil its obligations under the Notes or the performance of the Notes. Some 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. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay principal (including any Upside Participation Amount) or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

1. GENERAL

1.1 Offer Period

The Issuer reserves the right to refrain from commencing the offer of the Notes prior to the commencement of the Offer Period or withdrawing the offer of the Notes at any time during the Offer Period. If the offer of the Notes is withdrawn, such offer will be null and void. In such case, any amounts paid by an investor to a Distributor in relation to the purchase of any Notes will be returned to such investor by such Distributor but, depending on the agreement(s) in place between the investor and the Distributor and/or the Distributor's distribution policies, interest may or may not accrue on such amounts. There may also be a time lag between the cancellation or withdrawal of the offer as applicable, and the return of any such amounts and, unless otherwise agreed with, and paid by, the Distributor, no amount will be payable to investors as compensation in respect thereof and investors may be subject to reinvestment risk.

In addition, the Issuer may close the offer of Notes early, whether or not subscriptions have reached the maximum size of the offer, by immediately suspending the acceptance of further subscription requests and by giving notice thereof. In such circumstances, the early closing of the offer will have an impact on the aggregate amount of the Notes issued and therefore may have an effect on the liquidity of the Notes.

Furthermore, in certain circumstances, the Issuer may have the right to postpone the originally designated issue date of the Notes. In the event that the issue date is so delayed, no compensation or other amount in respect of interest shall accrue and be payable in relation to the Notes, unless otherwise agreed with the Distributor and/or specified in its distribution policies, and paid by the Distributor. Investors will have the right, within a prescribed time period, to withdraw their acceptance of the offer as a result of such postponement.

1.2 The Notes

The Notes are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Notes in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in this Prospectus and, in particular, the considerations set forth below. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

1.3 Investors

Each prospective investor in Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal and interest may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or

changes in particular rates, prices, values or indices, or where the currency for principal or interest payments is different from the prospective investor's currency.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent the Notes are legal investments for it, and/or other restrictions apply to its purchase of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

For the purposes of these risk factors, references to "**Noteholders**{ XE "Noteholders" }" or "**holders**{ XE "holders" }" of Notes should generally be read as including holders of beneficial interests in such Notes, except where the context otherwise requires.

1.4 No fiduciary role

None of the Issuer, the Arranger, the Dealer, the Trustee or any of the other Transaction Parties or any of their respective affiliates is acting as an investment adviser or as adviser in any other capacity, and none of them (other than the Trustee under the Trust Deed) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

None of the Issuer, the Arranger, the Dealer, the Trustee or any of the other Transaction Parties assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Collateral or the terms thereof or of any Swap Counterparty or the terms of the Swap Agreement.

Investors may not rely on the views of the Issuer, the Arranger, the Dealer, the Trustee or any of the other Transaction Parties for any information in relation to any person.

1.5 No reliance

A prospective purchaser may not rely on the Issuer, the Arranger, the Dealer, the Trustee or any of the other Transaction Parties or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to any of the other matters referred to above.

1.6 No representations

None of the Issuer, the Arranger, the Dealer, the Trustee or any of the other Transaction Parties makes any representation or warranty, express or implied, in respect of any Collateral or any issuer or obligor of any Collateral or of the Swap Counterparty or in respect of the Swap Agreement or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Collateral or of the Swap Counterparty or in respect of the Swap Agreement with any exchange, governmental, supervisory or self-regulatory authority or any other person.

None of the Arranger or the Dealer makes any representation or warranty, express or implied, in respect of the Issuer or in respect of any information contained in any documents prepared, provided or filed by or on behalf of the Issuer.

2. RISKS RELATING TO THE NOTES

2.1 Risk of total loss

The principal of the Notes and any Interest Amounts are not protected either during the tenor of the Note or at maturity. Each are subject to the performance of the Original Collateral, the Fund and the timely performance of its obligations by the Swap Counterparty. Whilst the final redemption amount at maturity of the Notes is expressed to be at least the Specified Denomination per Note, such payment is also subject to timely performance of its obligations by the Swap Counterparty. During the life of the product, Notes can trade below their nominal value.

Investors should note that the Original Collateral nominal amount is less than the Aggregate Nominal Amount of the Notes and therefore in the event of a Swap Counterparty default (and despite collateralisation

arrangements under the Swap Agreement), part of the investor's exposure to principal owed may comprise unsecured risk to the Swap Counterparty.

The Notes involve a high degree of risk, and prospective investors in the Notes should recognise that in case of the default of the Issuer or the Swap Counterparty, the Notes may under certain circumstances have a redemption value of zero and the payment(s) of interest or principal scheduled to be made thereunder may not be made. Prospective investors in the Notes should therefore be prepared to sustain a partial or total loss of the amount of their investment therein. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so their return on an investment in the Notes cannot be compared with that of investments having longer fixed interest periods. None of the Issuer, the Calculation Agent, the Swap Counterparty or any of their affiliates or subsidiaries or any persons connected with any of them assumes any responsibility to Noteholders for the economic success or lack of success of an investment in the Notes.

2.2 Interest Amounts

The payment of interest on the Notes is subject to the performance of the Original Collateral. If a Collateral Event occurs, the interest will cease to accrue on the Notes. The likelihood of a Collateral Event occurring in respect of the Original Collateral will generally fluctuate with, among other things, the financial condition and other characteristics of the Original Collateral Obligor, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The whole of an investor's investment is at risk if a Collateral Event occurs in respect of the Original Collateral. Prospective investors should review the Original Collateral Obligor and conduct their own investigation and analysis with respect to the creditworthiness of the Original Collateral Obligor and the likelihood of the occurrence of a Collateral Event with respect to the Original Collateral Obligor.

2.3 Suspension of Payments

If the Calculation Agent determines that facts exist which may (assuming the expiration of any applicable grace period) amount to a Collateral Event, no payment of principal or interest will be made by the Issuer in respect of the Notes for a period of ten Business Days following such determination (the "**Suspension Period**{ XE "Suspension Period" }"), and the Calculation Agent shall give written notice to the Issuer, the Trustee and the Noteholders of such determination. If, at any time during the Suspension Period, the Calculation Agent determines that a Collateral Event has occurred then the Notes shall redeem early pursuant to the Issue Terms. If, on the final Business Day of the Suspension Period, no such determination has been made then the balance of the principal or interest that would otherwise have been payable in respect of the Notes shall be due on the second Business Day after such final Business Day of the Suspension Period. Noteholders shall not be entitled to a further payment as a consequence of the fact that such payment of such principal or interest is postponed.

2.4 Early Redemption

The Notes are subject, amongst other things, to the credit risk of the Original Collateral Obligor, the Custodian and the Swap Counterparty.

If:

- (a) a Collateral Event (as defined herein) occurs with respect to any Original Collateral;
- (b) certain tax events occur with respect to the Notes or the Original Collateral;
- (c) the Swap Agreement is terminated early (other than in circumstances where such termination is as a result of an Event of Default under the Swap Agreement by either the Issuer or the Swap Counterparty);
- (d) certain events occur which make it unlawful for the Issuer to perform certain obligations, comply with material provisions of agreements entered into in connection with the Notes or hold Original Collateral; or
- (e) certain Events of Default occur,

then interest (if any) in respect of the Notes shall not accrue: (A) from and including the immediately preceding Interest Payment Date; or (B) if no such preceding Interest Payment Date, the Interest Commencement Date, the Notes will fall due for redemption at an amount equal in aggregate to the applicable Post-Event Amount and no further payments of interest and/or principal in respect of the Notes will be due and payable.

The Post-Event Amount in respect of the Notes is an amount determined by Credit Suisse International (acting in its capacity as Calculation Agent) which will take into account (a) the Value of the Original Collateral (as defined herein), and (b) the Swap Gain or Swap Loss (each as defined herein).

The Value of the Original Collateral represents the prevailing market value of the Original Collateral at the time such Value of the Original Collateral is being determined or, following the scheduled maturity of the Original Collateral in accordance with its terms and conditions, the value of the Original Collateral Proceeds (as defined herein). The Value of the Original Collateral may rise as well as fall at any time.

The Swap Gain or Swap Loss reflects the early termination amount that the Calculation Agent determines would be payable to the Issuer (in the case of a Swap Gain) or by the Issuer (in the case of a Swap Loss) in respect of the Notes upon the early termination of the Swap Agreement. The Swap Gain or Swap Loss takes into account, among other things, (i) the scheduled amounts payable by the Swap Counterparty to the Issuer under the Swap Agreement; (ii) the scheduled payments under the Original Collateral which determine the amounts payable by the Issuer to the Swap Counterparty under the Swap Agreement; and (iii) the limited recourse nature of the Swap Agreement in respect of the Issuer's obligations thereunder.

Prospective Noteholders must read and understand all the provisions herein that relate to the calculation of the Post-Event Amount before investing in the Notes.

An event may constitute a Collateral Event for these purposes even if it occurs prior to the Issue Date, provided that it occurs on or after the Collateral Event Observation Start Date, being 15 July 2015.

2.5 Determination of Value

Whilst the Value of Original Collateral is determined by reference to Quotations (as defined in the Conditions), if two or fewer Quotations are obtained, such values shall be determined by the Calculation Agent acting in a commercially reasonable manner. Where an asset the value of which is being sought is illiquid or of a low notional amount, there may be limited availability of dealers willing to provide Quotations. In such circumstances, the Calculation Agent would instead make such determination. No assurance can be given that sufficient numbers of Quotations will be available.

2.6 Determination of Swap Value

The Swap Value with respect to the Swap Transaction relating to the Notes is an amount determined by the Calculation Agent to be equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any collateral return obligations) that would be payable either by the Issuer to the Swap Counterparty (which will be a "**Swap Loss**{ XE "Swap Loss" }") or by the Swap Counterparty to the Issuer (which will be a "**Swap Gain**{ XE "Swap Gain" }") under the Swap Agreement upon a termination of the Swap Agreement on the Valuation Date.

The determination by the Calculation Agent of an Early Termination Amount may, without limitation, involve the Calculation Agent:

- (a) valuing different components of the Swap Transaction that are traded separately in the market; and/or
- (b) using financial models to determine the value of the Swap Transaction.

Financial models are typically simplified projections of what is expected to occur in practice and are likely to contain certain assumptions which may or may not be accurate. Different financial institutions may use different financial models to value the same asset, which may result in diverging valuations for such asset. For the purpose of determining the Swap Value, the Calculation Agent shall take into account the fact that the Swap Counterparty's claim against the Issuer under any replacement

transaction would be limited in recourse to the prevailing market value of the Collateral at that time. Such limited recourse nature could result in a lower Swap Value than would otherwise be the case absent limited recourse.

2.7 Swap Collateralisation

The Issuer may be exposed to the credit risk of the Swap Counterparty. Such credit risk is intended to be mitigated by establishing collateralisation arrangements, under which the Swap Counterparty may transfer cash or eligible transferable debt securities to be held on behalf of the Issuer. However, the range of permitted eligible securities is broad and such securities may be of low credit quality or illiquid, resulting in a low or zero value on disposal. Collateralisation arrangements may also be inadequate to cover credit exposure due to characteristics in such exposure or the value of collateral assets.

2.8 Redemption Amount and Upside Participation Amount

Upon redemption at maturity, investors in the Notes are scheduled to receive the Final Redemption Amount which is an amount per Note of the sum of EUR 1,000 and its proportionate share of the Upside Participation Amount. The Final Redemption Amount is subject to the credit risks of the Original Collateral Obligor, Swap Counterparty and Custodian and, in addition, the Upside Participation Amount is dependent upon the performance of the Reference Portfolio.

Investors in the Notes should be aware that if the value of the Reference Portfolio has developed unfavourably (i.e., if the value of the Reference Portfolio has decreased during the term of the Notes), the Upside Participation Amount will be equal to zero, and investors will only receive the principal amount of their Notes at maturity. In such a case, an investment in a Note may result in a loss upon redemption, if the price the relevant investor paid for such Note is higher than the Final Redemption Amount payable at maturity. Furthermore, even if the Upside Participation Amount is greater than zero, an investment in a Note may still result in a loss upon redemption, if the Upside Participation Amount is less than the difference, if any, between the price the relevant investor paid for such Note and the Final Redemption Amount payable at maturity. Therefore, the risk associated with an investment in the Notes is linked to the negative performance of the Reference Portfolio.

2.9 Certain specific information may not be known at the beginning of an offer period

The terms of the Notes may provide that certain specific information relating to the Notes (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine or calculate amounts payable or assets deliverable in respect of the Notes, and, including without limitation, the nominal amount of Original Collateral) may not be fixed or determined until the end of the offer period. In such case, the terms of the Notes will specify in place of the relevant amounts, levels, percentages, prices, rates or values (as applicable), such indicative amounts, levels, percentages, prices, rates or values (as applicable), or an indicative range thereof, which may be subject to a minimum or maximum amount, level, percentage, price, rate or value (as applicable).

The actual amounts, levels, percentages, prices, rates or values (as applicable) will be determined based on market conditions by the Issuer on or around the end of the offer period and may be the same as or different from any indicative amount specified in the terms of the Notes, provided that such actual amounts will not be less than any indicative minimum amount specified therein and will not be more than any indicative maximum amount specified therein.

Prospective investors will be required to make their investment decision based on the indicative amounts or indicative range rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed or determined at the end of the offer period after their investment decision is made but will apply to the Notes once issued.

If terms of the Notes provide that an indicative range of amounts, levels, percentages, prices, rates or values (as applicable), prospective investors should, for the purposes of evaluating the risks and benefits of an investment in the Notes, assume that the actual amounts, levels, percentages, prices, rates or values (as applicable) fixed or determined at the end of the offer period may have a negative impact on the amounts payable or assets deliverable in respect of the Notes and consequently, have an adverse impact on the return on the Notes (when compared with other amounts, levels, percentages, prices,

rates or values (as applicable) within any indicative range, or less than any indicative maximum amount, or greater than any indicative minimum amount). Prospective investors should therefore make their decision to invest in the Notes on that basis.

2.10 Limited recourse obligations

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property over which security is given by the Issuer in favour of the Trustee on behalf of the Noteholders and other Secured Creditors. This means that payments due in respect of the Notes prior to redemption or acceleration will be made solely out of amounts received by or on behalf of the Issuer in respect of the Mortgaged Property (being, broadly, the assets the subject of the security for the Notes). The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the Security received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on or deliveries under the Notes, as the case may be, the Notes, no other assets will be available for payment or delivery in respect of the shortfall, and, following distribution of the proceeds of such realisation, any outstanding claim against the Issuer in relation to the Notes shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

Further, only the Trustee may pursue remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons and no Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing. In addition, in respect of any failure by the Issuer to make payment or delivery of the Final Redemption Amount and/or any interest that became due and payable on the Maturity Date, no Secured Creditor may direct the Trustee to pursue any remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons until after the day falling 10 Reference Business Days after the Maturity Date.

In addition, only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to, the terms of the Trust Deed.

No person other than the Issuer will be obliged to make payments on or deliveries under the Notes.

2.11 Security

The Notes will have the benefit of Luxembourg and English law-governed security interests which are granted to the Trustee (for the benefit of the Transaction Parties) over the Mortgaged Property allocated to Compartment 2015-28.

The Securitisation Act 2004 provides that the net proceeds of the Mortgaged Property for each Series of notes are available to meet only the claims of Secured Parties (including the Noteholders) for that Series.

2.12 Meetings of Noteholders, written resolutions, modification, waivers and substitution

The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain written resolutions on matters relating to the Notes from Noteholders without calling a meeting. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes of the Relevant Noteholder Proportion who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed and whose Notes are then outstanding shall, for all purposes, be deemed to be an Extraordinary Resolution. In certain circumstances, where the Notes are held on behalf of a clearing system, the Issuer and the Trustee will be entitled to rely upon approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate nominal amount of the Notes of the Relevant Noteholder Proportion for the time being outstanding, and such electronic consents shall for all purposes be as valid and effective as an Extraordinary Resolution

passed at a meeting of Noteholders of the Relevant Noteholder Proportion duly convened and held. A written resolution or an electronic consent described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Trust Deed. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or in respect of the relevant resolution (or participate in the written resolution or electronic consent, as the case may be) and Noteholders who voted in a manner contrary to the majority (either in a meeting or by written resolution). The Trustee may, in certain circumstances and without the consent of Noteholders, (i) agree to certain modifications of, or the waiver or authorisation of any breach or proposed breach of, the provisions of the Notes, (ii) determine that any Event of Default or potential Event of Default shall not be treated as such or (iii) agree to the substitution of another entity as principal debtor under the Notes in place of the Issuer.

2.13 Trustee indemnity and remuneration

In certain circumstances, the Noteholders may be dependent on the Trustee to take certain actions in respect of the Notes, in particular if the Security becomes enforceable under the Conditions. Prior to taking such action, the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction it may decide not to take such action and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Noteholders would have to either arrange for such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any such inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders to take action directly against the Issuer to pursue remedies for any breach by the Issuer of the Trust Deed, the Notes or the Coupons although the events giving rise to the need for Trustee action also permit the Noteholders to exercise certain rights directly under the Conditions.

So long as any Note is outstanding, the Issuer shall pay the Trustee remuneration for its services. Such remuneration may reduce the amount payable to Noteholders.

2.14 Priority of Claims

During the term of the Notes, following a liquidation of the assets of the Issuer or on an enforcement of the Security, the rights of the Noteholders to be paid amounts due under the Notes will be subordinated to (i) amounts owing to the Swap Counterparty for the return of any value attributed to excess collateral transferred under the Swap Agreement, (ii) the Issuer's share of the payment or satisfaction of all taxes owing by the Issuer, (iii) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the security for the Notes (including any taxes to be paid, legal fees and remuneration) (iv) certain amounts owing to the Custodian, the Issuing and Paying Agent and the other Agents in respect of reimbursement for sums paid by them in advance of receipt by them of the funds to make such payment and fees, costs, charges, expenses and liabilities, (v) fees of the Disposal Agent, (vi) any amounts owing to the Swap Counterparty under the Swap Agreement, (vii) the Issuer's share of fees of the Corporate Services Provider owing by the Issuer and (viii) any other claims as specified in the Conditions, as may be amended by the Issue Deed, that rank in priority to the Notes.

2.15 No gross-up

In the event that any withholding tax or deduction for tax is imposed on payments on or in respect of the Notes (as a result of FATCA or otherwise), the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall. In certain circumstances, the imposition of such taxes or deductions for tax will result in the Notes being redeemed early at their Early Redemption Amount (as further described below in the section of this Base Prospectus headed "*Risk Factors – Early Redemption for Events of Default, tax or other reasons*").

2.16 Early redemption for Events of Default, tax or other reasons

The Notes may be redeemed on a date other than on a final redemption on the Maturity Date upon the occurrence of certain tax events with respect to the Notes or the Original Collateral, upon the occurrence of certain events with respect to the Original Collateral (which include the Original Collateral being called for redemption or repayment prior to its scheduled maturity date, certain failures to make payments or other defaults in respect of the Original Collateral, the conversion of the Original Collateral into another instrument or a redenomination of the currency in which the principal or interest of the Original Collateral is due to be paid), upon the termination of the Swap Agreement. In addition, either the Noteholders and/or the Trustee (dependent on the relevant event and as specified in the Conditions) may have the right to direct a redemption of the Notes upon the occurrence of an Event of Default with respect to the Notes, the occurrence of certain default events relating to the Original Collateral or upon the bankruptcy or certain other defaults of the Swap Counterparty. In such circumstances, the Disposal Agent may be required to liquidate some or all of the Original Collateral and/or the Trustee may enforce the Security following the occurrence of an Enforcement Event (as the case may be) and any Swap Agreement may terminate in accordance with its terms.

Upon early termination of the Swap Agreement (if any), an early termination payment based on the losses or costs or, as the case may be, gains of the determining party in entering into a replacement transaction or its economic equivalent (or otherwise determined in accordance with the terms of such Swap Agreement) will be payable by the Issuer to the Swap Counterparty, or (as the case may be) by the Swap Counterparty to the Issuer under the Swap Agreement. The determination of any such losses or costs or, as the case may be, gains will be dependent on a number of factors including, without limitation, (i) the creditworthiness and liquidity of the assets underlying the swap payments, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled termination date of the Swap Transactions under the Swap Agreement and (iv) where a Credit Support Annex has been entered into as part of the Swap Agreement, the value of any collateral received by the Issuer, or collateral posted by the Issuer, thereunder.

The amount payable to a Noteholder in such circumstances will be an amount per Note equal to the Early Cash Redemption Amount.

The Noteholders will be paid such amounts after payment of any priority claims in accordance with the Conditions. There is no assurance that in such circumstances the proceeds available following payment of any such priority claims will be sufficient to pay in full the amounts that holders of the relevant Notes would expect to receive in the event that the Notes redeemed in accordance with their terms on their Maturity Date or that such holders will receive back the amount, or assets with a value equal to the amount, they originally invested.

In both cases, the Noteholders will be exposed to the market value of the Original Collateral and the Swap Agreement (for a consideration of factors that may impact such values see "*Risk Factors – Market Value of Notes*" below).

2.17 Market Value of Notes

For the purposes of this section, references to "Original Collateral" shall also include Original Collateral to the extent that such Original Collateral has been transferred to the Swap Counterparty under the Swap Agreement by virtue of the Credit Support Annex thereto.

The market value of the Notes will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Original Collateral and the creditworthiness of the issuers and obligors of any Original Collateral, (ii) the value and volatility of any index, securities, commodities or other obligations to which payments on the Notes may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Notes may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the Maturity Date and (v) the nature and liquidity of the Swap Agreement or any other derivative transaction entered into by the Issuer or embedded in the Notes or the Original Collateral. Any price at which Notes may be sold prior to the Maturity Date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Notes in the same manner, and the variation between such prices may be substantial.

Accordingly, any prices provided by a dealer may not be representative of prices that may be provided by other market participants. For this reason, any price provided or quoted by a dealer should not be viewed or relied upon by prospective purchasers as establishing, or constituting advice by that dealer concerning, a mark-to-market value of the Notes. The price (if any) provided by a dealer is at the absolute discretion of that Dealer and may be determined by reference to such factors as it sees fit. Any such price may take into account fees, commissions or arrangements entered into by that dealer with a third party in respect of the Notes and that dealer shall have no obligation to any Noteholder to disclose such arrangements. Any price given would be prepared as of a particular date and time and would not therefore reflect subsequent changes in market values or any other factors relevant to the determination of the price.

2.18 Application of negative interest rates

Negative interest rates may apply from time to time in certain circumstances to any cash funds held by the Custodian on behalf of the Issuer which have been transferred by the Swap Counterparty to cover its credit risk under any Credit Support Annex or derive therefrom, and/or in relation to the cash component of the Upside Participation Amount. To the extent that such negative interest rates were to apply, the amount of cash collateral held by the Issuer in respect of its exposure to the Swap Counterparty would be reduced. Whilst the application of any negative interest rates will ultimately be borne by the Swap Counterparty unless the Swap Agreement is terminated as a result of an Event of Default thereunder by either the Issuer or the Swap Counterparty, where such a termination does occur as a result of such an Event of Default the reduction in funds held by the Custodian could increase the amount to be claimed by the Issuer from (and therefore the credit risk to) the Swap Counterparty under the Swap Agreement.

2.19 Adjustments and redemption or cancellation of Notes

In certain circumstances, the Issuer and/or Calculation Agent may make adjustments to the terms of the Notes (including substituting the Fund) or redeem or cancel the Notes. In making any such adjustments or determinations, the Issuer and/or Calculation Agent in such capacity will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such adjustments or determinations in accordance with its applicable regulatory obligations.

In making calculations and determinations with regard to the Notes, there may be a difference of interest between the Noteholders and the Calculation Agent. Save where otherwise provided in the terms and conditions, the Calculation Agent is required to act in good faith and in a commercially reasonable manner but does not have any obligations of agency or trust for any investors and has no fiduciary obligations towards them. In particular, the Calculation Agent and its affiliated entities may have interests in other capacities (such as other business relationships and activities). Prospective investors should be aware that any determination made by the Calculation Agent may have a negative impact on the value of the Notes.

2.20 Information relating to an underlying

The Calculation Agent and its affiliates (and any of their employees) may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Original Collateral, the Original Collateral Obligor, the Fund and/or any other underlying assets and any derivative instruments referencing them. Neither the Calculation Agent or its affiliates will be obliged (and may be subject to legal prohibition) to disclose any such information to an investor in the Notes, even where such information may be material to the decision by an investor as to whether or not to purchase the Notes.

2.21 Past performance of an underlying is not indicative of future performance

Any information about the past performance of an underlying (such as the Fund, the Original Collateral or Original Collateral Obligor) at the time of the issuance of the Notes should not be regarded as indicative of the range of, or trends in, fluctuations in such underlying that may occur in the future. The level, price, rate or other applicable value of an underlying (and of components comprising such underlying) may go down as well as up throughout the term of the Notes. Such fluctuations may affect

the value of the Notes. There can be no assurance as to the future performance or movement of any underlying. Accordingly, before investing in the Notes, investors should carefully consider whether any investment linked to one or more relevant underlying is suitable for them.

2.22 No rights of ownership in an underlying

Potential investors in the Notes should be aware that an underlying will not be held by the Issuer for the benefit of the Noteholders and, as such, Noteholders will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any underlying (such as the Fund, the Original Collateral or Original Collateral Obligor) referenced by such Notes.

2.23 Correction of published prices or levels

In the event that the relevant published prices or levels of an underlying are subsequently corrected and such correction is published by the entity or sponsor responsible for publishing such prices or levels, such corrected prices or levels may be taken into account by the Calculation Agent in any determination in relation to the Notes and/or the Calculation Agent may make adjustments to the terms of the Notes, subject to the provisions of the relevant terms and conditions for the Notes. Where such corrected prices or levels are lower than the original levels or prices, this may have an adverse effect on the value of the Notes.

3. RISKS RELATING TO THE ORIGINAL COLLATERAL

3.1 Original Collateral Subordination

The Original Collateral will comprise direct, unconditional, unsecured and subordinated obligations of the Original Collateral Obligor. In the event of any dissolution, liquidation or winding up of the Original Collateral Obligor, in bankruptcy or otherwise, the payment of principal and interest on any such subordinated Original Collateral will be subordinated to the prior payment in full of all the Original Collateral Obligor's present and future unsubordinated creditors. As a result of the subordinated nature of such Original Collateral, the value attributed thereto by dealers in the market is likely to be substantially less than the value attributed to unsubordinated debt obligations of the Original Collateral Obligor. In particular, the value of such Original Collateral will be affected in the event that the Original Collateral Obligor is or is likely to be dissolved, liquidated or wound up (which may occur in conjunction with an Original Collateral Default) and could be zero. The value of the Original Collateral is an integral component of the Early Cash Redemption Amount that will be payable on the Notes were they to be redeemed early and will directly impact the return of the Noteholders upon early redemption.

3.2 No claim against the Original Collateral Obligor

The Notes will not represent a claim against the Original Collateral Obligor and, in the event of any loss, a Noteholder will not have recourse under the Notes to the Original Collateral Obligor. The terms and conditions of the Original Collateral will be available at www.erstegroup.com.

3.3 Determinations as to a Collateral Event

The determination as to whether a Collateral Event has occurred shall be made by the Calculation Agent without regard to any related determination by the Original Collateral Obligor or any action taken, omitted to be taken or suffered by any other person including, without limitation, any creditor of the Original Collateral Obligor. In performing these duties the Calculation Agent may have interests adverse to the interests of the Noteholders, which may affect Noteholders' return on the Notes, particularly where the Calculation Agent is entitled to exercise discretion. Any of these activities could adversely affect the Issuer's payment to a Noteholder at maturity.

3.4 Collateral

The Collateral relating to the Notes will be subject to credit, liquidity and interest rate risks. In the event of an insolvency of an issuer or obligor in respect of any Collateral, various insolvency and related laws applicable to such issuer or obligor may (directly or indirectly) limit the amount the Issuer or the Trustee may recover in respect of such Collateral.

By virtue of the collateral requirements applicable to the Issuer under the Credit Support Annex as part of its Swap Agreement, the Collateral held by it from time to time may comprise assets other than, or in addition to the Original Collateral, or may comprise less Collateral than the amount held by it on the Issue Date, as assets will be required to be delivered to the Issuer by the Swap Counterparty which have an aggregate value (after the application of the relevant valuation percentage haircut specified in the Credit Support Annex) at least equal to the exposure that the Issuer has to the Swap Counterparty under the Swap Agreement. Where the Issuer holds other or additional assets, the types of assets that may comprise Collateral may be diverse and may be less liquid and more volatile than the Original Collateral. If pursuant to the terms of the Credit Support Annex, cash is posted to the Issuer (which will be credited to the Issuer's Cash Account with the Custodian), interest (if any) will accrue in accordance with the Custodian's deposit terms and conditions. Such interest rate may be positive (in which case interest will be credited to the Cash Account) or negative (in which case interest will be debited from the Cash Account).

If the Notes redeem other than on a final redemption on the Maturity Date, the Collateral relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such Collateral at that time since the market value of such Collateral will be affected by a number of factors including but not limited to (i) the fact that the Collateral consists of lower tier 2 subordinated bonds meaning that if the Original Collateral Obligor were to be wound up or placed into administration, the Original Collateral Obligor's liquidator or administrator would first apply assets of the Original Collateral Obligor to satisfy all rights and claims of senior creditors. If the Original Collateral Obligor does not have sufficient assets to settle claims of such senior creditors in full, the claims of the holders of the Collateral will not be settled, (ii) the creditworthiness of the issuers and obligors of the Collateral, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the scheduled maturity of the Collateral and (v) the liquidity of the Collateral. Accordingly, the price at which such Collateral is sold or liquidated may be at a discount, which could be substantial, to the market value of the Collateral on the issue date of the Notes and the proceeds of any such sale or liquidation when taken together with the proceeds of termination of any related Swap Agreement and any other assets available to the Issuer that relate to the Notes may not be sufficient to repay the full amount of principal of and interest on the Notes that the holders of such Notes would expect to receive in the event that the Notes were redeemed in accordance with their terms on their Maturity Date.

The Arranger and the Dealer may have acquired, or during the terms of the Notes may acquire, confidential information or enter into transactions with respect to any Collateral and they will not be under any duty to disclose such confidential information to any Noteholder, the Issuer, the Trustee or any of the other Transaction Parties.

3.5 No investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Trustee in respect of the Collateral or the issuers and obligors of the Collateral. No representations or warranties, express or implied, have been given by the Issuer, the Arranger, the Dealer, the Trustee or any other person on their behalf in respect of the Collateral or the issuers and obligors of the Collateral. Any publicly available information in respect of the Collateral or the issuers and obligors of the Collateral has been accurately reproduced and no facts have been omitted that would render such reproduced information inaccurate or misleading.

3.6 Risks relating to the Swap Counterparty and the Swap Agreement

The ability of the Issuer to meet its obligations under the Notes may depend on the receipt by it of payments under the Swap Agreement. Consequently, the Issuer is exposed not only to the occurrence of an Original Collateral Default in relation to the Original Collateral and the volatility in the market value of the Collateral, but also to the ability of the Swap Counterparty to perform its obligations under the Swap Agreement. Default by the Swap Counterparty may result in the termination of the Swap Agreement and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

If on the termination of the Swap Agreement an amount is payable by the Swap Counterparty to the Issuer (for the avoidance of doubt, taking into account any collateral posted between the parties

pursuant to the terms of any Credit Support Annex to the Swap Agreement), then the Issuer shall have an unsecured claim against the Swap Counterparty for such amount.

The receipt by the Issuer of payments and/or deliveries under the Swap Agreement is also dependent on the timely payment and/or delivery by the Issuer of its obligations under the Swap Agreement. The ability of the Issuer to make timely payment and/or delivery of its obligations under the Swap Agreement depends on receipt by it of the scheduled payments under and/or deliveries of the Original Collateral. Consequently, the Issuer is also exposed to the ability of the issuers and guarantors of the Original Collateral to perform their respective payment and/or delivery obligations.

In the circumstances specified in any Swap Agreement entered into by the Issuer in connection with the Notes, the Issuer or the Swap Counterparty may terminate all outstanding Swap Transactions under the Swap Agreement in full. Any termination of the Swap Transactions under a Swap Agreement will result in a redemption in full of the relevant Notes at their Early Redemption Amount. Upon any such redemption, the amount paid or delivered to Noteholders to redeem such Notes may be significantly less than the Noteholder's original investment in such Notes and may be zero.

4. RISKS ASSOCIATED WITH THE UPSIDE PARTICIPATION AMOUNT

4.1 Volatility Target Mechanism risks

Investors should note that the volatility target mechanism (the "**Volatility Target Mechanism**{ XE "Volatility Target Mechanism" }) determines the proportion of the exposure of the underlying to which the Final Redemption Amount is linked (the "**Reference Portfolio**{ XE "Reference Portfolio" }) that is allocated to the Fund. The proportion of the Reference Portfolio which is allocated to the Fund may be less than 100 per cent. Therefore an investment in the Notes is not equivalent to an investment into notes which are linked solely to the performance of the Fund without the application of the Volatility Target Mechanism or a direct investment into the Fund. Specifically, investors should note that:

- (a) should positive performance of the Fund coincide with a period of high volatility of the Fund, the underlying Reference Portfolio may be less than 100% notionally exposed to the Fund in rising markets, which may result in relative underperformance of the Reference Portfolio as compared to the Fund;
- (b) the Volatility Target Mechanism does not prevent negative performance of the Reference Portfolio;
- (c) as the Volatility Target Mechanism is based on the historical volatility over a certain period, it is not certain that the volatility of the Reference Portfolio is equal to the targeted volatility; and
- (d) due to the time lag in rebalancing the Reference Portfolio in order to meet the allocation determined by the Volatility Target Mechanism, the volatility of the Reference Portfolio may not meet the targeted volatility.

Investors that do not have knowledge and experience of the Volatility Target Mechanism acquired through a previous investment should receive advice before making an investment decision. All of the above factors may result in the underperformance of the Notes or in some cases a loss of the investment in the Notes.

4.2 Exposure to the Performance of the Fund

The Notes represent an investment linked to the performance of the Fund and potential investors should note that any amount payable on redemption of the Notes will depend upon the performance of the Fund. The price, performance or investment return of the Fund may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of the Fund may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Notes.

The performance of the Fund is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors. Where Notes bear interest at a fixed rate, subsequent changes in market interest rates may adversely affect the value of the Notes.

Potential investors in the Notes should be familiar with the behaviour of the Fund and thoroughly understand how the performance of the Fund may affect payments (or any other benefit to be received) under, or the market value of, the Notes. The past performance of the Fund is not indicative of future performance. The market value of the Notes may be adversely affected by postponement or alternative provisions for the valuation of the level of the Fund.

For certain reasons, including compliance for tax, regulation constraints, or fees extracted at the constituent level, the performance of any Fund component may not precisely track or replicate the performance of the relevant Fund class or the underlying of such Fund component.

4.3 Fund linked Notes

The Notes are offered to investors at the relevant price and on the relevant terms on the basis that the Swap Counterparty (or any of its affiliates) can effectively and continuously hedge and manage its risks under or in connection with the Notes. Therefore, the terms and conditions of the Notes provide that, following the occurrence of certain events outside of the Issuer's, Calculation Agent's and/or Swap Counterparty's control that may result in additional risks or costs for the Issuer, Calculation Agent and/or Swap Counterparty, the Swap Counterparty or the Calculation Agent (as applicable) may exercise its discretion to take one of the actions available to it in order to deal with the impact of such event on the Swap Counterparty's (or any of its affiliates') hedging arrangements (or both). Such discretions have the effect of, amongst other things, transferring the risks and costs of certain events which affect the underlying Fund and/or the Calculation Agent's and/or the Swap Counterparty's hedging arrangements from the Issuer, Calculation Agent and/or Swap Counterparty to the Noteholders. It is possible that any such discretionary determination by the Swap Counterparty could have a material adverse impact on the value of the Notes and/or could result in their early redemption.

4.4 Events affecting subscription or redemption

The Notes will expose investors in the Notes to risks which are comparable to the risks to which a direct investor in the Fund is exposed. The amounts payable on redemption of the Notes will depend on the official net asset value of the shares or units of the fund on one or more specified dates. However, not all the risks of an investment in the Fund will be reflected in its official net asset value.

In particular, unlike an ordinary share or bond traded on a stock exchange, Fund Units are non-transferable and the subscription or redemption of Fund Units may be subject to certain restrictions, including, without limitation, the requirement to obtain the consent of the relevant Fund Manager. The subscription and redemption process to which an investor in the Fund is subject is determined by the Fund and/or the relevant Fund Manager, and this presents additional risks to investors. An investor in Fund Units may be prevented from subscribing and redeeming such Fund Units, either at the official net asset value or at all, or the prescribed notice period, timing cut-offs and minimum/maximum amounts in respect of subscriptions and redemptions for Fund Units may be changed. There is also a risk that Fund Units cannot be subscribed for and redeemed at the official net asset value, for example, as a result of the imposition of any charges by the Fund.

The Notes are offered to investors on the basis that Issuer, Calculation Agent and/or the Swap Counterparty will be able to fully and continuously hedge the payment obligations of the Swap Counterparty and the Issuer under the Notes throughout the term of the Notes. The hedging arrangements of the Swap Counterparty may include subscribing for, redeeming and holding the relevant Fund Units during the term of the Notes to ensure that the Issuer's obligations under the Notes are at all times matched by the Swap Counterparty's holdings of Fund Units or the Swap Counterparty entering into a financial instrument that provides a similar exposure. As a result of these hedging arrangements, the Swap Counterparty will be exposed to the risks described above and therefore the terms and conditions of the Notes provide that the Calculation Agent may make

certain discretionary determinations following the occurrence of any Fund Event, which will have the effect of transferring certain risks of holding such Fund Units to the Noteholders

4.5 Fee rebate arrangements

The Notes are offered to investors on the basis that a fee rebate agreement is in place at all times between the Swap Counterparty and the underlying Fund. The termination and/or material modification of such arrangement may result in losses or increased costs to the Calculation Agent and/or Swap Counterparty. If such an event occurs, the Calculation Agent may make certain discretionary determinations which will have the effect of transferring the adverse financial impact on the Calculation Agent and/or Swap Counterparty of such event to the Noteholders.

4.6 Events affecting the characteristics of a Fund

The Notes are offered to investors on the basis that the key characteristics of the Fund as at the Collateral Event Observation Start Date remain the same throughout the life of the Notes. Such characteristics include the investment objective and strategy of the Fund, its legal structure and its accounting currency. If there is a change to any of these key characteristics of the underlying Fund, the Calculation Agent may make certain discretionary determinations which will have the effect of transferring any adverse financial impact in relation to such change from the Issuer and/or Swap Counterparty of such event to the Noteholders.

4.7 Legal or governmental proceedings

The Notes are offered to investors on the basis that the underlying Fund do not become involved with any material litigation, arbitration, investigation, proceeding or regulatory or governmental action in relation to the activities of such Fund(s) or any Fund Service Provider or loses a licence or regulatory authorisation applicable to the Fund(s) or any Fund Service Provider during the term of the Notes. These events, although they may not affect the ability of the Swap Counterparty to subscribe and redeem Fund Units, may affect the ability of the Swap Counterparty to hold Fund Units or may be indicative of potential issues with the ability of the Swap Counterparty to hedge the Notes as described above and/or give rise to increased risk for the Swap Counterparty in relation to such hedging arrangements. If such an event occurs, the Calculation Agent may make certain discretionary determinations which will have the effect of transferring the risks of the Swap Counterparty relating to such event to Noteholders.

4.8 Inclusion Conditions and Fund Events

The Inclusion Conditions and the Fund Adjustment Events, Fund Disruption Events, Fund Substitution Events and Fund Defeasance Events have been included in the Notes as part of the risk management requirements of the Swap Counterparty in relation to its hedging arrangements in relation to the Notes. The exercise by the Calculation Agent (as applicable) of its discretion under the terms and conditions of the Notes to take one of the actions available to it in order to deal with the impact of such events may benefit the Calculation Agent and/or Swap Counterparty by transferring the risks associated with such events to Noteholders. This will reduce the Swap Counterparty's exposure to such risks and help it to meet its internal risk management requirements. However, the Issuer and the Calculation Agent are under no obligation to monitor compliance of the underlying Fund with the Inclusion Conditions, nor to monitor whether a Fund Event has occurred in respect of an underlying Fund. The Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from violations of the Inclusion Conditions or failure to determine a Fund Substitution Event or other event under the Notes. Except as provided in the conditions of the Notes, the Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from the timing of any determinations in relation to Fund Events or Inclusion Conditions or any other action or inaction by the Issuer or the Calculation Agent in respect of the Notes.

4.9 The Fund is subject to its own unique risks

The Fund is subject to its own unique risks and investors should review the offering documents of the Fund - including any description of risk factors - prior to making an investment decision regarding the Notes.

4.10 The performance of a Fund is subject to many factors

The performance of a Fund is subject to many factors, including the Fund strategies, underlying Fund investments and the Fund Manager.

Notes that are linked to a Fund will expose investors in the Notes to risks which are comparable to the risks to which a direct investor in such Fund is exposed. The amounts (if any) payable on the Notes will depend on the official net asset value of the relevant Fund Unit on one or more specified dates. However, not all the risks of an investment in a Fund will be reflected in its official net asset value.

Funds, and any underlying Fund components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.

The performance of a Fund and any underlying Fund component in which it may invest is dependent on the performance of the Fund Manager in selecting underlying Fund components and the management of the relevant underlying Fund components. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund.

No assurance can be given relating to the present or future performance of a Fund and any underlying Fund component in which it may invest, that any analytical model used by the Fund will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which a Fund has or may invest will prove accurate.

The following is a summary description of certain particular risks in relation to Funds which may have an adverse effect on their performance and/or delay or reduce distribution thereunder which, in turn, could have a material adverse effect on the value and the amount and timing of payment on the Notes:

- (a) *Illiquidity of fund investments:* The net asset value of a Fund will fluctuate with, among other changes, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the performance of a Fund's underlying component(s). Investments by a Fund in certain underlying assets may provide limited liquidity. Interests in a Fund may be subject to certain transfer restrictions, including, without limitation, the requirement to obtain the Fund Manager's consent (which may be given or withheld in its discretion). Furthermore, the relevant Fund offering documents typically provide that interests therein may be voluntarily redeemed only on specific dates of certain calendar months, quarters or years and only if an investor has given the requisite number of days' prior notice to the Fund Manager. A Fund may also reserve the right to suspend redemption rights or make in kind distributions in the event of market disruptions. A Fund is likely to retain a portion of the redemption proceeds pending the completion of the annual audit of the financial statements of such fund, resulting in considerable delay before the full redemption proceeds are received. Such illiquidity may adversely affect the price and timing of any liquidation of a Fund investment entered into by the Swap Counterparty for the purposes of hedging that is necessary to meet the requirements of any investment guidelines or tests that the Calculation Agent may have requested. Also, limited liquidity increases the risk that the Issuer or Swap Counterparty may be unable to meet its current obligations during periods of adverse general economic conditions, and insufficient liquidity during the final liquidation of assets of a Fund could result in the postponement of payment of amounts owing under the Notes beyond the scheduled Maturity Date of the Notes.
- (b) *Reliance on Trading Models:* Some of the strategies and techniques used by the Fund Manager may employ a high degree of reliance on statistical trading models developed from historical analysis of the performance or correlations of certain companies, securities, industries, countries, or markets. There can be no assurance that historical performance that is used to determine such statistical trading models will be a good indication of future performance of a Fund. If future performance or such correlations vary significantly from the assumptions in such statistical models, then the Fund Manager may not achieve its intended results or investment performance.

- (c) *Diversification*: The number and diversity of investments held by a Fund may be limited, even where such Fund holds investments in other funds – particularly where such underlying funds hold similar investments or follow similar investment strategies.
- (d) *Fund leverage*: The Fund Manager may utilise leverage techniques, including the use of borrowed funds, repurchase agreements, swaps and options and other derivative transactions. While such strategies and techniques may increase the opportunity to achieve higher returns on the amounts invested, they will generally also increase the risk of loss.
- (e) *Trading limitations and frequency*: Suspensions or limits for securities listed on a public exchange could render certain strategies followed by a Fund difficult to complete or continue. The frequency of a Fund's trading may result in portfolio turnover and brokerage commissions that are greater than other investment entities of similar size.
- (f) *Valuations*: The valuation of a Fund is generally controlled by the Fund Manager. Valuations are performed in accordance with the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the Fund Manager and/or Fund Administrator may vary certain quotations for such investments held by the Fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustments upward or downward. Uncertainties as to the valuation of the Fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.
- (g) *Dependence on the expertise of key persons*: The performance of a Fund will depend greatly on the experience of the investment professionals associated with the Fund Manager. The loss of one or more of such individuals could have a material adverse effect on the performance of a Fund.

4.11 Determinations made by the Calculation Agent in respect of Fund Adjustment Events, Disruption Events, Fund Substitution Events or Fund Defeasance Events could have an adverse effect on the value of the Notes

(a) Fund Adjustment Events

Fund Adjustment Events include (1) a sub-division, consolidation or reclassification of the Fund Units, (2) where the Calculation Agent determines that the published Fund Value of a Fund is not accurate or any transaction in respect of such Fund could not be transacted at such value or with a cash consideration in full, and to be received as scheduled, (3) the inability of the Swap Counterparty to liquidate the Fund Units in accordance with the relevant subscription and redemption terms or any change in such terms, (4) any event having a diluting or concentrative effect on the theoretical value of the Fund Units, (5) a material adverse change in its accounting, regulatory or tax treatment which does or would adversely affect holders of the Fund Units or the Swap Counterparty suffers or would suffer such adverse treatment as a result, (6) a material change in any fee arrangement that is in place on the Collateral Event Observation Start Date between the Swap Counterparty and a Fund or the Fund Manager or (7) a material breach by the Fund Manager or any of its affiliates of any agreement with the Swap Counterparty that is in place on the Collateral Event Observation Start Date.

Upon determining that a Fund Adjustment Event has occurred in respect of a Fund Unit and the related Fund, the Calculation Agent has the discretion to make adjustments (without the consent of Noteholders) to the terms and conditions of the Notes used to determine or derive the valuation of any amounts payable under the Notes to account for such event. This could have a material adverse effect on the value of the Notes and may reduce the amount(s) that would otherwise be payable under the Notes.

(b) Disruption Events

A Disruption Event can be a Fund Disruption Event or a Market Disruption Event:

Fund Disruption Events include (1) a failure, suspension or postponement in the reporting or publishing of the Fund Value in respect of a Fund as scheduled or any event preventing the receipt of the Fund Value, (2) where the Calculation Agent determines that the published Fund Value of a Fund is not accurate or any transaction in respect of such Fund could not be transacted at such value or with a cash consideration in full, and to be received as scheduled, (3) the inability of a Hypothetical Investor to liquidate the Fund Units or any other interest received by a Fund when scheduled, (4) a postponement, suspension or failure of a Fund to make any payment in respect of the redemption of any interest in the Fund as scheduled, and (5) the Swap Counterparty is not permitted to subscribe for or redeem interests in a Fund in accordance with the relevant offering documents.

Market Disruption Events include (1) when the foreign exchange market or money market in U.S. dollars, the Settlement Currency or the Fund Currency is or are closed otherwise than for ordinary public holidays or if trading is restricted or suspended, and this would have a material impact on the ability of the Calculation Agent and/or the Calculation Agent to determine the value of the Notes accurately or on the ability of the Swap Counterparty to execute a hedge in respect of the Notes, and (2) where there is a breakdown of any means of communication normally used for the valuation by the Calculation Agent of the Fund Unit or if the Calculation Agent is informed, or determines, that the last reported Fund Value should not be relied upon.

If the Calculation Agent determines that a Disruption Event has occurred on a Reference Date, it may elect to (1) calculate, determine or adjust any variable in respect of the Notes or make any payment using an estimate of any variable in respect of the Notes, or (2) postpone any payment or calculation in respect of such Reference Date until the Disruption Event has ceased. This could have a material adverse effect on the value of the Notes and may reduce the amount(s) that would otherwise be payable under the Notes.

(c) Fund Substitution Events

Fund Substitution Events include (1) events relating to the insolvency, winding up or cessation of trading of a Fund Units, a Fund or any Fund Service Provider, (2) any litigation, investigation and/or regulatory or governmental action in relation to the activities of a Fund or any Fund Service Provider for reasons of any alleged wrongdoing or breach of rules which, if true, would have a material effect on the Fund Value, (3) loss of an applicable licence or regulatory authorisation necessary for the conduct of the business of a Fund or a Fund Service Provider (unless the Calculation Agent determines this to be immaterial), (4) the instigation or resolution of any legal proceedings against a Fund or any Fund Service Provider which, if successful, would have a material adverse effect on the Fund Value, (5) a material change to the legal constitution or management of a Fund, (6) a material modification of the investment objective and strategy of a Fund, (7) a material breach of the investment objective and strategy of the Fund which has not been cured within 10 calendar days (provided that the cure period does not apply to any third or subsequent breach), (8) the aggregate net asset value of assets managed by the Fund Manager decreases by more than the specified Fund Manager NAV Threshold since the Trade Date, (9) the accounting currency of a Fund changes, (10) a Fund adopts series accounting or equalisation treatment such that the Swap Counterparty is not able to make a single unitised investment in a Fund Unit equivalent to the single unitised investment used in the calculation of the Fund Value, (11) a material breach by the Fund Manager or any of its affiliates of any agreement with the Swap Counterparty that is in place on the Trade Date, (12) a Fund does not comply with the specified criteria relating to liquidity, fee structure, and publication of the Fund Value, (13) the Fund does not comply with the Investment Guidelines as agreed between the Fund Manager and the Calculation Agent, (14) the Fund does not comply with the Reporting Obligations and (15) certain events relating to the liquidity of a Fund or the implementation of taxes and other charges which are not remedied reasonably promptly by a Fund (or within the applicable cure period) to the satisfaction of the Calculation Agent and which has a material effect on the ability of the Swap Counterparty to hedge its obligations in respect of the Notes.

If the Calculation Agent determines that a Fund Substitution Event has occurred in respect of a Fund Unit and the related Fund, it may (1) waive such event, (2) substitute such Fund with one or more funds which comply with the Inclusion Conditions, (3) adjust the weight of any one or more Fund Units, and (4) make adjustments to the terms and conditions of the Notes to account for such event. This could have a material adverse effect on the value of the Notes and may reduce the amount(s) that would otherwise be payable under the Notes.

(d) **Fund Defeasance Events**

Fund Defeasance Events include (1) where a Fund Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable substitute fund, (2) a Disruption Event exists and subsists at any time during the term of the Notes for a consecutive number of days equal to the Maximum Days of Disruption, and (3) as a result of (aa) any adoption of, or change in, law or regulation or its interpretation, (bb) any determination of a regulatory or taxation authority applicable to the Swap Counterparty or a Fund, or (cc) the application of the Swap Counterparty's regulatory capital treatment or funding treatment of the Notes or its associated hedging arrangements or any change thereto: (x) it becomes unlawful or prohibited for the Swap Counterparty to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Fund; (y) the cost of the hedging arrangements in respect of the Notes would be materially increased; or (z) there would be a material decline in the Fund Value of a Fund.

If the Calculation Agent determines that one or more Fund Defeasance Events have occurred, it may, but is not obliged to, declare an Early Defeasance Date for which the Calculation Agent will calculate the Unscheduled Termination Amount payable on the Maturity Date in place of the Upside Participation Amount.

4.12 **Asset charging a Dilution Levy**

Where, in the determination of the Calculation Agent, the Fund charges the Swap Counterparty (or any of its affiliates) with a dilution levy for the purchase or redemption of units in the Fund, the Calculation Agent may in a commercially reasonable manner, (i) make any adjustment it deems appropriate to any calculation item as a result of such event, (ii) substitute the Fund with one or more funds, or (iii) terminate the transaction in whole or in part. Any such action could have an adverse impact on the financial return of an investment linked to the Fund.

5. **RISKS RELATING TO THE ISSUER**

5.1 **Securitisation Act 2004 and Compartments**

The Issuer is established as a *société anonyme* (public limited liability company) within the meaning of the Securitisation Act 2004. This means that claims against the Issuer by the Secured Creditors (including the Noteholders) in respect of the Notes will be limited to the net proceeds of the Mortgaged Property relating to the Notes. Further, under the Securitisation Act 2004, the net proceeds of the Mortgaged Property are available only for distribution to the specified Noteholders and other creditors relating to the Notes.

A creditor of the Issuer may have claims against the Issuer in respect of more than one Series, in which case the claims in respect of each individual Series will be limited to the net proceeds of the Mortgaged Property relating to such Series only. Assets held in different Compartments of the Issuer are deemed to be assets of separate entities for the purpose of creditors. The Board of the Issuer may establish one or more Compartments. Each Compartment is a separate and distinct part of the Issuer's estate (*patrimoine*) which may be distinguished by the nature of acquired risks or assets, the Conditions of the Notes issued in relation to the Compartment comprising the Master Conditions and relevant Issue Terms, and the reference currency or other distinguishing characteristics.

The specific objects of each Compartment and the Conditions of the Notes issued in respect of it shall be determined by the Board. Each Noteholder shall be deemed to fully adhere to, and be bound by, the Conditions applicable to the Notes.

Subject as may be specified in the Articles and to any particular rights or limitations for the time being attached to any Notes, including, without limitation, the relevant Conditions thereof, if the net assets of a Compartment are liquidated, the proceeds of liquidation shall be applied in the order set out in the Conditions. The rights of Noteholders and other Secured Creditors in respect of a Series of Notes are limited to the assets of the corresponding Compartment, where these rights relate to that Compartment or have arisen at the occasion of the creation, the operation or the liquidation of the relevant Compartment. The assets of a Compartment are, in principle, available only to satisfy the rights of the Noteholders of Notes issued in relation to that Compartment and the rights of creditors whose claims

have arisen at the occasion of the creation, the operation or the liquidation of that Compartment (including the other Secured Creditors).

Fees, expenses and other liabilities incurred on behalf of the Issuer but which do not relate specifically to any Compartment may, under certain circumstances, be payable out of the assets allocated to Compartments. The Board shall ensure, to the extent possible (although there is no guarantee that the Board will be able to achieve this), that creditors of such other liabilities expressly waive recourse to the assets of any Compartment. The rights of creditors (the "**Non Compartment-Specific Claims Creditors**{ XE "Non Compartment-Specific Claims Creditors" }) whose claims have not arisen in connection with the creation, operation or liquidation of a Compartment and which have not waived their recourse to the assets of any Compartment, shall be allocated by the Issuer on a half year basis in arrear to all the Compartments (on an equal basis and *pro rata temporis* for Compartments created within such half year) where the relevant Conditions or the Articles expressly authorise Non Compartment-Specific Claims Creditors to have recourse against the rights and assets allocated to such Compartments. Such rights of a Non Compartment-Specific Claims Creditor against a Compartment are hereinafter referred to as the "**Pro Rata Rights**{ XE "Pro Rata Rights" }". Each Non Compartment-Specific Claims Creditor acknowledges and accepts that such Pro Rata Rights are subject to the rights of any creditor having the benefit of any security created over such assets allocated to a Compartment and once all the assets allocated to a Compartment in respect of which it has Pro Rata Rights have been realised, it is not entitled to take any further steps against the Issuer to recover such Pro Rata Rights and the right to receive any sum in respect of the Pro Rata Rights shall be extinguished. The Board shall establish and maintain separate accounting records for each of the Compartments of the Issuer for the purposes of ascertaining the rights of the Noteholders of Notes issued in respect of each Compartment for the purposes of the Articles and the Conditions, and such accounting records shall be conclusive evidence of such rights in the absence of manifest error.

The assets of each Compartment may include the proceeds of the issue of the notes of the relevant Series and the Collateral. The fees, costs and expenses in relation to the notes of each Series are allocated to the Compartment relating to the relevant Series in accordance with the conditions and the Articles.

Noteholders of a Series, whether or not comprised of Classes, will have recourse only to the Mortgaged Property relating to the relevant Series of notes.

5.2 The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing notes or entering into certain other obligations within the limits of the Securitisation Act 2004, in each case for the purposes of purchasing assets and/or entering into related derivatives and other contracts. The Issuer has covenanted (amongst other things) not, as long as any note remains outstanding, without the consent of the Trustee and the Swap Counterparty, to engage in any business other than the issuance or entry into of bonds, notes or other securities or the entry into of loans or other agreements for the payment or repayment of borrowed money, and provided always that such obligations are secured on assets of the Issuer other than the Issuer's share capital and those assets securing any other obligations of the Issuer and that they are entered into on a limited recourse and non-petition basis. In addition, the Issuer will be subject to certain other restrictions including that it will not, without the consent of the Trustee and the Swap Counterparty, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its assets substantially as an entity to any person (other than as contemplated by the conditions) or issue any shares. As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which the Notes or other obligations are secured.

5.3 Contracting on limited recourse basis

The rights of Noteholders to participate in the assets of the Issuer are limited to the net proceeds of the Mortgaged Property. If the payments received by the Issuer in respect of the Mortgaged Property are not sufficient to make all payments due in respect of the Notes, the obligations of the Issuer in respect of the Notes will be limited to the Mortgaged Property.

To give effect to the provisions of the Securitisation Act 2004 under which the net proceeds of the Mortgaged Property of a Compartment are available only for the Transaction Parties for the relevant Series relating to that Compartment, the Issuer is (subject as provided for in the Trust Deed) permitted only to contract with parties on a "limited recourse" basis such that claims against the Issuer in relation to each Series would be restricted to the net proceeds of the Mortgaged Property of the Compartment for the relevant Series. In addition, the Issuer is (subject as provided for in the Trust Deed) permitted only to contract with parties on a "non-petition" basis. Provided such parties have agreed a non-petition clause, no such party will be able to petition or take any other step for the winding-up or the bankruptcy of the Issuer or any other similar insolvency related proceedings in Luxembourg. However, there is no guarantee that all claims which arise against the Issuer will be on a limited recourse and non-petition basis, in particular claims arising from parties which have no direct contractual relationship with the Issuer.

The Mortgaged Property relating to one or more Compartments may be subject to claims by creditors other than the relevant Transaction Parties for the relevant Series (including creditors whose claims are preferred by law), resulting in a shortfall in the amounts available to meet the claims of the relevant Transaction Parties. Noteholders may be exposed to competing claims of other creditors of the Issuer if foreign courts which have jurisdiction over assets of the Issuer allocated to a Compartment do not recognise the segregation of assets and the compartmentalisation, as provided for in the Securitisation Act 2004. The claims of these other creditors may affect the scope of assets which are available for the claims of Noteholders and those of the Transaction Parties. If, as a result of such claims, a shortfall arises, such shortfall will be borne by the Noteholders and the Transaction Parties.

5.4 Allocation of Liabilities Among All Noteholders

Any liability which is not a Series-specific liability (that is, it does not relate to any Compartment in respect of which a Series of Notes is issued) which is not otherwise funded may be apportioned between the Series. The apportionment of such liability will reduce the return that would otherwise have been payable on such Notes. The Issuer will seek to contract with all counterparties on a limited recourse basis such that claims in respect of any liability which is not Series-specific may not be made in respect of the assets of any Compartment.

5.5 Consequences of Winding-up Proceedings

The Issuer is structured to be an insolvency-remote vehicle.

The Issuer is (subject as provided for in the Trust Deed) permitted only to contract with parties who agree not to make any application for the commencement of winding-up, or bankruptcy or similar proceedings against the Issuer. Legal proceedings initiated against the Issuer in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg court.

However, if the Issuer fails for any reason to meet its obligations or liabilities, a creditor who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of the Issuer is entitled to make an application for the commencement of insolvency proceedings against the Issuer. In that case, such creditor (other than a Non-Compartment Specific Claims Creditor or a Compartment Specific Claims Creditor) should not have recourse to the assets of any Compartment but would have to exercise his rights over the general assets of the Issuer, but not to the assets of any other Compartment.

Furthermore, the commencement of such proceedings may, in certain conditions, entitle creditors to terminate contracts with the Issuer and claim damages for any loss suffered as a result of such early termination.

The Issuer is insolvency-remote, not insolvency-proof.

5.6 Disposal Agent appointment to terminate on an Issuer Bankruptcy Event

If the Issuer is subject to a Bankruptcy Event, the appointment of the Disposal Agent shall be terminated as a matter of Luxembourg law, such that the Disposal Agent will no longer be authorised to Liquidate the Collateral.

5.7 Certain powers may not be enforceable under Luxembourg law

Certain powers of the Trustee or any receiver as conferred upon it under the Law of Property Act 1925 or the Insolvency Act 1986 may not be enforceable under Luxembourg law.

5.8 Fees and Expenses

The Noteholders should note that, in relation to the Notes, fees and expenses (including fees payable to the Arranger and/or the Trustee) as set out in the Issue Terms, may rank senior to payments of principal and interest on the Notes.

5.9 Evolution of international fiscal policy

Luxembourg has concluded a number of double taxation treaties with other member states. It may be necessary or desirable for the Issuer to seek to rely on such treaties particularly in respect of income and gains of the Issuer. Whilst each double taxation treaty needs to be considered individually taking into account fiscal practices primarily of the country from whom relief is sought a number of requirements need to be met. These requirements may include ensuring that an entity is resident in Luxembourg, is subject to taxation there on income and gains and is also beneficially owner of such income and gains. Fiscal policy and practice is constantly evolving and at present the pace of evolution has been quickened due to a number of developments which include, but are not limited to, the Organisation for Economic Co-operation and Development ("**OECD**{ XE "OECD" }") base erosion and profit shifting project. Fiscal policy may change which may or may not be accompanied by a formal announcement by any fiscal authority or the OECD. As a result, there can be no certainty that the Issuer will be able to rely on double tax treaties because fiscal practice of the construction of double tax treaties and the operation of the administrative processes surrounding those treaties may be subject to change. For example, fiscal practice could evolve such that the Issuer could be regarded as not being the beneficial owner because the overriding commercial object of the Issuer to allocate income and gains, less certain expenses and losses for the benefit of Noteholders, and the Issuer is entitled to a tax deduction in respect of that allocation and, as such, the Issuer would not be able to rely on a double taxation treaty on its own behalf.

5.10 EU Directive on the Taxation of Savings Income

Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive** { XE "Savings Directive" }") requires an EU Member State to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident, or certain other types of entities established, in that other EU Member State.

Austria and Luxembourg instead opted for the possibility to impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise.

In accordance with the law of 25 November 2014, Luxembourg has elected out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015.

The Council of the European Union has adopted a Directive (the "**Amending Directive** { XE "Amending Directive" }") which will, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above. The Amending Directive will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or for the benefit of) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment

pursuant to the Savings Directive or any other Directive implementing the conclusions of the Economic and Financial Affairs Council ("**ECOFIN Council**") meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above.

The Issuer is required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, which may mitigate an element of this risk if the Noteholder is able to arrange for payment through such a Paying Agent. However, investors should choose their custodians and intermediaries with care, and provide each custodian and intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as amended.

Investors who are in any doubt as to their position should consult their professional advisers.

5.11 **FATCA and the possibility of U.S. withholding tax on payments**

(a) **Background**

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 impose a withholding tax of 30 per cent. on (i) certain U.S. source payments and (ii) payments of gross proceeds from the disposition of assets that produce U.S. source dividends or interest, in either case made to persons that fail to meet certain certification or reporting requirements. To avoid withholding under "**FATCA**" (as defined in Master Condition 1(a) (*Definitions*)), a non-U.S. financial institution ("**FFI**") must enter into an agreement with the Internal Revenue Service (an "**IRS Agreement**") (as described below) or otherwise be exempt from the requirements of FATCA. Non-U.S. financial institutions that enter into IRS Agreements or become subject to provisions of local law ("**IGA legislation**") intended to implement an intergovernmental agreement entered into pursuant to FATCA ("**IGAs**"), may be required to identify "financial accounts" held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In addition, in order (a) to obtain an exemption from FATCA withholding on payments it receives or (b) to comply with any applicable IGA legislation, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation, where such payments are made on or after (i) 1 July 2014 in respect of certain U.S. source payments, (ii) 1 January 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce U.S. source interest or dividends and (iii) 1 January 2017 (at the earliest) in respect of "foreign passthru payments", provided that for "obligations" that are not treated as equity for U.S. federal income tax purposes, FATCA withholding will only apply to such obligations that are issued or materially modified on or after (a) 1 July 2014 or (b) the date that is six months after the date on which the final regulations defining "foreign passthru payments" are filed with the Federal Register in the case of an obligation that would only be subject to FATCA withholding to the extent payments on such obligation were treated as "foreign passthru payments".

The application of FATCA to interest, principal or other amounts paid with respect to the Notes, the Collateral and the Swap Agreement and the information reporting obligations of the Issuer and other entities in the payment chain is still developing. In particular, a number of jurisdictions (including Luxembourg) have entered into IGAs with the United States, which modify the way in which FATCA

applies to their jurisdictions. The full impact of such IGAs and IGA legislation thereunder on reporting and withholding responsibilities under FATCA is unclear. The Issuer or the Issuer, as appropriate, and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how withholding on "foreign passthru payments" will be dealt with under the IGAs or if such withholding will be required at all.

(b) Possible impact on Payments on Collateral and Swap Agreement

If the Issuer fails to comply with its obligations under FATCA (including the Luxembourg IGA and any IGA legislation thereunder), it may be subject to FATCA withholding on all, or a portion of, payments it receives with respect to the Collateral or the Swap Agreement. Any such withholding would, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Notes or Swap Agreement. No other funds will be available to the Issuer to make up any such shortfall and, as a result, the Issuer may not have sufficient funds to satisfy its payment obligations to Noteholders. Additionally, if payments to the Issuer in respect of its assets, including the Collateral, are, will become or are deemed on any test date to be subject to FATCA withholding, the Notes will be subject to early redemption (see "*Risk Factors - Early redemption for Events of Default, tax or other reasons*" below). No assurance can be given that the Issuer can or will comply with its obligations under FATCA or that Issuer will not be subject to FATCA withholding.

(c) Possible impact on payments on the Notes

The Issuer expects to require (and expects other intermediaries through which Notes are held to require) each Noteholder to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or such an intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the Internal Revenue Service or another applicable authority. The Issuer may also be required to withhold amounts from Noteholders (including intermediaries through which such Notes are held) that are FFIs that are not compliant with, or exempt from, FATCA or Noteholders that do not provide the information, documentation or certifications required for the Issuer to comply with its obligations under FATCA. Additionally, the Issuer is also permitted to make any amendments to the Notes and the Swap Agreement (if any) as may be necessary to enable the Issuer to comply with its obligations under FATCA (including the Luxembourg IGA and any IGA legislation thereunder) and any such amendment will be binding on the Noteholders.

Neither a Noteholder nor a beneficial owner of Notes will be entitled to any additional amounts in the event FATCA withholding tax is imposed on any payments on or with respect to the Notes. As a result, Noteholders may receive less interest or principal, as applicable, than expected.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND NOTEHOLDERS IS SUBJECT TO CHANGE. EACH NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT SUCH NOTEHOLDER IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

5.12 Regulation of the Issuer by any regulatory authority

Save for registration with the RCS in Luxembourg and the approval of the Commission de Surveillance du Secteur Financier ("CSSF"), the Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of the Notes.

5.13 Anti-money laundering

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. If the Issuer were determined by the relevant authorities to be in violation of any such legislation, it could become subject to substantial criminal penalties. Any such violation could materially and adversely affect the timing and amount of payments made by the Issuer to Noteholders in respect of the Issuer's Notes.

6. RISKS RELATING TO THE AGENTS

6.1 Custodian risk

The Collateral will be held in an account of the Custodian in the name of the Issuer. The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement for the Notes (if the Collateral is so held). Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Agency Agreement for such Notes.

Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to the Notes will be held by the Custodian as banker and not as trustee. Accordingly, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets.

6.2 Sub-Custodians, Depositaries and Clearing Systems

(a) Credit risk

Under the Agency Agreement the Issuer authorises the Custodian to hold the Collateral in the Custodian's account or accounts with any sub-custodian, any securities depository or at such other account keeper or clearing system as may be appropriate for the type of instruments which comprise the Collateral.

The Collateral will be held with a securities depository or clearing system (whether via the Custodian, a sub-custodian or otherwise) and so the ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement for the Notes (if the Collateral is so held) and, in turn, the Custodian (and any applicable sub-custodian) will be dependent (in whole or in part) upon receipt of payments from such securities depository or clearing system. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral and the Custodian in respect of the performance of its obligations under the Agency Agreement for such Notes (and any obligations of any sub-custodian under or pursuant to the Agency Agreement or otherwise), but also on the creditworthiness of the or clearing system holding the Collateral deposited by the Custodian.

(b) Lien/Right of set-off

Pursuant to their terms of engagement, sub-custodians, security depositaries or clearing systems may have liens or rights of set-off with respect to the Collateral held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant sub-custodian, security depository or clearing system may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Collateral, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes.

Therefore, the ability of the Issuer to meet its obligations with respect to the Notes will not only be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement for the Notes (if the Collateral is so held) but will also be dependent on any sub-custodian, security depository or clearing system not exercising any lien or right of set-off in respect of any Collateral that it holds. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such sub-custodian, security depositaries or clearing systems (or the ability of the Issuer to pay such amounts due to the Custodian and/or the sub-custodians, security depository or clearing system).

6.3 Risks relating to the Paying Agents

Any payments and/or deliveries made to Noteholders in accordance with the Conditions will be made by the Issuing and Paying Agent and/or the Paying Agents on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is to transfer to the Issuing and Paying Agent such amount as may be due under the Notes, on or before each date on which such payment and/or deliveries in respect of the Notes becomes due.

If the Issuing and Paying Agent and/or the Paying Agents, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Issuing and Paying Agent and/or the Paying Agents. The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Issuing and Paying Agent and the Paying Agents in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to Noteholders.

6.4 Risks relating to the Disposal Agent

(a) Liquidation

Where the Notes are to be redeemed as a result of a redemption being triggered prior to the Maturity Date, or where the Collateral has a stated maturity falling after the Maturity Date of the Notes, and in either case the Swap Agreement has terminated, the Disposal Agent will be required to sell or otherwise liquidate the Collateral. Except as otherwise set out in the Conditions, the Disposal Agent is permitted to sell all or any part of the Collateral at any time or at different times during the relevant period or in stages in respect of smaller portions, and will not have any liability for doing so if a higher price could have been obtained had such sale taken place at a different time during such specified period and/or had or had not been effected in stages in respect of smaller portions.

If the Issuer is subject to a Bankruptcy Event, to the extent that a competent bankruptcy officer has been appointed in the context of the bankruptcy proceedings, such bankruptcy officer will replace the Disposal Agent and will Liquidate the Collateral in accordance with the applicable legal and regulatory provisions.

(b) Replacement Disposal Agent

Upon the occurrence of a Disposal Agent Bankruptcy Event, the Disposal Agent's appointment will be automatically terminated and the Issuer will be required to appoint a replacement institution to take its place. Such replacement will be chosen either by the Issuer, with the prior approval of the Trustee and (unless a Swap Counterparty Event has occurred) the Swap Counterparty or by the Noteholders acting by Extraordinary Resolution. Arranging for and appointing any such replacement may delay any required liquidation of the Collateral and related payments and/or deliveries on the Notes and there is no guarantee that any replacement will be found. Any delay or failure to appoint such a replacement may have adverse consequences for the Noteholders.

6.5 Risks relating to the Calculation Agent

Upon the occurrence of a Calculation Agent Bankruptcy Event, the Calculation Agent's appointment will be automatically terminated and the Issuer will be required to appoint a replacement institution to take its place. Such replacement will be chosen either by the Issuer, with the prior approval of the Trustee and (unless a Swap Counterparty Event has occurred) the Swap Counterparty or by the Noteholders acting by Extraordinary Resolution. Arranging for and appointing any such replacement may delay certain determinations and related payments and/or deliveries on the Notes and there is no guarantee that any replacement will be found. Any delay or failure to appoint such a replacement may have adverse consequences for the Noteholders.

6.6 Risks relating to all Agents

The application of FATCA withholding to interest, principal or other amounts payable under or in respect of the Notes is not clear (see "*Possibility of U.S. withholding tax on payments*" above). If an amount in respect of FATCA withholding were to be deducted or withheld from interest, principal or other payments payable under or in respect of the Notes, neither the Issuer nor any Agent nor any other

person would, pursuant to the Conditions, be required to pay additional amounts as a result of such FATCA withholding. In such circumstances, Noteholders might receive less than otherwise expected.

7. RISK FACTORS RELATING TO THE MARKET

7.1 Investor suitability

Prospective investors who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances. Investment in the Notes may only be suitable for investors who:

- (a) have substantial knowledge and experience in financial, business matters and expertise in assessing credit risk which enable them to evaluate the merits and risks of an investment in the Notes and the rights attaching to the Notes;
- (b) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (c) are acquiring the Notes for their own account (as principal and not as agent) for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

7.2 Independent review and advice

Each prospective purchaser of the Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer, the Swap Counterparty and any relevant obligor in respect of the Collateral and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice)) as it deems appropriate under the circumstances, to assess the economic, social and political condition of the jurisdiction in which each relevant obligor is located and determine whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether it is acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Trustee, the Dealer or any of their respective affiliates is acting as an investment adviser, or assumes any fiduciary obligation, to any purchaser of Notes.

Neither this Prospectus nor the Issue Terms is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation or as constituting an invitation or offer that any recipient of this Prospectus or any Issue Terms should purchase any of the Notes. The Trustee and the Dealer expressly do not undertake to review the financial condition, creditworthiness or affairs of any relevant obligor(s).

7.3 Withdrawal, termination and early closing of public offers

The Notes are distributed by means of a public offer and the Issuer has the right to refrain from commencing or to withdraw the offer and in such circumstances the offer will be deemed to be null and void. In such case, any amounts paid by an investor to a distributor in relation to the purchase of Notes will be returned to the relevant investor by the distributor but, depending on the agreement(s) in place between the investor and the distributor and/or the distributor's distribution policies, interest may or may not accrue on such amounts. There may also be a time lag between the cancellation or withdrawal of the offer, as applicable, and the return of any such amounts and, unless otherwise agreed with and

paid by the relevant distributor, no amount will be payable to investors as compensation in respect thereof and investors may be subject to reinvestment risk.

The Issuer may close an offer early, whether or not subscriptions have reached the maximum size of the offer, by immediately suspending the acceptance of further subscription requests and by giving notice of such in accordance with this Prospectus. In such circumstances, the early closing of the offer will have an impact on the aggregate amount of the Notes issued and therefore may have an adverse effect on the liquidity of the Notes.

Furthermore, in certain circumstances the Issuer may have the right to postpone the originally designated issue date of the Notes. In the event that the issue date is so delayed, no compensation or other amount in respect of interest shall accrue and be payable in relation to such Notes, unless otherwise agreed with the relevant distributor and/or specified in its distribution policies, and paid by the distributor. Investors will have the right, within a prescribed time period, to withdraw their acceptance of the relevant offer as a result of such postponement.

7.4 Limited liquidity of the Notes

Although application may be made to admit the Notes to the Official List and admit them to trading on the Irish Stock Exchange and the Open Market of the Frankfurt Stock Exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If a Dealer begins making a market for the Notes, it is under no obligation to continue to do so and may stop making such a market at any time.

There may be less liquidity in any secondary market for the Notes if the Notes are exclusively offered to the public and not to institutional investors. In addition, any secondary market price for the Notes may not reflect any embedded fees and/or other additional costs or inducements included in the price paid for the Notes by initial investors.

7.5 Listing may be discontinued

The Issuer may discontinue any listing of the Notes or the Notes may be listed on another stock exchange or exchanges (which may or may not be EEA Regulated Markets and may or may not be in Western Europe). This could have adverse consequences for the Noteholders.

7.6 Credit Ratings

The Notes will not be rated. However, a Noteholder should take such steps as it considers necessary to evaluate the ongoing risks and merits of a continued investment in such Note. For example, market indicators (such as rising credit default spreads and yield spreads with respect to the relevant entity) often indicate significant credit issues.

7.7 Risks relating to Global Events

For the purposes of this section, references to "**Collateral**{ XE "Collateral" }" shall also include Original Collateral to the extent that such Original Collateral has been transferred to the Swap Counterparty under the Swap Agreement by virtue of the Credit Support Annex thereto.

7.8 General

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.

The initial trigger for the instability was a downturn in the U.S. housing market. By mid-2007, concerns about the value of mortgage assets held by global commercial banks, investment banks, government sponsored entities, hedge funds, structured investment vehicles and institutional investors led to a general tightening of available credit and liquidity in the global financial markets.

During 2008, the initial instability intensified into a severe global financial crisis.

In response to the crisis various governments and central banks took substantial measures to ease liquidity problems and enacted fiscal stimulus packages and measures to support certain entities affected by the crisis. Such measures included establishing special liquidity schemes and credit facilities, bank recapitalisation programmes and credit guarantee schemes.

In an attempt to counteract recessionary pressures, the central banks of the U.S., the UK and certain other countries and the European Central Bank also lowered interest rates, in some cases to record low levels.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a "double dip" recession. In particular, a number of countries have accumulated significant levels of public debt both absolutely and relative to GDP. This has led to international "bail-outs" of certain countries and resulted in general concerns about sovereign credit defaults which could undermine any recovery and could have the effect of taking the credit crisis into a new recessionary phase.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

There can be no assurance that any steps taken by governments or international or supra-national bodies to ameliorate the global financial crisis will be successful or that any recovery will continue. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. In addition, the attempts being taken to reduce the high level of sovereign debt may themselves contribute to a further global recession.

There can be no assurance as to how severe the global recession will be or as to how long it will last. There can be no assurance that government actions or the actions of international or supra-national bodies to limit the impact of the crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the response thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Notes.

7.9 Impact on Liquidity

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions and certain sovereigns. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class or in the obligations of any particular financial institution or sovereign, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Notes, the value of the Collateral or the value of the Swap Agreement, both in terms of the assets or indices referenced therein and in terms of the value of the obligations of the Swap Counterparty. In particular, should the Notes be redeemed early, Noteholders will be exposed to the realisation value of the Collateral and the termination value of the Swap Agreement, which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Swap Counterparty, the Custodian and any of the Paying Agents may also impact the value of the Notes.

7.10 Impact on Credit

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such credit deterioration has and may continue to be widespread. The value of the Notes or of the amount of payments and/or deliveries on them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities or governments in the future which may include the obligors of the Collateral (or any guarantor or credit support provider in respect thereof) and the Swap Counterparty. Prospective investors should also consider the impact of a default by a Custodian, the Issuing and Paying Agent, any of the Paying Agents and possible delays and costs in being able to access property held with a failed custodian, sub-custodian, security depository or clearing system.

7.11 Impact on Valuations and Calculations

Since 2007, actively traded markets for a number of asset classes and obligors have either ceased to exist or have reduced significantly. To the extent that valuations or calculations in respect of instruments related to those asset classes were based on quoted market prices or market inputs, the lack or limited availability of such market prices or inputs has significantly impaired the ability to make accurate valuations or calculations in respect of such instruments. No assurance can be given that similar impairment may not occur in the future.

Furthermore, in a number of asset classes, a significant reliance has historically been placed on valuations derived from models that use inputs that are not observable in the markets and/or that are based on historical data and trends. Such models often rely on certain assumptions about the values or behaviour of such unobservable inputs or about the behaviour of the markets generally or interpolate future outcomes from historical data. In a number of cases, the extent of the market volatility and disruption has resulted in the assumptions being incorrect to a significant degree or in extreme departures from historical trends. Where reliance is placed on historical data, in certain instances such data may only be available for relatively short time periods (for example, data with respect to prices in relatively new markets) and such data may not be as statistically representative as data for longer periods.

Prospective investors should be aware of the risks inherent in any valuation or calculation that is determined by reference to a model and that certain assumptions will be made in operating the model which may prove to be incorrect and give rise to significantly different outcomes to those predicted by the model.

7.12 Impact of Increased Regulation and Nationalisation

The events since 2007 have seen increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. It is uncertain how a changed regulatory environment will affect the Issuer, the treatment of instruments such as the Notes, the Arranger, the Swap Counterparty and the other Transaction Parties. In addition, governments have shown an increased willingness, wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily amended or be forcibly redeemed. To the extent that the obligors of the Collateral (or any guarantor or credit support provider in respect thereof), the Swap Counterparty or any other person or entity

connected with the Notes is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Note.

7.13 Systemic Risk

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as "systemic risk". Financial institutions such as the Arranger, the Dealer, the Trustee, the Swap Counterparty the Custodian and the Agents (or any affiliate of any of them) and any obligors of the Collateral (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and as such have a material adverse impact on other entities.

8. CONFLICTS OF INTEREST

8.1 General

For the purposes of this section, references to "**Collateral**{ XE "Collateral" }" shall also include Original Collateral to the extent that such Original Collateral has been transferred to the Swap Counterparty under the Swap Agreement by virtue of the Credit Support Annex thereto.

Credit Suisse International and/or any of its affiliates ("**CSi**{ XE "CSi" }") may act in a number of capacities in connection with any issue of Notes. CSi shall have only the duties and responsibilities expressly agreed to by the relevant entity in the relevant capacity and shall not, by virtue of its or any affiliate acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as may be expressly provided with respect to the relevant capacity. CSi may enter into business dealings relating to the Notes or the Collateral or any asset to which the Notes or Collateral are exposed, including the acquisition of the Notes, from which the relevant entity may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

CSi may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to the issuer or obligor of any Collateral which information and/or opinions might, if known by a Noteholder, affect decisions made by it with respect to its investment in the Notes. Notwithstanding this, CS shall not have any duty or obligation to notify the Noteholders or the Issuer or any other Transaction Parties (including any directors, officers or employees thereof) of such information and/or opinions.

CSi may deal in any obligation of the issuer or obligor of any Collateral and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer or obligor of any Collateral and may act with respect to such transactions in the same manner as if the relevant Swap Agreement and the Notes of the relevant Series did not exist and without regard to whether any such action might have an adverse effect on the issuer or obligor of any Collateral, the Issuer, the Swap Counterparty or the holders of the Notes.

CSi may at any time be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by CSi may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, instruments relating to currencies, securities and derivatives or securities and derivatives based on, or relating to, the Notes or any Collateral. Notwithstanding this, CSi shall not have any duty or obligation to take into account the interests of any party in relation to any Notes when effecting transactions in such markets.

In addition, other potential conflicts of interest may arise where the Notes are offered to the public, as any distributor (which can be CSi or any Transaction Party) will act pursuant to a mandate granted by the Issuer and will receive commissions and/or fees on the basis of the services performed and the outcome of the placement of the Notes to the public.

One or more of CSi or any Transaction Party may:

- (a) have placed or underwritten, or acted as a financial arranger, structuring agent or adviser in connection with the original issuance of, or may act as a broker or dealer with respect to, the Collateral;
- (b) act as trustee, paying agent and in other capacities in connection with certain of the Collateral or other classes of securities issued by an issuer of, or obligor with respect to, the Collateral or an affiliate thereof;
- (c) be a swap counterparty to issuers of, or obligors with respect to, certain of the Collateral under a swap or other derivative agreements;
- (d) lend to certain of the issuers of, or obligors with respect to, the Collateral or their respective affiliates or receive guarantees from such issuers, obligors or their respective affiliates;
- (e) provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of, or obligors with respect to, the Collateral or their respective affiliates; or
- (f) have an equity interest, which may be a substantial equity interest, in certain issuers of, or obligors with respect to, the Collateral or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to the Collateral, the Transaction Parties may be entitled to fees and expenses senior in priority to payments and/or deliveries on such Collateral. When acting as a trustee for other classes of securities issued by the issuer of any Collateral or an affiliate thereof, a Transaction Party will owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the relevant Collateral is a part, and may take actions that are adverse to the holders (including, where applicable, the Issuer) of the class of securities of which the relevant Collateral is a part. As a counterparty under swaps and other derivative agreements, a Transaction Party may take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, a Transaction Party may take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, any Collateral in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's acquisition, holding and sale of the Collateral may enhance the profitability or value of investments made by a Transaction Party in the issuers thereof or obligors in respect thereof. As a result of all such transactions or arrangements between a Transaction Party and issuers of, and obligors with respect to, the Collateral or their respective affiliates, a Transaction Party may have interests that are contrary to the interests of the Issuer and the Noteholders.

Each of the Issuer, Calculation Agent, the Dealer or any of their respective affiliates may have existing or future business relationships with each other (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and may pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Noteholder.

8.2 The Trustee

In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such

exercise upon individual Noteholders. In acting as Trustee under the Trust Deed, the Trustee shall not, in respect of the Notes, assume any duty or responsibility to any of the Swap Counterparty, the Custodian, the Issuing and Paying Agent, any of the Paying Agents or any other Secured Creditor or any other Transaction Party (other than to pay any such party any moneys received and payable to it and to act in accordance with the Conditions and the Trust Deed and other than in respect of any obligations it may have to Secured Creditors in respect of any enforcement of the Security) and shall have regard solely to the interests of the Noteholders and (save where expressly provided otherwise in the Transaction Documents to which the Trustee is a party) shall not be obliged to act on any directions of any Secured Creditor or Transaction Party if this would in the Trustee's opinion be contrary to the interests of the Noteholders.

8.3 The Swap Counterparty

Prospective investors should be aware that, where the Swap Counterparty is entitled to exercise its discretion or to undertake a decision in such capacity in respect of the Swap Agreement (including any right to terminate the Swap Agreement), in respect of the terms and conditions or otherwise in respect of the Notes, then unless specified to the contrary therein, the Swap Counterparty will be entitled to act in its absolute discretion and will be under no obligation to, and will not assume any fiduciary duty or responsibility for, the Noteholders or any other person. In exercising their respective discretions or deciding upon a course of action, prospective investors should expect and understand that the Swap Counterparty may attempt to maximise the beneficial outcome for itself (that is maximise any payments due to it and minimise any payments due from it) and will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its respective affiliates that may result directly or indirectly from any such selection.

In the ordinary course of its business the Swap Counterparty and/or any of its affiliates may effect transactions for its own account or for the account of its customers and may enter into one or more hedging transactions with respect to the Notes or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Swap Counterparty and/or any of its affiliates, the Swap Counterparty and/or any of its affiliates may enter into transactions in or in respect of the underlying assets or related derivatives which may affect the market price, liquidity or value of the Notes and which could be adverse to the interest of the relevant noteholders.

For example, the Swap Counterparty (itself or through an affiliate) may hedge the Issuer's obligations under the Notes by purchasing futures and/or other instruments linked to the underlying asset(s) or other components underlying the underlying asset. The Swap Counterparty (or affiliate) may adjust its hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the underlying asset(s), or (if applicable) the components, at any time and from time to time, and may unwind the hedge by selling any of the foregoing on or before the maturity or settlement date (as applicable) for the Notes. The Swap Counterparty (or affiliate) may also enter into, adjust and unwind hedging transactions relating to other securities whose returns are linked to changes in the level, price, rate or other applicable value of the underlying asset(s). Any of these hedging activities may adversely affect the level, price, rate or other applicable value of the underlying asset(s) — directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of underlying components — and therefore the value of the Notes. It is possible that the Swap Counterparty (or affiliate) could receive substantial returns with respect to such hedging activities while the value of the Notes may decline.

Moreover, the Swap Counterparty (or affiliate) may also engage in trading in one or more of the underlying asset(s) or (if applicable) the components or instruments whose returns are linked to the underlying asset or (if applicable) the components, for its proprietary accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers. Any of these activities of the Swap Counterparty (or affiliate) could adversely affect the level, price, rate or other applicable value of the underlying asset(s) — directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of the components — and therefore, the value of the Notes.

The Swap Counterparty (or affiliate) may issue or underwrite, other securities or financial or derivative instruments with returns linked to changes in the level, price, rate or other applicable value of the underlying asset or (if applicable) one or more of the components, as applicable. By introducing

competing products into the marketplace in this manner, the Swap Counterparty (or affiliate) could adversely affect the value of the Notes.

8.4 Original Collateral Obligor and Fund service providers

The Original Collateral Obligor is a member of the same group of companies as the entity providing fund management/advisory services to the Fund. The Original Collateral Obligor also acts as custodian of the assets of the Fund. If there is a default of the Original Collateral Obligor in respect of the Original Collateral or an insolvency of the Original Collateral Obligor, or the risk of such events increases substantially, then investors in the Notes may also be exposed to increased performance risk of the Fund or increased volatility leading to a greater allocation to cash of the Asset or an increased risk of maladministration of Fund assets resulting in losses for investors in the Fund or the potential occurrence of adjustment, disruption, substitution or defeasance events (including deferral of maturity). Any of such events may result in losses for holders of the Notes.

The Original Collateral Obligor is also the Distributor and intermediary, and may have interests that are contrary to the interests of the Issuer and the Noteholders when acting in its different capacities. Erste Group Bank AG may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to the Original Collateral or Original Collateral Obligor, which information and/or opinions might, if known by a Noteholder, affect decisions made by it with respect to its investment in the Notes. Notwithstanding this, Erste Group Bank AG shall not have any duty or obligation to notify Noteholders or the Issuer or any other Transaction Parties (including any directors, officers or employees thereof) of such information and/or opinions.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with each and any supplement to this Prospectus prepared from time to time and the following documents, which shall be deemed to be incorporated in, and to form part of, the Prospectus:

A. the following sections from the base prospectus of the Issuer dated 22 December 2014 relating to the Secured Note Programme of the company, which has previously been published and have been filed with the CSSF and the Central Bank, issued by the Issuer in respect of the Programme (the "**Base Prospectus**{ xe "Base Prospectus" }):

- "*Overview of the Programme*" (pages 50 to 59 inclusive)
- "*Questions and Answers*" (pages 60 to 72 inclusive)
- "*Master Conditions*" (pages 74 to 142 inclusive)
- "*Summary of Provisions Relating To The Notes While In Global Form*" (pages 214 to 218 inclusive)
- "*Description of the Company*" (pages 223 to 226 inclusive)
- "*Articles of Association*" (pages 227 to 230 inclusive)
- "*Security Arrangements*" (page 237)
- "*Taxation*" (pages 238 to 243 inclusive)
- "*Subscription and Sale*" (pages 244 to 247 inclusive)

The Base Prospectus is available for viewing on the website of the Irish Stock Exchange (www.ise.ie) and can be found at:

http://www.ise.ie/debt_documents/Base%20Prospectus_2a722261-0bfb-4e50-b42f-2f364598da93.PDF?v=622015

The non-incorporated sections of the Base Prospectus are either not relevant for investors in the Notes or are covered elsewhere in this Prospectus. For the purpose of this Prospectus, references in the Base Prospectus to the applicable Issue Terms or Alternative Drawdown Document (including, for the avoidance of doubt, within the sections thereof incorporated by reference and forming part of this Prospectus) shall be to the provisions set out in the "Issue Terms" section of this Prospectus. In the event of any inconsistency between the Issue Terms and the Master Conditions or Base Prospectus, the Issue Terms will prevail;

B. the audited financial statements of the Issuer for the financial year ended 31 December 2013 (the "**2013 Accounts**{ XE "2013 Accounts" }): The 2013 Accounts have been filed with the Central Bank and can be found at:

<http://argentumcapital.lu/pdfs/financial/2013-12-31%20Argentum%20Financial%20Statements%20FULL%20SIGNED.pdf>;

C. the audited financial statements of the Issuer for the financial year ended 31 December 2014 (the "**2014 Accounts**{ XE "2014 Accounts" }): The 2014 Accounts have been filed with the Central Bank and can be found at:

http://www.argentumcapital.lu/pdfs/financial/Argentum_Capital_SA_aud_en_31122014_fully_signed.pdf; and

D. the Coordinated Articles of the Issuer dated 18 December 2014. A copy of the Articles can be found at:

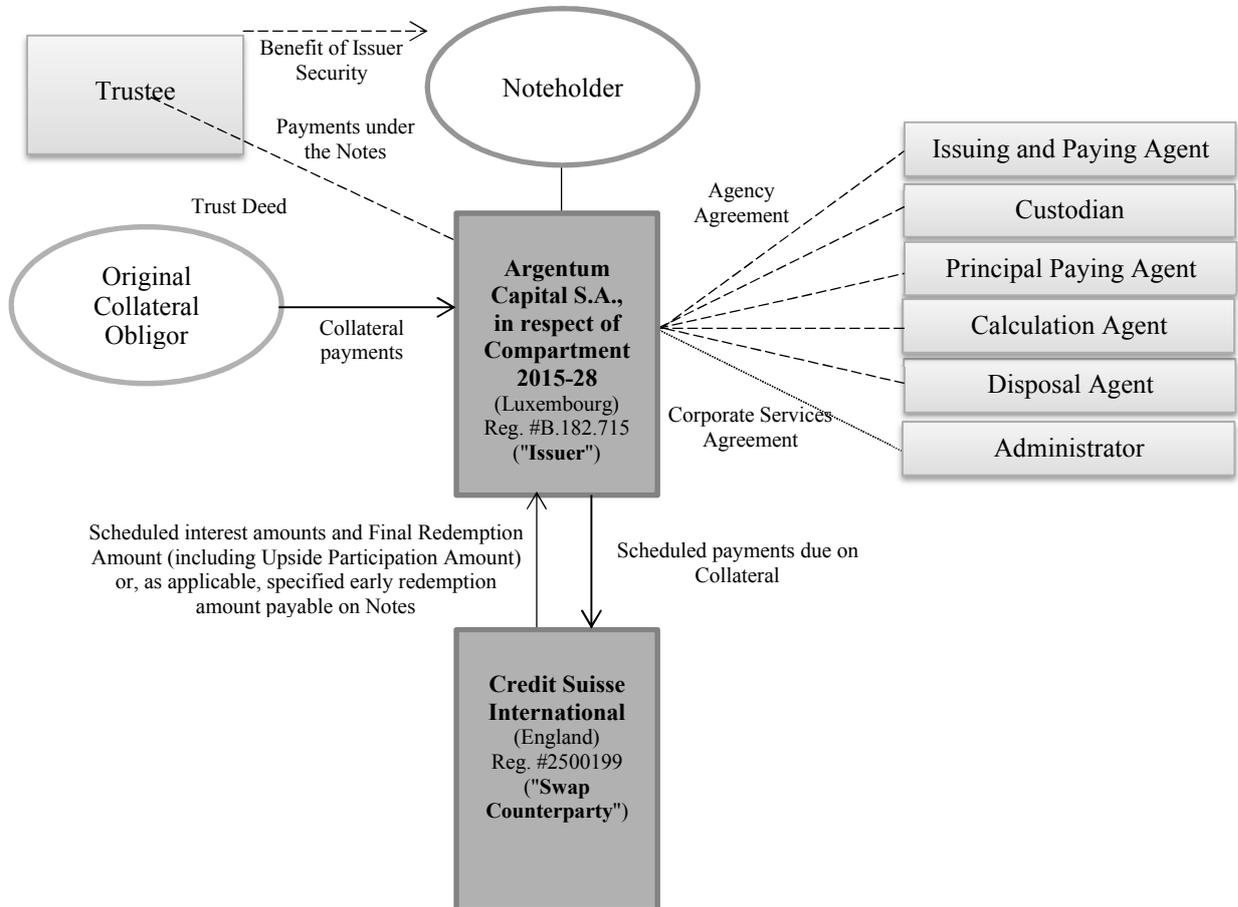
<http://www.argentumcapital.lu/pdfs/statutory/2014.12.18%20Argentum%20Capital%20S.A.%20-%20Statutscoordonnes.pdf>

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Copies of documents incorporated by reference in this Prospectus can be obtained from the specified office of the Issuing and Paying Agent for the time being in London. In addition, such documents will be available from the registered office of the Issuer.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the Notes, prepare a supplement to this Prospectus.

TRANSACTION OVERVIEW DIAGRAM

The diagram below is intended to highlight the structure of this transaction. It is not intended to be an exhaustive description of this transaction. Prospective Noteholders should review the detailed information set out elsewhere in this Prospectus for a description of the transaction structure and relevant cashflows prior to making any investment decision. In the diagram below dotted lines represent contractual relationships and solid lines represent cashflows.



TRANSACTION DESCRIPTION

This Transaction Description must be read as a description only of certain features of the Notes. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference herein. This Transaction Description does not contain all the information which may be important to prospective investors. Prospective investors should read the entirety of this Prospectus and the documents incorporated by reference herein. In addition, prospective investors should consult with their investment, legal, accounting, tax and other advisors with respect to any investment in the Notes.

The information contained in this section is subject in its entirety to the Issue Terms of the Notes.

This section is not intended as a description of the risks an investment in any of the Notes may involve. Risks specifically relating to the Notes are set out in the section of this Prospectus entitled "Risk Factors".

PARTIES

Company:	Argentum Capital S.A., a special purpose vehicle incorporated as a <i>société anonyme</i> (public limited liability company) under the laws of Luxembourg and has the status of an authorised securitisation undertaking under the Securitisation Act 2004 and is supervised by the CSSF.
Issuer:	The Company acting in respect of Compartment 2015-28. Under Luxembourg law, the Company's assets and liabilities can be divided into "compartments". Assets acquired by or transferred to the Issuer in respect of the Notes and the Issuer's liabilities in respect of the Notes will be allocated to the Compartment 2015-28 created for the Notes and will be segregated from the Company's other assets and liabilities and from the assets and liabilities allocated to all other Compartments. The assets in the Compartment 2015-28 will be available exclusively to meet the Issuer's obligations in respect of the Notes and may not be used by the Company to meet its obligations in respect of any other series of Notes or any other obligations. In addition, the Notes will be secured by a security interest over the assets allocated to the Compartment 2015-28 and the Issuer's rights under certain Transaction Documents relating to the Notes and certain property, sums and other assets derived therefrom. The Company's other assets or assets of another Compartment will not be available to meet any shortfall.
Arranger:	Credit Suisse International.
Dealer:	Credit Suisse International.
Trustee:	BNY Mellon Corporate Trustee Services Limited.
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch.
Custodian:	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg Paying Agent:	The Bank of New York Mellon (Luxembourg) S.A.
Disposal Agent:	Credit Suisse International.
Calculation Agent:	Credit Suisse International.
Swap Counterparty:	Credit Suisse International.

STATUS AND TERMS OF THE NOTES

Status:	The Notes will be limited recourse obligations of the Issuer, subject to the Securitisation Act 2004. This means that the secured creditors of the Issuer in respect of the Notes only have the right to claim against specific assets of the Issuer that relate to the Notes. The Notes are secured as described below, and rank equally as between themselves in right of payment.
Issue Date:	22 July 2015 (or such other date as may be specified as such in a notice published by or on behalf of the Issuer).
Maturity Date:	The later of (i) 5 May 2023 (the " Scheduled Maturity Date "), and (ii) the 3rd Payment Business Day following the date on which the Swap Counterparty notifies the Calculation Agent that it has received in full all of the proceeds of redemption, realisation or settlement of any hedge in respect of the Notes and the Swap Agreement.
Principal Amount:	Up to EUR 100,000,000.
Currency:	EUR
Specified Denomination:	EUR 1,000
Interest Rate:	0.50 per cent. per annum. If an event which will result in the early redemption of the Notes occurs, interest will be deemed to have ceased to accrue from the immediately preceding Interest Payment Date (or if none, the Issue Date).
Redemption:	Unless redeemed earlier, the Notes will be subject to redemption on the Maturity Date. The amount which is payable in respect of each Note on the Maturity Date (the " Final Redemption Amount { XE "Final Redemption Amount" }") will be equal to the aggregate of (i) 100% of the nominal or principal amount of that Note, and (ii) such Note's proportionate share of an amount (the " Upside Participation Amount { XE "Upside Participation Amount" }") equal to the greater of zero and the product of the outstanding principal amount of the Notes and the performance of a hypothetical investment portfolio during the term of the Notes (see below).

ASSETS OF THE ISSUER

Original Collateral:	On the Issue Date, the Issuer will purchase from Credit Suisse Securities (Europe) Limited 3.91% lower tier 2 subordinated bonds due 28 April 2023 (ISIN: AT000YOUINV0) denominated in EUR, issued by Erste Group Bank AG (the " Original Collateral Obligor { XE "Original Collateral Obligor" }"). The nominal amount of the Original Collateral to be purchased by the Issuer will be between 70% and 85% of the aggregate nominal amount of the Notes to be issued.
Swap Agreement:	<p>The Issuer will fund its payments under the Notes by entering into a swap agreement (the "Swap Agreement{ XE "Swap Agreement" }") with Credit Suisse International (in such capacity, the "Swap Counterparty{ XE "Swap Counterparty" }") on the Issue Date. Under the Swap Agreement:</p> <p>(a) the Issuer will make a payment to the Swap Counterparty equal to the remaining balance of the net proceeds of issuance of the Notes after purchase of the</p>

Original Collateral as described above and payment of a fee to Credit Suisse International as Dealer in respect of the Notes as described below;

- (b) the Issuer will pay all scheduled payments on the Original Collateral to the Swap Counterparty, in each case on the due date for such payment; and
- (c) the Swap Counterparty will pay the Issuer amounts so as to enable the Issuer to fund its payment obligations in respect of the Notes, including as to interest and amounts payable on maturity of the Notes as described above.

Collateralisation of the Swap Agreement:

The Swap Agreement provides for collateralisation by both of the Issuer and the Swap Counterparty of their respective obligations under the Swap Agreement.

Accordingly, in the event that either party to the Swap Agreement has a credit risk exposure to the other party, the other party will be required to deliver EUR cash or eligible debt securities which have an aggregate value (after the application of a stipulated percentage valuation adjustment) at least equal to any such exposure, as valued on a weekly basis. The purpose of such mechanism is to reduce the exposure of each party to the other if, upon a termination of the Swap Agreement as a result of a default by the other party, a termination amount is payable by other party. Such reduction in exposure arises as the party to which such cash or securities has or have been transferred will be entitled to take account of the value of such cash or securities in determining the net amount payable on termination of the Swap Agreement.

Collateral assets to be transferred to the Issuer as described above will be delivered to the Custodian (on behalf of the Issuer).

The Swap Counterparty will act for its own benefit and is not required to, and may not, take into account the interests of the Noteholders in determining what securities, meeting the required criteria, to deliver to the Issuer by way of collateralisation as described above.

UPSIDE PARTICIPATION AMOUNT

Upside Amount: **Participation** The Upside Participation Amount will be payable to the Issuer by the Swap Counterparty under the Swap Agreement on the Maturity Date. The Upside Participation Amount consists of the increase, if any, in the value of a hypothetical investment portfolio comprised of the Fund and a EUR cash investment (such value, the "**Reference Portfolio Value**{ XE "Reference Portfolio Value" }") with a daily weighting as between them determined on the basis of the Algorithm.

Fund: YI active spezial (ISIN: AT0000A1CV54). The Fund may be subject to substitution if a Fund Substitution Event occurs, as described below.

Algorithm: A volatility linked algorithm (automatic formula driven allocation) which is applied to determine the relative weighting with the hypothetical investment portfolio of an investment in

the Fund and an investment in EUR cash.

As of the inception of the Swap Agreement, the weighting to the fund is 100%. Thereafter, a target weighting with respect to the Fund investment is determined on a daily basis. The target weighting is determined by dividing a specified target volatility by the volatility value calculated with respect to the official net asset value of the Fund for the relevant date of determination. The specified target volatility is 8%.

If the then-current weighting of the Fund investment in the hypothetical investment portfolio diverges from the target weighting by more than 5%, then the relative weightings of the Fund investment and the investment in EUR cash will be adjusted so that the former is equal to the target weighting. The weighting to the Fund investment may not exceed 100%.

**Upside Participation Amount
– Worked Examples of
impact on Final Redemption
Amount of Notes**

The following sets out examples of the impact of the Upside Participation Amount on the Final Redemption Amount of the Notes.

The figures and events used for the purposes of the examples are indicative only and are not intended as a guide as to the actual or expected performance of the Notes. The performance of the Notes may be better or worse than set out in the following examples.

The examples assume the following:

- (a) the principal amount outstanding of the Notes on the Maturity Date is EUR 100,000,000;
- (b) the Reference Portfolio Value is 100 per cent. at inception as of the Strike Date; and
- (c) all transaction parties comply with their obligations relating to the Notes.

Example 1:

This example assumes that the Reference Portfolio Value as of the Final Valuation Date is 105 per cent.. In this example, on the Maturity Date, the Upside Participation Amount will equal to EUR 5,000,000.

Accordingly, based on this example, a holder of a Note having a nominal amount of EUR 1,000 will receive a Final Redemption Amount on the Maturity Date equal to the sum of EUR 1,000 plus EUR 50 (being a pro rata share per Note of the Upside Participation Amount) totalling EUR 1,050, representing a gain in principal amount of EUR 50.

Example 2:

This example assumes that the Reference Portfolio Value as of the Final Valuation Date is 70 per cent.. In this example, on the Maturity Date, the Upside Participation Amount will equal to zero, being floored at zero.

Accordingly, based on this example, a holder of a Note having a nominal amount of EUR 1,000 will receive a Final Redemption

Amount on the Maturity Date equal to EUR 1,000 and will not receive any gain in principal amount.

Fund Events:

Prospective investors in the Notes must note that certain adjustments may be made to the terms of the Notes as a result of the occurrence of certain events, including Fund Adjustment Events, Disruption Events, Fund Substitution Events and Fund Defeasance Events, as described below.

Fund Disruption Events:

A Disruption Event can be a Fund Disruption Event or a Market Disruption Event:

Fund Disruption Events include, in summary:

- (a) a failure, suspension or postponement in the reporting or publishing of the Fund Value in respect of the Fund as scheduled or any event preventing the receipt of a value for the Fund;
- (b) where the Calculation Agent determines that the published official net asset value of the Fund is not accurate or any transaction in respect of such Fund could not be transacted at such value or with a cash consideration in full, and to be received as scheduled;
- (c) the inability of a hypothetical investor in the Fund to liquidate the shares or units in the Fund when scheduled (including as a result of the limitation of redemptions);
- (d) the failure of the Fund to make any payment in respect of the redemption of any interest in the Fund as scheduled; and
- (e) the Swap Counterparty is not permitted to subscribe for or redeem interests in the Fund as set out in the prospectus for the Fund.

Market Disruption Events include:

- (a) when the foreign exchange market or money market in any relevant currency is closed otherwise than for ordinary public holidays or if trading is restricted or suspended, and this would have a material impact on the ability of the Calculation Agent and/or the Calculation Agent to determine the value of the Notes accurately or on the ability of the Swap Counterparty to execute a hedge in respect of the Notes;
- (b) where there is a breakdown of any means of communication normally used for the valuation by the Calculation Agent of the shares or units in the Fund or if the Calculation Agent is informed, or determines, that the last reported net asset value for the Fund should not be relied upon.

If the Calculation Agent, acting in a commercially reasonable manner, determines that a Disruption Event has occurred, it may elect to:

- (a) calculate, determine or adjust any variable in respect of the Notes or make any payment using an estimate of

any variable in respect of the Notes; or

- (b) postpone any payment or calculation until the Disruption Event has ceased.

This could have a material adverse effect on the value of the Notes and may reduce the amount(s) that would otherwise be payable under the Notes.

Fund Substitution Events:

Fund Substitution Events include:

- (a) events relating to the insolvency, winding up or cessation of trading of the Fund or any some provider to such Fund;
- (b) any litigation and/or regulatory action is commenced in relation to the activities of a Fund or any some provider to the Fund for reasons of any alleged wrongdoing or breach of rules which, if true, would have a material effect on the official net asset value of the Fund;
- (c) loss of an applicable licence or regulatory authorisation necessary for the conduct of the business of the Fund or some provider to the Fund (unless the Calculation Agent determines this to be immaterial);
- (d) the instigation or resolution of any legal proceedings against the Fund or some provider to the Fund which, if successful, would have a material adverse effect on the official net asset value;
- (e) a material change to the legal constitution or management of the Fund;
- (f) a material modification of the investment objective and strategy of a Fund;
- (g) a material breach of the investment objective and strategy of the Fund which has not been cured within 10 calendar days (provided that the cure period does not apply to any third or subsequent breach);
- (h) the accounting currency of the Fund changes, or the Fund adopts series accounting or equalisation treatment such that the Swap Counterparty is not able to make a single unitised investment in the shares or units of the Fund equivalent to the single unitised investment used in the calculation of the official net asset value of the Fund;
- (i) a material breach by the manager of the Fund or any of its affiliates of any agreement with the Swap Counterparty that is in place at inception;
- (j) a Fund does not comply with the specified criteria relating to liquidity, fee structure, publication of the official net asset value of the Fund and Fund size; and
- (k) certain events relating to the liquidity of a Fund or the implementation of taxes and other charges which are not remedied reasonably promptly by a Fund (or within the applicable cure period) to the satisfaction of the

Calculation Agent and which has a material effect on the ability of the Swap Counterparty to hedge its obligations in respect of the Notes or the Swap Agreement.

The specified inclusion conditions referred to above include:

- (a) minimum liquidity and settlement terms;
- (b) the Fund does not charge the Swap Counterparty a fee in relation to subscriptions for or redemptions of shares in the Fund; and
- (c) reporting requirements.

The investment guidelines agreed between the Fund manager and the Calculation Agent include:

- (a) aggregate exposure to equity funds: minimum 0%, maximum 50%;
- (b) aggregate exposure to fixed income funds: minimum 0%, maximum 100%;
- (c) aggregate exposure to alternative investment funds (including commodity funds): minimum 0%, maximum 10%;
- (d) aggregate exposure to emerging market funds: minimum 0%, maximum 25%;
- (e) aggregate exposure to equity funds, emerging market funds, high yield bond funds and alternative investment funds: minimum 0%, maximum 70%;
- (f) aggregate exposure to funds managed by affiliates of the fund manager: minimum 0%, maximum 70%;
- (g) aggregate exposure to emerging market debt funds: minimum 0%, maximum 15%;
- (h) aggregate exposure to high yield debt funds: minimum 0%, maximum 15%;
- (i) aggregate exposure to debt of a single emerging market: minimum 0%, maximum 5%;
- (j) aggregate exposure to emerging market debt and high yield debt funds: minimum 0%, maximum 20%;
- (k) aggregate exposure to emerging market equity funds: minimum 0%, maximum 10%;
- (l) aggregate exposure to equities of a single emerging market: minimum 0%, maximum 30%;
- (m) aggregate exposure to country- or sector-specific funds (other than US- or emerging market-specific funds): minimum 0%, maximum 15%;
- (n) aggregate exposure to US-specific funds: minimum 0%, maximum 20%;

- (o) aggregate exposure to emerging market country-specific funds: minimum 0%, maximum 5%;
- (p) no real estate-specific funds;
- (q) all alternative funds to offer daily liquidity with a maximum notice period of one business day;
- (r) assets under management with respect to any single fund holding: EUR 50,000,000;
- (s) maximum ownership position in any single fund holding: 10%;
- (t) maximum concentration in any single fund position: 15%;
- (u) no derivatives save for FX forwards (subject to a maximum gross notional amount exposure equal to 10%); and
- (v) limitations on cash holdings;

The limitations above exclude cash held with the fund custodian for purposes of collateralising foreign exchange derivatives.

If the Calculation Agent determines that a Fund Substitution Event has occurred in respect of a Fund Unit and the related Fund, it may:

- (a) waive such event;
- (b) substitute such Fund with one or more funds which comply with the Inclusion Conditions;
- (c) adjust the weight of the Fund; and

make adjustments to the terms and conditions of the Notes or the Swap Agreement to account for such event.

This could have a material adverse effect on the value of the Notes and may reduce the amount(s) that would otherwise be payable under the Notes.

Fund Adjustment Events

Fund Adjustment Events include:

- (a) a sub-division, consolidation or reclassification of the shares or units in the Fund;
- (b) where the Calculation Agent determines that the published net asset value of the Fund is not accurate or any transaction in respect of the Fund could not be transacted at such value or with a cash consideration in full, and to be received as scheduled;
- (c) the inability of the Swap Counterparty to liquidate the Fund Units in accordance with the relevant subscription and redemption terms or any change in such terms;
- (d) any event having a diluting or concentrative effect on the theoretical value of the shares or units in the Fund;
- (e) a material adverse change in its accounting, regulatory

or tax treatment which does or would adversely affect holders of the shares or units in the Fund or the Swap Counterparty suffers or would suffer such adverse treatment as a result;

- (f) a material change in any fee arrangement that is in place at inception between the Swap Counterparty and a Fund or the manager of the Fund; or
- (g) a material breach by the manager of the Fund or any of its affiliates of any agreement with the Swap Counterparty that is in place at inception.

Upon determining that a Fund Adjustment Event has occurred, the Calculation Agent has the discretion to make adjustments (without the consent of Noteholders) to the terms and conditions of the Notes and the Swap Agreement used to determine or derive the valuation of any amounts payable under the Notes and the Swap Agreement to account for such event. This could have a material adverse effect on the value of the Notes and may reduce the amount(s) that would otherwise be payable under the Notes.

Fund Defeasance Events

Fund Defeasance Events include:

- (a) where a Fund Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable substitute fund for purposes of calculation the Upside Participation Amount;
- (b) a Disruption Event exists and subsists at any time during the term of the Notes for a consecutive number of days equal to the stipulated maximum number of reference business days (5);
- (c) as a result of (aa) any adoption of, or change in, law or regulation or its interpretation, (bb) any determination of a regulatory or taxation authority applicable to the Swap Counterparty or the Fund, or (cc) the application of the Swap Counterparty's regulatory capital treatment or funding treatment of the Notes or its associated hedging arrangements or any change thereto: (x) it becomes unlawful or prohibited for the Swap Counterparty to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Fund; (y) the cost of the hedging arrangements in respect of the Notes or the Swap Agreement would be materially increased; or (z) there would be a material decline in the official net asset value of the Fund.

If the Calculation Agent determines that one or more Fund Defeasance Events have occurred, it may, but is not obliged to, declare an Early Defeasance Date. Following the declaration of an Early Defeasance Date, the Issuer may redeem the Notes at the scheduled maturity by payment of the Unscheduled Termination Amount instead of the Upside Participation Amount, any of which determinations may have an adverse effect on the value of the Notes. Such amount will be equal to the value of the Upside Participation Amount as though such amount were determined on the selected day (as determined by the Calculation Agent based on its internal methods and

methodologies and taking into account any Fund Disruption Events, Fund Substitution Events or Fund Adjustment Events as described above), plus interest on such amount from and including the relevant date of determination to but excluding the date of redemption of the Notes at a prevailing overnight inter-bank interest rate. Following such determination by the Calculation Agent, no other amounts shall be payable in respect of the Notes on account of the Upside Participation Amount or otherwise.

EARLY REDEMPTION OF THE NOTES

Early Redemption Events: In certain circumstances, the Notes may be required to be redeemed in full prior to the Maturity Date. Such circumstances include:

- (a) the occurrence of a Collateral Event (as described below);
- (b) termination of the Swap Agreement, including on the occurrence of certain payment defaults, breaches of agreement, insolvency as well as the occurrence of certain illegality, redenomination and force majeure events and certain regulatory events;
- (c) certain tax events occur in respect of payments due by the Issuer under the Notes or the income of the Issuer in relation to the Notes;
- (d) it becomes unlawful for the Issuer to perform any of its obligations under the Notes, hold any Collateral (or receive payment in respect of any Collateral) or to comply with any material provision of any agreement entered into in connection with the Notes; and
- (e) an Event of Default occurs with respect to the Notes (as described below).

Collateral Events: Collateral Events include:

- (a) failure to make a scheduled payment on the date and in the place and currency originally scheduled (disregarding any terms allowing for non-payment, deferral or adjustments to any scheduled payment and any notice or grace period) in respect of any Original Collateral;
- (b) any event of default in relation to any Original Collateral or failure to make any scheduled payment;
- (c) the redemption of any Original Collateral in whole or in part, or the conversion of the Original Collateral into another financial instrument, in each case prior to its original scheduled maturity date; or
- (d) the currency for interest or principal payment on the Original Collateral is redenominated, substituted or otherwise changed from its original currency as at the Collateral Event Observation Start Date of the Notes.

An event may constitute a Collateral Event even if it occurred prior to the Issue Date, provided that it occurred on or after the specified Collateral Event Observation Start Date.

Collateral Event – Worked The following sets out examples of the impact of a Collateral

Examples of impact on the Final Redemption Amount of Notes

Event Determination Date on the Final Redemption Amount payable on the Notes.

The Collateral Event Determination Date is the date of determination by the Calculation Agent that a Collateral Event has occurred.

The figures and events used for the purposes of the examples are indicative only and are not intended as a guide as to the actual or expected performance of the Notes. The performance of the Notes may be better or worse than set out in the following examples.

Both examples assume the following:

- (a) the Upside Participation Amount equals EUR 5,000,000 and the principal amount outstanding of the Notes on the Maturity Date is EUR 100,000,000; and
- (b) all transaction parties comply with their obligations relating to the Notes.

Example 1:

This example assumes that no Collateral Event Determination Date or other event causing the Notes to be redeemed early occurs during the term of the Notes. In this example:

- (a) a holder of a note will receive interest at the rate of 0.50 per cent. per annum on each annual interest payment date during the term of the Notes; and
- (b) on the Maturity Date, a holder of a Note having a nominal amount of EUR 1,000 will receive a Final Redemption Amount equal to EUR 1,000 plus EUR 50 (being a pro rata share per Note of the Upside Participation Amount of EUR 5,000,000).

Accordingly, based on this example, a holder of a Note having a nominal amount of EUR 1,000 as at the Maturity Date will receive a Final Redemption Amount equal to a total of EUR 1,050 above, representing a gain in principal amount of EUR 50.

Example 2:

This example assumes that:

- (a) a Collateral Event Determination Date occurs prior to the first Interest Payment Date;
- (b) the Value of the Original Collateral is determined to be zero; and
- (c) the Swap Value is determined to be zero;

In this example, on the related Cash Redemption Date, the Issuer will pay a holder of a Note having a nominal amount of EUR 1,000 an Early Cash Redemption Amount equal to zero.

Accordingly, based on this example, a holder of a Note having a nominal amount of EUR 1,000 will receive zero on the related Cash Redemption Date. No Interest Amount will be payable since interest

ceases to accrue from the preceding Interest Payment Date (or if none, the Issue Date) upon the occurrence of a Collateral Event Determination Date. In this case, the investor will make a loss of the entire amount invested.

Events of Default:

Events of Default include:

- (a) default by the Issuer for 14 days or more in making a payment due on the Notes;
- (b) failure by the Issuer to perform any other obligation in relation to the Notes within (if remediable) 30 days (or longer if the Trustee permits) after notice of failure is given by the Trustee to the Issuer; or
- (c) certain bankruptcy and insolvency events relating to the Issuer.

Payments on early redemption of the Notes:

Where the Notes are required to be redeemed early, then:

- (a) the value of the Original Collateral will be determined or, in the case of a Swap Agreement termination resulting from an event of default thereunder in respect of either the Issuer or the Swap Counterparty, the Original Collateral will be liquidated on behalf of the Issuer;
- (b) the termination payment under the terms of the Swap Agreement will be determined;
- (c) if the termination payment would be due to the Issuer, then the amount payable on early redemption of each Note will be its proportionate share of the sum of such payment and the value or liquidation proceeds of the Original Collateral;
- (d) if the termination payment would be due to the Swap Counterparty, the amount payable on redemption of each Note will be its proportionate share of an aggregate amount equal to the value or liquidation proceeds of the Original Collateral less the amount of such termination payment.

MISCELLANEOUS

Security:

The Notes will be secured by security interests created under Luxembourg and English law in respect of, amongst other things:

- (a) cash and assets held with the Custodian or the Issuing and Paying Agent; and
- (b) the Issuer's rights under the Swap Agreement.

On an enforcement of the security for the Notes, the proceeds of enforcement will be applied in accordance with a specified order of priorities. Payments due to holders of the Notes will only be made if and to the extent that prior ranking claims, including payments to the trustee for the Notes and the agents of the Issuer appointed in relation to the Notes and the Swap Counterparty have been satisfied in full. Once the proceeds of enforcement have been distributed in full, any remaining claims against the Issuer will be extinguished.

Withholding Tax:

All payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer or any

Agent is required by applicable law to make. In that event, the Issuer or such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so required to be withheld or deducted. This may result in the early redemption of the Notes. Neither the Issuer nor any Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

Modification and Waiver:

The terms of the Notes provide that the Trustee may, without the consent of holders of Notes, agree to (i) any modification to the terms and conditions of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or is made as a result of relevant stock exchange requirements or (ii) any other modification, waiver or authorisation of any breach or proposed breach which in each case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders.

Restrictions:

So long as any Note remains outstanding, the Issuer will not, without the consent of the Trustee and the Swap Counterparty engage in any business other than the issuance or entry into of bonds, notes or other securities or the entry into of loans or other agreements for the payment or repayment of borrowed money, subject to the provisions of the Securitisation Act 2004 and the articles of incorporation of the Company, and provided always that such obligations are secured on assets of the Issuer other than the Issuer's share capital and those assets securing any other obligations of the Issuer and that they are entered into on a limited recourse and non-petition basis. In addition, the Issuer will be subject to certain other restrictions including that it will not, without the consent of the Trustee and the Swap Counterparty, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any further shares.

Form of Notes:

The Notes will be issued in bearer form only and will be represented on issue by a permanent global note.

Limited Recourse:

The Notes are limited recourse obligations of the Issuer, meaning that, upon an enforcement of the security for the Notes and the distribution of any net proceeds of such enforcement, remaining claims (which may include the claims of Noteholders) will be extinguished.

Non petition:

The Noteholder shall not be entitled to take any steps (otherwise than in accordance with the Trust Deed and the Conditions):

- (a) to enforce the security other than when expressly permitted to do so under Condition 10 (*Enforcement and Limited Recourse*);
- (b) to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it;
- (c) to initiate or join in initiating any insolvency proceedings in relation to the Issuer; or

- (d) to take any steps which would result in any of the priorities of payment not being observed.

Governing Law: The Notes and related documents will be governed by English law, save for security which is constituted under Luxembourg law.

ISSUANCE DETAILS

Issue Price of the Notes: 100 per cent. (or such other percentage as may be specified as such in a notice published by or on behalf of the Issuer).

Clearing Systems: The Notes will be settled through Euroclear and Clearstream, Luxembourg.

Listing and Admission to Trading: Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market and to the Frankfurt Stock Exchange for the Notes to be listed and admitted to trading on the Open Market (*Freiverkehr*). There can be no assurance that such listings and admissions to trading will be granted.

Irish Listing Agent: Arthur Cox Listing Services Limited.

Rating: The Notes are not, and are not anticipated to be, rated by any rating agency.

Selling Restrictions: There are restrictions on the offer or sale of Notes and distribution of offering material – see "*Subscription and Sale and Transfer Restrictions*".

QUESTIONS AND ANSWERS

The following section answers some questions that prospective investors might have regarding the Notes, in general terms only. It does not contain all the information which may be important to prospective investors. Prospective investors should read the entirety of this Prospectus and, in particular, the Issue Terms of the Notes, the Summary, the Risk Factors and the Transaction Description that is contained elsewhere in this Prospectus or is incorporated by reference. In addition, prospective investors should consult with their investment, legal, accounting, tax and other advisors with respect to any investment in the Notes.

The information contained in this section is subject in its entirety to the other sections of this Prospectus.

What are the Notes and who is the issuer of the Notes? The Notes are investment instruments issued by Argentum Capital S.A., acting in respect of Compartment 2015-28 (the "**Issuer**{ XE "Issuer" }").

Argentum Capital S.A. is a special purpose vehicle incorporated under the laws of Luxembourg and has the status of an authorised securitisation undertaking under the Securitisation Act 2004 and is authorised by the *Commission de Surveillance du Secteur Financier*. This means that claims against Argentum Capital S.A. in respect of the Notes are limited to the net proceeds of the assets which are the subject of the security granted for the obligations of the Issuer under the Notes and related transaction documents, as described below.

How will the Issuer use the proceeds of issue of the Notes? The Issuer will use the issue proceeds of the Notes to:

- purchase from Credit Suisse Securities (Europe) Limited certain subordinated bonds to be issued by Erste Bank Group AG as described below (the "**Original Collateral**{ XE "Original Collateral" }"); and
- make a payment to Credit Suisse International as swap counterparty to the swap agreement to be entered into in relation to the issue of the Notes (the "**Swap Counterparty**{ XE "Swap Counterparty" }" and the "**Swap Agreement**", respectively); and
- make a payment to Credit Suisse International (as dealer in relation to the Notes) of a fee equal to 3% of the net proceeds of issue of the Notes, in respect of which up to 3% of the net proceeds of issue of the Notes may then be paid to Erste Group Bank AG as Distributor and in respect of which up to 1% of the net proceeds of issue of the Notes may in turn be paid by Erste Group Bank AG as Distributor to Sparkassen in Austria as sub-distributor.

What payments are due at maturity of the Notes? On the scheduled maturity of the Notes, the holder of each Note will receive an amount equal to:

- EUR 1,000 Note; and
- an additional amount – the "**Upside Participation Amount**" – representing a participation in the performance of the Fund described below (the "**Fund**{ XE "Fund" }") and a cash investment, and calculated as described below.

The Notes may be subject to redemption prior to their scheduled maturity, and in such event the payment on the Notes will be calculated as described below at "*What payments are due on early redemption of the*

Notes" and may be less than the initial amount invested.

When do the Notes mature? The Notes are anticipated to mature on 5 May 2023. However, if the calculation of the Upside Participation Amount is disrupted – for example, because the redemption of shares in the Fund is suspended - the redemption of the Notes may be delayed until a specified period following the date on which the relevant disruption circumstance ceases to apply. That delay may be substantial. Investors in the Notes will not receive interest payments to compensate them for such delay.

Is any interest payable on the Notes? The Notes will pay fixed interest annually at a rate equal to 0.50 per cent. per annum.

If an event occurs which will result in the early redemption of the Notes no interest will be paid in respect of the period in which such event occurred or any future period.

What are the bonds to be purchased by the Issuer? The Original Collateral is comprised of subordinated bonds of Erste Group Bank AG. It is anticipated that the Original Collateral will have the following characteristics:

- the nominal amount of the Original Collateral purchased will be, on the Issue Date, between 70% and 85% of the aggregate nominal amount of the Notes;
- the maturity date of the Original Collateral will be 28 April 2023;
- the interest rate on the bonds will be 3.91% per annum;
- the Original Collateral will be subordinated "lower Tier 2" bonds, meaning that that on an insolvency of Erste Bank Group AG, claims of holders of such bonds (for example, the Issuer) will only be met if and to the extent that claims of other creditors of Erste Bank Group AG (such as holders of senior debt of that entity depositors) have been met in full;
- the denomination of the Original Collateral will be EUR 1,000;
- the ISIN (securities identification number) of the Original Collateral will be AT000YOUINV0; and
- the Original Collateral is issued on the basis of a prospectus dated 14 May 2014 (as supplemented) and approved by the Austrian Financial Market Authority in its capacity as competent authority under relevant Austrian legislation.

If Erste Bank Group AG fails to make a payment on the Original Collateral or becomes insolvent or otherwise defaults under the terms of the Original Collateral, or if the Original Collateral is redeemed early or is redenominated into a currency other than EUR, then the Notes will be redeemed early. See "*Are the Notes subject to early redemption*" below. In that case, unless the Original Collateral has previously redeemed, the Original Collateral will be valued or sold on behalf of the Issuer in order to determine the early redemption amount which is payable on the Notes. Because the Original Collateral is subordinated as described above, the proceeds of sale or the value of the Original Collateral may be very low or zero. Such an event could occur prior to the issue of the Notes.

What is the purpose of the Swap Agreement relating to the Notes?

The Issuer will enter into the Swap Agreement in relation to the Notes with Credit Suisse International as Swap Counterparty. Under the Swap Agreement:

- the Issuer will make an initial payment to the Swap Counterparty as described above;
- the Issuer will pay to the Swap Counterparty amounts equal to the amounts of interest and principal which it is anticipated to receive under the terms of the Original Collateral purchased by it on issue of the Notes as described above; each such payment is to be made by the Issuer on the scheduled date for such payment under the terms of the Original Collateral;
- the Swap Counterparty will pay to the Issuer amounts required by the Issuer to fund its payment obligations under the Notes, being interest on the Notes and the amounts payable on maturity of the Notes (including the Upside Participation Amount).

The Swap Agreement may be terminated in certain circumstances, including a failure to make payments due (after expiry of a grace period) or insolvency of either party. Termination of the Swap Agreement will result in any early redemption of the Notes. The Swap Agreement will also be terminated if the Notes are redeemed early for any other reason. On termination of the Swap Agreement, one party will be required to make a termination payment to the other. The calculation of the termination payment will take into account, amongst other things, the value of payments which it is anticipated that each party would have been required to make to the other but for termination of the Swap Agreement, and any amounts which should have been paid previously, but were not paid. The termination payment due will be taken into account in determining the early redemption amount payable on the Notes.

If one party would owe the other party a termination payment in the event that the Swap Agreement were terminated on a given day, then the other party has credit risk exposure to the first party. The amount of such credit risk, or the party which has credit risk, may vary during the life of the Swap Agreement. In order to minimise such credit risk, the Issuer and the Swap Counterparty will agree to transfer cash or eligible securities to each other. On a termination of the Swap Agreement, the value of such cash or securities will be taken into account in calculating the termination payment due. However such arrangements may not be effective to eliminate the credit risk of the Swap Counterparty, as the amount of credit risk or the value of asset transferred may be volatile.

It is anticipated that the Swap Counterparty will make a transfer of cash or securities as described above upon issuance of the Notes. However, the value of such transfer may not be equal to the shortfall in the nominal amount of the Original Collateral as against the aggregate nominal amount of the Notes.

How is the Upside Participation Amount calculated?

The Upside Participation Amount is calculated by Credit Suisse International in its capacity as Calculation Agent for the Notes. The Upside Participation Amount represents the increase in value from a specified date falling prior to the issue of the Notes of a hypothetical investment portfolio comprising an investment in the Fund and an investment in EUR cash.

The increase in the value of the Fund, if any, will represent an increase in the official net asset value of the Fund (as calculated and reported by the administrator of the Fund). There may be no increase in the value of the Fund. The increase in value of the EUR cash investment, if any, will represent accrued interest at a prevailing EUR overnight inter-bank interest rate (as determined by reference to a specified electronic pricing source or, if that source is not available, by the Swap Agreement calculation agent). Returns on EUR cash may be low or negative.

At inception of the Swap Agreement, the hypothetical investment portfolio is assumed to be invested entirely in the Fund. However, the allocation of the portfolio as between investments in the Fund and EUR cash is subject to alteration during the life of the transaction in accordance with a specified algorithm. The objective of the algorithm is to increase the assumed allocation to the cash investment when the volatility in the value of the fund investment exceeds specified parameters, with the aim of protecting previous positive performance. In brief:

- a target weighting for the hypothetical fund investment is determined by dividing a target volatility level (8%) by a volatility level calculated in relation to the fund value;
- if the current weighting of the fund investment as a proportion of the hypothetical portfolio exceeds the target weighting by a specified percentage (5%), then the current weighting of the fund investment will be assumed to have been reduced; accordingly the weighting of the investment in EUR cash will be assumed to have been increased; and
- if the current weighting of the fund investment as a proportion of the hypothetical portfolio is lower than the target weighting by a specified percentage, then the current weighting of the fund investment will be assumed to have been increased; accordingly, the weighting of the investment in EUR cash will be assumed to have been reduced.

The algorithm described above may not be effective to protect previous positive performance of the Fund. The algorithm does not prevent negative performance of the Fund or the hypothetical investment portfolio. Where positive performance of the Fund coincides with periods of high volatility in the value of the Fund, the operation of the algorithm may result in relative under-performance of the hypothetical investment portfolio. As the algorithm is based on historical volatility of the value of the Fund over a specified time period, the volatility of the hypothetical investment portfolio at a given time may not be equal to the target volatility level. Due to the time lag in re-allocating the investment of the hypothetical portfolio as between the Fund and EUR cash, the volatility of the hypothetical investment portfolio may not be equal to the target volatility level.

What is the Fund to which the Upside Participation Amount is linked?

The Upside Participation Amount will be calculated (as described above) in relation to the YI active spezial fund. It is anticipated that the Fund will have the following key characteristics:

- it will be an alternative investment fund (special purpose fund) established under Austrian law;
- the management company in respect of the Fund will be ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H;

- the custodian for the assets of the Fund will be Erste Bank Group AG;
- the investment objective of the Fund will be to achieve capital growth;
- the Fund will be established for an indefinite period of time;
- shares in the Fund will be accepted for return against payment of the current value of such shares;
- the Fund may invest in other funds – that is, it will be a fund of funds – including other alternative investment funds; and
- the ISIN (securities identification number) of shares in the Fund will be AT0000A1CV54.

Erste Bank Group AG, being the issuer of the subordinated bonds to be purchased by the Issuer will act as custodian of fund assets and is a member of the same group of companies as the entity which will provide management and advisory services to the Fund. If there is a default or insolvency of Erste Bank Group AG, or the creditworthiness or financial condition of Erste Bank Group AG declines substantially, then the performance risk of the manager or custodian may increase or the volatility in the net asset value of the Fund may increase, leading to a decline in the performance of the Fund or negative performance or an increased allocation to EUR cash based on the algorithm described above.

Note that the Fund described above may be substituted for purposes of the calculation of the Upside Participation Amount in certain circumstances, as described below.

What is the potential effect of disruption or similar events in relation to the Fund?

If the calculation agent for the Notes (the "**Calculation Agent** { XE "Calculation Agent" }") determines that one of a number of events ("**Fund Disruption Events** { XE "Fund Disruption Events" }") has occurred in relation to a date on which the value of the hypothetical investment portfolio is required to be calculated in accordance with the algorithm described above, then the Calculation Agent may make the relevant calculation based on its own estimate or determination of the relevant variable (adjusted to take account of the risks of holding an investment in the Fund as a hedge for obligations under the Swap Agreement, or the risk of being unable to redeem an investment in such Fund in full and for cash) or postpone any relevant calculation until the relevant event has ceased to exist. Any such postponement may result in the postponement of the maturity of the Notes.

Fund Disruption Events include:

- failure to publish the official net asset value of the Fund;
- the Calculation Agent reasonably determines that such net asset value is not accurate or does not represent the value at which a transaction in the shares or units of the Fund could be effected;
- the inability of a hypothetical holder of shares or units in the Fund to redeem those shares or units when scheduled (including as a result of any limitation of redemptions);
- the failure of the Fund to make a redemption payment;
- the Swap Counterparty not being permitted to subscribe for or

redeem shares in the Fund as set out in the prospectus for that Fund;

- relevant foreign exchange or money markets are closed or trading in such markets is restricted, resulting in a material impact on the ability to value the Notes or to undertake hedging transactions relating to the Notes or the Swap Agreement; and
- a breakdown in the means of communication for valuations in respect of the Fund.

What is the potential effect of substitution or similar events in relation to the Fund?

If the Calculation Agent determines that one of a number of events ("**Fund Substitution Event**") has occurred, then the Calculation Agent may:

- waive the occurrence of that event;
- substitute the Fund with one or more funds which comply with specified inclusion conditions and which have a similar geographical focus to and close correlation with the Fund;
- adjust the weighting of the Fund; and/or
- make adjustments to the terms of the Notes or the Swap Agreement so as to take account of the economic effect of the relevant event and to preserve the original economic objective and rationale of the Notes.

Fund Substitution Events include:

- winding up, dissolution or cessation of trading of the Fund or any service provider to that Fund (unless replaced by a successor acceptable to the Calculation Agent);
- litigation or regulatory action is commenced in relation to the activities of the Fund or any service provider to that Fund, where such event would, if the relevant allegation were true, have a material effect on the official net asset value of the Fund;
- loss of any relevant license or authorisation, unless immaterial;
- material changes to the legal constitution or management of the Fund;
- material changes to or material breaches of the investment objectives, strategies, restrictions and requirements of the Fund (breaches being subject to a cure period, save in the case of the third such breach;
- the aggregate net asset value of the assets managed by the manager of the Fund decreases by more than EUR 1,000,000,000;
- the Fund ceases to comply with specified inclusion conditions;
- the Fund does not comply with the investment guidelines agreed between the fund manager and the calculation agent for the Notes;
- certain changes in the accounting or reference currency of the

Fund or the Fund adopts series accounting or equalisation treatment such that the Swap Counterparty is not able to make a single unitised investment in the shares or units of the Fund equivalent to the single unitised investment used in the calculation of the official net asset value of the Fund;

- a failure to comply with specified reporting obligations;
- a material change in any fee arrangement entered into between the counterparty to the Swap Agreement and the Fund or the manager of the Fund; and
- there is a mandatory redemption of shares or units in the Fund held by the Swap Counterparty, or the Fund charges the Swap Counterparty a transaction fee in relation to subscriptions or redemptions for shares or units in the Fund, or the Swap Counterparty is unable to subscribe for shares or units in the Fund on a relevant day, or the frequency of subscriptions or redemptions is reduced, or notice or settlement periods are increased beyond specified thresholds, and in each case the relevant event or circumstance has a material effect on the ability of the Swap Counterparty to hedge its obligations in respect of the Notes or the Swap Agreement.

What is the potential effect of adjustment or similar events in respect of the Fund?

If the Calculation Agent determines that one of a number of events ("**Fund Adjustment Events** { XE "Fund Adjustment Events" }") has occurred, then the Calculation Agent may make adjustments to the terms of the Notes and Swap Agreement to take account of the economic effect of such event and to preserve the original economic objective and rationale of the Notes and Swap Agreement.

Relevant adjustment events include:

- the subdivision or consolidation of shares or units in the Fund or distributions or dividends are made to any holders of such shares or units by way of bonus, capitalisation or reorganisation of the Fund;
- the Calculation Agent reasonably determines that such net asset value is not accurate or does not represent the value at which a transaction in the shares of the Fund could be effected;
- the inability of the Swap Counterparty to liquidate shares or units in the Fund daily and on the basis of stipulated notice and settlement periods, or any change in the subscription or redemption terms for the Fund;
- the Fund takes any action that may have a dilutive or concentrating effect on the theoretical value of the shares or units in the Fund;
- the Fund suffers a material adverse change in its accounting, regulatory or tax treatment;
- a material change in any fee arrangement entered into between the Swap Counterparty and the Fund or the manager of the Fund; and
- a material breach by the fund manager of the Fund, or any affiliate of such fund manager, of any agreement with the Swap Counterparty which is in place on issuance of the Notes in

relation to the hedging of the exposure of the exposure of the Swap Counterparty in respect of the Notes or the Swap Agreement.

What is the potential effect of defeasance or similar events in respect of the Fund?

If the Calculation Agent determines that one of a number of events ("**Fund Defeasance Event** { XE "Fund Defeasance Event" }") has occurred, then the Calculation Agent may determine, on a date selected by it, an amount which will be payable under the Swap Agreement on maturity of the Notes in place of the Upside Participation Amount. Such amount will be equal to the value of the Upside Participation Amount as though such amount were determined on the selected day (as determined by the Calculation Agent based on its internal methods and methodologies and taking into account any Fund Disruption Events, Fund Substitution Events or Fund Adjustment Events as described above), plus interest on such amount from and including the relevant date of determination to but excluding the date of redemption of the Notes at a prevailing overnight inter-bank interest rate.

Fund Defeasance Events include:

- where a Fund Substitution Event has occurred as described above, the Calculation Agent declares that a substitution of the Fund for purposes of calculating the Upside Participation Amount cannot be effected;
- where a Fund Disruption Event has occurred as described above, that event continues in existence for 5 relevant business days;
- as a result of any change in law or regulation or the interpretation of any law or regulation, any determination of a regulatory or taxing authority or the application of the regulatory capital or funding treatment of the Swap Counterparty or the hedging arrangements of the Swap Counterparty, it is unlawful or prohibited for the Swap Counterparty to hold, purchase, sell or redeem interests in the Fund, or the cost of relevant hedging arrangements would be materially increased (including any requirement to modify any reserve or similar requirement imposed on the relevant counterparty, or that would adversely affect the amount or cost of related regulatory capital required, or which would result in any loss or increased taxation) or there would be a material decline in the official net asset value of the Fund.

Are the Notes subject to early redemption?

The Notes may be redeemed early in the following circumstances:

- the occurrence of certain events relating to the Original Collateral, including default or insolvency of Erste Bank Group AG or Erste Bank Group AG otherwise defaults under the terms of the Original Collateral, redemption of the Original Collateral prior to its scheduled maturity or the redenomination of the Original Collateral into a currency other than EUR;
- termination of the Swap Agreement;
- the imposition of withholding or other taxes in relation to payments on the Notes or the income of the issuer in relation to the Notes, subject to certain exceptions;
- it becomes unlawful for the Issuer to perform its obligations in relation to the Notes, to hold any related assets or to comply with

material provisions of related agreements;

- default of the Issuer in relation to the Notes, including default in payment or the performance of other obligations, subject to grace periods, or insolvency or bankruptcy or similar events occur in relation to the Issuer.

What payments are due on early redemption of the Notes?

Where the Notes are required to be redeemed early, then:

- the value of the Original Collateral will be determined or, in certain cases, the Original Collateral will be liquidated on behalf of the Issuer;
- the termination payment under the terms of the Swap Agreement will be determined;
- if the termination payment would be due to the Issuer, then the amount payable on early redemption of each Note will be its proportionate share of the sum of such payment and the value or liquidation proceeds of the Original Collateral;
- if the termination payment would be due to the Swap Counterparty, the amount payable on redemption of each Note will be its proportionate share of an aggregate amount equal to the value or liquidation proceeds of the subordinated bonds less the amount of such termination payment.

Because the Original Collateral is subordinated as described above, the proceeds of the sale or the value of the Original Collateral may be very low or zero. Credit Suisse International acts as disposal agent of the Issuer.

Are the Notes secured?

The Issuer will grant security in favour of a security trustee. The security trustee will hold that security on behalf of the holders of the Notes and the other creditors of the Issuer in relation to the Notes. Only the trustee will be entitled to or able to enforce the security for the Notes. Before enforcing security, the trustee is entitled to require pre-funding or an indemnity for costs, expenses and liabilities that it may incur in doing so.

The Issuer will grant security under English or Luxembourg law over, amongst other things:

- its rights under the Swap Agreement relating to the Notes; and
- any cash or securities accounts that it has established in connection with the Notes, for example to hold the Original Collateral and collateral assets transferred to it under the Swap Agreement relating to the Notes.

On an enforcement of the security for the Notes, the proceeds of enforcement will be applied in accordance with a specified order of priorities. Payments due to holders of the Notes will only be made if and to the extent that prior ranking claims, including payments to the trustee for the Notes and the agents of the Issuer appointed in relation to the Notes and the Swap Counterparty have been satisfied in full. Once the proceeds of enforcement have been distributed in full, any remaining claims against the Issuer will be extinguished.

Who is the Calculation

Credit Suisse International will act as Calculation Agent and as

<i>Agent for the Notes?</i>	<p>calculation agent under the Swap Agreement.</p> <p>In those capacities, Credit Suisse International will make determinations which may include:</p> <ul style="list-style-type: none"> • whether an event has occurred which would result in early redemption of the Notes and consequently the value of the Swap Agreement; and • whether an event has occurred in relation to the Fund described above which would result in adjustments to the terms of the Notes or the Swap Agreement or the delay in any calculation or calculation or payments under the Notes or the Swap Agreement.
<i>Who is the trustee for the Notes?</i>	<p>The trustee for the Notes will be BNY Mellon Corporate Trustee Services Limited.</p> <p>Subject to certain exceptions, only the trustee may take any action to enforce the obligations of the Issuer in respect of the Notes. Only the trustee for the Notes will be entitled to enforce the security for the Notes.</p>
<i>Will the Notes be listed?</i>	<p>Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and traded on its regulated market.</p> <p>The Issuer also intends to apply for the Notes to be listed and admitted to trading on the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange.</p>
<i>Will the Notes be rated?</i>	<p>The Notes will not be rated by any rating agency.</p>
<i>What are the terms of the offer of the Notes?</i>	<p>The terms of the offer of the Notes are set out in the section of this Prospectus entitled the "<i>Issue Terms</i>".</p>
<i>How are interests in the Notes transferred?</i>	<p>Interests in the Notes will be transferred in accordance with the rules and procedures of the relevant clearing systems, being in the case of the Notes, Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. Luxembourg.</p>
<i>Will there be a secondary market in the Notes?</i>	<p>Credit Suisse Securities (Europe) Limited, Credit Suisse International, Credit Suisse AG or any of their respective agents may purchase Notes subject to all regulatory requirements and the internal policies and procedures of such entities. However, no assurance is given that this will be the case, and investors should be prepared to retain their Notes until maturity.</p>
<i>What tax will I have to pay and how will tax affect the payments made to me?</i>	<p>General information relating to certain aspects of Luxembourg, Austrian and Irish taxation, to the extent applicable to you, is set out under the headings "<i>Luxembourg Taxation</i>", "<i>Austrian Taxation</i>" and "<i>Irish Taxation</i>" in this Prospectus.</p> <p>In addition, general information relating to certain aspects of United Kingdom and Swiss taxation, to the extent applicable to you, is set out under the heading "<i>Taxation</i>" in the Base Prospectus.</p> <p>If withholding taxes are imposed on payments under the Notes (as described in more detail in the terms and conditions), the Issuer will not pay any additional amounts to "gross-up" such payments.</p> <p>The Issuer will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment (including any stamp or transfer tax) which may arise as a result of the ownership, transfer, exercise or enforcement of any Note by any person and all payments made by the Issuer will be</p>

made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. For the avoidance of doubt, the Issuer will not assume any responsibility for such withholding or deduction. If any such taxes apply (subject to certain exceptions including, but not limited to where withholding or deduction of taxes on the Notes arises solely in respect of FATCA), the Notes will be redeemed early as described under "*Are the Notes subject to early redemption?*" above and elsewhere in this Prospectus.

Noteholders must also carefully review, and understand, the risk factor in the section of this Prospectus entitled "*Risk Factors*" under the heading "*Possibility of U.S. withholding tax on payments*".

The tax treatment of the Notes for individual Noteholders may vary significantly. The general information regarding taxation set out in this Prospectus and the Base Prospectus does not consider the implications of a holding of the Notes for individual Noteholders based upon their specific circumstances. Accordingly, you must consult with your tax advisers (along with your legal and financial advisers) prior to making an investment in any of the Notes.

Are there any restrictions on transfer of the Notes?

Investors should note the restrictions in the section as set out in the Prospectus entitled "*Subscription and Sale and Transfer Restrictions*".

ISSUE TERMS

ARGENTUM CAPITAL S.A.

(incorporated as a public limited liability company (société anonyme) under the laws of Luxembourg with its registered office at 51, Avenue J.-F. Kennedy, L-1855 Luxembourg, registered with the RCS under number B.182.715 and subject to the Securitisation Act 2004))

(acting in respect of its Compartment 2015-28)

PART A – CONTRACTUAL TERMS

The Notes will be subject to the Master Conditions as set out in the Base Prospectus and also to the provisions set out in these issue terms (the "**Issue Terms**{ XE "Issue Terms" }" which include the relevant schedule(s) attached hereto). References in such Master Conditions to the Issue Terms or Alternative Drawdown Document shall be to the provisions set out in these Issue Terms. In the case of a discrepancy or conflict with such Master Conditions, the following Issue Terms shall prevail.

SERIES DETAILS

Issuer:	Argentum Capital S.A., acting in respect of its compartment 2015-28.
1. (i) Series Number:	2015-28. A separate compartment has been created by the Board in respect of the Notes (" Compartment 2015-28 { XE "Compartment 2015-28" } "). Compartment 2015-28 is a separate part of the Company's assets and liabilities. The Collateral (relating to the Notes) is exclusively available to satisfy the rights of the Noteholders (in accordance with the terms and conditions set out in these Issue Terms) and the rights of the Other Secured Creditors whose claims have arisen at the occasion of the creation, the operation or the liquidation of Compartment 2015-28, as contemplated by the Articles.
(ii) Classes:	Not Applicable.
2. Specified Currency:	Euro (" EUR { XE "EUR" }").
3. Aggregate Nominal Amount of Notes:	Up to EUR 100,000,000.
4. Issue Price:	100 per cent. of the Aggregate Nominal Amount (or such other percentage as may be specified as such in a notice published by or on behalf of the Issuer).
5. (i) Specified Denominations:	EUR 1,000.
(ii) Calculation Amount:	In respect of each Note, an amount equal to its Specified Denomination.
6. (i) Issue Date:	22 July 2015 (or such other date as may be specified as such in a notice published by or on behalf of the Issuer).
(ii) Interest Commencement Date:	Issue Date.
7. Maturity Date:	The later of: (a) 5 May 2023 (the " Scheduled Maturity

Date{ XE "Scheduled Maturity Date" });

- (b) the 3rd Payment Business Day following the date on which the Swap Counterparty notifies the Calculation Agent that it has received in full all of the proceeds of redemption, realisation or settlement of any hedge in respect of the Notes and the Swap Agreement,

subject to adjustment in accordance with the Business Day Convention.

8. Interest Basis: Fixed Rate.
9. Redemption/Payment Basis: Redemption at par. On the Maturity Date Noteholders will also be entitled to a proportionate share of the Upside Participation Amount.
10. Date of Board approval for issuance of Notes obtained: The issue of the Notes has been authorised by the Board on or about 13 May 2015.
11. Method of distribution: Non-syndicated.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. Fixed Rate Note Provisions: Applicable.
- (i) Rate of Interest: 0.50 per cent. per annum.
- (ii) Interest Payment Date(s): 5 May in each year, commencing on 5 May 2016 and ending on the Scheduled Maturity Date, subject to adjustment in accordance with the Business Day Convention
- (iii) Fixed Coupon Amount[(s)]: Not Applicable.
- (iv) Broken Amount(s): Not Applicable.
- (v) Interest Amount: The amount of interest payable in respect of the Notes for any Interest Accrual Period shall be the pro rata share per Note of an amount calculated by multiplying (i) the Rate of Interest; (ii) the Aggregate Nominal Amount of the Notes outstanding on the last date of such Interest Accrual Period; and (iii) the Day Count Fraction, in each case in respect of such Interest Accrual Period.
- Master Condition 10(g) (*Non-Business Days*) shall be amended by deleting the following ", except that if the Interest Payment Date would thereby fall in the next calendar month, it shall be brought forward to the immediately preceding business day".
- For these purposes, "**Interest Period Date**" means 5 May in each year, commencing on 5 May 2016 and ending on the Scheduled Maturity Date.
- (vi) Day Count Fraction: 30/360 (unadjusted).
- (vii) Determination Dates: Not Applicable.

13. Floating Rate Note Provisions:	Not Applicable.
14. Zero Coupon Note Provisions:	Not Applicable.
15. Business Day Convention:	Following Business Day Convention.
16. Business Centre(s):	London, Frankfurt, Vienna and TARGET.
17. Default Interest:	As per Master Conditions.

MORTGAGED PROPERTY

18. Mortgaged Property:									
(i) Original Collateral:	<p>The Original Collateral shall comprise 3.91% lower tier 2 subordinated bonds due 2023 (ISIN: AT000YOUINV0) denominated in EUR, issued by the Original Collateral Obligor, having an EUR nominal amount which will be determined by or on behalf of the Issuer on or around the Issue Date and which as of the date hereof shall be equal to not less than 70 per cent. and not more than 85 per cent. of the Aggregate Nominal Amount of the Notes issued.</p> <p>Original Collateral Obligor: Erste Group Bank AG</p> <p>Asset:</p> <table> <tr> <td>ISIN:</td> <td>AT000YOUINV0</td> </tr> <tr> <td>Maturity:</td> <td>28 April 2023</td> </tr> <tr> <td>Currency:</td> <td>EUR</td> </tr> <tr> <td>Unregulated Market on which admitted to trading:</td> <td>Frankfurt Stock Exchange</td> </tr> </table>	ISIN:	AT000YOUINV0	Maturity:	28 April 2023	Currency:	EUR	Unregulated Market on which admitted to trading:	Frankfurt Stock Exchange
ISIN:	AT000YOUINV0								
Maturity:	28 April 2023								
Currency:	EUR								
Unregulated Market on which admitted to trading:	Frankfurt Stock Exchange								
Purchase of Original Collateral:	The Issuer will purchase the Original Collateral from Credit Suisse Securities (Europe) Limited on or around the Issue Date pursuant to the Issue Deed.								
(ii) Swap Agreement:	Applicable.								
(iii) Swap Counterparty:	Credit Suisse International.								
(iv) Credit Support Annex:	Applicable.								
(v) Original Collateral Substitution:	Not Applicable.								

PROVISIONS RELATING TO REDEMPTION

19. Final Redemption Amount of each Note:	<p>In respect of each Note, an amount equal to the aggregate of:</p> <p>(a) an amount equal to 100% of the related Calculation Amount; and</p> <p>(b) an amount equal to its pro rata share of the Upside Participation Amount or if a Fund Defeasance Adjustment occurs, the Unscheduled Termination Amount, as</p>
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applicable.

Notwithstanding any other provision herein, the Notes and the terms and conditions thereof are subject to any Disruption Adjustment, Fund Adjustment Event Adjustment, Fund Substitution Adjustment and Fund Defeasance Adjustment (each, a "**Fund Related Adjustment**{ XE "Fund Related Adjustment" }") from time to time.

Following the determination of any Fund Related Adjustment, the Issuer or the Calculation Agent on its behalf shall notify the Noteholders as soon as practicable following any such determination, provided that failure to give any such notice shall not affect the validity of any Fund Related Adjustment or any other action taken.

20. Collateral Event: Original Collateral Call.
Original Collateral Payment Failure.
Original Collateral Default.
Currency Redenomination Event.
21. Early Redemption Notification Period: As per Master Conditions.
22. Regulatory Event: Not Applicable.
23. Trigger Event: Not Applicable.
24. Redemption by Instalments: Not Applicable.
25. Early Cash Redemption Amount: (1) Subject to paragraph (2) below, where the Notes are redeemed early pursuant to any of Condition 8(c) (*Redemption Following a Collateral Event*), Condition 8(d) (*Redemption for Taxation Reasons*), Condition 8(f) (*Redemption for Termination of Swap Agreement*) (save where the Swap Termination Event has occurred as a result of an Event of Default under the Swap Agreement in respect of either the Issuer or the Swap Counterparty), Condition 8(h) (*Redemption Following an Illegality Event*), Condition 8(k) (*Redemption Following the Occurrence of an Event of Default*) each of which shall apply separately in respect of the Notes, the Early Cash Redemption Amount in respect of the Notes shall be an amount per Note equal to that Note's pro rata share of the Post-Event Amount.
- (2) Where the Notes are redeemed early pursuant to Condition 8(f) (*Redemption for Termination of Swap Agreement*) (where the Swap Termination Event has occurred as a result of an Event of Default under the Swap Agreement in respect of either the Issuer or the Swap Counterparty), the Early Cash Redemption Amount shall be determined in accordance with subparagraph (i) of that definition contained in Master Condition 1(a), provided that such amount shall not be less than zero.

As used above:

"Post-Event Amount{ XE "Post-Event Amount" }" means, with respect the Notes and any Valuation Date, an amount denominated in the Specified Currency calculated by the Calculation Agent equal to the greater of:

- (a) zero; and
- (b) (i) the Value of the Original Collateral; plus
(ii) the Swap Gain (if any); minus
(iii) the Swap Loss (if any);

"Swap Gain{ XE "Swap Gain" }" means (i) where the Swap Value would be payable to the Issuer, the absolute value of the Swap Value, or (ii) otherwise, zero;

"Swap Loss{ XE "Swap Loss" }" means (i) where the Swap Value would be payable to the Swap Counterparty, the absolute value of the Swap Value, or (ii) otherwise, zero;

"Swap Value{ XE "Swap Value" }" means, with respect to the Valuation Date and the Swap Transaction relating to the Notes, an amount determined by the Calculation Agent in the Specified Currency equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any Unpaid Amounts relating to the Credit Support Balance(s) (if any) of the Issuer and the Swap Counterparty under the Credit Support Annex) that would be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer, under the Swap Agreement upon a termination, on the Valuation Date, of the Swap Agreement. Such Early Termination Amount shall be determined on the basis that:

- (a) the Swap Counterparty is not the Affected Party;
- (b) the Base Currency is the Specified Currency;
- (c) the Swap Counterparty's claim to any Early Termination Amount payable by the Issuer shall be limited to the prevailing Value of the Original Collateral (as determined under the Credit Support Annex to the Swap Agreement);
- (d) the Calculation Agent is the Determining Party and Section 6(e)(ii)(1) of the Swap Agreement applies but without reference to Section 6(e)(ii)(3) thereof; and
- (e) the amount to be taken into account in

relation to the Upside Participation Amount is the Unscheduled Termination Amount (as defined in schedule 2 to these Issue Terms).

and, for the avoidance of doubt, taking into account the obligations of the Swap Counterparty to make payment in respect of the Upside Participation Amount or Unscheduled Termination Amount, as applicable.

26. Early Redemption Settlement Method: Cash Settlement.

PRODUCT SUPPLEMENTS AND ADDITIONAL CONDITIONS

27. Applicable Product Supplement: Not Applicable.

28. Pass-Through Notes: Not Applicable.

29. Collateral Basket CLNs: Not Applicable.

30. Collateral Event Noteholder Payment Option: Not Applicable.

PROVISIONS RELATING TO DISPOSAL AGENT

31. Disposal Agent: Applicable.

(i) Disposal Agent: Credit Suisse International.

(ii) Liquidation: As per Master Conditions.

- Liquidation Credit Parameters: As per Master Conditions.

(iii) Quotation Dealers: As per Master Condition 1.

(iv) Disposal Agent Fee: No.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

32. Form of Notes:

(i) Bearer or Registered: **Bearer Notes:** Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

(ii) The Issuer intends to permit indirect interests in the Notes to be held through the CREST Depository Interests to be issued through the CREST Depository: Not Applicable.

33. Applicable TEFRA exemption: TEFRA C.

34. New Global Note: No.

35. Financial Centre(s): London, Frankfurt, Vienna and TARGET.

36. Reference Business Day: London, Frankfurt, Vienna and TARGET.

37. Reference Business Day Convention: Following Business Day Convention.

38. Agents:
- (i) Calculation Agent: Credit Suisse International
One Cabot Square
London E14 4QJ
 - (ii) Custodian: The Bank of New York Mellon (Luxembourg) S.A.
2-4 rue Eugène Ruppert
Vertigo Building – Polaris
L-2453 Luxembourg
 - (iii) Disposal Agent: Credit Suisse International
One Cabot Square
London E14 4QJ
 - (iv) Issuing and Paying Agent: The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
 - (v) Additional Paying Agent(s): The Bank of New York Mellon (Luxembourg) S.A.
2-4 rue Eugène Ruppert
Vertigo Building – Polaris
L-2453 Luxembourg
 - (vi) Listing Agent: Arthur Cox Listing Services Limited
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland
39. Ratings Downgrade: Not Applicable

DISTRIBUTION

- 40. If syndicated, names of Managers: Not Applicable.
- 41. Stabilising Manager(s) (if any): Not Applicable.
- 42. If non-syndicated, name of Dealer: Credit Suisse International.

PART B – OTHER INFORMATION

LISTING:

1	Listing and admission to trading:	Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market and to the Frankfurt Stock Exchange for the Notes to be for the Notes to be listed and admitted to trading on the Open Market (<i>Freiverkehr</i>).
2	ISIN Code:	XS1228331945
3	Common Code:	122833194
4	Swiss Security Number:	28241798
5	WKN:	CS9AAD
6	Clearing system(s) and any relevant identification number(s):	Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. Luxembourg.
7	Delivery:	Delivery free of payment.

**SCHEDULE 1 TO THE ISSUE TERMS:
AMENDMENTS TO MASTER CONDITIONS**

1. Amendments to the Master Conditions

1.1 Master Condition 8(c) (*Redemption Following a Collateral Event*) is amended by deleting paragraph (ii) and replacing with the following:

- "(ii) except as specified in paragraph (iv) below, no payments of principal or interest shall be made from (and including) the Collateral Event Determination Date (and interest shall be deemed to cease to accrue from and including the immediately preceding Interest Payment Date (or, if none, the Issue Date));
- (iii) in respect of the Notes, the Value of the Original Collateral and the Swap Value in respect of the relevant Swap Transaction shall be determined on a Business Day falling within five Business Days of the Early Redemption Commencement Date (the date on which all such values are determined, the "**Collateral Event Valuation Date**{ XE "Collateral Event Valuation Date" }"); and
- (iv) each Note shall become due and payable on the related Cash Redemption Date at its Early Cash Redemption Amount irrespective of whether the relevant Collateral Event is continuing (and any reference to the redemption of the Notes on the Early Redemption Date in Master Condition 8(c) (*Redemption Following a Collateral Event*) shall be deemed to refer to the redemption of the Notes on the relevant Cash Redemption Date).

For the purposes of the above, an event may constitute a Collateral Event even if it occurred prior to the Issue Date, provided that it occurred on or after the Collateral Event Observation Start Date."

1.2 Master Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*) shall be deleted in its entirety and replaced with the following:

"(g) [*This Condition 8(g) is left intentionally blank*]."

1.3 Master Condition 8(k) (*Redemption Following the Occurrence of an Event of Default*) shall be amended by the deletion of the words ", a Swap Counterparty Event or a Counterparty Bankruptcy Credit Event" and their replacement with the words "or a Swap Counterparty Event"; and by the insertion of the words "an Additional Redemption Event", immediately after the words "a Swap Termination Event", which appear in paragraph (i) thereof.

1.4 Master Condition 8(k)(iii)(1) is amended by the insertion of the words "or reorganisation or other similar arrangement" after the words "or merger".

1.5 Master Condition 11 (*Agents*) shall be amended by deletion of the words:

- (a) "Counterparty Bankruptcy Credit Event in relation to the Swap Counterparty" in sub-paragraph (b)(i) thereof;
- (b) "Counterparty Bankruptcy Credit Event or " in sub-paragraph (b)(ii) thereof;
- (c) "Counterparty Bankruptcy Credit Event has occurred in relation to the Swap Counterparty, or" in sub-paragraph (c)(i) thereof; and
- (d) "Counterparty Bankruptcy Credit Event or" in sub-paragraph (c)(ii) thereof.

1.6 Master Condition 19(a) (*Meetings of Noteholders*) shall be amended by the deletion of the words ", or as provided in Master Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*)".

1.7 The provisions of Master Condition 19(b) (*Modification of the Conditions and/or any Transaction Document*) shall be deleted in their entirety and replaced with the following:

"The Trustee (i) shall agree, without the consent of the Noteholders or the Couponholders, to any modification of any of the Conditions or any of the provisions of the Transaction Documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error and (ii) may agree, without the consent of the Noteholders or the Couponholders, to any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Transaction Documents that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. To the extent that any Agent is appointed or replaced pursuant to Master Condition 11(b)(ii) (*Calculation Agent Appointment, Termination and Replacement*) and/or Master Condition 11(c)(ii) (*Disposal Agent Appointment, Termination and Replacement*), the Issuer may make such amendments to the Conditions and/or the Transaction Documents as it determines necessary to reflect such appointment or replacement to which the Trustee shall agree, and the Trustee shall sign such documents as may be required to give effect to such amendments. Any such modification, authorisation or waiver as is made or given under this Master Condition 19(b) shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as is practicable."

2. **Additional Terms and Conditions**

2.1 **Determination of Value**

Where the Value of the Original Collateral (a "**Value**{ XE "Value" }") is required to be determined by the Calculation Agent in respect of a Valuation Date by reference to applicable Quotations:

- (a) if four or more Quotations are obtained, the Calculation Agent shall disregard the highest and lowest Quotations and the Value shall be the arithmetic mean of the remaining Quotations;
- (b) if three Quotations are obtained, the Calculation Agent shall disregard the highest and lowest Quotations and the Value shall be the remaining Quotation; or
- (c) if two or fewer Quotations are obtained, the Value shall be determined by the Calculation Agent acting in a commercially reasonable manner,

provided that if more than one Quotation has the same highest or lowest value in (a) or (b) above, the Calculation Agent shall disregard only one such Quotation.

2.2 **Company Bankruptcy Event**

If the appointment of the Disposal Agent is terminated as a result of a Bankruptcy Event in respect of the Company, the Disposal Agent will no longer be required to Liquidate the Mortgaged Property. The Mortgaged Property will be realised in the manner determined by the competent bankruptcy officer in the context of the bankruptcy proceedings.

2.3 **Original Collateral**

For the purposes of this Series of Notes only, "**Collateral**{ XE "Original Collateral" }" shall be construed to include any Original Collateral that is transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex.

2.4 **Alternative Early Redemption**

Notwithstanding Conditions 8(d) (*Redemption for Taxation Reasons*), 8(f) (*Redemption for Termination of Swap Agreement*), 8(h) (*Redemption Following an Illegality Event*), or 8(k) (*Redemption Following the Occurrence of an Event of Default*) (each, a "**Programme Event**{ XE "Programme Event" }" and together, the "**Programme Events**{ XE "Programme Events" }"), or Condition 1(a) (*Definitions*), but subject always to paragraph 2.5 (*Liquidation Fallback*) of this Schedule 1 below, the occurrence of an Early Redemption Commencement Date in respect of any of the Programme Events or a Collateral Event shall not constitute a

Liquidation Event for the purposes of Condition 13 (*Liquidation*) and the following shall apply to the redemption of the Notes:

- (a) if an Early Redemption Commencement Date occurs in respect of any of the Programme Events:
 - (i) the Value of the Original Collateral and the Swap Value shall be determined:
 - (A) in the case of a Programme Event which occurs pursuant to Conditions 8(d) (*Redemption for Taxation Reasons*), 8(f) (*Redemption for Termination of Swap Agreement*) and 8(h) (*Redemption Following an Illegality Event*), as soon as reasonably practicable following the determination by the Issuer or the Calculation Agent acting on its behalf that the relevant Programme Event has occurred; or
 - (B) in the case of a Programme Event which occurs pursuant to Condition 8(k) (*Redemption Following the Occurrence of an Event of Default*), following the determination by the Issuer or the Calculation Agent acting on its behalf that the relevant Programme Event has occurred,

(in each case, the "**Programme Event Valuation Date**{ XE "Programme Event Valuation Date" }"); and
 - (ii) each Note will be redeemed on the Cash Redemption Date by payment to each Noteholder of the Early Cash Redemption Amount, irrespective of whether the relevant Programme Event is continuing (and any reference to the redemption of the Notes on the Early Redemption Date in Conditions 8(d) (*Redemption for Taxation Reasons*), 8(f) (*Redemption for Termination of Swap Agreement*), 8(h) (*Redemption Following an Illegality Event*) and 8(k) (*Redemption Following the Occurrence of an Event of Default*) shall be deemed to refer to the redemption of the Notes on the Cash Redemption Date);
- (b) if an Early Redemption Commencement Date occurs in respect of a Collateral Event, the provisions of Condition 8(c) shall apply; and
- (c) Master Condition 1(a) shall be amended by the deletion of the words "Early Redemption Date" and the replacement with the words "Cash Redemption Date or the Early Redemption Date (as applicable)" in item (ii) of the definition of "Enforcement Event".

2.5 **Liquidation Fallback**

If:

- (a) an Early Redemption Commencement Date occurs in respect of Condition 8(f) (*Redemption for Termination of Swap Agreement*) where the Swap Termination Event has occurred as a result of an Event of Default under the Swap Agreement in respect of either the Issuer or the Swap Counterparty; or
- (b) an Early Redemption Commencement Date has occurred pursuant to any other Condition but, prior to the delivery by the Issuer of any Original Collateral to the Swap Counterparty in connection therewith, the Issuer is directed by an Extraordinary Resolution that an Event of Default under the Swap Agreement has occurred in respect of the Swap Counterparty,

then the provisions of Condition 8(f) (*Redemption for Termination of Swap Agreement*) and Condition 13 (*Liquidation*) will take precedence and thereafter govern the redemption of the Notes (in the case of (b) above, as if the previous Early Redemption Commencement Date had not occurred).

3. **Additional Definitions**

The following words and expressions shall be deemed, (i) to the extent that they are not already defined in Master Condition 1(a) (*Definitions*), to be inserted in Master Condition 1(a) (*Definitions*) in the correct alphabetical order or (ii) to the extent that they are already defined in Master Condition 1(a) (*Definitions*), to replace the corresponding definition in Master Condition 1(a) (*Definitions*):

"Cash Redemption Date{ XE "Cash Redemption Date" }" means the day falling five Reference Business Days after the Programme Event Valuation Date or the Collateral Event Valuation Date, as the case may be;

"Collateral Event Observation Start Date{ XE "Collateral Event Observation Start Date" }" means the Trade Date;

"Collateral Event Valuation Date{ XE "Collateral Event Valuation Date" }" has the meaning given to such term in paragraph 1.1 of Schedule 1 to these Issue Terms;

"Currency Redenomination Event{ XE "Currency Redenomination Event" }" means the currency in which the Original Collateral Obligor pays (or is required to pay) interest or principal on the Original Collateral is redenominated, substituted or otherwise changed from its originally scheduled currency as at the Collateral Event Observation Start Date of the Notes;

"Original Collateral Call{ XE "Original Collateral Call" }" means the redemption of any Original Collateral in whole or in part, or the conversion of the Original Collateral into another financial instrument, in each case whether or not as a consequence of the occurrence of an event or upon exercise by the issuer of such Original Collateral, of any option or other right to redeem, convert, repay or repurchase the relevant Original Collateral;

"Original Collateral Default{ XE "Original Collateral Default " }" means any event of default in relation to any Original Collateral as described in the specific terms and conditions of the Original Collateral, or failure to make any scheduled payment;

"Trade Date{ XE "Trade Date" }" means 15 July 2015 (or such other date as may be specified as such in a notice published by or on behalf of the Issuer);

"Valuation Date{ XE "Valuation Date" }" means (a) any Collateral Event Valuation Date (b) the date on which the Issuer (or the Calculation Agent on its behalf) determines that an Event of Default has occurred or (c) in all other cases, the date falling as soon as reasonably practicable following the Issuer's (or the Calculation Agent on its behalf) determination that such early redemption event has occurred; and

"Value of the Original Collateral{ XE "Value of the Original Collateral" }" means, with respect to any Valuation Date, (i) prior to the date on which the Original Collateral is redeemed at its scheduled maturity date in accordance with its terms and conditions, the Value of the Original Collateral determined in accordance with paragraph 2.1 (*Determination of Value*) of schedule 1 to these Issue Terms (together with the amount of any redemption proceeds received by the Issuer in respect thereof), for which purpose the Calculation Agent shall request each of five dealers in the relevant market to provide its all-in, firm executable bid price (for the purpose of the Value of the Original Collateral, a **"Quotation**{ XE "Quotation" }") in EUR to purchase the Original Collateral on the Valuation Date and (ii) on or following the date on which the Original Collateral is redeemed at scheduled maturity in accordance with its terms and conditions, the redemption proceeds attributable to the Original Collateral (the **"Original Collateral Proceeds**{ XE "Original Collateral Proceeds" }").

SCHEDULE 2 TO THE ISSUE TERMS:

UPSIDE PARTICIPATION AMOUNT

1. Definitions

The following terms are defined below:

"**Asset**" means a notional investment in the Fund;

"**Asset Return**{ XE "Asset Return" }" is determined as follows:

- (a) in respect of each Valuation Day (t) from (and including) the Initial Valuation Date to (and including) the Strike Date, Asset Return (t-1,t) is determined as follows:

$$\text{Asset Return (t - 1, t)} = \frac{\text{Target Vol}}{\sqrt{252}}$$

- (b) Thereafter, on any Valuation Day (t), Asset Return (t-1,t) is calculated as follows:

$$\text{Asset Return (t - 1, t)} = \ln\left(\frac{\text{Asset Value (t)}}{\text{Asset Value (t - 1)}}\right)$$

"**Valuation Day**{ XE "Valuation Day" }" means the Initial Valuation Date, the Strike Date, the Final Valuation Date, and each day which is a Calculation Business Day from (but excluding) the Initial Valuation Date to (but excluding) the Final Valuation Date;

"**Asset Value (t)**{ XE "Asset Value (t)" }" means the Official Net Asset Value of the Fund in respect of Valuation Day (t), subject to adjustments by the Calculation Agent pursuant to the terms set out below;

"**Asset Value (t-1)**{ XE "Asset Value (t-1)" }" means the Official Net Asset Value of the Fund in respect of Valuation Day (t-1), subject to adjustments by the Calculation Agent pursuant to the terms set out below;

"**Asset Weight**{ XE "Asset Weight" }" is determined as follows:

- (a) in respect of the Strike Date, Asset Weight ("**W(t)**{ XE "W(t)" }") is equal to 100%; and
- (b) thereafter, in respect of each Valuation Day (t), W(t) is calculated as follows:

$$W(t) = \begin{cases} \text{Min (Max Allocation, TW (t)),} \\ \text{if Abs |W (t - 1) - TW (t)| > Exposure Band} \\ W(t - 1), \text{ otherwise} \end{cases}$$

"**Abs|•|**{ XE "Abs|•|" }" means the absolute value of [•];

"**Cash Index Value (t)**{ XE "Cash Index Value (t)" }" means the Cash Index Value in respect of Valuation Day (t);

"**Cash Index Value (t-1)**{ XE "Cash Index Value (t-1)" }" means the Cash Index Value in respect of Valuation Day (t-1);

"**Exposure Band**{ XE "Exposure Band" }" means five per cent.;

"**Max Allocation**{ XE "Max Allocation" }" means 100 per cent.;

"**Target Vol**{ XE "Target Vol" }" means eight per cent.;

"Calculation Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London, Frankfurt and Vienna and which is a TARGET Business Day;

"Cash Index Value" { XE "Cash Index Value" } is determined as follows:

- (a) in respect of the Strike Date (i=0), the Cash Index Value is equal to 100% ("**Cash Index Value (Strike)**"); and
- (b) in respect of each Valuation Day (t) following the Strike Date, Cash Index Value (t) is calculated as follows:

$$\text{Cash Index Value (Strike)} \times \prod_{i=1}^t \left(1 + \text{EONIA (i-1)} \times \frac{N(i-1, i)}{360} \right)$$

"EONIA (i-1)" { XE "EONIA (i-1)" } means in respect of Valuation Day (i), the EONIA rate as displayed on Reuters page EONIAINDEX on the immediately preceding Valuation Day ("**Valuation Day (i-1)**"). If such rate is not available, the rate will be determined by the Calculation Agent, acting reasonably, on the basis of prevailing swap market rates;

"Final Valuation Date" { XE "Final Valuation Date" } means 13 April 2023;

"Fund" { XE "Fund" } means YI active spezial (ISIN: AT0000A1CV54).

"Fund Adjustment Event" { XE "Fund Adjustment Event" } means, in respect of a Fund Unit and the Fund, any of the following events:

- (a) the Fund subdivides, consolidates, or reclassifies the Fund Units (including any sidepocket issuance) or a distribution or dividend of any Fund Units or any other interest in the Fund to any existing holder by way of bonus, capitalisation, reorganisation of the Fund or similar issue;
- (b) any circumstances where, although the Official Net Asset Value of the Fund is published, the Calculation Agent reasonably determines that such value is not accurate or that any transaction in respect of the Fund could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Disruption Event);
- (c) the inability of the Swap Counterparty to liquidate Fund Units in accordance with the Redemption Frequency, the Redemption Notice Period and the Redemption Settlement Period (including the application of any gating, side-pocketing or other arrangement affecting the Swap Counterparty) and any change in the subscription or redemption terms of the Fund Units including, but not limited to, the form of payment, schedule of payments or notice periods that were not otherwise applicable to the Swap Counterparty as of the Trade Date;
- (d) the Fund takes any action that may have a diluting or concentrative effect on the theoretical value of the Fund Units;
- (e) the Fund suffers a material adverse change in its accounting, regulatory or tax treatment which does or would adversely affect holders of the Fund Units, or where the Swap Counterparty suffers or would suffer such adverse treatment as a result of the adoption of any accounting, regulatory or tax treatment in respect of a holding of any Fund Units;

- (f) a material change in any fee arrangement that is in place on the Trade Date, temporary or otherwise, between the Swap Counterparty and a Fund or the Fund Manager of the Fund; or
- (g) a material breach by the Fund Manager or any affiliate of the Fund Manager of any agreement with the Swap Counterparty in place on the Trade Date in relation to the hedging of the Notes;

"Fund Administrator"{ XE "Fund Administrator" }" means, in respect of a Fund, the entity specified in the prospectus of the Fund as responsible for the administration and the determination and reporting of the Official Net Asset Value of the Fund being, as at the Issue Date, Erste Group Bank AG;

"Fund Business Day"{ XE "Fund Business Day" }" means, in respect of a Fund, a day in respect of which the Fund Administrator shall calculate and publish an Official Net Asset Value of the Fund in accordance with its prospectus;

"Fund Custodian"{ XE "Fund Custodian" }" means, in respect of a Fund, the entity specified in the prospectus of the Fund as responsible for the custody of the assets of the Fund, being, as at the Issue Date, Erste Group Bank AG;

"Fund Defeasance Event"{ XE "Fund Defeasance Event" }" means, in respect of a Fund Unit and the Fund, any of the following events in respect of the Fund:

- (a) where a Fund Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable Substitute Fund;
- (b) a Disruption Event exists and subsists at any time during the period from, but excluding, the Strike Date to, and excluding, the Final Valuation Date for a consecutive number of days equal to the Maximum Days of Disruption; or
- (c) as a result of (i) any adoption of, or change in, law or regulation or its interpretation, (ii) any determination of a regulatory or taxation authority applicable to the Swap Counterparty or the Fund, or (iii) the application of the Swap Counterparty's regulatory capital treatment or funding treatment of the Notes or the Swap Agreement or its associated hedging arrangements or any change thereto, whereupon: (A) it becomes unlawful or prohibited for the Swap Counterparty (including any adverse change in restrictions imposed by or on the Swap Counterparty) to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Fund; (B) the cost of the hedging arrangements in respect of the Notes or the Swap Agreement would be materially increased (including circumstances (1) requiring the Swap Counterparty to adversely modify any reserve, special deposit, funding arrangement or similar requirement imposed by or on the Swap Counterparty, (2) that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of its hedging arrangements, or (3) which subject the Swap Counterparty to any loss or additional taxation); or (C) there would be a material decline in the Official Net Asset Value of the Fund;

"Fund Disruption Event"{ XE "Fund Disruption Event" }" means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) a failure, suspension or postponement in the reporting or publishing of the Official Net Asset Value in respect of the Fund as regularly scheduled taking into account the relevant cure period, or any event that prevents the Official Net Asset Value in respect of the Fund so published from being received by the people to whom it is published, whereby such event is, in the determination of the Calculation Agent, material;

- (b) any circumstances where, although the Official Net Asset Value of the Fund is published, the Calculation Agent reasonably determines that such value is not accurate or that any transaction in respect of the Fund could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Fund Adjustment Event);
- (c) the inability of a Hypothetical Investor, if holding units of the Fund as a hedge for the Notes or the Swap Agreement, to liquidate the units of the Fund or any other interest received by the Fund when scheduled (including any change to the notice period for redemption or subscriptions, any gating, side-pocketing or other arrangement affecting the Hypothetical Investor);
- (d) a postponement, suspension or failure of the Fund to make any payment in respect of the redemption of any interest in the Fund on any day for which such payment is scheduled to be made in accordance with prospectus of the Fund; or
- (e) the Swap Counterparty not being permitted by the Fund to subscribe for or redeem interests in the Fund on a Fund Business Day in accordance with the prospectus of the Fund;

"Fund Events"{ XE "Fund Events" }" means, in respect of a Fund, a Disruption Event, Fund Substitution Event, Fund Adjustment Event or Fund Defeasance Event;

"Fund Manager"{ XE "Fund Manager" }" means, in respect of the Fund, the entity specified in the prospectus of the Fund as responsible for providing investment management advice to such Fund, being, as of the Issue Date, ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. ("ESPA");

"Fund Manager NAV Threshold"{ XE "Fund Manager NAV Threshold" }" means EUR 1,000,000,000;

"Fund Prospectus"{ XE "Fund Prospectus" }" means in respect of the Fund, the offering document for that Fund, as updated, reissued or supplemented from time to time;

"Fund Service Provider"{ XE "Fund Service Provider" }" means, in respect of the Fund, each of the Fund Manager, the Fund Administrator, the Fund Custodian and any additional service provider to the Fund (if any);

"Fund Substitution Event"{ XE "Fund Substitution Event" }" means in respect of the Fund, any of the following events occurs on or after the Trade Date in respect of investors generally, or such event actually occurs with respect to the Swap Counterparty or publication of a notice or other dissemination of information in respect of the Fund which indicates that any such event will occur on or after the Trade Date:

- (a) any of following events in respect of a Fund:
 - (i) the winding-up, dissolution, liquidation or other cessation of trading of such Fund, or any Fund Service Provider unless it is replaced with a successor acceptable to the Calculation Agent;
 - (ii) any litigation, arbitration, investigation, proceeding or regulatory or governmental action is commenced and is continuing in relation to the activities of the Fund or any Fund Service Provider for reasons of any alleged wrongdoing, breach of any rule or any regulation or other similar reason, which allegation would, if true, in the determination of the Calculation Agent, have a material effect on the Official Net Asset Value;

- (iii) loss of an applicable licence or regulatory authorisation necessary for the conduct of the business of the Fund or any Fund Service Provider or any replacement Fund Service Provider (unless the Calculation Agent determines that such event is immaterial);
- (iv) the instigation or resolution of any legal action, arbitration or equivalent measure (including as a result of any allegation of fraud or misdealing) against the Fund or any Fund Service Provider which proceedings, if successful, would, in the determination of the Calculation Agent, have a material adverse effect on the Official Net Asset Value;
- (v) a material change (as determined by the Calculation Agent) to the legal constitution or management of the Fund including, but not limited to, a change in the Fund Manager, or a change in the Fund Manager's organisation or management (including, but not limited to, a merger or other reorganisation event which materially alters the nature of the Fund or the nature and role of the Fund Manager in relation to the Fund);
- (vi) a material modification (as determined by the Calculation Agent) of the provisions relating to investment objectives, strategies, restrictions and requirements of the Fund as set out in its Fund Prospectus (the "**Investment Objective and Strategy**{ XE "Investment Objective and Strategy" }");
- (vii) a material breach (as determined by the Calculation Agent) of the Fund's Investment Objective and Strategy and such breach has not been cured within ten calendar days to the satisfaction of the Calculation Agent;
- (viii) a material breach (as determined by the Calculation Agent) of the Investment Objective and Strategy on three or more separate occasions, provided that the cure period stated in (vii) above therein shall not apply in respect of any third or subsequent breach;
- (ix) the aggregate net asset value of assets managed by the Fund Manager decreases by more than the Fund Manager NAV Threshold since the Trade Date, as determined by the Calculation Agent;
- (x) the Fund Unit's accounting currency changes;
- (xi) the Fund adopts series accounting or equalisation treatment or another similar mechanism, such that the Swap Counterparty is not able to make a single unitised investment in a Fund Unit equivalent to the single unitised investment used in the calculation of the Official Net Asset Value, unless such application has been agreed by the Swap Counterparty;
- (xii) a material breach by the Fund Manager or any affiliate of the Fund Manager of any agreement with the Swap Counterparty in place on the Trade Date in relation to the hedging of the Notes;
- (xiii) the Fund does not comply with the Inclusion Conditions;
- (xiv) the Fund does not comply with the investment guidelines as agreed between the Fund Manager and the Calculation Agent; or
- (xv) the Fund does not comply with the Reporting Obligations; or

- (xvi) a material change in any fee arrangement that is in place on the Trade Date, temporary or otherwise, between the Swap Counterparty and a Fund or the Fund Manager of the Fund;
- (b) any of the events set out in subparagraphs (i) to (v) below in respect of a Fund Unit and the Fund is not remedied reasonably promptly by the Fund (or within the applicable cure periods specified below) to the reasonable satisfaction of the Calculation Agent, where such event, in the sole determination of the Calculation Agent, has a material effect on the ability of the Swap Counterparty to hedge its obligations in respect of the Notes or the Swap Agreement:
- (i) a mandatory redemption occurs (in whole or in part) in respect of any holding of the Fund Units by the Swap Counterparty;
 - (ii) the Fund charges the Swap Counterparty a transaction fee (or equivalent) for any subscription or redemption of its Fund Units;
 - (iii) the Swap Counterparty is unable to subscribe for or redeem Fund Units on a Fund Business Day;
 - (iv) the subscription or redemption terms in respect of the Fund provide (x) for subscriptions or redemptions less frequently than the Subscription Frequency and Redemption Frequency (y) for notification periods in respect of subscriptions or redemptions longer than the Subscription Notice Period and Redemption Notice Period, respectively, and (z) for settlement periods in respect of redemptions longer than the Redemption Settlement Period; or
 - (v) the Fund suffers a material adverse change in its legal, accounting, regulatory or tax treatment that would or does adversely affect the Swap Counterparty as holder of the Fund Units or the Swap Counterparty becomes subject to taxes or other similar fees payable in respect of a subscription or redemption of the Fund Units and in each case, such change has not been cured within 30 calendar days, provided that the Swap Counterparty shall use reasonable efforts to mitigate any such effect;

"Fund Unit"{ XE "Fund Unit" }" means a share or a notional unit of account of ownership of the Fund;

"Hypothetical Investor"{ XE "Hypothetical Investor" }" means a hypothetical investor in the relevant Fund or any other security received as a distribution in respect of the relevant Fund located in any relevant jurisdiction;

"Inclusion Conditions"{ XE "Inclusion Conditions" }" means, in respect of a Fund Unit and the related Fund, each of the following conditions:

- (a) the Fund shall offer investors the ability to redeem Fund Units held by them or to subscribe for further Fund Units on each Fund Business Day based on the Official Net Asset Value for such day, provided such investors shall give notice (i) a number of Fund Business Day(s), equal to the relevant Subscription Notice Period or Redemption Notice Period (as the case may be), preceding such day and (ii) in accordance with the relevant procedures prescribed by the Fund. The Fund's terms for payout of redemption proceeds need not be on the same day, but can be up to five Payment Business Days afterwards;
- (b) the Fund shall not charge the Swap Counterparty (i) a subscription fee for the subscription of the Fund Units or (ii) a redemption fee for the redemption of the Fund

Units, or (iii) taxes or other similar fees payable in respect of a subscription or redemption of the Fund Units; and

- (c) the Fund shall report the Official Net Asset Value for each Fund Business Day applicable to it, which Official Net Asset Value shall be reported by the Fund Manager no later than close of business on the following Fund Business Day.

"Initial Valuation Date{ XE "Initial Valuation Date" }" means 28 January 2015;

"Market Disruption Event{ XE "Market Disruption Event" }" means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) when the foreign exchange market or money market in U.S. dollars, the Settlement Currency or respective currency of the Fund, is or are closed otherwise than for ordinary public holidays or if trading thereupon is restricted or suspended and, in the determination of the Calculation Agent, this would have a material impact on the ability of the Calculation Agent to determine the value of the Notes accurately, in a timely manner or at all or on the ability of the Swap Counterparty to execute a hedge in respect of the Notes in any such market; or
- (b) an event pursuant to which there is a breakdown in any means of communication normally used for the valuation by the Calculation Agent of the Fund or if the Fund Manager informs the Calculation Agent, or the Calculation Agent determines at its own discretion, that the last reported Official Net Asset Value should not be relied upon;

"Maximum Days of Disruption{ XE "Maximum Days of Disruption" }" means, in respect of a Fund, a consecutive number of Fund Business Days equal to 5;

"N (i-1,i){ XE "N (i-1,i)" }" means the number of calendar days from (but excluding) Valuation Day (i-1) to (and including) Valuation Day (i).

"Official Net Asset Value{ XE "Official Net Asset Value" }" or **"Fund Value**{ XE "Fund Value" }" means, in respect of a Fund, the net asset value per unit as calculated and reported by the Fund Administrator, provided that the Official Net Asset Value or Fund Value in respect of a Valuation Day which is not a Fund Business Day shall be the Official Net Asset Value or Fund Value in respect of the Fund Business Day immediately following such date;

"Payment Business Day{ XE "Payment Business Day" }" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London, Frankfurt and Vienna and which is a TARGET Business Day;

"Redemption Frequency{ XE "Redemption Frequency" }" means daily;

"Redemption Notice Period{ XE "Redemption Notice Period" }" means one Fund Business Day;

"Redemption Settlement Period{ XE "Redemption Settlement Period" }" means two Fund Business Days;

"Reference Portfolio Value{ XE "Reference Portfolio Value" }" is determined as follows:

- (a) in respect of the Strike Date, the Reference Portfolio Value is equal to 100%.; and
- (b) in respect of each Valuation Day (t) following the Strike Date, Reference Portfolio Value (t) is calculated as follows:

Reference Portfolio Value (t) =

Reference Portfolio Value (t – 1) ×

$$\left[W(t - 1) \times \frac{\text{Asset Value (t)}}{\text{Asset Value (t-1)}} + [1 - W(t - 1)] \times \frac{\text{Cash Index Value (t)}}{\text{Cash Index Value (t-1)}} \right]$$

"Reference Portfolio Value (Final) { XE "Reference Portfolio Value (Final)" }" means Reference Portfolio Value as of the Final Valuation Date;

"Reference Portfolio Value (Strike) { XE "Reference Portfolio Value (Strike)" }" means Reference Portfolio Value as of the Strike Date;

"Reference Portfolio Value (t-1) { XE "Reference Portfolio Value (t-1)" }" means the Reference Portfolio Value in respect of Valuation Day (t-1);

"Reporting Obligations { XE "Reporting Obligations" }" means any obligation of the Fund to provide the Calculation Agent with a report of the composition of the Fund holdings on a daily basis;

"Strike Date { XE "Strike Date" }" means 28 July 2015, provided that if such day is not a Calculation Business Day then the Strike Date shall be the immediately following day that is a Calculation Business Day;

"Subscription Frequency { XE "Subscription Frequency" }" means daily;

"Subscription Notice Period { XE "Subscription Notice Period" }" means one Fund Business Day;

"TW (t) { XE "TW (t)" }" means $\frac{\text{Target Vol}}{\text{Vol (t)}}$

"Unscheduled Termination Amount { XE "Unscheduled Termination Amount" }" means:

- (a) (provided that the Notes are not redeemed prior to their scheduled maturity for any reason) an amount in the Settlement Currency, payable on the Maturity Date, equal to the value of the Upside Participation Amount on the Early Defeasance Date (which may be equal to or greater than zero as at such date) (the **"Termination Option Value** { XE "Termination Option Value" }"), as calculated by the Calculation Agent by reference to such factors as it determines appropriate (including, but not limited to, the value, expected future performance and/or volatility of the underlying assets(s)), plus any interest accrued on the value of the Termination Option Value from, and including, such date to, but excluding, the date on which the Notes are redeemed (calculated by reference to the prevailing interbank overnight interest rates in the relevant currency); or
- (b) otherwise, the Unscheduled Termination Amount means an amount in the Settlement Currency (which may be greater than or equal to zero) equal to the value of the Upside Participation Amount immediately prior to its redemption, calculated by the Calculation Agent using its internal models and methodologies and which may be based on, amongst other things, the following:
 - (i) the time remaining to maturity of the Notes;
 - (ii) the interest rates at which banks lend to each other;
 - (iii) the interest rate at which the Issuer (or its affiliates) is charged to borrow cash;
 - (iv) the expected future performance and volatility of the Asset;
 - (v) the liquidity of the Asset; and

- (vi) any other information which the Calculation Agent deems relevant,

provided that in the case of a redemption pursuant to an Event of Default (as defined in the Conditions), the calculation of the Unscheduled Termination Amount shall not take into account the financial position of the Issuer immediately prior to the Event of Default (for the avoidance of doubt, the Issuer shall be presumed to be able to fully perform its obligations under such Notes for such purposes).

Notwithstanding anything contained elsewhere in these terms, the Calculation Agent shall take into account any Disruption Event, Fund Substitution Event or Fund Adjustment Event that affects any determination of the Unscheduled Termination Amount.

"Upside Participation Amount{ XE "Upside Participation Amount" }" means an amount in EUR equal to the aggregate outstanding principal amount of the Notes multiplied by the amount determined in accordance with the following formula (as determined by the Calculation Agent):

$$\text{Max} \left[0\%, \frac{\text{Reference Portfolio Value (Final)}}{\text{Reference Portfolio Value (Strike)}} - 100\% \right]$$

"Valuation Day (t-1){ XE "Valuation Day (t-1)" }" means the Valuation Day immediately preceding Valuation Day (t);

"Vol(t){ XE "Vol(t)" }" means in respect of any Valuation Day (t) from (and including) the Strike Date to (and including) the Final Valuation Date, a value as determined as follows:

$$\text{Vol (t)} = \text{Max (Vol a (t), Vol b (t))}$$

$$\text{Vol a (t)} = \sqrt{\frac{252}{a} \sum_{k=1}^a [\text{Asset Return (t - k - Lag, t - k - Lag + 1)}]^2}$$

$$\text{Vol b (t)} = \sqrt{\frac{252}{b} \sum_{k=1}^b [\text{Asset Return (t - k - Lag, t - k - Lag + 1)}]^2}$$

Where:

"a"= 21

"b"= 84

"Lag" = 3

"W (t-1){ XE "W (t-1)" }" means the Asset Weight in respect of Valuation Day (t-1);

2. Extraordinary Events

2.1 Consequences of a Disruption Event

If the Calculation Agent determines that a Fund Disruption Event and/or a Market Disruption Event (each a **"Disruption Event**{ XE "Disruption Event" }) has occurred in respect of a Valuation Day (such date a **"Disrupted Valuation Day**{ XE "Disrupted Valuation Day" }), the Calculation Agent may elect to take any of the following actions:

- (a) make any calculation, determination or adjustment of any variable in respect of the Transaction and/or the Notes and make any payment of any amount under the Transaction and/or the Notes (in cash or other consideration), using an estimate of such variable determined in its discretion provided that such estimate shall take into account an amount in compensation for a Hypothetical Investor to reflect: (a) the risk of holding any Fund or other financial instrument as a hedge under the Swap Agreement, and (b) the risk of being unable to redeem or liquidate such Fund or other financial instrument into cash in full and without any restrictions as of, or at any time after, the Disrupted Valuation Day (a "**Disruption Adjustment**{ XE "Disruption Adjustment" }"); and/or
- (b) postpone any calculation in respect of the Disrupted Valuation Day until the first succeeding Calculation Business Day in respect of which a Disruption Event ceases to exist (such Valuation Day being the "**Postponed Valuation Day**{ XE "Postponed Valuation Day" }"),

(each, a "**Disruption Adjustment**{ XE "Disruption Adjustment" }").

2.2 **Consequences of a Fund Adjustment Event**

If the Calculation Agent determines that a Fund Adjustment Event has occurred in respect of the Fund, the Calculation Agent may, but is not obliged to, make any adjustment it deems appropriate to the terms and conditions of the Notes and/or the Transaction at any time to account for the economic effect on the Notes or the Transaction of such Fund Adjustment Event and to preserve the objective and rationale of the Transaction and the Notes (each, a "**Fund Adjustment Event Adjustment**{ XE "Fund Adjustment Event Adjustment" }").

2.3 **Consequences of a Fund Substitution Event:**

If the Calculation Agent determines that a Fund Substitution Event has occurred in respect of the Fund, then the Calculation Agent may, at any time:

- (a) waive such Fund Substitution Event; or
- (b) substitute the Fund with one or more funds (each a "**Substitute Fund**{ XE "Substitute Fund" }") which comply with the Inclusion Conditions and, in the opinion of the Calculation Agent, have a similar geographical focus to, and close correlation with, the Fund; and/or
- (c) adjust the weighting of any one or more of the Funds (inclusive of any Substitute Fund, where applicable); and/or
- (d) at the discretion of the Calculation Agent, make any necessary adjustments to the terms and conditions of the Notes and/or the Transaction to account for the economic effect on the Notes or the Transaction of such Fund Substitution Event and to preserve the objective and rationale of the Transaction and the Notes,

(each, a "**Fund Substitution Adjustment**{ XE "Fund Substitution Adjustment" }").

With effect from such date of substitution of the Fund with a Substitute Fund (the "**Substitution Valuation Date**{ XE "Substitution Valuation Date" }"), references herein to the "**Fund**{ XE "Fund" }" will be deemed to be references to the relevant Substitute Fund.

For the avoidance of doubt, neither the Issuer nor the Calculation Agent is under any obligation to monitor compliance of the Fund with the Inclusion Conditions, or to monitor whether a Fund Substitution Event has occurred. The Issuer and the Calculation Agent shall

not be liable to any party or person for losses resulting from violations of the Inclusion Conditions or failure to effect a Fund Substitution Event.

2.4 **Consequences of a Fund Defeasance Event**

If the Calculation Agent determines that a Fund Defeasance Event has occurred in respect of the Fund, the Calculation Agent may, but is not obliged to, determine a date (the "**Early Defeasance Date**{ XE "Early Defeasance Date" }) for which the Calculation Agent will calculate the Unscheduled Termination Amount payable on the Maturity Date in place of the Upside Participation Amount. With effect from the determination of the Unscheduled Termination Amount, notwithstanding the foregoing, the Upside Participation Amount shall be deemed to be equal to the Unscheduled Termination Amount (a "**Fund Defeasance Adjustment**{ XE "Fund Defeasance Adjustment" }).

3. **Calculations and Determinations**

All calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. In the case of each determination under the Conditions, each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Notes and consider whether fair treatment is achieved by any such determination in accordance with its applicable regulatory obligations.

All calculations made by the Issuer or the Calculation Agent under the Conditions shall, in the absence of manifest error, be final, conclusive and binding on Noteholders.

Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Noteholder. Nothing in the Conditions shall exclude or restrict any duty or liability arising under the regulatory framework applicable to any person authorised by the Financial Conduct Authority.

SCHEDULE 3 TO THE ISSUE TERMS:

INVESTMENT GUIDELINES

The following is the draft investment guidelines of the Fund to be adhered to by the Fund Manager and proposed to be agreed between the Fund Manager and the Calculation Agent as at the date hereof and is subject to any amendment, update, supplement and/or restatement thereof from time to time.

The following Investment Guidelines shall be applicable to the Asset and adhered to by the Fund Manager:

Asset Class Guidelines	Min	Max
Exposure to all equity funds	0%	50%
Exposure to all fixed income funds	0%	100%
Exposure to all alternative funds (including commodity funds and funds investing in listed real estate)	0%	10%
Exposure to all equity funds, emerging market sovereign debt funds, high yield corporate debt funds, and alternative funds	0%	70%
Exposure to all emerging market funds	0%	30%
Exposure to all ESPA funds (including funds with third party appointed investment managers)	0%	70%
Fixed Income Guidelines	Min	Max
Exposure to all emerging market sovereign debt funds	0%	17.5%
Exposure to all high yield corporate debt funds	0%	17.5%
Exposure to all debt of a single emerging market country on a lookthrough basis	0%	5%
Exposure to all emerging market sovereign debt funds and high yield corporate debt funds	0%	20%
Equity Guidelines	Min	Max
Exposure to all emerging market equity funds	0%	15%
Exposure to North American equities on a lookthrough basis	0%	35%
Exposure to equities per region (ex-North America) on a lookthrough basis	0%	30%
Exposure to all country specific funds (ex-US and ex-emerging markets) and sector specific funds	0%	15%
Aggregate exposure to funds linked to a specific emerging market country	0%	5%

Alternatives

No funds investing in physical real estate.

Fund specific Guidelines

Each single fund holding position must have assets under management of at least 30,000,000 EUR.

At least 90% of the portfolio must be comprised of fund holding positions with assets under management of at least 50,000,000 EUR.

Each fund holding must be at least weekly liquid with a maximum notice of five business days.

At least 96% of the portfolio must be comprised of fund holdings which are daily liquid with a maximum notice of one business day prior to a dealing day for subscriptions and redemptions.

All fund holdings must be UCITS-compliant.

CSi may request the removal of a fund for which the ownership ratio of such fund exceeds 15%.

The concentration in any fund position must be less than 20%.

Cash, derivatives and leverage specific Guidelines

Any cash held at the Fund Custodian for FX forwards margining is excluded from consideration.

Derivatives may only be used for hedging purposes. The gross notional exposure of all derivatives apart from FX forwards shall be capped at 15%. This cap may be increased upon written agreement from CSi.

Cash held at the Fund Custodian due to punctual operational processes (for max of 5 business days) is capped at 6%

Cash held at the Fund Custodian excluding cash balances for operational processes is capped at 2%.

The Fund shall not engage in any derivative transactions or borrowing for the purpose of achieving a leveraged investment exposure.

Regulatory – the Volcker Rule

No fund will be acquired or transaction entered into which breaches the Volcker Rule and ESPA represents to not knowingly transact in a manner which may breach this restriction. ESPA shall share the fund universe with CSi and CSi shall inform ESPA where any of the funds in the universe does not comply with the Volcker Rule restrictions. Where new funds are to be added to the universe, ESPA shall inform CSi of such planned additions at least 5 Calculation Business Days prior to making an investment.

Any activity which breaches the Volcker Rule will be cured as soon as practicable upon notification by CSi.

USE OF PROCEEDS

The Issuer will, subject to the provisions of the Securitisation Act 2004, use the proceeds from the issue of Notes to purchase the Collateral and enter into the Transaction Documents and in meeting certain expenses and fees payable in connection with the operations of the Issuer and the issue of the Notes.

DESCRIPTION OF THE COMPANY AND THE COMPARTMENT

Company

Argentum Capital S.A. (the "**Company**{ XE "Company" }") is a public limited liability company (*société anonyme*) incorporated under Luxembourg law and is established as a *société de titrisation* within the meaning of the Securitisation Act 2004 (as may be amended from time to time). The Company has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**{ XE "CSSF" }") as a regulated securitisation undertaking within the meaning of articles 19 et seq. of the Securitisation Act 2004 and is supervised by the CSSF.

The registered office of the Company is at 51 Avenue J.-F. Kennedy, L-1855 Luxembourg. The share capital of the Company is EUR 31,000 divided into 31,000 shares with a par value of EUR 1 (each a "**Company Share**{ XE "Company Share" }") all of which are fully paid. All the issued Company Shares are held by Stichting Argentum, a foundation (*stichting*) incorporated under the laws of The Netherlands (the "**Shareholder**{ XE "Shareholder" }").

Compartment and source of funds

In connection with the issue of the Notes, the board of directors of the Company will create a compartment of the Company (Compartment 2015-28 (the "**Compartment**{ XE "Compartment" }")) relating solely to these Notes separate from any other Series of Notes issued by the Company. A compartment is a separate part of the Company's assets and liabilities. An investor's recourse to the Issuer in respect of these Notes is limited to the assets and liabilities allocated to the Compartment created in respect of these Notes.

The principal assets of the Issuer allocated to the Compartment are the Issuer's rights against the Swap Counterparty under the Swap Agreement.

The ability of the Issuer to pay the intended amounts due under the Notes (as described in more detail in the sections of this Prospectus entitled "*Transaction Description*" and "*Issue Terms*") will be dependent upon the payment of:

- (a) the payment of all sums due from the Swap Counterparty under the Swap Agreement; and
- (b) the value of any Eligible Securities delivered to the Issuer under the Credit Support Annex in certain circumstances.

Where such assets are not sufficient to meet the claims of the investors in relation to the Notes, investors will have no further recourse to any other assets of the Company. In connection with this, investors should be aware that where any Notes redeem early the assets allocated to the Compartment relating to the Notes and any amounts derived from such assets shall first be used to pay certain amounts owing to other parties, including Credit Suisse International as Swap Counterparty to the extent that any amounts are owing to it. These amounts may be significant and will reduce the amount available to investors in the Notes, potentially to zero.

Under the Securitisation Act 2004, the assets of each Compartment for each Series and the proceeds thereof are, in principle, exclusively available for distribution to the specified Noteholders and the relevant swap counterparties relating to such Series. A creditor of the Company may have claims against the Company in respect of more than one Series, in which case the claims in respect of each individual Series will be limited to the Mortgaged Property relating to such Series only. Upon a liquidation of a Compartment, if the Mortgaged Property and the proceeds of enforcement and realisation thereof, as applicable, are not sufficient to make all payments and deliveries, as applicable, due in respect of the Notes, then the obligations of the Issuer in respect of the Notes of that Series will be limited to the Mortgaged Property of the Compartment in respect of that Series, as specified in the Master Conditions and this Prospectus. The Issuer will not be obliged to make any further payment or delivery, as applicable, for any Series of Notes in excess thereof. Following application of the relevant Mortgaged Property and the proceeds of enforcement and realisation thereof, as applicable, in accordance with the Master Conditions, the claims of the relevant Noteholders and the relevant swap counterparties of the relevant Series for any shortfall shall be extinguished and the relevant Noteholders and the relevant swap counterparties (and any person acting on behalf of any of them) may

not take any further action to recover such shortfall and none of them should be able to petition for the winding-up, the liquidation or the bankruptcy of the Company or any other similar insolvency related proceedings. Failure to make any payment or delivery, as applicable, in respect of any such shortfall shall in no circumstances constitute an event of default under the Master Conditions. Any shortfall shall be borne by the Noteholders and the swap counterparties of the relevant Series in respect of which the Notes have been issued according to the priorities specified in the Master Conditions as amended by this Prospectus.

DESCRIPTION OF CREDIT SUISSE INTERNATIONAL

Credit Suisse International (which undertakes various roles in respect of the Notes, including acting as Swap Counterparty as at the Issue Date) ("**CSi**{ XE "CSi" }") was incorporated in England and Wales under the Companies Act 1985, on 9 May 1990, with registered no. 2500199 and was re-registered as an unlimited company under the name "Credit Suisse Financial Products" on 6 July 1990, and was renamed Credit Suisse First Boston International on 27 March 2000 and Credit Suisse International on 16 January 2006. Its registered office and principal place of business is at One Cabot Square, London E14 4QJ, telephone number +44 (0)20 7888 8888. CSi is an English bank and is regulated as an EU credit institution by the Financial Conduct Authority ("**FCA**{ XE "FCA" }") and the Prudential Regulation Authority ("**PRA**{ XE "PRA" }") under the Financial Services Act 2012. The PRA has issued a scope of permission notice authorising CSi to carry out specified regulated investment activities.

CSi is an unlimited company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of CSi in the event of its liquidation. The joint, several and unlimited liability of the shareholders of CSi to meet any insufficiency in the assets of CSi will only apply upon liquidation of CSi. Therefore, prior to any liquidation of CSi, the creditors may only have recourse to the assets of CSi and not to those of its shareholders.

CSi commenced business on 16 July 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit. The primary objective of CSi is to provide comprehensive treasury and risk management derivative product services. CSi has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets. The business is managed as a part of the Investment Banking Division of Credit Suisse AG in the Europe, Middle East and Africa region, and is supported by Credit Suisse AG's Shared Services Division, which provides business support services in such areas as finance, legal, compliance, risk management, and information technology.

CSi has been issued a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Negative Outlook)" by Moody's.

CSi has debt securities listed and admitted to trading on the regulated markets of the Luxembourg Stock Exchange and the Irish Stock Exchange, amongst others.

DESCRIPTION OF THE SWAP AGREEMENT

General

In connection with the issue of the Notes, the Issuer will enter into a derivatives framework agreement in the form of an ISDA 2002 ISDA Master Agreement together with a Schedule thereto (the "**ISDA Master Agreement**{ XE "ISDA Master Agreement" }") with Credit Suisse International (the "**Swap Counterparty**{ XE "Swap Counterparty" }"). The Issuer and the Swap Counterparty will also enter into collateralisation arrangements in the form of a credit support annex to the Schedule to the ISDA Master Agreement in the form of the Credit Support Annex (Bilateral Form – Transfer) (the "**Credit Support Annex**{ XE "Credit Support Annex" }"). The Credit Support Annex will supplement, form part of, and be subject to, the ISDA Master Agreement and will form part of the Schedule thereto (the ISDA Master Agreement as supplemented by the Credit Support Annex, the "**Master Agreement**{ XE "Master Agreement" }").

The Issuer will enter into a transaction under the ISDA Master Agreement (the "**Swap Transaction**{ XE "Swap Transaction" }"), and the terms of the Swap Transaction will be set out in a confirmation letter (such confirmation together with the ISDA Master Agreement, the "**Swap Agreement**{ XE "Swap Agreement" }").

The Swap Agreement will be governed by the laws of England and Wales.

Except as provided in the Trust Deed, the terms of the Swap Agreement may not be amended without the consent of the Trustee and, in respect of a material change only, the Noteholders themselves. The Trustee can agree, without the consent of the Noteholders, to any modification which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error. The Trustee may (subject to limits set out in the Trust Deed) also agree to any modification that is in its opinion not materially prejudicial to the interests of the Noteholders,

Set out below are summaries of certain provisions of the Swap Agreement.

General

The Swap Agreement sets out certain payments to be made from the Issuer to the Swap Counterparty and vice versa. Payments by the Issuer under the Swap Agreement will be limited recourse obligations and will be funded from sums received in respect of the Collateral relating to such Notes.

The payments required between the Issuer and the Swap Counterparty under the Swap Agreement are designed to ensure that following the making of such payments the Issuer will have such funds, as are necessary for it to meet its obligations under such Notes and the related Transaction Documents. Such obligations may include, without limitation, its obligation to make payments of any Interest Amount (or any other amount payable by it by way of interest) and Final Redemption Amounts (including in each case the related portion of the Upside Participation Amount).

In addition, Collateral may be transferable to or from the Issuer under the Credit Support Annex.

Events of Default

The Swap Agreement provides for certain "**Events of Default**{ XE "Events of Default" }" (as defined in the Swap Agreement) relating to the Issuer and the Swap Counterparty, the occurrence of which may lead to a termination of the Swap Agreement.

The Events of Default which relate to the Issuer are limited to:

- (a) failure by the Issuer to make, when due, any payment or delivery under the Swap Agreement required to be made by it if not remedied within the time period specified therein;
- (b) certain breaches by the Issuer of its obligations under the Swap Agreement which are not following notice of such failure remedied within the time period specified therein;

- (c) the Issuer disaffirming, disclaiming, repudiating or rejecting, in whole or in part, or challenging the validity of the Swap Agreement, any relevant Confirmation or Swap Transaction;
- (d) certain representations made by the Issuer in the Swap Agreement proving to be incorrect or misleading in any material respect when made or repeated;
- (e) certain bankruptcy events relating to the Issuer; and
- (f) the Issuer consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, or reorganising, reincorporating or reconstituting into or as, another entity in circumstances where the resultant, surviving or transferee entity fails to assume all the obligations of the Issuer under the Swap Agreement.

The Events of Default which relate to the Swap Counterparty are limited to:

- (a) failure by the Swap Counterparty to make, when due, any payment or delivery under the Swap Agreement required to be made by it if not remedied within the time period specified therein;
- (b) certain breaches by the Swap Counterparty of its obligations under the Swap Agreement which are not following notice of such failure remedied within the time period specified therein;
- (c) the Swap Counterparty disaffirming, disclaiming, repudiating or rejecting, in whole or in part, or challenging the validity of the Swap Agreement, any relevant Confirmation or Swap Transaction;
- (d) certain representations made by the Swap Counterparty in the Swap Agreement proving to be incorrect or misleading in any material respect when made or repeated;
- (e) certain bankruptcy events relating to the Swap Counterparty; and
- (f) the Swap Counterparty consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, or reorganising, reincorporating or reconstituting into or as, another entity in circumstances where the resulting, surviving or transferee entity fails to assume all the obligations of the Swap Counterparty under the Swap Agreement.

Upon the occurrence of an Event of Default under the Swap Agreement, the non-defaulting party may deliver a notice of termination designating an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement.

Termination Events

The Swap Agreement provides for certain "**Termination Events**{ XE "Termination Events" }" (as defined in the Swap Agreement) the occurrence of any of which may lead to termination of all outstanding Swap Transactions under the Swap Agreement. These include:

- (a) the occurrence of certain illegality and force majeure events;
- (b) if sums paid or received under the relevant Swap Transaction(s) are subject to a withholding or a deduction on account of tax and such withholding or deduction arises as a result of a change in tax law or as a result of any action taken by a taxing authority or a court after the entry into of the relevant Swap Transaction(s);

- (c) if sums paid or received under the relevant Swap Transaction(s) are subject to a withholding or a deduction on account of tax as a result of certain merger events with respect to the Issuer or the Swap Counterparty;
- (d) the occurrence of an Original Collateral Default;
- (e) the Notes being subject to an early redemption (other than where such early redemption is itself caused by a termination of the Swap Agreement);
- (f) the Issuer failing to give an Early Redemption Notice to Noteholders when required to do so pursuant to the Conditions;
- (g) the Issuer being required to make any deduction or withholding on account of FATCA in respect of any payment due from it to the Swap Counterparty under the Swap Agreement;
- (h) any Transaction Document relating to the relevant Series of Notes is amended or waived without the Swap Counterparty's prior written consent, such that the Swap Counterparty would, immediately after such amendment or waiver, be required to pay more or receive less under the Swap Agreement on any following payment date than would otherwise have been the case immediately prior to such amendment or waiver; and
- (i) the rights of the Swap Counterparty are contractually subordinated to any other Secured Creditor, or the Issuer breaches certain covenants set out in the Trust Deed.

The occurrence of the events described in paragraphs (a) or (b) above will entitle the Issuer or the Swap Counterparty, depending on who is the "**Affected Party**{ XE "Affected Party" }" (as such term is defined in the Swap Agreement), to terminate the Swap Agreement and the occurrence of the events described in (c) to (i) above will entitle the Swap Counterparty to terminate the Swap Agreement.

Early Termination Amount

In connection with any "**Early Termination Date**{ XE "Early Termination Date" }" (as defined in the Swap Agreement), either the Swap Counterparty or the Issuer will be required to determine the "Early Termination Amount" (as defined in the Swap Agreement) under the Swap Agreement and whether such amount is payable from the Issuer to the Swap Counterparty or vice versa. Which of the Swap Counterparty or the Issuer determines the Early Termination Amount will depend on the reason for the termination of the Swap Agreement. Where the termination is as a result of an Event of Default, it will be the non-defaulting party who makes the determination. Where the termination is as a result of a Termination Event, the Swap Agreement will specify for each event which of the parties will make such determination (or, in certain circumstances, that both parties will make such determination).

The termination currency in respect of a Swap Agreement will be the currency in which the relevant Series to which such Swap Agreement relates is denominated.

The Early Termination Amount consists of aggregating three components that are detailed within the terms of the Swap Agreement:

- (a) the value (expressed in EUR), considered from the Issuer's perspective, of the Swap Transaction under the Swap Agreement (referred to in the Swap Agreement as the Close-out Amount(s), as described below); plus
- (b) the value (expressed in EUR) of any Unpaid Amounts (as described below) owing to the Issuer; less
- (c) the value (expressed in EUR) of any Unpaid Amounts (as described below) owing to the Swap Counterparty.

Unpaid Amounts are, broadly, (a) payments or (b) valuations in respect of deliveries, that were scheduled to have been made to a party on or before the date that the Swap Transaction was terminated

but which were not made, in each case together with interest from (and including) the date the relevant obligation was scheduled to be performed to (but excluding) the relevant early termination date. These payments or deliveries may not have been made, for example, because of a default by the payer, the deferral of payment as a result of the payee being in default or the payment obligation having terminated by reason of designation of the early termination date.

The Close-out Amount for the Swap Transaction is, broadly, a measure of determining the value to the Issuer of such swap transactions by determining the cost that it would incur in replacing, or providing the economic equivalent of, the material terms of such swap transactions. In calculating the Close-out Amounts, Unpaid Amounts (as described above) and legal fees and out-of-pocket expenses are excluded.

In determining a Close-out Amount, the determining party (which is likely to be the Swap Counterparty other than where it has defaulted) may consider any relevant information, including, without limitation, one or more of the following types of information: (a) quotations for replacement transactions supplied by one or more third parties; (b) relevant market data in the relevant market supplied by one or more third parties (of the type described below), including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or (c) information of the types described in clause (a) or (b) above from internal sources (including any of the determining party's affiliates) if that information is of the same type used by the determining party in the regular course of its business for the valuation of similar transactions. In addition, there may be situations in which it is commercially reasonable for the determining party to consider any loss or cost incurred in connection with its terminating, liquidating or re-establishing any hedge related to the terminated transactions (or any gain resulting from any of them), provided that there is no double-counting of such amounts in the determining party's calculation.

Commercially reasonable procedures used in determining a Close-out Amount may include the following: (a) application by the Swap Counterparty of pricing or other valuation models to relevant market data from third parties or information from internal sources, provided that, at the time of the determination of the Close-out Amount, these models are used by it in the regular course of its business in pricing or valuing transactions between the determining party and unrelated third parties that are similar transactions; and (b) application of different valuation methods to terminated transactions depending on the type, complexity, size or number of the Terminated Transaction.

Under the Agency Agreement, where the Issuer is the party required to make the calculation of the Close-out Amount, the Calculation Agent has agreed to make the requisite calculation on behalf of the Issuer. If a Calculation Agent Bankruptcy Event occurs in such circumstances, there may be a delay in the determination of the Close-out Amount (and, as a result, in the payment of the Early Termination Amount) pending appointment of a replacement Calculation Agent as provided in the Conditions.

Collateralisation

Under the terms of the Credit Support Annex, a daily valuation will be performed by the Swap Counterparty (in its capacity as Valuation Agent) as to the Exposure (as defined in the Credit Support Annex, but intended to reflect the termination payment that would be due if the Swap Agreement were terminated) under the Swap Agreement a party may be required to transfer Eligible Credit Support (as defined in the Credit Support Annex) to the other party as credit support in order to collateralise any such Exposure. Such Eligible Credit Support may, at the option of the Swap Counterparty where it is required to transfer the same to the Issuer, comprise:

- (a) the Original Collateral; and
- (b) transferable debt instruments.

The amount of credit support required to be transferred by the Transferor (as defined in the Credit Support Annex) under the Credit Support Annex in respect of a Valuation Date (as defined in the Credit Support Annex) will depend on the Transferee's Exposure to the Transferor under the Swap Agreement and the value of any existing Credit Support Balance (as defined in the Credit Support Annex) held by the Transferee, as determined by the Swap Counterparty (in its capacity as Valuation Agent) in accordance with the terms of the Credit Support Annex.

All valuations will be by reference to the Base Currency under the Credit Support Annex, being EUR.

To the extent that the value of any existing Credit Support Balance held by a party exceeds that party's Exposure to the other party, then such party may be obliged to return any excess credit support to the other party in accordance with the terms of the Credit Support Annex.

On a default of either party, the value of collateral transferred between the parties and not re-transferred will be taken into account when determining termination payments due under the Swap Agreement. Accordingly, the value of such collateral should reduce the termination payments from the party which would otherwise have credit risk on the other party.

The Confirmation and the Swap Transaction

The Swap Counterparty and the Issuer enter into a letter agreement (the "**Confirmation** { XE "Confirmation" } ") which evidences the terms and conditions of the Swap Transaction. The Confirmation supplements and forms part of the Master Agreement.

Payments under the Confirmation

The following amounts will be payable under the Confirmation:

- (a) on the Issue Date of the Notes, the Issuer will pay to the Swap Counterparty an amount to be determined on or prior to the Issue Date and which will reflect the balance of the net proceeds of issuance of the Notes after purchase of the Original Collateral and payment of any related fees (including to the Dealer in respect of the Notes);
- (b) the Swap Counterparty will pay to the Issuer, on the Business Day prior to each date for payment of interest on the Notes, an amount equal to the aggregate amount of such interest, and (unless the Notes are required to be redeemed early), at maturity of the Notes an amount equal to the final redemption payment in respect of each Note (including its proportionate share of the Upside Participation Amount); and
- (c) the Issuer will pay to the Swap Counterparty amounts equal to the amounts of interest or principal scheduled to be paid on the Original Collateral (in accordance with the terms of the Original Collateral when first acquired by the Issuer), on the relevant scheduled date for payment.

Suspension of payments from the Swap Counterparty

If the Calculation Agent determines that there is an event of default with respect to the Original Collateral, pursuant to the terms and conditions of the Notes, then prior to such determination, the Swap Counterparty shall not make any payments under the Confirmation for a period (the "**Suspension Period**{ XE "Suspension Period" }") of ten business days following such determination. If the date in respect of the scheduled maturity of the Notes were to fall within the Suspension Period then payments from the Swap Counterparty shall be postponed.

The Calculation Agent may determine there is an event of default with respect to the Original Collateral (under the terms and conditions of the Notes) at any time during the Suspension Period. If it does not make such a determination on the final business day of the Suspension Period, then two business days after the Suspension Period, the Swap Agreement shall be terminated and the Swap Counterparty must pay the balance of scheduled payments due to the Issuer under the Confirmation.

DESCRIPTION OF THE ORIGINAL COLLATERAL

Description of the Original Collateral:	Lower tier 2 subordinated bonds due 28 April 2023 having an EUR nominal amount between 70% and 85% of the aggregate nominal amount of the Notes to be issued (the " Original Collateral Nominal Amount ")
Original Collateral Obligor:	Erste Group Bank AG
Initial issue date:	5 May 2015
Series No.:	1404
ISIN:	AT000YOUINV0
Total amount of the initial issue:	EUR 250,000,000
Maturity date:	28 April 2023
Minimum denomination:	EUR 1,000
Initial issue price:	100%
Interest rate:	3.91% per annum
Interest payment dates:	Each of 28 January, 28 April, 28 July and 28 October from (and including) 28 July 2015 to (and including) the maturity date thereof
Listing and admission to trading:	Frankfurt Stock Exchange.
Regulated Market on which shares of Original Collateral Obligor admitted to trading:	Erste Group Bank AG's shares are listed and officially traded on the Official Market (<i>Amtlicher Handel</i>) on the Vienna Stock Exchange (<i>Wiener Börse AG</i>).
Rating:	It is not anticipated that the Original Collateral will be rated, but the Original Collateral Obligor's lower tier 2 subordinated debt is rated Ba2 by Moody's and BBB by Fitch.
Documents for inspection:	<p>Electronic versions of the following documents will be available for inspection on the website of the Original Collateral Obligor (www.erstegroup.com):</p> <ul style="list-style-type: none"> (i) the base prospectus relating to the Original Collateral and any supplement thereto; (ii) the final terms relating to the Original Collateral; and (iii) the Audited Consolidated Financial Statements 2013 and 2012 and the Unaudited Interim Condensed Consolidation Financial Statements 31 March 2014 of the Original Collateral Obligor incorporated by reference into the base prospectus relating to the Original Collateral.

INFORMATION RELATING TO THE FUND

The Fund was established on 17 April 2015 and is a special purpose fund in the form of an “other asset portfolio” pursuant to the Austrian Investment Fund Act 2011 (“InvFG{ XE "InvFG" }”) as amended in conjunction with the Alternative Fund Manager Act (AIFMG). The relevant regulator in its country of establishment is the Financial Market Authority in Austria.

The management company of the Fund is ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., domiciled at Habsburgergasse 1a, A-1010 Vienna and its telephone number is +43 (0)50 100 19881. ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. is a management company for the purposes of InvFG. It has the form of a limited liability company under Austrian commercial law (*Gesellschaft mit beschränkter Haftung, GmbH*) and complies with the corporate governance obligations applying to it thereunder, is subject to Austrian law, and is registered with the Commercial Court of Vienna under registry number FN 81876 g.

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. has assets under management of EUR 3.68bn (as of 31 December 2014) and is the oldest and biggest subsidiary of Erste Asset Management GmbH (“EAM”). EAM has locations in Austria, Croatia, Czech Republic, Germany, Hungary, Romania and Slovakia and manages assets of about EUR 54.42bn (as of 31 December 2014). With its biggest subsidiary, ERSTE-SPARINVEST, Erste Asset Management GmbH has been active in the market since 1965.

The members of the management and supervisory board of the Fund are the members of the management and supervisory board of the management company of the Fund as specified in item 1 in the section of this Prospectus headed “*Draft Fund Prospectus*” and their business address is the address of the management company of the Fund specified above.

All members of the management as well as the supervisory board are subject to regular “Fit & Proper Tests” conducted by the Austrian Financial Market Authority on a regular (annual) basis. An up-to-date criminal record has to be provided in context of such test.

As at the date of this document, none of the members of the management and supervisory board of the Fund:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer at the time of any receivership or compulsory or creditors’ voluntary liquidation for at least the previous five years (unless otherwise indicated in their list of directorships below); or
- (c) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors (unless otherwise indicated in their list of directorships below); or
- (d) been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has been subject to any official public incrimination of him by any statutory or regulatory authority (including designated professional bodies) nor has he been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, for at least the previous five years.

None of the members of the management and supervisory board of the Fund has a service contract with the Fund providing for benefits upon termination of employment, nor are any such contracts proposed.

The custodian for the Fund is Erste Group Bank AG. Erste Group Bank AG is registered as a joint-stock corporation (*Aktiengesellschaft*) in the Austrian Companies Register (*Firmenbuch*) (the "**Companies Register**") at the Vienna Commercial Court (*Handelsgericht Wien*) and has the registration number 33209 m. The registered office of Erste Group Bank AG is Graben 21, 1010 Vienna, Austria, and its telephone number is +43-50100-0. Erste Group Bank AG's shares are listed and officially traded on the Official Market (*Amtlicher Handel*) on the Vienna Stock Exchange (*Wiener Börse AG*).

Erste Group Bank AG is a member of the savings banks (*Sparkassen*) sector in the Austrian banking industry. According to the Austrian Financial Market Supervision Act, the responsibilities of the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde – "FMA"*) include banking supervision.

The custodian bank may use sub-custodians for the safe-keeping of assets that can be held in custody in various jurisdictions. The Fund has not appointed any trustee or other fiduciary.

The auditor for the Fund is Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (a member of "*Kammer der Wirtschaftstreuhänder Österreich*") of Wagramer Str. 19, A-1220 Vienna.

The net asset value of the Fund will be made available on Bloomberg and/or Reuters. Calculation and publication of the net asset value of the Fund may be suspended if more than 10% of the sub-funds in which the Fund invests are suspended.

As of the date of this Prospectus, the portfolio of the Fund includes fund share certificates in various funds which may include without limitation, funds issued and/or managed by ERSTE-SPARINVEST Kapitalanlagegesellschaft mbH, Pictet Funds (Europe) S.A., Candriam Luxembourg S.A., AXA Rosenberg Management Ireland Ltd., Schroder Investment Management, JPMorgan Asset Management (Europe) S.à r.l., HSBC Investment Funds (Luxemburg) S.A., Erste Group Bank AG, and/or State Street Global Advisors France S.A..

As of the date of this Prospectus:

- (a) no financial statements in respect of the Fund have yet been made up; and
- (b) in respect of the Fund, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Fund is aware) in the 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Fund.

Material Potential Conflicts of Interest

The Fund Manager is obliged to act in the best interest of the Fund and the shareholders of the Fund. The Fund Manager together with Erste Asset Management GmbH and its Austrian subsidiaries (an Austrian investment company licensed to manage investment funds under the investment fund act in each case), and RINGTURM Kapitalanlagegesellschaft m.b.H. (all of them collectively "**EAM**") are subject to internal guidelines for handling conflicts of interest.

Such conflicts of interest may arise between (i) the interests of the customers on the one hand and the interests of EAM, their employees, the members of the management and the other members of EAM on the other hand, (ii) the interests resulting from the affiliation of EAM with the Erste Bank und Sparkassen Group and the obligations of EAM vis-à-vis the investment funds managed by it and/or the obligation of EAM regarding individual portfolio management services, (iii) the interests of the investment funds managed by EAM with respect to each other, or (iv) the interests of the investment funds managed by it and the interests relating to individual portfolio management services.

Agreements (e.g. advisory contracts or loan agreements) of Erste Group Bank AG or the Fund Manager with the members of the management and supervisory board of the Fund may also generate in certain circumstances conflicts of interest.

The employees of EAM are instructed to observe internal guidelines for handling conflicts of interest of EAM ("guidelines") in their day-to-day dealing with conflicts of interest.

In fulfilling its duties, EAM shall act independently and exclusively in the interest of shareholders/customers. In this context, EAM will observe all regulations applicable to the exercise of its activities in the best interest of its investors and of the integrity of the market.

It is the aim of EAM to identify, and if possible avoid, any conflicts of interest within EAM. If any conflict of interest cannot be avoided due to the organisational and administrative procedures established within EAM, it shall be the company's top priority to solve said conflict of interest for the benefit of the customers of EAM. If the conflict of interest cannot be solved through adequate measures, it shall be disclosed to the customer.

The guidelines for handling conflicts of interests of EAM derive from several organisational measures or rules and standards adopted within the business units of EAM, and which EAM employees are obliged to observe.

The custodian bank for the Fund is Erste Group Bank AG which is part of the Erste Bank Group, just like EAM. This might cause higher charges for the Fund and/or its customers. To address and resolve any conflict of interest, the fees for keeping securities accounts as well as transaction costs, as customary in the market, will be charged to the Fund. The fees and costs charged will be negotiated by EAM with the depositary bank in regular intervals. In the case of special funds, a differentiation of fees and costs charged may occur. However, this will take place within the ranges customary for such fund categories in the market. In respect of the Fund, the custodian bank will be paid a monthly fee for maintaining the Fund accounts and for publishing the Fund price and the theoretical maximum value of such fee at or around the date of this Prospectus amounts to 2% of the Fund assets.

Management and Supervisory Board positions in other Companies

In addition to their membership of the management and supervisory board of the Fund, the following members are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

Mag. BEDNAR, Heinz

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
Asset Management Slovenskej sporitelne, správ. spol., a s.	Supervisory board	Chairman	6	5	2014	Slovakia
Erste Asset Management d.o.o.	Supervisory board	Chairman	1	10	2013	Croatia
Erste Asset Management Ltd. (vm Erste Alapkezekelo Zrt)	Supervisory board	Chairman	9	9	2012	Hungary
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	Supervisory board	Chairman	12	12	2006	Austria
Investicni spolecnost Ceske sporitelny, a.s.	Supervisory board	Chairman	7	7	2003	Czech Republic
RINGTUM Kapitalanlagegesellschaft m.b.H.	Supervisory board	Chairman	17	4	2009	Austria
SAI Erste Asset Management S.A.	Supervisory board	Chairman	8	10	2013	Romania

Sparkassen Versicherung AG Vienna Insurance Group	Supervisory board	Member	14	7	2006	Austria
Erste Asset Management GmbH	Management board	Chairman	4	7	2008	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Management board	Chairman	1	12	2001	Austria

Dr. GSCHIEGL, Franz

Name (client company)	Corporate Body	Position (CB)	Mandate since date	Mandate since month	Mandate since year	Country/ State
Sparkasse Oberösterreich Kapitalanlagegesellschaft m	b.H. Supervisory board	Member	6	6	2010	Austria
Tirolinvest Kapitalanlagegesellschaft m.b.H.	Supervisory board	Chairman	1	12	2001	Austria
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	Management board	Member	12	12	2006	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Management board	Member	1	8	1998	Austria

MANDL, Günther

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
Asset Management Slovenskej sporitelne, správ. spol.,	Supervisory board	Deputy Chairman	10	9	2011	Slovakia
Erste Asset Management Ltd. (vm Erste Alapkezekelo Zrt	Supervisory board	Deputy Chairman	9	9	2012	Hungary
Investicni spolecnost Ceske sporitelny, a.s.	Supervisory board	Member	1	10	2013	Czech Republic
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Management board		24	9	2012	Austria
Erste Asset Management GmbH	Authorised signatory (Prokurist)		4	7	2008	Austria

RINGTURM Kapitalanlagegesellschaft m.b.H.	Authorised signatory (Prokurist)		17	4	2009	Austria
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Mag. TRAINDL, Wolfgang

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	Supervisory board	Member	12	12	2006	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Supervisory board	Chairman	1	1	2002	Austria
VBV-Pensionskasse Aktiengesellschaft	Supervisory board	Member	16	6	2010	Austria
Erste Bank der oesterreichischen Sparkassen AG	Authorised signatory (Prokurist)		10	6	2008	Austria

Mag. Dr. FABISCH, Gerhard

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
Bankhaus Krentschker & Co. Aktiengesellschaft	Supervisory board					Austria
DONAU Versicherung AG Vienna Insurance Group	Supervisory board	Member	21	4	2006	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Supervisory board	Deputy Chairman	1	1	2002	Austria
SPARKASSE BANK MAKEDONIJA AD SKOPJE	Supervisory board					Macedonia
"Sparkassen-Haftungs Aktiengesellschaft"	Supervisory board	Member	1	6	2007	Austria
Sparkassen Versicherung AG Vienna Insurance Group	Supervisory board	Deputy Chairman	15	3	2006	Austria
SPARKASSEN-PRÜFUNGSVERBAND	Advisory board	Chairman	1	11	2006	Austria
LIEGESA Immobilienvermietung	Managemen					Austria

GmbH Nfg OG	t board					
Steiermärkische Verwaltungssparkasse Immobilien & C	o KG Management board		17	3	2012	Austria
Haftungsverbund GmbH	Shareholders' committee	Member	22	1	2013	Austria
Österreichischer Sparkassenverband	Executive board	Chairman	27	5	2014	Austria
Steiermärkische Bank und Sparkassen Aktiengesellschaft	Executive board	Chairman	1	7	2009	Austria

DI. SCHULTZE, Wilhelm

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country / State
Erste Asset Management GmbH	Supervisory board	Chairman	30	6	2010	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Supervisory board	Deputy Chairman	16	6	2009	Austria
Planung und Errichtung von Kleinkraftwerken Aktiengesellschaft	Supervisory board	Member	28	12	2013	Austria
s Wohnbaubank AG	Supervisory board	Member	8	4	2010	Austria
Unzmarkter Kleinkraftwerk-Aktiengesellschaft	Supervisory board	Member	16	1	2014	Austria
VBV - Betriebliche Altersvorsorge AG	Supervisory board	Member	30	6	2010	Austria
TIPAL Immobilien GmbH in Liquidation	Advisory board	Member (no			2013	Italy
EB-Restaurantsbetriebe Ges.m.b.H.	Advisory board facultative	Member	1	9	2012	Austria
Erste Group IT International, spol. s.r.o.	Advisory board facultative	Deputy Chairman	1	4	2012	Slovakia
For Best Students AkademikerförderungsGmbH (vorm.	Advisory board facultative	Member	22	12	2014	Austria
OM Objektmanagement	Advisory board	Member	17	11	1999	Austria

GmbH	facultative						
Procurement Services GmbH	Advisory board facultative	Member	11	11	2009	Austria	
S Slovensko, spol. s r.o.	Advisory board facultative	Member (no	9	9	2011	Slovakia	
Lotto-Toto Holding GmbH	Designated management board		1	4	2014	Austria	
S-Immobilien Weinviertler Sparkasse GmbH	Designated management board		29	8	2014	Austria	
Beta-Immobilienvermietung GmbH	Management board		1	6	2013	Austria	
EBB-Delta Holding GmbH	Management board		6	8	2010	Austria	
EBB-Epsilon Holding GmbH	Management board		30	5	2013	Austria	
EBB-Gamma Holding GmbH	Management board		19	9	2011	Austria	
EBB-Zeta Holding GmbH (vorm. Erste Bank - Wiener St	Management board		31	5	2011	Austria	
EB Erste Bank Internationale Beteiligungen GmbH	Management board		14	5	2007	Austria	
EB-Grundstücksbeteiligungen GmbH	Management board	Member	10	7	2009	Austria	
EGB Capital Invest GmbH	Management board		1	4	2012	Austria	
EGB Ceps AUT Holding GmbH (vm. Erste Corporate F	Management board		1	7	2009	Austria	
EGB Ceps Beteiligungen GmbH	Management board	Member	7	7	2009	Austria	
EGB Ceps Holding GmbH	Management board	Member	1	8	2009	Austria	
EH-Gamma Holding GmbH	Management board		8	5	2013	Austria	
Erste Bank Beteiligungen GmbH	Management board		1	1	2008	Austria	

Erste Group Beteiligungen GmbH	Management board	Member	21	7	1999	Austria
Erste Group Services GmbH	Management board		13	6	2008	Austria
ESB Holding GmbH	Management board		12	6	2008	Austria
good.bee Holding GmbH	Management board		13	6	2008	Austria
s IT Solutions Holding GmbH	Management board		2	5	2012	Austria
EB-Beteiligungsservice GmbH	Authorised signatory (Prokurist)		1	12	2014	Austria
EB-Restaurantsbetriebe Ges.m.b.H.	Authorised signatory (Prokurist)		5	2	2013	Austria
Erste Bank der oesterreichischen Sparkassen AG	Authorised signatory (Prokurist)		11	12	2008	Austria
Erste Group Bank AG	Authorised signatory (Prokurist)		4	10	1997	Austria
Intermarket Bank AG	Authorised signatory (Prokurist)		12	6	2012	Austria
MUNDO FM & S GmbH	Authorised signatory (Prokurist)		17	2	2015	Austria
OM Objektmanagement GmbH	Authorised signatory (Prokurist)		1	1	2012	Austria
Salzburger Sparkasse Bank Aktiengesellschaft	Authorised signatory (Prokurist)		15	11	2011	Austria
Sparkassen IT Holding AG	Authorised signatory (Prokurist)		31	12	2002	Austria

Dr. Pruckner, Franz

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
Bausparkasse der oesterreichischen	Supervisory board	Member	18	6	2014	Austria

Sparkassen Aktien							
Erste Bank der oesterreichischen Sparkassen AG	Supervisory board	Member	18	3	2014	Austria	
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Supervisory board	Member	12	6	2014	Austria	
Haftungsverbund GmbH	Advisory board	Member	13	6	2014	Austria	
SPARKASSEN-PRÜFUNGSVERBAND	Advisory board	Member	20	11	2014	Austria	
NÖ-Sparkassen Beteiligungsgesellschaft m.b.H.	Management board					Austria	
Waldviertler Leasing s.r.o.	Management board					Czech Republic	
ZWETTLER LEASING Gesellschaft m.b.H.	Management board					Austria	
Haftungsverbund GmbH	Shareholders' committee	Member				Austria	
Waldviertler Sparkasse Bank AG	Executive board		1	10	2009	Austria	

QUITT, Birte

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	Supervisory board	Member	8	3	2010	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Supervisory board	Member	23	2	2011	Austria
RINGTURM Kapitalanlagegesellschaft m.b.H.	Supervisory board	Member	26	6	2012	Austria
s Wohnfinanzierung Beratungs GmbH	Advisory board facultative	Member	1	1	2010	Austria
Erste Bank der oesterreichischen Sparkassen AG	Authorised signatory (Prokurist)		16	9	2009	Austria

Mag. RIEDER, Rupert

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
Bausparkasse der österreichischen Sparkassen Aktien	Supervisory board	Member	24	3	2004	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.	Supervisory board	Member	14	2	2013	Austria
s Wohnbaubank AG	Supervisory board	Member	5	6	2000	Austria
s REAL Immobilienvermittlung GmbH	Advisory board facultative	Member	28	2	2000	Austria

SEMMELOCK-WERZER, Gabr

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
Banka Sparkasse d.d.	Supervisory board	Deputy Chairman	28	11	2011	Slovakia
Erste Bank der oesterreichischen Sparkassen AG	Supervisory board	Member	18	3	2014	Austria
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H	Supervisory board	Member	23	2	2011	Austria
Haftungsverbund GmbH	Advisory board	Member	31	1	2012	Austria
SPARKASSEN-PRÜFUNGSVERBAND	Advisory board	Member	20	11	2014	Austria
Haftungsverbund GmbH	Shareholder s' committee	Member	22	1	2013	Austria
Kärntner Sparkasse Aktiengesellschaft	Executive board	Member	1	3	2011	Austria

Mag. WALTL, Reinhard

Name (client company)	Corporate Body	Position (CB)	Mandate since day	Mandate since month	Mandate since year	Country/ State
ERSTE-SPARINVEST Kapitalanlagegesellschaft	Supervisory	Member	7	9	2010	Austria

m.b.H	board					
IGP Industrie und Gewerbepark Wörgl Gesellschaft m.	Management board	Member	18	10	2011	Austria
Sieben-Tiroler- Sparkassen Beteiligungsgesellschaft m.	Management board		6	7	2010	Austria
Sparkasse Kufstein, Tiroler Sparkasse von 1877	Executive board	Chairman	1	3	2011	Austria

LUXEMBOURG TAXATION

The following summary is of a general nature only. 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. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Taxation of the Issuer

The Company will be considered a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Company will be liable for Luxembourg corporation taxes. The standard applicable rate in Luxembourg city, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is currently 29.22 per cent. Liability for such corporation taxes extends to the Company's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Company is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented and currently applied by the Luxembourg tax authorities.

Under certain conditions, dividends received by the Company from qualifying participations and capital gains realised by the Company on the sale of qualifying participations may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption. The Company may further deduct from its taxable profits interest payments made to Noteholders.

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of EUR75 is payable at the moment of the amendment of the Articles. The transfer or sale of securities of the Issuer or the Company (as appropriate) will not be subject to Luxembourg registration or stamp duty.

The Company will be exempt from wealth tax (*impôt sur la fortune*).

Taxation of the Noteholders

Withholding tax

(a) Non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Luxembourg laws dated 21 June 2005, implementing the Savings Directive, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU (the "**Territories**{ XE "Territories" }"), a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal detail on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

(b) Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended by the law of 17 July 2008 (the "**Law**{ XE "Law" }"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

Income Taxation

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

A Noteholder who is a resident of Luxembourg for tax purposes or a foreign Noteholder who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from, the Notes. An individual Luxembourg resident Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest or any other income received, except if withholding tax has been levied on such payments in accordance with the Law.

Under Luxembourg domestic tax law, gains realised by an individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Notes are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Notes. An individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, has further to include the portion of the gain corresponding to accrued but unpaid interest in respect of the Notes in his taxable income, except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual Noteholder has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive.

The withholding tax or self-applied tax are the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth.

Gains realised by a corporate Noteholder or by an individual Noteholder, who acts in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal, in any form whatsoever, of Notes are subject to Luxembourg income tax.

A Luxembourg Noteholder that is governed by the law of 11 May 2007 on family estate companies, as amended by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, will not be subject to any Luxembourg income tax in respect of interest received or accrued on the Notes, or on gains realised on the sale or disposal, in any form whatsoever, of Notes.

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Gains realised by a non-resident Noteholder, who does not have a permanent establishment or fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal of Notes are not subject to Luxembourg income tax.

Wealth tax

A corporate Noteholder, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are

attributable, is subject to Luxembourg wealth tax on such Notes, except if the Noteholder is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended.

An individual Noteholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on Notes.

Other Taxes

Under present Luxembourg tax law, in the case where a Noteholder is a resident for inheritance tax purposes of Luxembourg at the time of his death, the Notes are included in his taxable estate, for inheritance tax purposes and gift tax may be due on a gift or donation of Notes, if the gift is recorded in a Luxembourg deed.

AUSTRIAN TAXATION

The following discussion is intended to provide a prospective investor in the Notes with a summary of the material Austrian tax consequences of purchasing, holding and selling the Notes. This discussion applies to both Austrian as well as non-Austrian private residents and commercial investors as well as Austrian and non-Austrian resident corporations, but does not constitute legal or tax advice. This summary covers only Austrian tax law and is based on the currently applicable Austrian tax legislation, case law and practice of the Austrian tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Future legislative, judicial or administrative changes could modify the tax treatment described below and could affect the tax consequences for investors. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes.

This summary of Austrian tax considerations is based on the assumption that the Notes are legally and actually publically offered in the form of securities to an indefinite number of persons and do not qualify as equity for Austrian tax purposes or units in a non-Austrian investment fund within the meaning of Sec 188 Austrian Investment Funds Act (*Investmentfondsgesetz; InvFG*)).

The Issuer does not assume responsibility for the deduction of Austrian withholding tax at source.

Austrian tax resident individual investors

Interest, capital gains and income from derivatives under the Notes realised by an investor resident for tax purposes in Austria are generally subject to Austrian income tax at a tax rate of 25 per cent provided that the Notes are legally and actually publicly offered.

The tax base is generally considered to be the interest paid (irrespective of whether fixed rate or floating rate), or, with respect to capital gains, the difference between the sale proceeds or the redemption amount, in each case including accrued interest, and the acquisition costs including accrued interest. Income from derivatives comprise the return from securities with reference to an underlying asset or index. Expenses which are directly connected with income subject to the special tax rate of 25 per cent are not deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of securities held within the same securities account and having the same securities identification number but which are acquired at different points in time, an average price shall apply.

If interest is paid by an Austrian paying agent (*auszahlende Stelle*; e.g. an Austrian credit institution, an Austrian branch of a foreign credit institution or Austrian issuer) withholding tax (*Kapitalertragsteuer*) at a rate of 25 per cent is triggered. The income tax for interest income generally constitutes a final taxation (*Endbesteuerung*) for individuals, irrespective of whether the Notes are held as private assets or as business assets. In relation to realised capital gains and income from derivatives, Austrian withholding tax at a rate of 25 per cent is triggered if the Notes are deposited with an Austrian depository (e.g. an Austrian credit institution or Austrian branch of a non-Austrian credit institution) or if the payments are made by an Austrian paying agent provided the non-Austrian depository is a non-Austrian branch or group company of such Austrian paying agent and processes the payment in cooperation with the Austrian paying agent. In case of realised capital gains and income from derivatives, the 25 per cent withholding tax deduction will result in final income taxation only for individuals holding the Notes as private assets provided that the investor has evidenced the factual acquisition cost of the Notes to the securities depository. Capital gains and income from derivatives need to be included in the income tax return if realised as business income or employment income and are subject to an income tax rate of 25 per cent.

In the absence of an Austrian paying agent or depository, the investor must include interest, capital gains or income from derivatives under the publicly offered Notes in the income tax return, and income tax is assessed at a rate of 25 per cent unless a Swiss or Liechtenstein paying agent has withheld final withholding tax under the respective Swiss or Liechtenstein withholding tax acts implementing the bilateral withholding tax agreements with Switzerland (in force since 1 January 2013) and Liechtenstein (in force since 1 January 2014) which final withholding tax discharges the investor's Austrian income tax liability. The Issuer does not assume responsibility for withholding tax at source whatsoever.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities account will be treated as disposals (sales), unless specified exemptions pursuant to Sec 27(6)(1)(a) Austrian Income Tax Act (*Einkommensteuergesetz; EStG*) will be fulfilled, such as the transfer of the Notes to a securities account owned by the same taxpayer (a) with the same Austrian securities depository (bank), (b) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (c) with a non-Austrian bank provided that the account holder has instructed the transferring bank to transmit the pertaining information to the competent Austrian tax office or has, in the case of transfers from a foreign account, himself notified the competent Austrian tax office within a month; or such as the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month. Special rules apply if a taxpayer transfers his/her residence outside of Austria or Austria loses for other reasons its taxation right in respect of the Notes to other countries (which gives rise to a deemed capital gain and exit taxation with the option for deferred taxation in the case of a transfer to an EU member state or certain member states of the European Economic Area).

Losses from Notes held as private assets may only be set off with other investment income subject to the special 25 per cent tax rate (excluding, inter alia, interest income from bank deposits and other claims against banks) and must not be set off with any other income. Pursuant to Sec 93(6) EStG, Austrian securities depositories have to apply a mandatory set-off of losses from securities accounts of the same taxpayer at the same securities depository (subject to certain exemptions). A carry-forward of such losses is not permitted.

Taxpayers whose regular personal income tax is lower than 25 per cent may opt for taxation of the income derived from the Notes at the regular personal income tax rate. Any tax withheld will then be credited against the assessed income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 25 per cent. tax rate. Expenses in direct economic connection with such income are also not deductible if the option for taxation at the regular personal income tax rate is exercised.

If Notes are held as business assets, the acquisition cost may also include incidental acquisition costs. Income derived from the Notes is also subject to the special income tax rate of 25 per cent, deducted by way of the withholding tax. However, realised capital gains and income from derivatives, contrary to interest income, are not subject to final taxation and have to be included in the tax return but are also subject to the special income tax rate of 25 per cent. Write-downs and losses derived from the sale or redemption of Notes held as business assets must primarily be set off against positive income from realised capital gains of financial instruments of the same business and only half of the remaining loss may be set off or carried forward against any other income.

Austrian tax resident corporate investors

A corporation subject to unlimited corporate income tax liability in Austria will be subject to Austrian corporate income tax at a rate of 25 per cent. A corporation may file an exemption declaration pursuant to Sec 94(5) EStG in order to avoid that Austrian withholding tax is levied. Tax losses may generally be offset against all other income. Tax loss carry forwards are generally possible subject to certain limitations applicable under Austrian law (e.g. no set-off of losses by more than 75% of the profits in a given year).

Austrian private foundations

Private foundations pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz; PSG*) fulfilling the prerequisites contained in Sec 13(3) and (6) Corporate Income Tax Act (*Körperschaftsteuergesetz; KStG*) and holding the Notes as a non-business asset are subject to interim taxation at a rate of 25 per cent (which is, however, not levied in case the private foundation makes distributions to beneficiaries which are subject to Austrian withholding tax in the same tax period and no financial relief according to a double tax treaty takes place) on interest income, income from realised capital gains and income from derivatives. Under the conditions set forth in Sec 94(12) EStG no withholding tax is levied.

Non-Austrian resident investors

Interest, capital gains and income from derivatives under the Notes by individuals who do not have a domicile or their habitual place of abode in Austria or by corporate investors that do not have their corporate seat or their place of management in Austria ("**non-Austrian residents**{ XE "non-Austrian residents" }") are not taxable in Austria provided that the debtor has its seat or place of effective management outside of Austria and that the income is not attributable to an Austrian permanent establishment (for withholding tax under the EU Savings Directive see below). In such case of payments to non-Austrian residents, an Austrian paying agent or Austrian depository could abstain from levying the 25 per cent Austrian withholding tax pursuant to Sec 94(13) EStG. If any Austrian withholding tax is deducted by an Austrian paying agent or Austrian depository, the tax withheld shall be refunded to the non-Austrian resident investor upon application which has to be filed with the competent Austrian tax authority within five calendar years following the year of the imposition of the Austrian withholding tax.

If non-Austrian residents receive income from the Notes as part of business income taxable in Austria (e.g. permanent establishment), they will generally be subject to the same tax treatment as Austrian resident business investors.

Austrian EU-Source Tax Act

Under the Austrian EU-Source Tax Act (*EU-Quellensteuergesetz; EU-QuStG*) implementing the EU Savings Directive), interest paid by an Austrian coupon-paying agent to an individual beneficial owner resident in another EU member state is subject to EU source tax at a rate of 35 per cent. Interest within the meaning of the EU-QuStG are, among others, interest paid or credited to an account, relating to debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and, in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures.

On 24 March 2014, the European Council formally adopted Council Directive 2014/48/EU amending the EU Savings Directive (the "**Amending Directive**{ XE "Amending Directive" }"). The Amending Directive, which will enter into effect by 1 January 2017, broadens the scope of the requirements described above. Member States have to adopt the national legislation necessary to comply with the Amending Directive until 1 January 2016. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover certain income equivalent to interest.

No EU withholding tax is deducted if the EU-resident investor provides the paying agent with a certificate drawn up in his name by the tax office of his member state of residence. Such certificate has to indicate, among other things, the name and address of the paying agent as well as the bank account number of the individual investor or the identification number of the notes (Sec 10 EU-Source Tax Act).

The Issuer does not assume responsibility for EU withholding tax at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Other taxes

There should be no transfer tax, registration tax or similar tax payable in Austria by investors as a consequence of the acquisition, ownership, disposition or redemption of the Notes.

The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished with effect as of 1 August 2008. However, gifts from or to Austrian residents have to be notified to the tax authorities within a three-month notification period. There are certain exemptions from such notification obligation, e.g. for gifts among relatives that do not exceed an aggregate amount of EUR 50,000 per year or gifts among unrelated persons that do not exceed an aggregate amount of EUR 15,000 within five years.

Foreign Account Tax Compliance Act (FATCA)

On 29 April 2014, Austria concluded an intergovernmental agreement (Model II) with the United States in order to facilitate the implementation of FATCA for Austrian financial institutions (i.e. custodial institutions, depository institutions, investment entities or specific insurance companies) and to allow the provision of certain information on accounts held by "**U.S. Persons**{ XE "U.S. Persons" }" to the U.S. Internal Revenue Service ("**IRS**{ XE "IRS" }"). "U.S. Persons" are considered U.S. citizens or resident individuals, partnerships or corporations organised in the United States or under the laws of the United States or any State thereof and certain trusts (subject to the jurisdiction of a court within the United States with one or more U.S. Persons have the authority to control all substantial decisions of the trust, or estate of a decedent that is a citizen or resident of the United States) or an estate of a decedent that is a citizen or resident of the United States. If the respective U.S. account holder does not allow the financial institution to forward account specific information to the IRS, the financial institution is still obliged to forward aggregated information on the account to the IRS and such information may serve as basis for group requests by the IRS to the Austrian tax administration in order to obtain more specific information on such accounts.

It is to note that there is currently no guidance on the impact of FATCA and the intergovernmental agreement on Austrian financial institutions and their reporting and withholding responsibilities. In particular, it is not yet certain how the United States and Austria will implement withholding on "**foreign passthru payments**{ XE "foreign passthru payments" }" (which may include payments on the Notes) or if such withholding will be required at all.

U.S. Persons are advised to contact their tax advisor with respect to the consequences of FATCA and the intergovernmental agreement on their investment.

IRISH TAXATION

The following is a summary based on the laws and practices currently in force in Ireland of Irish withholding tax on interest and addresses the tax position of investors who are the absolute beneficial owners of the Notes. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest paid on the Notes may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Notes; or
- (c) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer will not have a branch or permanent establishment in Ireland; (iii) payments under the Notes will not be derived from Irish sources or assets; (iv) bearer Notes will not be physically located in Ireland and the Issuer will not maintain a register of any registered Notes in Ireland.

Encashment Tax

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any interest, dividends or annual payments paid on the Notes issued by a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland on behalf of any holder of the Notes who is Irish resident.

Encashment tax does not apply where the holder of the Notes is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

European Union Directive on Taxation of Savings Income

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**{ XE "Relevant Member State" }") and in the Dealer Agreement, the Dealer will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**{ XE "Relevant Implementation Date" }") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in Austria from the time the Prospectus has been approved by the Central Bank of Ireland, being the competent authority in Ireland, and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Austria until 15 July 2015, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**{ XE "offer of Notes to the public" }" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, 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**{ XE "Prospectus Directive" }" means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

Austria

The Prospectus and the offer when made are only addressed to and direct at persons resident in Austria. As regards the member states of the EEA other than Austria, the Prospectus and the offer when made are only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive. This Prospectus has been prepared on the basis that all offers of the Notes other than offers made in Austria will be made pursuant to an exemption under Article 3(2) of the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA excluding Austria of the Notes would should only do so in circumstances in which no obligation arises for us to produce a prospectus for such offer.

Ireland

Credit Suisse International as Dealer has represented and agreed that:

- it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Acts 1963 – 2013 (as amended) of Ireland (as amended), the Central

Bank Acts 1942 - 2012 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and

- it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

DETAILS OF THE OFFER

The offer is being made exclusively in Austria. The main terms are set out below:

Offer Price:	<p>The Issue Price includes a commission of 3% of the Aggregate Nominal Amount of Notes issued, and, in addition, any Distributor and/or sub-distributor may charge additional fees of up to 3% of the Aggregate Nominal Amount of Notes issued to investors in connection with a purchase of Notes. Accordingly, the Offer Price may be up to 103% of the Aggregate Nominal Amount of Notes issued (or up to the sum of the relevant Issue Price and 3% of the Aggregate Nominal Amount of Notes).</p>
Conditions to which the offer is subject:	<p>Offers of the Notes are conditional upon their issue and the issuance of the Original Collateral by the Business Day prior to the Issue Date of the Notes, and the establishment of the Fund by the Issue Date. If the Original Collateral is not issued or the Fund is not established by the relevant date, the offer will be withdrawn and cancelled.</p> <p>The offer of the Notes may also be withdrawn in whole or in part at any time before the Issue Date at the discretion of the Issuer for any reason.</p> <p>The Offer Period is subject to adjustment by or on behalf of the Issuer for any reason.</p> <p>Any adjustment to the Offer Period will be published on the Irish Stock Exchange's website (www.ise.ie).</p>
Description of the application process:	<p>A prospective investor should contact the Distributor during the Offer Period. The Issuer has the right to close the Offer Period early. A prospective investor will acquire the Notes in accordance with the arrangements existing between the Distributor and its customers relating to the subscription of securities generally and not directly with the Issuer or the Dealer.</p> <p>Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than Austria wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted due to selling restrictions and thus that the application may be rejected by the Distributor; and (b) contact its financial adviser, bank or financial intermediary for more information.</p>
Details of the minimum and/or maximum amount of application:	<p>The minimum amount of an application in respect of the Notes is EUR 1,000.</p>
Description of possibility to reduce subscriptions:	<p>The Issuer has the right to terminate the Offer Period and/or withdraw the offer of the Notes in whole or in part and not proceed with the issuance at any time for any reason.</p> <p>Any early closure of the Offer will be published on the Irish Stock Exchange's website (www.ise.ie).</p>
Details of the method and time limits for paying up and delivering the Notes:	<p>The Notes will be issued on the Issue Date. Payment to the Issuer of the net subscription moneys will be by debit of a cash account on or before the Issue Date. Allotted Notes will be delivered to a securities</p>

	<p>account of each Noteholder as soon as practicable after the Issue Date.</p>
<p>Manner in and date on which results of the offer are to be made public:</p>	<p>The precise Aggregate Nominal Amount of Notes will be published on the website of the Irish Stock Exchange (www.ise.ie) and filed with the Central Bank of Ireland in accordance with Article 8 of the Prospectus Directive in each case on or around the Issue Date.</p>
<p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</p>	<p>Not Applicable.</p>
<p>Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:</p>	<p>Offers may be made by a Distributor in Austria to any person.</p>
<p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</p>	<p>Following the end of the Offer Period, the relevant Distributor will proceed to notify the prospective Noteholders as to the amount of their allotment of the Notes, if any.</p> <p>Dealing may not begin before notification is made.</p>
<p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</p>	<p>Taxes charged in connection with the subscription, transfer, purchase, or holding of the Notes must be paid by the Noteholders. Neither the Issuer nor any Distributor shall have any obligation in relation thereto. In this respect, prospective investors must consult professional tax advisers to determine the tax regime applicable to their own circumstances.</p> <p>Subscription fees: The Issue Price includes a commission of 3% of the Aggregate Nominal Amount of Notes issued, and, in addition, any Distributor and/or sub-distributor may charge additional fees of up to 3% of the Aggregate Nominal Amount of Notes issued to investors in connection with a purchase of Notes. For the avoidance of doubt, neither the Issuer nor the Swap Counterparty shall be liable to pay any subscription fees.</p>
<p>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</p>	<p>The Distributors will be:</p> <p>Name: Erste Group Bank AG</p> <p>Registered office: Graben 21, A-1010 Vienna, Austria</p> <p>Country of incorporation: Austria</p> <p>Date of incorporation: The legal predecessor of Erste Group Bank AG was established in 1819 as an association savings bank (<i>Vereinssparkasse</i>) under the name "Verein der Ersten österreichischen Spar-Casse". It was subsequently renamed "DIE ERSTE österreichische Spar-Casse—Bank" and transferred its banking business into a stock corporation with the name "DIE ERSTE österreichische Spar-Casse Bank Aktiengesellschaft" ("Die Erste") in 1993. Die Erste changed its name to "Erste Bank der oesterreichischen</p>

Sparkassen AG" in October 1997, following the merger of GiroCredit Bank Aktiengesellschaft der Sparkassen ("**GiroCredit**") and Die Erste, which resulted in the creation of the then second largest banking group in Austria. In August 2008, the Austrian retail and SME banking activities of Erste Group Bank were de-merged and continued to operate under the name Erste Bank der oesterreichischen Sparkassen AG ("**Erste Bank Oesterreich**"), while the parent company changed its name to Erste Group Bank AG.

Nature of business: Erste Group Bank AG provides a full range of banking and financial services, including deposit and current account products, mortgage and consumer finance, investment and working capital finance, private banking, investment banking, asset management, project finance, international trade finance, trading, leasing and factoring.

Sparkassen in Austria (as listed by federal state)

(a) Niederösterreich:

Sparkasse der Stadt Amstetten AG, Sparkasse Baden, Sparkasse Hainburg-Bruck-Neusiedl AG, Sparkasse Haugsdorf, Sparkasse Herzogenburg-Neulengbach Bank AG, Sparkasse Horn-Ravelsbach-Kirchberg AG, Sparkasse Korneuburg AG, Kremser Bank und Sparkassen AG, Sparkasse Langenlois, Sparkasse Neunkirchen, Sparkasse Niederösterreich Mitte West AG, Sparkasse Pottenstein, N.Ö. Sparkasse Poysdorf AG, Sparkasse Scheibbs AG, Waldviertler Sparkasse Bank AG, Wiener Neustädter Sparkasse;

(b) Oberösterreich:

Sparkasse Salzkammergut AG, Sparkasse Eferding-Peuerbach-Waizenkirchen, Sparkasse Frankenmarkt AG, Sparkasse Lambach Bank AG, Sparkasse Mühlviertel-West Bank AG, Sparkasse Neuhofen Bank AG, Allgemeine Sparkasse Oberösterreich Bank AG, Sparkasse Pregarten-Unterweißenbach AG, Sparkasse Ried im Innkreis-Haag am Hausruck

(c) Salzburg:

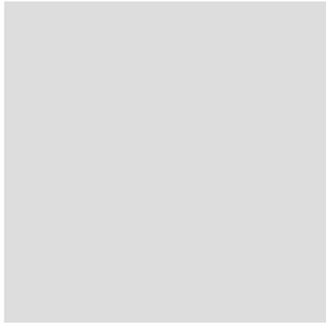
Sparkasse Mittersill Bank AG, Salzburger Sparkasse Bank AG;

(d) Tirol:

Sparkasse Imst AG, Tiroler Sparkasse Bankaktiengesellschaft Innsbruck, Sparkasse der Stadt Kitzbühel, Sparkasse Kufstein, Tiroler Sparkasse von 1877, Lienzer Sparkasse AG, Sparkasse Rattenberg Bank AG, Sparkasse Reutte AG, Sparkasse Schwaz AG;

(e) Vorarlberg:

Sparkasse Bludenz Bank AG, Sparkasse Bregenz Bank AG, Dornbirner Sparkasse Bank AG, Sparkasse der Gemeinde Egg, Sparkasse der Stadt Feldkirch



(f) Steiermark:

Sparkasse Mürzzuschlag AG, Sparkasse Pöllau AG,
Steiermärkische Bank und Sparkassen AG, Sparkasse
Voitsberg-Köflach Bank AG; and

(g) Kärnten:

Sparkasse Feldkirchen/Kärnten, Kärntner Sparkasse
AG.

GENERAL INFORMATION

1. Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under Common Code 122833194. The International Securities Identification Number for the Notes is XS1228331945.

1. Listing

The Issuer intends to apply to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. The Issuer also intends to apply for the Notes to be listed and admitted to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange for the sole purpose of facilitating a regular publication of the latest available Note value to Noteholders. None of the Issuer, the Dealer or any of the Dealer's affiliates intends to trade the Notes on such market.

2. Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Luxembourg (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on or about 13 May 2015.

3. No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since 31 December 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2014.

4. Auditors

The approved statutory auditors (*réviseurs d'entreprises agréés*) of the Company, which have been appointed by a resolution of the Board dated 2 June 2014 until the date of the meeting of the Board resolving to submit the annual accounts of the Company for the 2014 financial period, are PricewaterhouseCoopers, Société coopérative whose address is 2, rue Gerhard Mercator, L-2182 Luxembourg and who belong to the Luxembourg institute of auditors (*Instituts des réviseurs d'entreprises*) and who were also the auditors for the 2013 Accounts and 2014 Accounts of the Company. PricewaterhouseCoopers, Société cooperative, in its capacity as auditors of the Company, have no material interest in the Company.

5. No Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since 11 December 2013 (being the date of incorporation of the Issuer) which may have or have in such period had a significant effect on the financial position or profitability of the Company.

6. Documents Available

For so long as any Notes remain outstanding, copies of the following documents will, when published (to the extent applicable), be available in physical form during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and from the specified office of the Issuing and Paying Agent at One Canada Square, London E14 5AL and the office of the Arranger at One Cabot Square, London E14 4QJ:

- (a) the Articles of the Company;
- (b) the audited financial statements of the Company for the financial year ended 31 December 2013 and the financial year ended 31 December 2014;
- (c) the Issue Deed relating to the Notes;

- (d) the Programme Deed (and the documents incorporated therein, including, *inter alia*, the Principal Trust Deed, the Agency Agreement, the Dealer Agreement, the Mandate Agreement and the Repurchase and Cancellation Agreement), as amended from time to time;
- (e) the confirmation of the Swap Transaction;
- (f) a copy of this Prospectus, together with any other document required or permitted to be published by the Irish Stock Exchange; and
- (g) any future supplements to this Prospectus.

The Base Prospectus has been published on the Irish Stock Exchange's website at www.ise.ie. This Prospectus together with any other document required or permitted to be published by the Irish Stock Exchange and any future supplements to this Prospectus will be published on the Irish Stock Exchange's website at www.ise.ie.

7. Expenses

The costs and expenses in connection with the listing of the Notes is estimated to be in the region of EUR 4,790.

8. Post-issuance Reporting

The Issuer does not intend to provide any post-issuance information in relation to the Notes or Collateral.

9. Passporting

In accordance with Article 18 of the Prospectus Directive, the Central Bank has been requested to provide the Financial Market Authority (*Finanzmarktaufsichtsbehörde*) in Austria with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive:

FUND PROSPECTUS

The following is a reproduction of the prospectus of the Fund as at the date hereof and is subject to any amendment, update, supplement and/or restatement thereof from time to time. None of the Issuer, the Dealer, the Calculation Agent or any other party makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information herein. Prospective purchasers of the Notes should make their own independent investigations and enquiries into the Fund and the Fund management company and other service providers thereto.

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REGISTERED OFFICE OF THE ISSUER

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L-1855 Luxembourg
acting in respect of Compartment 2015-28

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One Cabot Square
London E14 4QJ

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One Canada Square
London E14 5AL

**CUSTODIAN AND LUXEMBOURG PAYING
AGENT**

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CALCULATION AGENT AND
DISPOSAL AGENT**

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