

The Palladyne Active InterestPlus Profile

With the Active InterestPlus Profile, Palladyne offers you an attractive alternative to savings accounts. By investing in a selection of wide-spread short-term stock exchange funds, you generate a nice return, while the investment is spread over hundreds of creditworthy organizations. The managers of the funds selected by Palladyne make a well-considered assessment with regards to the organizations whose loans can be included in the portfolio. We invest nearly exclusively in loans from organizations with a high creditworthiness. The risk is further decreased by the high amount of diversification and the very short duration of the loans. Palladyne only invests in money market funds which make the complete execution of the underlying portfolio known to Palladyne, so the creditworthiness of all underlying investments can be evaluated by Palladyne. Palladyne wants to have as little risk as possible with your savings and therefore goes a step further. As long as the credit crisis continues with intensity and there are no definitive signs of recovery, Palladyne will only invest in Dutch, German and French government bonds within the Active InterestPlus Profile. Only when recovery has taken hold again in the financial markets, will Palladyne exchange the government loans for the wide-spread investments in short-term loans of creditworthy organizations. You don't have to do anything for this. Palladyne actively manages the risks in the Active InterestPlus Profile and chooses the right moment to switch.

Expected Return

Just as with savings accounts, the Active InterestPlus Profile does not guarantee a fixed return. The return depends on the underlying investments. When Palladyne invests in a spread portfolio with short-term business loans, the expected net return will be between 4% and 5% per year. Of course the expected net return on short-term state obligations is lower. At the moment, these net returns are less than 3% per year. For as long as the credit crisis continues, however, safety comes first. Palladyne expects a net return of 3,75% on this portfolio in the long-term.

Risks

An investment above €100.000 on a savings account is exposed to the bankruptcy risk of the bank where you hold your account. With the Palladyne Active InterestPlus Profile, your investment is spread amongst hundreds of creditworthy organizations, or the credit risk is virtually eliminated by investing in state obligations. Your investments continue directly or within a selection of funds on your account with BinckBank. The investments on your account with BinckBank are protected because they are kept in a **BEWAARBEDRIJF** which is kept separate should BinckBank go bankrupt

The Expected Development of a Model Portfolio in the Active InterestPlus Profile

In the enclosed table, you will see a short list of three scenario's of the expected wealth development in the Palladyne InterestPlus Risk Profile. In any year, there is a 95% chance to come out between the lower and upper scenario. In 2.5% of the cases, the expected portfolio will be worth equal to or smaller than the lower scenario, and in 2,5% of the cases, the portfolio will be worth equal to or larger than the upper scenario. After five years, in the lower scenario, the wealth will amount to €338,462,-. In the middle scenario, the wealth increases to €360,630,-. While in a very positive scenario, the wealth increases to € 383,945,-.