

No direct exposure to Madoff funds

Following the collapse of Bernard Madoff Investment Services, we would like to confirm to you that Fortis Investments has no direct exposure to Madoff securities in any of its mutual funds, nor is Madoff an OTC counterparty of Fortis Investments.

In terms of indirect exposure, we manage two French-domiciled open-ended funds which are invested in an external Luxembourg UCITS III fund, which is itself exposed to Madoff; other than these positions we believe that we have no other second-line exposure. A number of our funds do hold positions in companies which have reported losses relating to their own Madoff exposure. We do not anticipate a significant loss from these positions but continue to monitor the impact of recent events on these companies' valuations.

In terms of counterparty risk, we are monitoring closely our exposure to counterparties which have exposure to Madoff. We do not expect that these counterparties will find themselves unable to honour their commitments to us.

We will keep you informed of any new developments and please do not hesitate to contact us if you have further questions.

Yours sincerely,

William De Vijlder
Global Chief Investment Officer