

Simplified Prospectus
PEH SICAV
with the subfund
PEH SICAV – PEH EMPIRE

Société d'investissement à capital variable
in accordance with the laws of the Grand Duchy of Luxembourg

This simplified sales prospectus summarises information about the PEH SICAV – PEH EMPIRE subfund which is of importance to the shareholder. Detailed information on PEH SICAV – PEH EMPIRE can be found in the current sales prospectus (plus annexes) of PEH SICAV. Other subfunds of PEH SICAV exist in addition to the subfund PEH SICAV – PEH EMPIRE. The aforementioned documents in conjunction with the latest annual report to be published whose reporting date must not be further back than sixteen months in the past constitute the legal basis for the purchase of shares. If the reporting date of the annual report is more than eight months previous, the semi-annual report also constitutes the legal basis for the purchase of shares. When purchasing a share, the shareholder acknowledges these documents, as well as all approved and published changes to the same.

1. Investment objectives

The objective of the investment policy for the PEH SICAV – PEH EMPIRE ("Sub-fund") is to achieve a reasonable growth in the Sub-fund currency taking account of the investment risk.

2. Note concerning risk

As a general rule, past results offer no guarantee of future performance. Performance may change positively and negatively. As a result, the share value may fall below the invested amount per share. We cannot guarantee that the objectives of the investment policy will be achieved (see also the chapter on "Notes on risk" in the sales prospectus).

In addition to the general risks of fluctuations in share prices associated with investments in shares, potential shareholders should be made aware of the additional currency-related risks associated with an investment in the Sub-fund.

The leverage effect of options may result in a greater impact on the value of the Sub-fund assets - both positive and negative - than would be the case with the direct acquisition of securities and other assets. To this extent, their use is associated with special risks.

Warrants are treated as securities if they are approved for official listing or traded on other regulated markets, the underlying value is a security and if this security is actually transferred in case of exercise. Unlike traditional securities, due to the associated leverage effect, the impact on the value of the net assets of the sub-fund may be considerably greater, both in a negative and positive sense.

Financial futures which are used for a purpose other than hedging are also associated with considerable opportunities and risks, as only a fraction of the contract value (the margin) needs to be put down. Thus, price changes may lead to substantial profits or losses. The risk and the volatility of the Sub-fund may increase as a result.

3. Costs of the sub-fund

Costs to be borne by the shareholders to the benefit of the Sales Agent

Issue surcharge:	up to 4%
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Redemption fee:	none
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Conversion commission for converting to another sub-fund:	up to 1%
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Recurring costs to be charged against the sub-fund assets (These costs are charged in full, plus VAT, against the fund assets or sub-fund assets to which they are allocated.)	
Costs calculated as a percentage of the sub-fund assets and to be charged against the sub-fund assets (management fee, fund management fee)	
Share class P	up to 1.50% p.a. plus any VAT
Share class F	up to 0.75% p.a. plus any VAT
Custodian Bank fee	up to 0.08% p.a. minimum EUR 9,000 p.a.
Central Administration Agent fee	up to 0.46% p.a. minimum EUR 22,000 p.a.
Registration and Transfer Agent fee	up to 0.14 % p.a. minimum EUR 12,000 p.a.
Service charge	0.33% p.a.
Performance fee	10% of the growth in the value of the net assets of the sub-fund

4. Taxation
<p>In the Grand Duchy of Luxembourg, fund assets are subject to a tax known as the "<i>taxe d'abonnement</i>", which is currently charged in an amount of 0.05% p.a. and is payable on a quarterly basis on the net fund assets as reported as at the end of each quarter. To the extent that fund assets are invested in other Luxembourg investment funds that are already subject to the <i>taxe d'abonnement</i>, the portion of fund assets invested in such Luxembourg investment funds are exempt from the tax.</p> <p>The EU Interest Directive came into force on 1 July 2005. In general, this Directive provides for an exchange of information between financial authorities on the interest income of natural persons residing outside the EU. Luxembourg is not involved in this exchange of information, but levies a withholding tax on interest income on private investors with residence outside Luxembourg, to the extent that the fund units in a securities account are held with a Luxembourg bank. This withholding tax is set at 20% from 1 July 2008 and 35% from 1 July 2011.</p> <p>For investors from countries with which Luxembourg has concluded a double taxation agreement, this new regulation does not impose any further taxation. In such cases, the deduction of withholding tax represents an advance payment on personal taxes and may be claimed on the tax return.</p> <p>It is possible to avoid the deduction of withholding tax if the investor grants authorisation for the forwarding of data relevant for withholding tax to his local tax authority. Prospective investors should seek advice regarding the consequences and the information required.</p> <p>Income in countries in which the Fund assets are invested may be subject to withholding tax in the countries of origin. In such cases, neither the Custodian Bank nor the Investment Company is obliged to request tax statements.</p> <p>Shareholders who are not resident in and/or do not maintain a business establishment in the Grand Duchy of Luxembourg are not required to pay any further income, inheritance or wealth tax in the Grand Duchy of Luxembourg in respect of their shares or of income deriving from their shares. These are subject to the respective national tax regulations under which they may be taxed individually.</p> <p>Furthermore, prospective shareholders should enquire about the laws and regulations applicable to the purchase, possession and redemption of shares and, where necessary, seek advice.</p> <p>Information on the taxation of German investors is contained in the Sales Prospectus in the article "Additional information for investors in the Federal Republic of Germany".</p>

5. Publication of the net asset value and issue and redemption price

The respective net asset value and issue and redemption prices prevailing at any time may be requested at the office of the Investment Company, the Management Company, the Custodian Bank as well as the Paying Agents and sales agent. The Investment Company may specify that the issue and redemption price is only published on the website of the Management Company (www.axxion.lu). Issue and redemption prices are currently published on the website www.axxion.lu. The current sales prospectus and simplified sales prospectus, annual and semi-annual reports of the Fund may also be found there. The issue and redemption prices will also be published on the website www.axxion.lu on trading days; they may also be requested from the Paying Agent or Information Agents.

6. Issue, redemption and exchange of shares

Investors may subscribe to, redeem or exchange shares on any banking day in the Grand Duchy of Luxembourg. Corresponding applications may be submitted to the Investment Company, Management Company, Custodian Bank, one of the Paying Agents or the sales agent. Applications that are received before 5 pm are allocated the net asset value of the day after the valuation day (possible consideration of an issuing fee or redemption fee). Applications that are received later are allocated the net asset value of the day after the following valuation day (possible consideration of an issuing fee or redemption fee). In the case of registered shares, time of receipt by the Registration and Transfer Agent shall be decisive; in the case of bearer shares, this shall be determined by the time of receipt by the Custodian Bank. The issue price is payable within two banking days of the relevant valuation day in the respective sub-fund currency at the Custodian Bank in Luxembourg. Upon receipt of the issue price and submission of the complete subscription application at the Registration and Transfer Agency in the company's list of bearers, or upon receipt of the issue price at the Custodian Bank, the shares will be transferred by the Custodian Bank, by order of the Investment Company, to the account specified by the applicant. The redemption price is payable in the respective sub-fund currency within two valuation days of the relevant valuation day. The minimum investment amount is EUR 2,500.00 for share class P and EUR 100,000 for share class F.

7. Further important information

Fund currency:	EUR
Duration of the Fund:	The Fund has been established for an indefinite period of time.
Share classes:	Shares of share class "P" Shares of share class "F" Shares in classes "P" and "F" will be offered. The investment policy of both classes is identical to that of the total sub-fund, the differences are in the amount of management fee and fund management fee, the minimum investment and in investment by means of a savings plan.
Date of establishment:	
Share class P	1 April 1998
Share class F	10 September 2008
Management Company:	AXXION S.A., 1B, Parc d'Activité Syrdall, L-5365 Munsbach
Regulatory Authority:	Commission de Surveillance du Secteur Financier, 110 route d'Arlon, L-2991 Luxembourg
Custodian Bank and Central Administration Agent:	Banque de Luxembourg, 14, Boulevard Royal, L-2449 Luxembourg
Auditors:	Pricewaterhouse Coopers S.à r.l., 400, route d'Esch, L-1014 Luxembourg
Paying Agent in Luxembourg:	Banque de Luxembourg, 14, Boulevard Royal, L-2449 Luxembourg
Paying Agent in the Federal Republic of Germany:	Marcard, Stein & Co AG, Ballindamm 36, D-20095 Hamburg
Paying agent in Austria:	Raiffeisen Zentralbank Österreich AG, Am Stadtpark 9, A-1030 Wien
Registration and Transfer Agent	European Fund Services S.A., 17, rue Antoine Jans, L-1820 Luxembourg

8. Further Information

Further information as well as the Sales Prospectus (plus annexes), the Articles of Association, the annual and semi-annual reports may be obtained free of charge from the registered office of the Investment Company, the Management Company, the Custodian Bank, the Paying Agents and the Distributor during normal business hours.

9. Investment policy of the PEH SICAV – PEH EMPIRE sub-fund

The PEH EMPIRE sub-fund is an asset management fund with a balanced income-risk mix as part of a long-term global strategy. The Fund is managed using a quantitative, systematic allocation process. This system values sentiment indicators, commodities prices, economic data and market data.

The PEH EMPIRE sub-fund invests its assets predominantly in listed stocks, or stocks traded on another regulated market which is open on a regular basis, is approved and open to the public, in bonds of all kinds - including zero-coupon bonds and variable rate securities, convertible and option bonds, and securities issued by domestic and foreign institutions, to the extent that they are securities as defined in Article 41 of the law of 20 December 2002.

The aim of the PEH EMPIRE sub-fund is not only to play a part in increasing the value of the assets of selected closed-end funds, but also to invest in undervalued fund stocks where there is an expectation of a change in the market valuation. Within the limits imposed by law, the PEH EMPIRE sub-fund may invest some of its assets in cash funds and fixed deposits.

Depending on the assessment of the market situation, the sub-fund assets may also be fully invested temporarily (no more than 100%) in one of the aforementioned investment segments or fund categories.

The sub-fund also invests in structured securities products (certificates) provided they are securities pursuant to Article 41 (1) of the Act of 20 December 2002 relating to undertakings for collective investment and Article 2 of the Règlement Grand Ducal dated 8 February 2008 as well as point 17 of the CCSR guideline CCSR/07-044. The underlying stocks for the certificates may be any of the following: equity stock and rights, debt securities and rights such as equities, equity-like securities, participation and dividend-right certificates, fixed and variable-rate bonds including asset-backed securities (the ABS segment, up to a maximum of 20% of the net assets of the sub-fund), hedge funds, commodities, currencies, interest rates, funds on the aforementioned underlyings and corresponding indices on the aforementioned underlyings.

In the case of the financial indices mentioned, it is ensured that they are adequately diversified. The indices are chosen such that they form an adequate reference base for the market to which they relate. The indices are also published by appropriate means. The aforementioned structured securities are not securities which contain an embedded derivative (according to Article 2 (3) and/or Article 10 of the Règlement Grand Ducal dated 8 February 2008 and point 23 CCSR/07-044).

The sub-fund may also invest up to 10% of the net fund assets in shares in special open money market, securities, property, open-ended balanced securities funds and in property funds and pension funds. The management charges of the funds acquired by the sub-fund may be up to 3 % p.a. of the net assets of the sub-fund. The fund acquired will without exception have been established under the laws of an EU Member State, Switzerland, the USA, Hong Kong, Canada, Japan or Norway.

Precise details on investment limits are contained in the detailed sales prospectus.

In the context of the legal provisions and restrictions the acquisition or sale of options, futures and the conclusion of other forward transactions is permitted for hedging against possible price decreases on the capital markets and to optimise yields. The underlying assets here will be instruments as defined in Article 41(I) of the Act of 20 December 2002 or financial indices, interest rates, exchange rates or currencies. Further information on the techniques and instruments may be found in the "Information about techniques and instruments" section in the Prospectus. The use of derivatives may entail increased risks because of the leverage effect. When using derivatives, the Fund will never deviate from the investment policy described in the Prospectus.

As a general rule, past results offer no guarantee of future performance. We cannot guarantee that the objectives of the investment policy will be achieved.

10. Risk profile of the PEH SICAV – PEH EMPIRE sub-fund

Because of the composition of the sub-fund assets there is the prospect of very high earnings although it is countered by a very high level of overall risk.

The particularly attractive distribution of risk is due to the spread of diversified investments in shares from various closed-end investment funds in which the assets are also broadly spread.

In addition, the sub-fund may also acquire and sell options and futures and carry out any other futures transactions both to hedge against the risk of a fall in prices on the securities markets and, to a limited extent, to optimise yields in the sense of point D.4 in the section on "Investment Rights and Restrictions" below.

Due to the leverage effect the use of derivatives may be linked to higher risks which are explained in the chapter on "Warrants, Financial Futures, Interest Rate Swap Transactions".

We cannot guarantee that the objectives of the investment policy will be achieved.

11. Performance of PEH SICAV – PEH EMPIRE

Over the last three years the Sub-fund has performed as follows:

2007: 1.52 %

2008: -17.43 %

2009: -1.18 %

The following BVI method of calculation is used to calculate **performance**:

$$\text{Performance} = \frac{\text{Share value at the end of the financial year} \times 100}{\text{Share value at the end of the previous financial year}} - 100$$

In the case of distributed funds, it was assumed for calculation purposes that the distributed amount was reinvested at the share price on the day of distribution.

12. Risk profile for typical shareholders of PEH SICAV – PEH EMPIRE

Investors should be seeking a long-term investment. The very high degree of potential profit is accompanied by a very high degree of risk.

Shareholders must be willing to accept very high currency, credit, share price and market interest rate risks.

13. Allocation of income of PEH SICAV – PEH EMPIRE

The income attaching to the Sub-fund is reinvested.

14. Other important information on PEH SICAV – PEH EMPIRE

Sub-fund currency	EUR
Duration of the sub-fund:	unlimited
Payment of the initial subscription price	
Share class P	1. April 1998
Share class F	2008

Fund manager:	PEH Wertpapier AG, Adenauerallee 2, D-61440 Oberursel
Promoter:	PEH Wertpapier AG, Adenauerallee 2, D61440 Oberursel
Co Promoter:	Axxion S.A.
Securities ID no.:	
Share class P	988 006
Share class F	A0Q8QW
ISIN CODE:	
Share class P	LU0086120648
Share class F	LU0385490817
Financial year-end of the Investment Company:	31 July, commencing 31 July 2009
First year:	31 December 1997
Minimum investment amount:	
Share class P	EUR 2,500
Share class F	EUR 1,000,000
Minimum subsequent investment amount:	
Share class P	EUR 250
Share class F	EUR 100,000
Savings plans monthly/quarterly as of:	
Share class P	EUR 150
Share class F	None
Monthly/quarterly withdrawal plan (as of saved amount of EUR 25,000) from:	
Share class P	EUR 150
Share class F	None

15. Sales Agent of PEH SICAV – PEH EMPIRE

Federal Republic of Germany: PEH Wertpapier AG, Adenauerallee 2, D-61440 Oberursel

16. Additional information for shareholders in the Federal Republic of Germany

Paying and Information Agent

Marcard, Stein & Co AG

Ballindamm 36
D-20095 HAMBURG

Sales and Information Agent

PEH Wertpapier AG

Adenauerallee 2
D-61440 Oberursel

The Sales and Information Agent is not entitled to possession or ownership of the funds or securities of shareholders.

Applications for subscription, redemption and exchange may also be submitted to the aforementioned Paying Agent.

All payments to shareholders shall be made via the aforementioned Paying Agent.

Notices to shareholders will be published in the *Börsen-Zeitung* in the Federal Republic of Germany as required by law. The Investment Company may specify that the issue and redemption price is only published on the website of the Management Company (www.axxion.lu). Issue and redemption prices are currently published on the website www.axxion.lu. The current sales prospectus and simplified sales prospectus, annual and semi-annual reports of the Fund may also be found there.

The following documents are available for free inspection during normal business hours on working days in Luxembourg (apart from Saturdays) at the registered offices of the Management Company, the aforementioned Paying Agent and the Information Agents:

- Management Contract
- Custodian Bank and Central Administration Agent contract
- Sales agreements
- Paying agents agreements
- Investment management contract
- Registration agent and Transfer Agent contract

Furthermore, printed copies of the most recent version of the Full Sales Prospectus (plus annexes), the Articles of Association of the Investment Company and the Simplified Prospectus, as well as the annual and semi-annual accounts of the Investment Company, are available to the shareholders free-of-charge at the registered offices of the Investment Company, Management Company, Custodian Bank, each Paying Agent and Sales Agent.