

LEGAL WARNING

"The following English translation of the Mutual Funds Law No. 24,083 has been prepared to facilitate the approach of potential future investors and any person interested in the legal framework that regulates the capital market of Argentina.

Notwithstanding, only the Spanish version of this law is binding. "

AVISO LEGAL

"La siguiente traducción al idioma inglés de la Ley de Fondos Comunes de Inversión N° 24.083 ha sido preparada para facilitar el acercamiento de posibles futuros inversores y toda persona interesada en el marco legal que regula el mercado de capitales de la República Argentina.

Sin perjuicio de ello, sólo la versión en español de esta ley es vinculante".

LAW No. 24,083 Mutual Funds

Amended Text of Law No. 24,083 on Mutual Funds

Section 1: A MUTUAL FUND is the equity capital made up of: public offering bearer securities, precious metals, foreign exchange, rights and duties resulting from futures and options operations, instruments issued by financial institutions authorized by the Central Bank of the Argentine Republic, and money belonging to several persons, who have joint ownership rights, represented by book-entry shares or securities. These funds are not corporations; therefore they are not legal persons.

Mutual Funds created with a maximum number of shares, in agreement with Section 21 of this Law, may have special investment purposes and its equity may be made up of homogeneous or analogous sets of real estate or personal property, or creditor's rights with or without collateral, pursuant to the provisions of the supervisory organism, as provided in Section 32 hereof.

Mutual Funds may issue several classes of shares bearing different rights. Shares may grant joint ownership rights pursuant to the provisions of the first paragraph hereof. Interest bearing shares with a specific standard value and a return estimated on such value, whose payment shall be subject to the return of the assets making up the fund, may also be issued.

Section 2: The name MUTUAL FUNDS, as well as any analogous name as the regulation may establish, shall only apply to those funds established in agreement

with the provisions of this Law, including an identification allowing for their differentiation. The name REAL ESTATE MUTUAL FUND, as well as any analogous name to be established by the regulation, shall only apply to those Mutual Funds with a maximum number of shares whose equity is made up of rights on real estate, first or ulterior-degree mortgage loans and antichresis rights on real estate in accordance with the provisions of the regulation, in addition to the property established by Item 1, Section 1, of this Law,.

Regulation and Management

Section 3: Mutual Funds shall be managed and controlled by a corporation empowered for such purposes, which shall act under the name of managing corporation, or by a financial institution authorized by the financial institutions law to act as manager of the securities portfolio. The Fund managing corporation shall:

- a) Jointly represent the joint owners with regard to their interest and before third parties, in agreement with the agreed contract regulations.
- b) Have an equity capital of fifty thousand pesos (\$ 50,000) in order to carry out its business. This equity capital shall never be lower than the equivalent to fifty thousand American dollars (US\$ 50,000).

Mutual Funds managing corporations shall not have, by no means, the same offices as the Depositary corporation, these offices shall be fully independent.

Section 4: The managing corporation and the Depositary, their directors, managers, and members of their supervisory organisms are jointly and unlimitedly liable with regard to any damage sustained by the shareholders due to any breach to the prevailing legal regulations and to the Rules of Procedure.

The directors, managers, agents and members of the managing corporation are hereby forbidden to act in any capacity in the supervisory organisms or management boards of the Depositary. The directors, managers, employees and members of the supervisory organisms of managing corporations and Depositaries, as well as majority shareholders of the managing corporations and of Depositaries, and their directors, managers, employees and members of the supervisory organisms, shall have the duty to comply with the disclosure requirements to be established on the matter by the supervisory organism , and shall also abide by the limits to be established by the supervisory organism regarding the operations they may directly or indirectly perform with assets equal to those making up the Mutual Fund assets, or those operations made with the Mutual Fund or the shares thereof.

Section 5: The managing corporation may manage several Mutual Funds and, in such event, it shall:

- a) Adopt measures leading to the total independence thereof, which shall be stated in the issuing prospectus.
- b) Increase the minimum net worth by twenty-five percent (25%) for each additional managed Fund.

Section 6: The management of the Fund assets shall conform to the investment objectives specified in the "Management Rules of Procedure" and shall be detailed in the relevant issuing prospectus. If Fund assets are bearer securities (including rights and duties deriving from futures and options), they shall be publicly offered in the country or abroad, and at least seventy-five percent (75%) must be invested in assets issued and traded within the Argentine Republic.

Section 7: The management of the Fund assets shall not:

- a) Have more than five percent (5%) of the voting rights of one same issuer, regardless of its shareholding.
- b) Invest in bearer securities issued by the managing corporation or by the Depositary, or in shares from other Mutual Funds.
- c) Purchase securities issued by an institution controlling the managing corporation or the Depositary, in an amount exceeding two percent (2%) of the equity or the liabilities of the controlling institution, as applicable, according to the last general annual or quarterly balance sheet. Any share purchased in the manner stated above shall not be entitled to vote as long as it remains the property of the Fund.
- d) Establish a portfolio with shares, simple or convertible debentures, or simple or convertible bonds representing more than ten percent (10%) of the total liabilities of a same issuer according to the last reported balance sheet or quarterly statement thereof.
- e) Invest more than thirty percent (30%) of the Mutual Fund assets in a single Government bond issued under similar issue conditions.

Section 8: Except for the voting right, restrictions provided under the above sections may be temporarily excepted for the exercise of underwriting or conversion rights, or for collection of share dividends. Said restrictions shall be reestablished within a six (6)-month period as from the date the exception was incurred into.

Section 9: The following individual shall not be entitled to act as members of the board of directors of the Fund supervisory organisms: any individual legally deprived of his civil rights; any bankrupt or insolvent individual who has not been rehabilitated; any minor or disabled individual; any convicted individual who, as accessory punishment, is ineligible for public office; any individual convicted on defamation; and any wrongdoer as defined in Section 35 of this Law.

Trusteeship

Section 10: The trustee or trustees of the managing corporation, one of which must be a certified public accountant, shall:

- a) Certify the income statement and the financial statements of the Fund relevant to the periods of time established by the "Management Rules of Procedure".
- b) Periodically supervise the portfolio status.
- c) Report to the supervisory organism any irregularity committed by the managing corporation and by the Depositary.

These duties are established without prejudice of any further responsibilities that the Business Associations Law may grant to auditors.

Section 11: The "Management Rules of Procedure" shall be executed by the managing corporation and the Depositary through a notarized document or private instrument, and the signatures therein shall be certified by notary public or the supervisory organism prior to the Mutual Fund's operation, and shall establish the contractual guidelines ruling the relationships between the above-mentioned corporations and any joint owner. Said rules of procedure, as well as any amendment thereof, shall be effective after their approval by the supervisory organism set forth in Section 32 of this Law, which shall render its opinion within a thirty (30)-day period after its submission for approval. If the supervisory organism does not to render an opinion within the previously specified time period, the "Management Rules of Procedure", or any amendment thereof, shall be considered as approved, and it shall be published for two (2) days in the Official Gazette and in a major newspaper in the jurisdiction of the managing corporation and the Depositary, before its registration with the Commercial Registry. Any amendment may be exercised against third parties within five (5) days following its registration with the Commercial Registry.

Section 12: By law, any underwriting of shares issued by any of the Fund's organisms implies acceptance of the "Management Rules of Procedure", a copy of

which shall be forwarded to the underwriter, and evidence thereof shall be stated in the vouchers or receipts thereof.

Section 13: The "Management Rules of Procedure" shall specify:

- a) Plans adopted to invest the Fund's assets, indicating objectives pursued, investment limits by kind of asset and, if any credit is involved, nature thereof and existence or not of coverage against default.
- b) Rules and time periods for underwriting collection, share redemption, and procedures for the relevant estimations.
- c) Limits to administrative expenses and commissions and fees to be collected, in each instance, by the managing corporation and the Depositary. A yearly maximum percentage shall be established and a twelfth part of it shall be applied on the Fund's capital at the end of each month. Expenses, commissions, fees, and any other cost charged to the Fund shall not exceed the above-mentioned limit, only excluding tariffs, taxes and duties corresponding to the negotiation of the Fund assets.
- d) Terms to exercise the right to vote corresponding to shares making up the Fund assets.
- e) Procedures to amend the "Management Rules of Procedure" by both bodies of the Fund.
- f) Duration of the Fund's joint ownership status, or evidence of having an unspecified time limit.
- g) Fund liquidation reasons and rules, grounds for the equity distribution among joint owners and disclosure requirements thereof.
- h) Distribution scheme of benefits obtained from the Fund's exploitation among joint owners, if so established by the particular objectives and the investment policy.
- i) Arrangements to be made in the event the managing corporation or Depositary is unable to continue performing the duties provided by this Law or those established by the "Management Rules of Procedure".
- j) Specification of maximum amounts to be charged in terms of underwriting and redemption expenses.

Deposits – Assets – Joint Ownership

Section 14: The assets making up a Mutual Fund, or their relevant certificates, shall be placed under the custody of one or more authorized financial institutions, or corporation domiciled in the country, which shall act under the name of

“Depositary”. The financial institution managing Mutual Funds shall not be entitled to act as Depositary of the assets making up the Mutual Funds under its management.

Companies acting in such capacity shall be legally incorporated with a minimum net worth of one hundred thousand pesos (\$ 100,000), which must be updated to the equivalent of one hundred thousand US dollars (US\$ 100,000), and their sole objective shall be to act as Mutual Fund depositaries.

The Depositary shall have the duty to:

a) Collect the underwriting value, pay the requested redemptions according to the provisions of this law and of the Management Rules of Procedure.

b) Supervise compliance by the managing corporation of any provision related to the purchase and trade of Fund’s assets, as established by the Management Rules of Procedure.

c) Safeguard and deposit of values and other instruments of investment, pay and collect the accrued benefits, as well as the produce of the purchase and sale of securities, and any other operation specific of these activities. Values may be deposited in a savings account bank incorporated under Law 20,643.

d) Keep records of book-entry shares or registered stock, and issue those certificates requested by shareholders.

e) For Real Estate Mutual Funds:

I – Act as trustee, under the provisions of Section 2662 of the Civil Code, regarding real estate, antichresis rights and mortgage loans, for the benefit of shareholders and as instructed by the managing corporation. The latter must expressly consent to any purchase or sale of the above-mentioned assets.

II – Administer all the necessary acts that may be necessary for the preservation, sale, mortgage or creation of any other real property right, rental or leasing of real estate as stipulated by the managing corporation. The Management Rules of Procedure may directly assign said duties to the managing corporation, without the need of executing any additional instrument.

III – Preserve all the other assets that make up the Mutual Fund.

IV – Keep its own records, or keep records through a Depositary created according to Law 20,643, of book-entry shares or registered stock, and to issue the certificates requested by shareholders.

Section 15: The joint ownership of Mutual funds assets does not terminate at the request of one or several joint owners, their successors, beneficiaries, or creditors, who shall not be entitled to request the dissolution thereof during the enforcement

term set forth in the "Management Rules of Procedure" or, in the absence thereof, during the enforcement of the Mutual Fund investment plan.

Section 16: Dissociation of joint owners of a jointly owned Mutual Fund shall only take place through the redemption of shares set forth in the Management Rules of Procedure and by this Law.

Section 17: Any not invested cash of the Fund shall be deposited in financial institutions authorized by the Central Bank of the Argentine Republic and, in the event of deposits or other transactions in foreign currency necessary for the Mutual Funds' operations in foreign markets, the same shall be deposited in those international financial institutions that meet the requirements set forth by the regulation.

Certificates

Section 18: The shares issued by the Mutual Fund shall be represented by bearer or holder joint ownership certificates, evidencing the rights of the joint owner, and bearing the signatures of all the representatives of both fund bodies. Signatures may be stamped through mechanical means. Book-entry shares may be issued, and the Depositary shall be in charge of the registration of shareholders. One same certificate may represent one or more shares. Shares shall be issued upon entire payment of the underwriting price and no partial payment shall be allowed. Closed-end mutual funds shall be entitled to issue global certificates to be deposited in collective deposit systems.

Section 19: In the event of theft, loss or destruction of one or more certificates, the procedures set forth by the Management Rules of Procedure or, otherwise, by the Commercial Code shall apply.

Underwriting and Redemption

Section 20: Any underwriting and redemption shall be performed by estimating the fund's equity, through the weighted average closing price at the day of call. If any underwriting or redemption is requested on a day when fund assets are not traded, the price shall be established according to the equity value, estimated with the average weighted closing price of the day in which trading is resumed. Prices may vary according to the provisions of Paragraph j), Section 13, of this Law.

Whenever bearer securities and rights or obligations arising from futures and options are listed, the weighted average price of the day or, otherwise, that of the last listed day having the largest traded volume in kind, shall be taken into account.

Section 21: The issuance of shares may be continuously increased, according to the underwriting thereof, or decreased, due to the relevant redemptions.

This provision shall not apply when the mutual fund has a maximum number of shares which, once placed, shall not be redeemed until the fund's dissolution or until the expiration of the investment plan set forth in the management rules of procedure. Shares corresponding to this fund type are likely to be authorized for public offering according to Law 17,811.

The "Management Rules of Procedure" may establish that at least one (1) year before the expiration of the term for which the Fund was created, a meeting of shareholders shall determine the extension thereof. Any shareholder disagreeing with the decision adopted by the meeting may request the redemption of his/her shares, the quota value of which shall be reimbursed within a maximum one-year (1) term.

The provisions of Law 19.500 of Business Associations related to special meetings shall apply to the meeting of shareholders.

Section 22: Shareholders shall be entitled to request the redemption, at any time. The same shall be compulsorily performed by the mutual fund bodies within three (3) business days after the request has been filed, by returning the relevant certificates. The "Management Rules of Procedure" may establish a specific term to request the relevant redemptions or may set forth longer periods of time.

Section 23: The duty to verify the requested redemption is suspended in those events set forth by Section 2715, in fine, of the Civil Code. Should more than three (3) days elapse, it shall result from a decision of the organism referred to by Section 32 of this Law.

Section 24: Share underwriters shall be entitled to collect mutual fund dividends if so established by the management rules of procedure, and to the redemption established by this Law, but by no means they shall be entitled to demand reimbursement in kind, even when such reimbursement is made while the fund is operating or upon its liquidation.

Taxes

Section 25: Taxes levied on Mutual Funds subject to the provisions of this Law and on their investments shall be determined by the relevant tax law, and no differences shall be made regarding the general treatment of such operations or investments.

Mutual Fund shares and stock dividend shall be subject to the following taxes:

Financial profits that may be involved in the issuing, underwriting, placement, transfer and earnings thereof are hereby exempted from the value added tax.

Profits derived from the purchase and sale, exchange, barter, conversion and allocation thereof are hereby exempted from the income tax, except for those individuals included in Title VI of the Income Tax Law (Consolidated text, 1986, as amended).

In the event of foreign beneficiaries included in Title V of the mentioned Law, the provisions of Section 21 and Section 104 of Law 11.683 (Consolidated text, 1978, as amended) shall not apply.

The tax treatment established by the previous clause shall apply whenever the securities referred to are placed for public offering.

Likewise, within the purview of the value added tax, the addition of credits to a Mutual Fund shall not constitute a taxable financial service or placement. Whenever the incorporated credit includes a financing interest, the transferor shall remain the tax payer of the services corresponding to such financing, unless the payment were to be made to the transferee or to the person appointed by the transferee, in which case the recipient shall be the tax payer.

Earnings

Section 26: The profits accrued during the mutual fund operation may be distributed among joint owners in the manner and proportion set forth in the management rules of procedure.

Disclosure

Section 27: The disclosure of the following topics shall be binding:

a) On a daily basis: the value and total number of issued shares, net underwriting and redemption at the closing of the daily operations.

b) On a monthly basis: the integration of the investment portfolio. Without prejudice thereof, fund boards shall display in their public offices a weekly abstract of the portfolio integration.

c) On a quarterly basis: the income statement.

d) Annually: the balance sheet and income statement in constant value currency, and the detail of the assets making up the fund.

Section 28: The disclosure provided in the previous section shall be publicized, at the choice of the managing corporation, in the official bulletin of the stock exchange or securities market, or in a major newspaper distributed in the area where the Mutual Fund main offices are located.

Section 29: The disclosure and notices by mutual funds for advertising purposes may not contain misleading statements or promises and, by no means, shall ensure or guarantee the results of the investment.

Rescission

Section 30: The bodies of mutual funds and the managing corporation or the Depository, may repeal, entirely or partially, the "Management Rules of Procedure" through a notice served with the anticipation specified therein for such purposes.

Section 31: A rescission may be avoided by the execution of a new agreement substituting the one repealed. Any amendment or change made to the "Management Rules of Procedure" shall be notarized and recorded following the same formalities as those established for the execution thereof.

Regulation

Section 32: The National Securities Commission is in charge of the supervision and registration of the mutual fund managing corporation and of the Depository, in accordance with the provisions of this law, its regulations and the rules to be enforced accordingly by the mentioned supervisory organism.

Section 33: Final decisions of the National Securities Commission causing irreparable injury may be appealed within a period of fifteen (15) business days following notice thereof, to the Federal Court of Appeals having jurisdiction. In the Federal Capital City, the National Commercial Court of Appeal shall hear the case. The written appeal shall be submitted with the National Securities Commission

which, within a period of five (5) days following submission, shall file it with the Court together with the relevant administrative proceedings. The appeal is deemed granted with a non-staying effect (with no stay of decision) and the Appellate Court, except for the clarification measures, shall decide on said issue without any further proceeding.

Section 34: As regards their legal standing, without prejudice of the specific supervisory powers assigned by this Law to the National Securities Commission, the managing corporation and the Depository shall be subject to the authority of the competent national and provincial organisms.

Penalties

Section 35: Any breach to the provisions of this Law, as well as to any rule to be adopted by the regulatory agency, shall be liable to the following penalties:

a) Warning.

b) Fine, for an amount resulting from the application of Law 23,513. Fines shall also be jointly applied to jointly liable directors, trustees, advisors and managers. They shall be disqualified, for a specific or unspecified period of time, from the office in the administration or supervisory organisms of the institutions included under this Law and Law 17,811.

c) Temporary disqualification. During the term of such disqualification, only ordinary administrative actions may be implemented and acknowledgments of share redemption requests may be received concerning the fund. Therefore, portfolio assets needed for these purposes may be sold, always under the supervision of the NATIONAL SECURITIES COMMISSION.

d) Final disqualification as managing corporation or Depository of the mutual funds. The National Securities Commission shall apply these penalties, after the enforcement of the preliminary investigation system established in Sections 12 and 13 of Law 17,811. The supervisory organism may renew the temporary disqualification through subsequent resolutions.

Section 36: the Supervisory organism shall initiate summary proceedings pursuant to law or upon request by the institutions or parties proving a legitimate interest.

Section 37: Only resolutions enforcing warnings allow for an appeal to the National Securities Commission requesting the reversal of its decision. This appeal shall be filed as a well-founded request within a period of ten (10) days following notice,

and shall be solved without further requirements within a period of fifteen (15) days following filing. The decision shall be deemed final.

Repeals – Term

Section 38: Law 15,885 and any other legal provision contrary to this law are hereby repealed. A term of one hundred and eighty (180) days is granted for the existing Mutual Funds to adjust to the rules of this law.

Section 39: The National Executive shall regulate this Law within thirty (30) days after enactment.

Section 40: Be noticed to the National Executive. ALBERTO PIERRI – EDUARDO MENEM – Juan Estrada – Edgardo Pluzzi

PASSED AT THE HOUSE OF THE NATIONAL CONGRESS, IN BUENOS AIRES, ON THIS TWENTIETH DAY OF THE MONTH OF MAY OF THE YEAR ONE THOUSAND, NINE HUNDRED AND NINETY-TWO.

